



planning, monitoring
& evaluation

Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA



BI-ANNUAL PROGRESS REPORT ON THE MTSF

APRIL TO SEPTEMBER 2020

LET'S GROW SOUTH AFRICA TOGETHER

TABLE OF CONTENTS

| | |
|--|-----------|
| INTRODUCTION..... | 1 |
| 1. PRIORITY 1 - BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE..... | 4 |
| 1.1. STRATEGIC INTENT | 4 |
| 1.2. PRIORITIES OF THE MTSF 2019-2024..... | 4 |
| 1.3. OVERVIEW OF MAIN ACHIEVEMENTS | 5 |
| 1.4. OVERVIEW OF MAIN CHALLENGES..... | 9 |
| 1.5. DISCUSSIONS | 10 |
| 1.6. RECOMMENDATIONS | 10 |
| 2. PRIORITY 2 - ECONOMIC TRANSFORMATION AND JOB CREATION | 11 |
| 2.1. STRATEGIC INTENT | 11 |
| 2.2. PRIORITY 2: IMPACTS..... | 12 |
| 2.3. OVERVIEW OF MAIN ACHIEVEMENTS | 13 |
| 2.4. OVERVIEW OF MAIN CHALLENGES..... | 15 |
| 2.5. DISCUSSION | 16 |
| 2.6. ASSESSMENT OF PROGRESS ON MAJOR INTERVENTIONS..... | 22 |
| 2.7. MAJOR CHALLENGES AND BLOCKAGES AFFECTING IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF, INCLUDING THE IMPACT OF COVID-19 ON THE PLANNED INTERVENTIONS BY THE SECTOR..... | 35 |
| 2.8. CROSS-CUTTING ISSUES THAT HAVE A CONTRIBUTION TO MAJOR CHALLENGES AND BLOCKAGES AFFECTING THE SECTOR'S IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF. | 36 |
| 2.9. ACTIONS NEEDED TO ADDRESS MAJOR CONSTRAINTS AND CHALLENGES TO ACHIEVE THE MTSF TARGETS..... | 37 |
| 2.10. IMPLICATION OF THIS TO THE REVIEW OF THE MTSF AND OPTIMIZING HOW GOVERNMENT OPERATES | 39 |
| 2.11. RECOMMENDATIONS | 39 |
| 3. PRIORITY 3 - EDUCATION, SKILLS AND HEALTH..... | 41 |
| 3.1. PURPOSE OF THE REPORT | 41 |
| 3.2. STRATEGIC INTENT | 41 |
| 3.3. BASIC EDUCATION COMPONENT | 42 |
| 3.3.1. Impacts planned to achieve in the Basic Education sector | 42 |
| 3.3.2 Overview of main achievements in Basic Education sector..... | 42 |
| 3.3.3 Positive or negative changes to the key high-level indicators Basic Education.. | 44 |
| 3.3.4 Highlights of achievements in mitigating the impact of COVID-19 | 45 |

| | | |
|--------|--|-----------|
| 3.3.5 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF | 46 |
| 3.3.6 | COVID-19 related challenges | 47 |
| 3.3.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 49 |
| 3.3.8 | Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets (in the presence of COVID-19 | 51 |
| 3.3.9 | Innovation..... | 51 |
| 3.3.10 | Implication of this to the review of the MTSF and optimizing how government operates..... | 52 |
| 3.3.11 | Recommendations..... | 53 |
| 3.4. | POST-SCHOOL EDUCATION COMPONENT | 53 |
| 3.4.1 | Impacts planned to achieve in the Post-school education sector..... | 53 |
| 3.4.2 | Overview of main achievements in the PSET sectors..... | 54 |
| 3.4.3 | Positive or negative changes to the key high-level indicators - PSET | 54 |
| 3.4.4 | Highlights of achievements in mitigating the impact of COVID-19 | 59 |
| 3.4.5 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF | 60 |
| 3.4.6 | The Budget Reprioritisation..... | 64 |
| 3.4.7 | Crosscutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 65 |
| 3.4.8 | Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets in the presence of COVID-19)..... | 65 |
| 3.4.9 | Implication of this to the review of the MTSF and optimizing how government operates..... | 67 |
| 3.4.10 | Recommendations..... | 68 |
| 3.5. | THE HEALTH SECTOR | 69 |
| 3.5.1 | Strategic Intent | 69 |
| 3.5.2 | Health Priorities of the MTSF 2019-2024 | 69 |
| 3.5.3. | Overview of Main Achievements..... | 69 |
| 3.5.4 | Overview of main challenges | 70 |
| 3.5.5. | Highlights of progress on Key High-Level Indicators | 72 |
| 3.5.6 | Assessment of progress on major interventions..... | 73 |
| 3.5.7 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF, including the impact of the Covid-19 pandemic..... | 79 |
| 3.5.8 | Other (non-Covid-19) challenges affecting the health sector | 81 |
| 3.5.9 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 81 |
| 3.5.10 | Actions needed to address major constraints and challenges in the health sector | 82 |

| | | |
|--------|--|------------|
| 3.5.11 | Implications of this to the review of the MTSF and optimizing how government operates | 83 |
| 3.5.12 | Recovery Plans of the Health Sector | 83 |
| 3.5.13 | Recommendations for the Health Sector | 84 |
| 3.5.14 | CONCLUSION | 85 |
| 4. | PRIORITY 4 - CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES | 86 |
| 4.1. | PURPOSE OF THE REPORT | 86 |
| 4.2. | STRATEGIC INTENT | 86 |
| 4.3. | SUMMARY OF IMPACT INDICATORS | 87 |
| 4.4. | IMPACTS WE WERE SEEKING TO ACHIEVE IN THE COMPONENT (SOCIAL PROTECTION) | 89 |
| 4.5. | OVERVIEW OF MAIN ACHIEVEMENTS | 89 |
| 4.6. | OVERVIEW OF THE MAIN CHALLENGES | 90 |
| 4.7. | DISCUSSION | 91 |
| 4.8. | RECOMMENDATIONS | 99 |
| 5. | PRIORITY 5 - SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT | 100 |
| 5.1 | STRATEGIC INTENT | 100 |
| 5.2 | PRIORITY COMPONENT: SPATIAL INTEGRATION | 101 |
| 5.2.1 | Impacts we are trying to achieve | 101 |
| 5.2.2 | Overview of main achievements | 101 |
| 5.2.3 | Overview of the main challenges | 102 |
| 5.2.4 | Progress on key high-level indicators | 102 |
| 5.2.5 | Assessment of progress on major interventions | 102 |
| 5.2.6 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF | 103 |
| 5.2.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting implementation of the interventions identified in the MTSF | 103 |
| 5.2.8 | Actions needed to address major constraints and challenges | 103 |
| 5.2.9 | Implication of this to the review of the MTSF and optimizing how government operates | 103 |
| 5.3 | Priority Component: Environmental management and climate change | 104 |
| 5.3.1 | Impacts we are trying to achieve | 104 |
| 5.3.2 | Overview of main achievements | 104 |
| 5.3.3 | Overview of the main challenges | 105 |
| 5.3.4 | Progress on key high-level indicators | 106 |
| 5.3.5 | Assessment of progress on major interventions | 107 |

| | | |
|-------|--|------------|
| 5.3.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 108 |
| 5.3.8 | Actions needed to address major constraints and challenges | 108 |
| 5.3.9 | Implication of this to the review of the MTSF and optimizing how government operates..... | 108 |
| 5.4 | Priority Component: Rural Economy..... | 108 |
| 5.4.1 | Impacts we are trying to achieve | 108 |
| 5.4.2 | Overview of main achievements..... | 109 |
| 5.4.3 | Overview of the main challenges..... | 109 |
| 5.4.4 | Progress on key high-level indicators..... | 109 |
| 5.4.5 | Assessment of progress on major interventions | 110 |
| 5.4.6 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF..... | 110 |
| 5.4.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 110 |
| 5.4.8 | Actions needed to address major constraints and challenges | 110 |
| 5.4.9 | Implication of this to the review of the MTSF and optimizing how government operates..... | 110 |
| 5.5 | Priority Component: Human Settlements..... | 110 |
| 5.5.1 | Impacts we are trying to achieve | 111 |
| 5.5.2 | Overview of main achievements..... | 111 |
| 5.5.3 | Overview of the main challenges..... | 112 |
| 5.5.4 | Progress on key high-level indicators..... | 112 |
| 5.5.5 | Assessment of progress on major interventions | 115 |
| 5.5.6 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF..... | 116 |
| 5.5.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 117 |
| 5.5.8 | Actions needed to address major constraints and challenges | 117 |
| 5.5.9 | Implication of this to the review of the MTSF and optimizing how government operates..... | 118 |
| 5.6 | Priority Component: Basic Services | 118 |
| 5.6.1 | Impacts we are trying to achieve | 118 |
| 5.6.2 | Overview of main achievements..... | 118 |
| 5.6.3 | Overview of the main challenges..... | 119 |
| 5.6.4 | Progress on key high-level indicators..... | 119 |
| 5.6.5 | Assessment of progress on major interventions | 124 |
| 5.6.6 | Major challenges and blockages affecting implementation of the interventions identified in the MTSF..... | 126 |

| | | |
|-------|--|------------|
| 5.6.7 | Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector’s implementation of the interventions identified in the MTSF..... | 127 |
| 5.6.8 | Actions needed to address major constraints and challenges | 127 |
| 5.6.9 | Implication of this to the review of the MTSF and optimizing how government operates..... | 128 |
| 6. | PRIORITY 6 - SOCIAL COHESION AND SAFER COMMUNITY | 129 |
| 6.1. | STRATEGIC INTENT | 129 |
| 6.2. | PRIORITY COMPONENTS | 129 |
| 6.3. | OVERVIEW OF MAIN ACHIEVEMENTS | 131 |
| 6.4. | OVERVIEW OF MAIN CHALLENGES..... | 133 |
| 6.5. | DISCUSSION | 135 |
| 6.6. | MAJOR CHALLENGES AND BLOCKAGES AFFECTING IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF. INCLUDE THE IMPACT OF COVID-19 ON THE PLANNED INTERVENTIONS BY THE SECTOR..... | 148 |
| 6.7. | CROSS-CUTTING ISSUES THAT HAVE A CONTRIBUTION TO MAJOR CHALLENGES AND BLOCKAGES AFFECTING THE SECTOR’S IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF. .. | 149 |
| 6.8. | ACTIONS NEEDED TO ADDRESS MAJOR CONSTRAINTS AND CHALLENGES [INNOVATIVE ACTION TO ACHIEVE THE MTSF TARGETS (IN THE PRESENCE OF COVID-19)]...... | 150 |
| 6.9. | IMPLICATION OF THIS TO THE REVIEW OF THE MTSF AND OPTIMIZING HOW GOVERNMENT OPERATES | 151 |
| 6.10. | RECOMMENDATIONS | 152 |
| 7. | PRIORITY 7: A BETTER AFRICA AND WORLD | 153 |
| 7.1. | STRATEGIC INTENT OF THE PRIORITY –FOREGROUNDING THE PRIORITY..... | 153 |
| 7.2. | PRIORITY COMPONENTS: IMPACTS WE WERE SEEKING TO ACHIEVE.... | 153 |
| 7.3. | OVERVIEW OF MAIN ACHIEVEMENTS | 153 |
| 7.4. | OVERVIEW OF THE MAIN CHALLENGES..... | 154 |
| 7.5. | DISCUSSION (MAIN REPORT) | 155 |
| 7.6. | RECOMMENDATIONS | 159 |

INTRODUCTION

The National Development Plan (NDP) remains country's blueprint to unite all South Africans to address the triple challenges of unemployment, inequality and poverty. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. Informed of the electoral mandate from the 2019 general elections, the Sixth Administration of democratic South Africa reaffirmed its commitment to tackling the triple challenge through higher rates of economic growth, the creation of more jobs and the provision of better services to the people of South Africa. In the words of the President, "*we have embarked on a transformative development path. As we undertake this journey, entrenching participatory democracy and ensuring that our people are centrally involved in the future we build together is critically important*". The journey demands focused implementation and targeted progress. In his State of the Nation Address in June 2019 the President announced the 7 apex priorities that will fast track South Africa's path to prosperity, namely:

Priority 1: Building a capable, ethical and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, skills and health

Priority 4: Consolidating the social wage through reliable and quality basic services

Priority 5: Spatial integration, human settlements and local government

Priority 6: Social cohesion and safe communities

Priority 7: A better Africa and World

In October 2019, Cabinet approved the 2019-2024 Medium-Term Strategic Framework (MTSF), which is the government's five-year programme for the implementation of the NDP 2030 and of the electoral mandate for each administration. The MTSF is anchored on the 7 priorities adopted by government for the sixth administration.

Priority 1 underpins all seven priorities of the MTSF, and advance the vision of strong leadership, a focus on people and improved implementation capability, which has recently been demonstrated during government's response to COVID-19. As part of its strategic intent, Priority 1 is concerned with facilitating the vision of strong leadership into action which will involve a transition to a more functional and integrated government, that is capacitated with professional, responsive, and meritocratic public servants to strengthen relations and efficiency. Intergovernmental and citizen engagements are also key enablers to this priority to ensure the joint pursuit of a capable state. The District Development Model (DDM) is central to the delivery of the government priorities, and this priority commits to the clarification of DDM institutional arrangements and related monitoring and evaluation systems. The impact it seeks to achieve is to deliver public value and trust as well as an active citizenry and partnerships in society.

The resolution of the triple developmental challenge in South Africa will require faster inclusive and inclusive economic growth. Hence Priority 2 seeks to achieve sustainable long-term growth to reduce unemployment, through both broad structural reforms as well as targeted interventions. This is possible through the acceleration of through transformative innovation, 4IR, supporting small businesses, infrastructure development, overcoming existing challenges with SOEs and ensuring a supportive macroeconomic environment for investment. This is expected to bolster industrialisation, localisation and increased exports, thus enabling government to achieve the target of creating at least 2 million jobs and grow the economy by at least 2-3% in the medium-term broadening opportunities and employment for women, the youth and people with disabilities through dedicated economic inclusion, education and skills development initiatives is one of the cornerstones of this priority.

The strategic intent of Priority 3 is to develop the human capital of South Africa by investing in education, training and health of its citizens. Government investment in developing the capabilities of South Africans extends from early childhood development (ECD) through to skills development and quality health. Investments in human capability covers the life cycles of South Africans as building the capabilities of South Africans, developing their social assets, and ultimately addressing the triple challenge of poverty, inequality and unemployment.

To build effective capabilities, access to quality ECD is needed for all children, especially those in vulnerable groups. Access to quality ECD needs to be supplemented with quality schooling that leads to effective post-school education and training (PSET). To develop skilled individuals, the country must address structural barriers in tertiary institutions, while making dedicated investments to ensure labour activation. These need to happen in tandem with skills review processes to ensure appropriate improvements in learning and skills levels.

At the same time, South Africans also depend on improvements to the health sector to strengthen its management, financing and delivery. Health is a key human capability, which affects the quality of life and productive capacity of South Africans. It is therefore a socioeconomic right of South Africans and impacts on our development and growth prospects¹.

The NDP espouses a vision of health system that works for everyone and produces positive health outcomes, and is accessible to all. The Plan asserts that by 2030, South Africans should have first and foremost a raised the life expectancy to at least 70 years; a generation of under-20s that is largely free of HIV, and achieve a significant shift in equity, efficiency and quality of health service provision, amongst other things. The overarching outcome that the country seeks to achieve is *A Long and Healthy Life for All South Africans*.

It is common cause that South Africa is a highly unequal society, characterised high levels of unemployment, poverty and hunger. Priority 4, consolidating the social wage through reliable and quality basic services, supports the NDP's positioning of social protection as a critical part of public policy providing support that reduces vulnerability, alleviates and ultimately prevents poverty, and empowers individuals, families and communities through a range of social development. This is given effect to through the formation of a social protection floor and a comprehensive, inclusive and responsive social protection system ensures the resilience of citizens and protects them from the ravages of extreme poverty. Priority interventions in the current term therefore is about addressing social grants exclusion errors; increasing the UIF coverage; supporting child headed families through social security; and finalising a comprehensive policy on social security that will include low-paid workers and informal traders, as well as pregnancy and maternity benefit schemes.

While the country has made some major gains with regards to the provision of shelter and basic services such as electricity, water and sanitation, challenges remain. Further, majority of people based in the rural areas remain excluded from the mainstream economy. In this regard Priority 5, seeks to address the country's spatial planning systems which remain fragmented and disjointed, environmental management and climate change, and revitalise rural economy through agrarian reform. Another area of concern that require intervention is the form and location of land developments, where human settlement projects and informal settlement upgrades rarely respond directly to government's intent of spatial integration and spatial justice.

The Constitution and the NDP envisions a socially cohesive and safe South Africa and this will require a series of intersecting interventions through which an inclusive and united nation can be achieved, through the National Strategy for Developing an Inclusive and Cohesive South African Society. The

¹ DPME (2020): Medium-Term Strategic Framework (MTSF) 2019-2024

strategy is anchored on a vision of a diverse, socially cohesive and inclusive society with a common national identity, safe and free from crime and the social divisions of class, religion, sex, culture, gender, race, ethnicity and other social constructs. This is what Priority 6 champions for. To achieve this vision, a democratic culture of participation and equality must be instilled with dedicated interventions to address actions that undermines these values. Social cohesion and safer communities require strengthening criminal justice platforms, police services and community participation in public policing; reducing corruption and organised crime; defending and securing cyberspace and rehabilitation of offenders.

Policy uncertainty in the area international relations is affecting the country's ability to be influential, and to implement foreign policies and agreements in order to deepen integration and cooperation, particularly in the region and on the continent. The lack of a clear articulation of the country's national interest and its stance on economic diplomacy contributes to uncertainty, affecting investor confidence and accelerating the pace of inward direct investment. The nature of international agreements, both political and economic, are complex and require countries to clearly articulate their foreign policy objectives and identify and forge relationships that will have positive geo-political and socio-economic impacts, including in the area of tourism. Priority 7 interventions, which is concerned with building a better Africa and World, give impetus to South Africa's foreign policy aspirations.

The breakout of COVID-19 happened at a time when government was gearing itself to implement the MTSF in the first quarter of 2020/21 financial year. The progress reflected in the different priorities represent no more than 3 months of the 5 year's government developmental agenda. However, some of the interventions were carried over from the 2014-2019 MTSF, hence the report covers the period January to June 2020. In its entirety, the report present government progress through looking at the following:

- a. Progress in the implementation of the MTSF noting the challenges COVID-19 poses on implementation
- b. The progress report highlights the achievements, challenges, gaps and issues in meeting said outcomes (the likelihood of achieving the MTSF 2019-2024 targets towards the realization of NDP 2030 targets)
- c. Implications of this to the review of the MTSF and optimizing how government operates going forward.

1. PRIORITY 1 - BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE.

1.1. STRATEGIC INTENT

The sixth administration has put as its first priority to build a 'capable, ethical and developmental state'. The impact that this priority seeks to achieve is to deliver public value and build trust between the state and citizenry. It also aims to promote active citizenry and partnerships in society. Aligned to NDP Chapters 13 (Capable and Developmental State) and 14 (Fighting Corruption), this priority it contains a set of limited interventions as an enabler for socio-economic development.

In the MTSF, conceptual clarity is put upfront in terms of defining the three core pillars of this priority, namely:

- A capable state has the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the NDP through a social contract with the people.
- An ethical state is driven by the constitutional values and principles of public administration and the rule of law, focused on the progressive realisation of socio-economic rights and social justice as outlined in the Bill of Rights.
- A developmental state aims to meet people's needs through interventionist, developmental, participatory public administration. Building an autonomous developmental state driven by the public interest and not individual or sectional interests; embedded in South African society leading an active citizenry through partnerships with all sectors of society.

Whilst these three elements could be delineated in conceptual terms, in practice we are not mutually exclusive since they are referring to the same state. Such a state is required to demonstrate capabilities that enable the rest of government to implement ethically-oriented values and principles of the Constitution through robust social and economic development programmes that have transformative impact on society. This includes multi-stakeholder partnerships within South Africa and with the rest of the world in terms of using MTSF to implement development strategies such as the Africa Agenda 2063 and Sustainable Development Goals, which are already aligned our NDP Vision 2030.

1.2. PRIORITIES OF THE MTSF 2019-2024

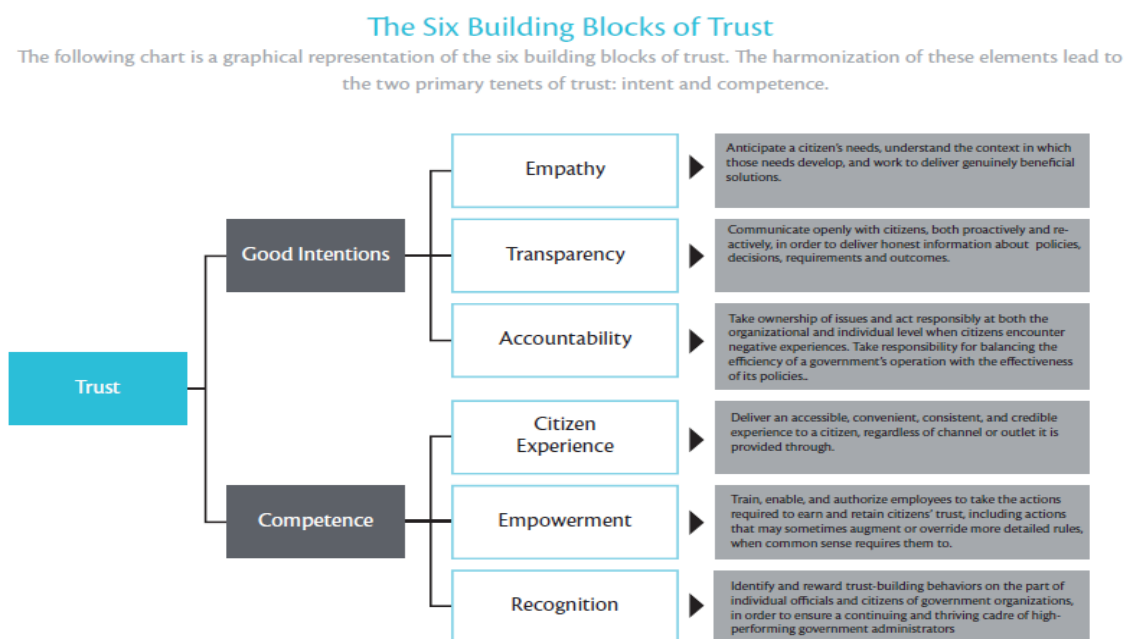
Over the next five years, government will continue to transform the public sector and strengthen its programmes. The two overarching impact statements are: (a) Public value and trust; and (b) Active citizenry and partnerships in society. Whilst South Africa showed a two-%age point increase in terms of the 'trust in government' indicator in the Edelman Trust Barometer (from 17% in 2019 to 19% in 2020), the country remained the lowest performing country on this measure. The 2020 Edelman Trust Barometer noted that countries with high levels of inequality tend to have low levels of trust in institutions both in the public and private sectors and media. South Africa ranks highest in terms of Gini Co-efficient as a measure of income inequality hence this is one of the trio challenges that the NDP puts forwards as the core problem that the country should address.

DPME is conducting a systematic review of research and other information to provide a deep stick understanding of the drivers and key success factors for countries that perform well on the trust indicator. Preliminary analysis, for instance, indicates that the OECD² conducted a review of drivers of trust in government, which found that there are two critical drivers, namely competence and values or intention. Competence is the ability of institutions to do their jobs; intention is the inclination

² Organisation of Economic Cooperation and Development (2017), Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust, OECD Public Governance Reviews, OECD Publishing, Paris. Online, Available here: <http://dx.doi.org/10.1787/9789264268920-en>

of the institution to do what is right. These drivers of trust in Government put focus on the performance of government. While competence is around operational efficiency, capacity and good judgement to actually deliver on a given mandate (doing things right); intention as a driver revolves around principles and values that guide action and behaviour (doing the right thing). The OECD study involved countries like Singapore and United Arab Emirates, which are rated very highly in the Edelman Trust Barometer and other global surveys on trust.

The United Arab Emirates³ adopted the OECD analytical framework in its conceptualisation of trust in the context of leadership dialogues aimed at deepening trust in its public sector bodies, as depicted in the diagram below.



The campaign led by the PSC which promotes values and principles of public administration contained in Chapter 10 of the Constitution, as well as the *Batho Pele* values and principles championed by DPSA, are the step in the right direction towards building values-driven and capable public sector.

1.3. OVERVIEW OF MAIN ACHIEVEMENTS

1.3.1 Outcome 1: Improved leadership, governance and accountability

³ United Arab Emirates (2013) Building Citizen Trust in Public Entities: Strengthening Public Confidence and Driving Efficiency. The Government Summit, Thought Leadership Series: Online, Available here: https://www.worldgovernmentsummit.org/docs/default-source/publication/2013/english/building_citizen_trust_eng.pdf?sfvrsn=a4e13b0a_2

A new National Anti-Corruption Strategy is ready for approval by Cabinet. It was developed through a thoroughly consultative process which involved civil society, academia, business and all clusters of government. The Strategy was presented to the Forum of South African Directors-General (FOSAD) and October 2020 Cabinet Lekgotla as part of the draft Economic Recovery and Reconstruction Plan. The core pillars of the National Anti-Corruption Strategy are:

- a) Promote and encourage active citizenry, whistleblowing, integrity and transparency in all spheres of society;
- b) Advance the professionalization of employees to optimize their contribution to create corruption-free workplaces;
- c) Enhance governance, oversight and consequence management in organizations;
- d) Improve the integrity and credibility of the public procurement system;
- e) Strengthen the resourcing, coordination, performance, transnational cooperation, accountability and independence of dedicated anti-corruption agencies; and
- f) Protect vulnerable sectors that are most prone to corruption and unethical practices with effective risk management.

The national cluster system, Inter-Ministerial Committees (IMCs) and implementation forums were reviewed by March 2020. The cluster system and IMCs were reviewed in 2019/20 and the outstanding work is on the review of the Implementation Forum.

The proposal on the Head of Public Administration was finalised and presented to FOSAD. The implementation of Administrative Head of the Public Service would strengthen meritocratic recruitment and selection process of DGs which would be fair, unbiased and lead to the professionalization of the Public Service.

Intergovernmental Monitoring, Support and Intervention (IMSI) Bill has been developed and it has also been through internal consultation, and is being submitted to DPME for assessment in terms of Socio-Economic Impact Assessment System (SEIAS) as well as the State Law Advisor.


A draft Concept Note Intervention Coordination and Support Programme was produced for development of a programme by national and provincial departments to capacitate and intervene in challenged state institutions

1.3.2 Outcome 2: Functional, efficient and integrated government

The District Development Model (DDM) approach is being implemented and institutional arrangements defined. The model was also used during the implementation of Covid-19 Disaster Management. The District Development Model (DDM) was adopted by Cabinet in August 2019 as an operational model for improving Cooperative Governance aimed at building a capable, ethical developmental State. The DDM embodies an approach by which the three spheres of government and state entities work in unison in an impact-oriented way, and where there is higher performance and accountability for coherent service delivery and development outcomes.

The DDM is championed at the highest level by the President of the Republic of South Africa and the Deputy President and all other political principals are allocated as District Champions. The responsibility to manage the institutionalisation of the model within the cooperative governance system of the country is undertaken by the Minister for Cooperative Governance and Traditional Affairs (CoGTA). In this regard CoGTA is capacitating itself to undertake the task of institutionalising the DDM at both national and provincial programme coordination level, as well as at district and metropolitan levels. The District/Metropolitan Hubs are being set up as extensions of CoGTA to

facilitate technically the DDM model and One Plan. The diagram below demonstrates current actions and future plans on the DDM as per COGTA's reports:

| | Short-Term: 1 Year ESTABLISH & PILOT | Medium-Term: 2-5 Years INSTITUTIONALISE | Long-Term: 5+ years SUSTAIN |
|--|--|---|---|
| Spatial Budgeting  | Principles incorporated into planning, budgeting and reporting cycle. | Principles refined & infused across all depts, entities & municipalities. | Principles applied across all depts, entities & municipalities. |
| One Plans  | One Plans fully developed for three pilots. | One Plans developed for all 52 district/metro spaces. | One Plans implemented, monitored and reviewed. |
| Coordinating Structures  | Functioning hubs and coordinating committees established in three pilots. | Functioning hubs and coordinating committees consolidated in all 52 spaces. | Functioning hubs and coordinating committees sustained in all 52 spaces. |
| Implementation  | Priority IG projects and LG stabilization actions informed by 52 District/Metro Profiles | Priority Interventions sustained. One Plans implemented. LG improved. | Sustainable implementation informed by One plans. Sustainable municipalities. |
| DDM IMS  | IMS core module developed | IMS fully developed & phased implementation across govt | IMS fully functional & used across government |
| Regulatory framework  | IGRF Act regulations drafted & promulgated to give effect to DDM institutionalisation. | Implementation & refinement of regulations to bolster DDM institutionalisation. | Implementation of regulations to deepen institutionalisation. |

DPSA has developed the revised Organisational Functionality Assessment Tool and Guidelines, as well as the Organisational Functionality Assessment (OFA) Tool in April 2020. The OFA is a self-diagnostic measure to conduct a systematic analysis of organisational functionality measured against: capacity to deliver; resource utilisation and deployment; institutional systems, policies and processes.

A concept document on modernisation of business processes was developed in March 2020. A process is underway to develop and institutionalise a programme to strengthen supply chain management and procurement system in the public sector. Out of the 22 380 cases referred, 19 952 (89%) were closed on the Case Management System (CMS) of the National Anti-Corruption Hotline (NACH) during 1 September 2004 to 31 December 2019. While out of 541 cases referred 376 (70%) were closed on the CMS during 1 January 2020 to 30 June 2020.

An audit of departments implementing the National e-Government Strategy was conducted in May 2020. The audit reveals major challenges on ICT which include the lack of connectivity, use of old technology such as copper, slow bandwidth and poor provision of service by service providers.

1.3.3 Outcome 3: Professional, meritocratic and ethical public administration

The Life Style Audit Guideline for the Public Service has been approved. The rationale for Lifestyle Audits is:

- Legitimate fraud prevention and detection mechanism.
- In its simplest form, it is an amalgamation of reports from a variety of databases which provides a snapshot of an employee's life.
- To detect wrongdoing (lifestyle review) or to investigate for possible criminal conduct (lifestyle investigation or audit).

d) Not conclusive on its own.

The responsibility for lifestyle audits in departments are that of the Ethics Officer. This role is to assist the head of a department in implementing ethics risk management. Ethics Committees are to oversee the implementation of lifestyle audits.

Trends show high levels of compliance at senior management levels. Compliance level are not good at non-SMS levels and staff from supply chain management units and finance. It is imperative that Heads of Departments implement disciplinary measures for non-complying staff members and Executive Authorities to intervene where HoDs do not enforce consequence management as per letters and reports from the PSC and DPSC.

TABLE 1: FINANCIAL E-DISCLOSURE COMPLIANCE BY SENIOR MANAGEMENT SERVICE MEMBERS FROM 01 TO 30 April 2020 (DPSC)

| | No. of employees | Number Disclosed | % Disclosed | Late submission | Outstanding | No. Non-compliant |
|--------------------------------|------------------|------------------|-------------|-----------------|-------------|-------------------|
| National Departments | 5499 | 5321 | 97% | 143 | 35 | 178 |
| National Government Components | 277 | 264 | 95% | | 13 | 13 |
| Eastern Cape | 638 | 625 | 98% | 2 | 11 | 13 |
| Free State | 366 | 366 | 100% | | 0 | 0 |
| Gauteng Province | 784 | 784 | 100% | | 0 | 0 |
| KZN | 600 | 595 | 99% | 5 | 0 | 5 |
| Limpopo | 473 | 471 | 99,58% | 0 | 2 | 2 |
| Mpumalanga | 302 | 302 | 100% | | 0 | 0 |
| North West | 324 | 320 | 99% | 4 | 0 | 4 |
| Northern Cape | 248 | 247 | 99,60% | 0 | 1 | 1 |
| Western Cape | 385 | 385 | 100% | | 0 | 0 |
| TOTAL | 9896 | 9680 | 98% | 154 | 62 | 216 |

A concept paper on the Job Competency Framework for the public service that makes recommendations that the Occupational Classification System be revised with the purpose of developing an occupational dictionary for the public service was developed in June 2020. Local government is also implementing similar systems as per DCOG frameworks.

In addition, mandatory courses on ethics and other measures to professionalise the Public Service are being implemented by the National School of Government.

1.3.4 Outcome 4: Social compact and engagement with key stakeholders

Although the planned programme for participatory governance is not fully in place, during Covid-19 government communication and public engagements were enhanced and impactful more than ever before.

| COVID-19 COMMUNICATION MESSAGE RECALL [GCIS] | | | |
|---|---|--|--------------------------|
| Q: What message have you heard, seen or read about the Coronavirus or Covid-19? | | | |
| TOP TEN MESSAGES RECALLED | Start of impact assessment: 11 May 2020 | Where we are currently: 04 August 2020 | Picture overtime May-Aug |
| 1 Stay home | 83% | 86% | 87% |
| 2 Everybody must wear a mask when they go out | 74% | 83% ↑ | 80% |
| 3 Frequently wash your hands with soap for 20 sec at least | 70% | 75% ↑ | 75% |
| 4 Keep a distance from other people when in public or shopping | 72% | 78% ↑ | 74% |
| 5 Cover your mouth with your elbow or tissue when coughing or sneezing | 69% | 71% | 69% |
| 6 Avoid touching your eyes, nose & mouth | 58% | 67% ↑ | 66% |
| 7 Wash your mask frequently after use (material) | 60% | 70% ↑ | 66% |
| 8 Use an alcohol-based sanitiser if not using soap | 58% | 66% ↑ | 65% |
| 9 Don't go to large gatherings | 59% | 66% ↑ | 62% |
| 10 Call a doctor when you experience symptoms | 54% | 65% ↑ | 60% |

The above data shows high levels of impact of government communications during the Covid19 State of Disaster lockdown period. Other surveys conducted by institutions like the HSRC also showed high levels of awareness and approval of government approach. It is therefore critical to sustain this communication drive and citizen engagement even post Covid19 State of Disaster. Good communication contributes to better view of government from the citizens' perspective, as well as how they experience public services and feel active participants in the democratic and developmental agenda of the country.

1.3.5 Outcome 5: Mainstreaming of gender, empowerment and development of youth and persons with disabilities

The framework for gender responsive planning, budgeting, monitoring, evaluation and auditing framework is in place and being implemented. The youth policy and draft legislation for NYDA were presented to the Clusters and approved for Cabinet consideration and final approval.

1.4. OVERVIEW OF MAIN CHALLENGES

Most of the interventions are on the planning phase, hence it is difficult to make definitive statements about their achievement or lack thereof. Data for reporting on Audit Outcomes and other indicators is not yet available. The score cards for ministers and deputy ministers were not developed as the Performance Agreements had to be revised due to Covid-19. The President has commenced with the signing of these from 16 October 2020.

From the perspective of a developmental state, research shows that people are worried about contracting Covid-19, unemployment, loss of income, food shortages, among other concerns. The new Economic Reconstruction and Recovery Plan seeks to address these socio-economic challenges.

1.5. DISCUSSIONS

This priority has a total of 32 indicators. Out of the total number of indicators 3(9%) were achieved, 22(69%) were ongoing, and 7(22%) were not achieved.

The budget cuts and focus on Covid-19 related interventions have diverted the attention of the GSCID Cluster from intensively pursuing the commitments on the MTSF. Instead, the cluster has since prioritised new things in its programme of action, of which there is no clear approach to and evidence of implementation. Therefore, the focus that is required in terms of focusing on medium targets in a relentless manner has diminished, as MTSF is discussed as a mere compliance issue.

Processes are underway to fix the situation and start planning for the future to remove what might be deemed no longer relevant and add new critical interventions. The planning process will also derive good lessons learnt from the fight against Covid-19, such as deepened public communication, stakeholder engagements, decisive leadership and accelerated service delivery.

Going forward, departments and other implementing bodies are expected to demonstrate how they have broken down the 5-year targets into annual and quarterly targets using the Annual Performance Plans and own operational plans. The resuscitation of the Implementation Forum is crucial for purposes of paying attention to MTSF details and engage in substantive discussions on what works and does not work and how to devise solutions to the challenges identified. The signing of Ministerial Performance Agreement will raise the bar in terms of accountability, as Ministers are more likely to start putting pressure on their departments and entities to deliver on the MTSF commitments.

1.6. RECOMMENDATIONS

- 1.6.1 It is imperative that key plans such as the National Anti-Corruption Strategy, Guideline on Life Style Audits and the proposal on the establishment of the Head of Public Service/Administration are submitted to Cabinet and implementation commences. Their implementation will also contribute to building trust in society and boosting confidence in the state and the economy.
- 1.6.2 The momentum created by the manner in which the government organised itself in terms of governance mechanisms and public communication on Covid-19 State of National Disaster should be maintained. The structures and practices should be institutionalised into the work of the Clusters.
- 1.6.3 E-government and digitisation in government is an area of both risk and opportunity – which, if designed and implemented well – could be a lever of change towards smart governance and better service delivery on areas like education, health and other social services.
- 1.6.4 There is lack of cooperation on the part of the Heads of Departments in term of enforcing compliance with e-disclosure despite reports and letters from DPSA and PSC. Executive Authorities are requested to intervene in departments where there are challenges.
- 1.6.5 There is a need to resuscitate the Technical and Ministerial Implementation Forums in order to pay special attention to the implementation of the NDP Chapters 13 & 14 and the electoral mandate through the MTSF Priority 1: on building a capable, ethical and developmental state.

2. PRIORITY 2 - ECONOMIC TRANSFORMATION AND JOB CREATION

2.1. STRATEGIC INTENT

The strategic intent of this priority is resolution of the triple developmental challenge in SA involves creating a strong and inclusive economy that grows at a higher rate, creating decent employment and sustainable livelihoods to eradicate poverty and income inequality. Economic growth and accelerating delivery include overcoming challenges with State Owned Enterprises (SOEs), industrialisation, small business development, optimal exploitation of the minerals - energy complex, transformative innovation, the Fourth Industrial Revolution, and ensuring a supportive macroeconomic environment for investment. Consistent with the NDP imperatives, 3 of the 7 priorities adopted by the 6th administration have a component of infrastructure development. Job creation, reduction of poverty and the growing gap between wealth and destitution requires accelerated development underpinned by speedy implementation of national programs for speedy delivery and realisation of the desired end state. This is achieved through transformative innovation, including implementation of Operation Phakisa Lab Outcomes.

The report covers the following thematic areas:

2.1.1 Economy and jobs:

The 2014-2019 MTSF outlined the plans and outcome-based monitoring framework for implementing the National Development Plan (NDP) during the country's 5th democratic administration. The current 2019-2024 MTSF outlines the seven apex priorities to be pursued in the sixth administration. Over the past five years to 2019 the economy has not grown at the levels required to make a meaningful impact on employment creation. Hence the major focus on the current iteration of the MTSF is on fast-tracking the implementation of initiatives that seek to support growth and create jobs, particularly for young people. This include implementation of the Jobs Summit Framework Agreement and the realisation of the 2018 and 2019 Presidential Investment Conference commitments.

2.1.2 Industrialisation and manufacturing:

Industrialisation enables economic growth and development. This is due to the multiplier effects of the manufacturing sector in terms of job creation, skills development and the development of new technologies. South Africa's manufacturing sector has underperformed over the past two decades, and have worsened in recent years. Its share of GDP has declined from 21% in 1994 to 12% by 2020. The decline in manufacturing is due to rising operational costs, insufficient skills, low business confidence, uncertain global conditions and policy uncertainty. Hence focus on re-industrialisation of the economy through increased localisation and growing exports are the hallmarks of the country's re-imagined industrial strategy.

2.1.3 Small, Medium and Macro Enterprises (SMMEs) development:

The South African economy has high levels of concentration in many sectors, which create barriers to economic expansion, inclusion and participation. In 2018, the Competition Commission stated that the average market share of dominant firms in priority sectors is 61.6%. Most of the country's markets have high barriers to entry and have traditionally been protected by natural trade barriers.

This is a problem for smaller firms in particular, which struggle to find new demand in a stagnant economy and face barriers imposed by incumbents. The skills constraint exacerbates matters, particularly hurting manufacturers, small companies and emerging entrepreneurs. Thus, reforms in this space are critically urgent.

2.1.4 Economic Infrastructure Development:

Investment in both economic and social infrastructure continues to fall short of what is needed to meet the country's economic and social requirements. In 2018, the National Treasury conducted a study on key inhibitors to growth, which demonstrated that lack of investment, poor management and operational inefficiencies in key network infrastructure sectors limit South Africa's growth potential. The NDP identifies infrastructure development as a critical catalyst to economic development. Consequently, government has placed infrastructure at the centre of its economic recovery plan owing to the foregoing and its job creation potential.

2.1.5 Operation Phakisa:

Realising the persistent challenges relating to failure to implement, which has been echoed by the investment community, government identified the need to initiate interventions that would help accelerate the implementation of NDP priorities to speed up the realisation of the desired outcomes. Further, job creation, reduction of poverty and the growing gap between wealth and destitution entails accelerated development underpinned by speedy implementation of national programs for speedy delivery and realisation of the desired end state. This is achieved through transformative innovations, including implementation of Operation Phakisa Lab Outcomes- a delivery transmission mechanism, which aims to accelerate the delivery of key national developmental priorities contained in the NDP 2030. Together with key stakeholders, government has collaboratively convened seven Operation Phakisa Labs, five of which are in the economic cluster. The DPME, through the Intervention Support Unit, is a custodian of the methodology which entails facilitating the planning for Labs, monitoring and reporting on the implementation progress of the Lab outcomes to the Cabinet and the President. The five economic cluster Labs include Oceans Economy, Biodiversity Economy, Chemicals and Waste Economy, Mining Lab as well as Rural Economy. Collectively, these Labs have a target of R 71.3 billion in investment by 2024 (made up of Biodiversity R7.1 billion, Oceans Economy R55.584 billion and Chemicals and Waste at R8.6 billion), contribute R170.7 billion to GDP and create 1.6 million jobs by 2024.

2.2. PRIORITY 2: IMPACTS

2.2.1 The desired impacts of Priority 2 interventions, outputs and outcomes are to achieve:

- (a) economic growth of 2-3% per annum;
- (b) unemployment reduction to 20-24% with at least 2 million new jobs especially for youth; and investment levels to reach 23% of GDP by 2024 with the public sector contributing 8% of GDP and the private sector 15% of GDP
- c) Cross-cutting focus areas include transformed, representative and inclusive economy which prioritises women, youth and persons with disabilities. This can only be attained through coordinated efforts in implementing initiatives that are focused on economy and jobs, infrastructure development, industrialisation and manufacturing, and supporting SMMEs.

2.3. OVERVIEW OF MAIN ACHIEVEMENTS

2.3.1 Although economic growth stalled during the period under review, owing to both domestic and international challenges, government was hard at work in implementing various initiatives towards the realisation of the NDP 2030. As evident in the macroeconomic indicators, progress has been slow. Despite the apparent difficult economic environment, government has made some gains in advancing the sustained agenda. The re-imagined industrial strategy is being implemented and the Master Plans for various priority sectors have been completed. The Retail- Clothing, Textiles, Footwear and Leather (R-CTFL) Value Chain Master Plan and the Poultry Master Plan were launched at the President's Investment Conference held in November 2019. About R7 billion worth of investments were committed to the R-CTFL industry, whilst the South African Poultry Association (SAPA) committed to invest around R1.7 billion in poultry's productive capacity. The R6 billion Automotive Industry Transformation fund which was officially announced in November 2019 will serve as a boost for the Black Industrialist Programme.

2.3.2 Progress has been made in the refurbishment of industrial parks with four (4) applications that are being processed for approval. Project plans for the industrial parks revitalization to be revised following delays on the projects as a result of the nation-wide lockdown. Transnet port services for the export and import of vehicles are now fully automated and the time for border compliance for exporting has been reduced by 48 hours. The introduction of CIPC Bizportal has achieved a reduction of 3 procedures (from 7 procedures). The Bizportal will allow company registration within 24 hours. SARS has reduced the time to obtain a VAT refund from 15 weeks to 5 weeks (reduction of 10 weeks). This will contribute to the realisation of ease of doing business imperatives.

2.3.3 The Employment Equity Amendment Bill, 2019 was approved by Cabinet in the first quarter of 2020 for tabling in Parliament. The proposed amendments will empower the Minister of Employment and Labour to introduce enabling provisions for the setting of sector-specific employment equity numerical targets.

2.3.4 To boost tourism and attract investment in South Africa, major reforms are being undertaken including the building of a world-class immigration regime through the development of the eVisa system which was launched in November 2019 and piloted in Kenya and India. The Township and Rural Entrepreneurship Programme (TREP) was approved by Cabinet in March 2020 to anchor the programmes geared towards providing support to opportunities for self-employment and job creation at economic entry level whilst improving the circulation of money in township and rural areas.

2.3.5 In relation to the rural economy, agrarian transformation and land reform focus is on rapid land reform and agrarian revolution aimed at ensuring food security. To this end, 84 279 hectares of land has been acquired and allocated. About 23 521 smallholder producers were supported through various initiatives. In addition,

50 farms were supported through land development support programme. To date, 1.5 million ha acquired over 5 years (900 000 ha for 2020/2021) for redistribution, restitution and tenure reform, 100% of approved land reform projects provided with post settlement support. Agrarian transformation at present, 100 000 Ha under conservation agriculture (Smart Climate Methods). 300 000 smallholder farmers supported (financial and non-financial). With regards to the integrated rural development, 71 FPSU (Farmer Production Support Units) functional, 27 livestock, 5 agri-hubs, 25 agri-processing and 60 auction facilities establishment are planned.

2.3.6 Environment Management and Sustainable development, there is progress in terms of interventions that have been put in place. South Africa's National Climate Change Adaptation Strategy (NCCAS) which supports the country's ability to meeting its obligations in terms of the Paris Agreement on Climate Change has been approved. The implementation of the strategy will reduce the vulnerability of society, the economy and the environment to the effects of climate change. The development of transition plans for (high carbon emitting sectors) to a low carbon economy and climate resilient society is in progress, 5 Sector Jobs Resilience Plans (SJRPs) submitted to the Presidential Climate Change Coordinating Commission (PCCCC) Work Programme Consultations within the spheres of government affected by the 5 SJRPs. In addressing the issue of acid mine drainage, the sector has developed methodology and management approach towards the development of strategy for Acid Mine Drainage Mitigation of polluted water from old mining areas.

2.3.7 Infrastructure development is expected to be the flywheel of the economy. As such investment in network industries is a precondition for sustainable growth. In the telecommunications sector, this entails spectrum release, broadband rollout, and reducing the cost of communications and the integration of SMMEs and co-operatives into modern telecommunication systems and the digital economy to raise accessibility and affordability. Accordingly, the Department of Telecommunications and Digital Technologies has compiled a study report on 5G spectrum in response to Minister's policy directive and the concept document on the market access for local IP & innovation by SMMEs, which will inform the revision of the ICT SMME Development Strategy. ICASA issued an Information Memorandum for public consultation on the licensing process for International Mobile Telecommunications ("IMT") Spectrum in anticipation of high demand spectrum release earmarked for December 2020.

2.3.8 Also, addressing the country's energy security, including challenges of electricity shortages, in a way that advances the notion of a just transition, the IRP2019 implementation and strengthening the governance system of Eskom are critical for investment attraction and economic growth. In this regard, functional separation of the Eskom divisions has been achieved with the appointment of Divisional Boards on the 1 April 2020 to improve accountability, transparency and performance, which contributes to the execution of the Eskom Roadmap in pursuit of establishment of independent generation and transmission companies under Eskom Holdings.

2.3.9 The signing of the Infrastructure Fund MoA is a significant milestone in bringing together the key stakeholders to create a financing facility for blended infrastructure projects. Through the Infrastructure Development Fund, Government will provide support for co-financing of projects and programmes that blend public and private resources. Currently, provision has been made for R100 billion over 10 years, with R10 billion funding in the current MTEF baseline. Government has identified 50 infrastructure projects with a total investment value of more than R340 billion and a potential to create about 770 000 jobs in immediate term for expediting.

2.3.10 The National Nuclear Regulator Amendment Bill and the Radioactive Waste Management Fund Bill have been published for public comment. The National Radioactive Waste Disposal Institute (NRWDI) has been established to implement the centralised interim facility for sustainable management of radioactive waste.

2.3.11 In terms of impact indicators and regulations, the Department of Transport (DoT) has achieved on the development and submission of the Single Transport Economic Regulator (STER) Bill submitted to Parliament. The updated Economic Regulation of Transport (ERT) Bill was approved by Cabinet in November 2019. A Gazette Notice of intention to introduce the Bill to Parliament was issued on the 06th December 2019. Progress on STER, Economic Regulation of

Transport (ERT) Bill has been presented to parliament for approval of the Bill for public consultations.

2.3.12 With regards to Operation Phakisa, despite the dire economic conditions in South Africa, both prior and resulting from coronavirus pandemic, the majority of the delivery Labs in the Economic Cluster have been implementing Lab outcomes, albeit with varying degrees of success. Collectively, the four delivery Labs have attracted R12.1 billion in investment and created about 15 308 jobs to date against the MTSF 2019–2024 targets. With exception of the Mining Lab, all the Labs in the Economic Cluster have reported to have concluded the development of response plans to the pandemic and are already executing these plans. The way government responded to the pandemic, characterised by clear institutional arrangements supported by governance structures, speedy decision making, well- coordinated delivery and expeditious consequence management under bold decisive leadership is characteristic of the Operation Phakisa Methodology. The foregoing reflects how successful the country can be if the methodology can be correctly applied.

2.4. OVERVIEW OF MAIN CHALLENGES

2.4.1 Even before the Covid-19 economic fallout, the South African economy was already in a recession. The outbreak of the Covid-19 and subsequent taken to curb the spread of has disrupted economic activity, and that has resulted in significant loss of revenues in sectors with a potential to achieve large scale impact on growth. The persistent shortage and rising cost of electricity has rendered the economy uncompetitive. South Africa's economy has been faced with critical weaknesses including the continuing deterioration in fiscal position and structurally very weak growth; high debt burden; and persistent weak business confidence. The impact of Covid-19 on priority sectors such as tourism, manufacturing and mining will further derail the country's economic trajectory off-course.

2.4.2 The levels of investments in South Africa remains relatively low, and this is a huge constraint on growth. South Africa's sovereign credit rating is now in sub-investment grade, and has the potential to raise the cost of capital quite high, thus constraining public investment. The high levels of concentration in major economic sectors remain a significant constraint. Barriers to entry in critical sectors such as telecommunication and finance are still high. Low domestic demand, due to declining incomes and high unemployment continue to constrain growth. Thus, the domestic economy cannot fully take advantage of record low interest rates. Lack of access to finance has been identified as one of the major challenges faced by SMMEs due to inadequate collateral to secure loans. Red tape and regulatory burden are also some of the major factors severely inhibiting the growth and sustainability of the SMMEs.

2.4.3 In relation to just transition to a low carbon economy, 5 transition plans have been developed with implementation yet to take place. As part of the process towards implementation of the plans, inputs received from stakeholders are being used by Trade & Industry Policy Strategies (TIPs) to conclude the technical reports on Sector Jobs Resilience Plans (SJRPs).

2.4.4 The limited investment, collaborative and coordinated infrastructure development inhibits focused economic development and investments in energy; water and sanitation; roads and bridges; human settlements, health and education; digital infrastructure and public transport.

2.4.5 Even before Covid-19, most South Africans lacked access to the internet and digital devices that would enable them to work, study and shop remotely owing to high data prices, poor implementation of e-learning programme and high prices of smartphones; which have resulted in inadvertent socio-economic exclusion of the poor majority of South Africans from accessing services during pandemic. Covid-19 has accentuated the digital divide between the rich and poor, as well as the rural/urban populations as the less affluent continued to be struggle as they had to

congregate in certain public spaces to access some of these services using free Wi-Fi thus exposing themselves to potential infection

2.4.6 Significant delays continue to be experienced in the delivery of the Power Build Programme, with commercialisation of the last unit of Medupi (Unit1) projected for completion by the end of 2020/21 financial year and 50% (3 units) of Kusile power station to be in operation by 31 March 2021. All of this, at a huge economic cost to the country as energy availability continues to be a challenge, which highlights the need for urgent implementation of Generation Recovery Plan in order to improve plant performance.

2.4.7 The pandemic exacerbated the already dire situation of many SOE's, most of whom already survived on fiscal support before the onset of the pandemic and the ensuing lockdown, as most struggled to generate revenue as the economic slowdown intensified. In order to survive, these SOE's had to approach the NT for bigger bailouts, which would pose significant challenges for the already resource constrained fiscus. The risk of missing the target December 2020 deadline for the corporatisation of TNPA remains high.

2.4.8 The long overdue Gas Master plan, which was supposed to have been developed in 2015, is to be developed this year, according to the DMRE. Further, there is lack of progress by the DoT on the development of a strategy for the implementation of the user pay principle. The department is still awaiting Cabinet's determination on GFIP option analysis conducted.

2.4.9 Continued vandalism of existing economic and social infrastructure (through stolen cable, rail tracks, network batteries, drainage steel components and others) needs to be addressed urgently as this is escalating costs of delivery and consumption. This requires closer collaboration with the JCPS cluster and some serious intervention from same to safeguard continued existence and delivery of this infrastructure.

2.4.10 Significant delays in the implementation of Operation Phakisa Labs outcomes is costing the country dearly in terms of investment attraction, economic growth and job creation. The reinvigorated implementation of outcomes of these Labs can create 1.6 million jobs. However, the DMRE (979 888) and the DALRRD (295 000), continue to fail to implement their Lab outcomes, which are significant contributors to the total number of jobs envisaged.

2.4.11 The advent of COVID-19 in the last quarter forced many departments to stop some if not all of their pre-planned activities and refocus their attention on the national drive to contain the spread to save lives and protect livelihoods as per the regulations related to the Disaster Management Act. The reallocation of funds and the ensuing budget cuts to fund some of the unplanned socio-economic interventions resulting from the pandemic exacerbated the situation further. This could have a deleterious impact on the outlying quarters and years.

2.5. DISCUSSION

2.5.1 Progress in key high-level indicators

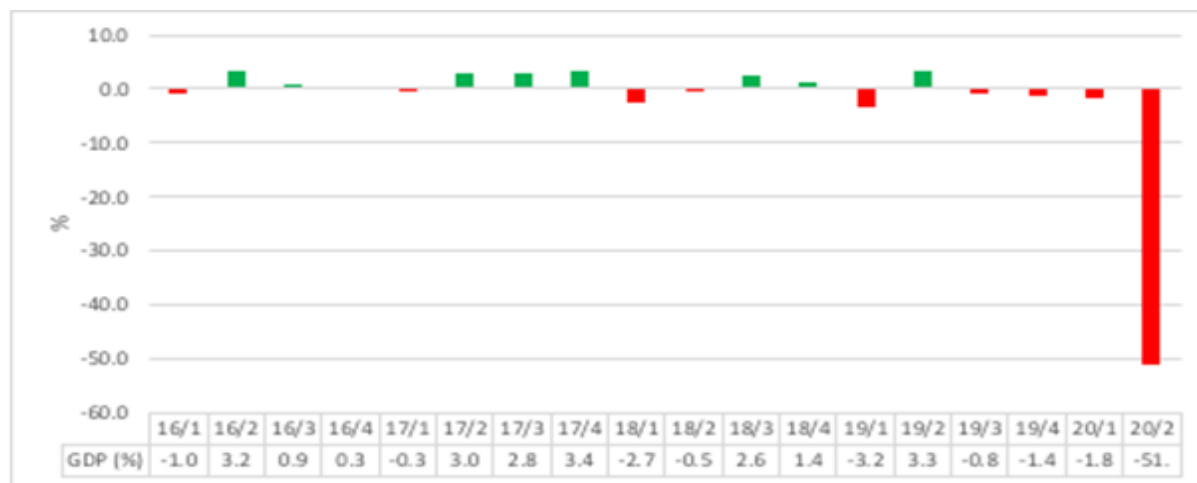
The NDP remains government's blueprint to unite all South Africans to address the triple challenge of unemployment, inequality and poverty. Admittedly, this is a long-term project. However, there is a need to implement various initiatives in the medium term to ensure faster and inclusive economic growth, resulting in tangible progress in the lives of ordinary citizens. Achieving economic development will require sustained economic growth through massive investment in productive sectors and effective use of regulatory and fiscal instruments to ensure fair and equitable outcomes. Undeniably, the envisaged outcomes have proved elusive in recent years. The economy grew only 1% on average over the past five years to 2019. The breakout of Covid-19 in our shores, which

grind to a halt an already ailing economy, required urgent but credible and effective policy responses to mitigate what would otherwise be a death knell of the country's economy.

2.5.2 Economic growth

The domestic economy entered into a technical recession in the fourth quarter of 2019, after contracting by 1.4% from the previous quarter (Figure 1). This is the second recession in two years, following consistent contractions in major productive sectors of the economy. Persistently weak economic growth and the deteriorating fiscal position finally saw the last of three major rating agencies, Moody's, downgrade South Africa's credit rating to sub-investment grade in March 2020.

Figure 1: Economic growth, 2016Q1-2020Q2



Source: Statistics South Africa

The adverse effects of Covid-19 pandemic and the lockdown measures implemented to contain the spread of the virus have taken a severe toll on an already fragile economy. The 51% Covid-19 induced contraction in the second quarter of 2020 meant that South Africa has now had 4 consecutive quarters of negative growth. The reported 51% represent quarter-on-quarter, seasonally adjusted and annualised growth. While quarter-on-quarter GDP that is not annualized show that economy was 16.4% smaller than the first quarter.

As expected, the manufacturing, trade and transport industries were the hardest hit as the country was in lockdown and global supply chains disrupted. During the second quarter all sectors of the economy recorded negative growth except for agriculture, which grew 15.1% from the previous quarter. The agricultural sector was largely operational during the lockdown.

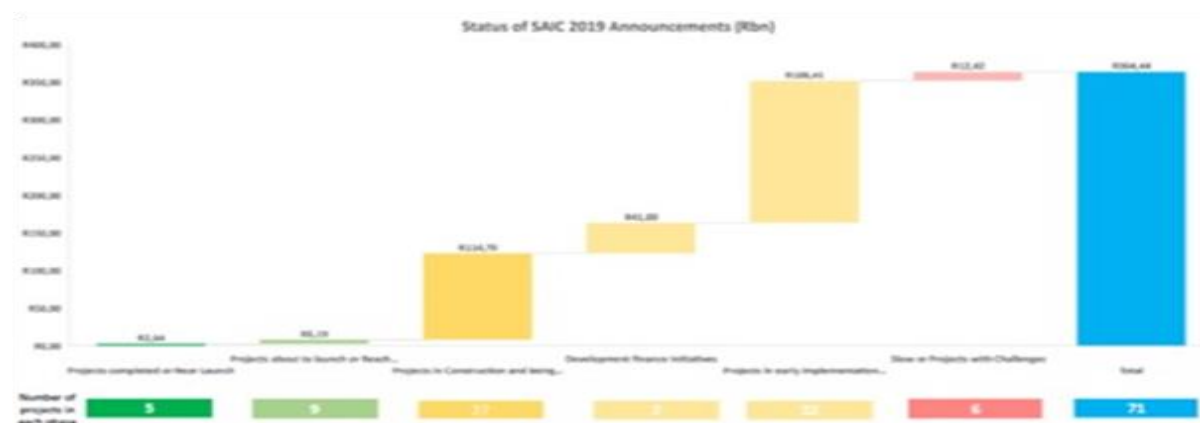
Quite concerning is that the population is currently growing at a faster rate than GDP, at 1.4% per annum according to the World Bank. Unsurprisingly, GDP per capita has plummeted in recent years, reaching just over \$6 000 in 2019, from approximately \$8 000 in 2011. Global output is expected to weaken by almost 5% in 2020, before rebounding by 5.4% in 2021. The National Treasury estimates that the domestic economy will decline markedly in 2020, at 7.2%. This is not significantly different from the International Monetary Fund (IMF) and World Bank's estimates of -8% and -7.1%, respectively. Projections show that the domestic economy will rebound north of 2% in 2021, however this will come off a low base. Low growth environment has implications for government revenue. As highlighted in the 2020 Supplementary Budget, gross national debt is now expected to reach 81.8% of GDP in 2020, from 65.6% estimated in the February budget. The consolidated deficit

is projected to increase to 15.7% of GDP, and tax revenue to underperform by over R304 billion in the current fiscal year. As a result, the gap between revenue and expenditure is expected to widen, leading to a sharp increase in the gross borrowing requirement.

On the expenditure side, household final consumption expenditure decreased by 49.8% in Q2 2020, owing to the lockdown restrictions, which particularly impacted sales of semi- durable and durable goods. Government’s final consumption expenditure also decreased, albeit slightly at 0.9%. Increased government expenditure in the second quarter to end of the impact of Covid-19 was not sufficient to offset the decreases in employment and spending on goods and services, including PPE.

Similarly, real gross fixed capital formation contracted at an accelerated pace in the second quarter of 2020, at almost 60%. The level of fixed capital investment reflects continued weak business confidence, the recessionary environment and constrained public sector budgets. Business confidence plunged to its lowest record in history in the second quarter of 2020, at merely 5 points according to the RMB/BER, as firms confronted challenges ranging from erratic power supply, the Covid-19 pandemic, and cash-strapped consumers. Figure 2 below depicts the status of the 2019 Investment Conference commitments.

Figure 2: Status of 2019 Investment Conference Commitments



Source: Invest SA

Government remains committed on its \$100 billion investment drive aimed at boosting the rate of investment by both domestic and foreign investors in order to revive the economy and create jobs. The 2018 Investment Conference’s commitments amounting to almost R300 billion has yielded some results, with R16 billion worth of investment already completed. However, deteriorating economic conditions is slowing down the pace of investment, with only R2.6 billion worth of investment from the 2019 Investment Conference realised. However, it should be noted that some investments were planned to commence after 2020.

2.5.3 Unemployment

South Africa’s unemployment rate declined to 23.3% in the second quarter of 2020 from the 30.1% record high level reached in the preceding quarter (Figure 3). However, the sharp decline in the Q2 2020 unemployment rate does not reflect an improvement in the labour market as the number of employed persons declined sharply by 2.2 million during the same period, which is the largest quarter- on-quarter decline in employment on record. The number of employed persons during the quarter was just over 14 million, which is 10 million below the 2030 NDP target. The decline Q2. On

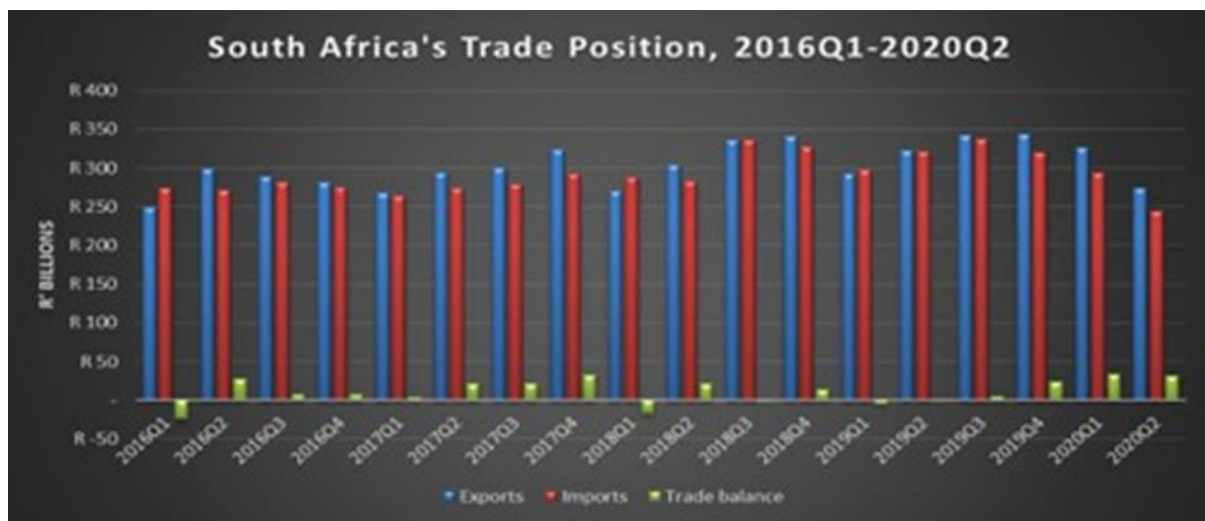
average, the rate of unemployment for females is higher than that for males. Labour force participation continues to increase, while the absorption rate remains relatively flat. Quite critically, there is a significant increase in graduate unemployment for those aged 15–24 years. Equally concerning is that approximately 3.5 million (33.9%) out of 10,3 million young people aged 15-24 years were not in employment, education or training (NEET) during Q2 of 2020.

According to the National Income Dynamics Study (NIDS) – Coronavirus Rapid Mobile Survey (CRAM), Wave 2, the 3-million jobs lost between February and April have not returned by June. Further, the Survey shows that only 54% of furloughed workers in April got returned to work in June, while almost 40% fell into non-employment, and the remaining 6% still being furloughed in June. Hence it is important that support schemes such the Temporary Employment Relief Scheme must be effective and efficient. Of great concern, the rural areas and peri-urban areas were the hardest hit by unemployment. The rate of unemployment in June was considerably higher in rural areas, at 52%, compared to cities/towns and metros and 43% and 35%, respectively.

2.5.4 Trade

World trade volumes already reflected the disruptive effects of the Covid-19 pandemic in the first half of 2020. Exports and imports of goods and services in South Africa in the first quarter decreased by 2.3% and 16.7%, respectively. Net exports contributed 4.6%age points to total growth during this period. Conditions worsened in the second quarter, with exports down 72.9%, on the back of decreased trade in vehicles and other transport equipment, precious metals and stones, base metals, machinery and equipment. Figure 4 shows South Africa’s trade position over the past five years.

Figure 4: South Africa’s exports and imports, 2016Q1-2020Q2



Source: SARS

Cumulative exports for the first 6 months of year totalled almost R600 billion, only 2% lower than the first half export sales of 2019. Asia remains the largest export destination, accounting for 32% of the value of exports, with 25% of exports destined for Africa. The continent, through the implementation of the AFCFTA, provides opportunities for regional integration, which augurs well for economic performance of Sub-Saharan African economies, which in turn should unlock further regional trade opportunities for South African businesses. A more diversified external market provides a cushion against shocks in in the traditional markets. Trade balance for the same period

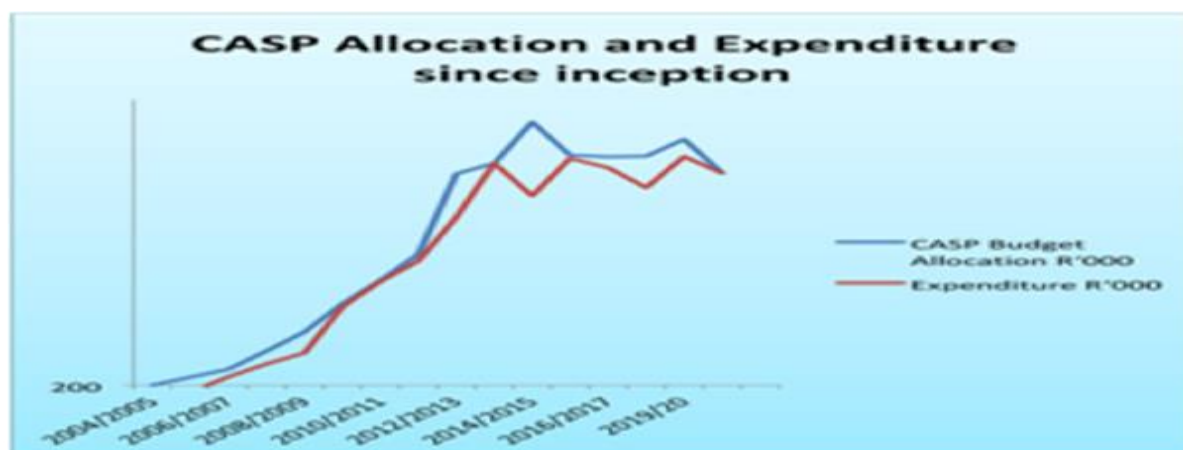
showed a surplus of R63.07 billion, which was a rebound from a R4.74 billion deficits recorded for the comparable period in 2019. Year-on-year exports increased by 9.5% whilst imports contracted by 32.8% over the same period.

2.5.5 Land reform and agrarian transformation

For the MTSF 2019-2024, agrarian transformation, land reform and rural development has committed to develop 75 complete and functional Farmer Production Support Unit (FPSU), 27 livestock and handling facilities, and 5 fully functional agri-hubs and 25 agro-processing facilities. However, some targets were adjusted downward due to the adjusted budgets and reallocation of funds for the Covid-19 response. The target for 2020/21 for FSPU supporting agri-parks was decreased to 15 for the year, which brings the annual target to 18 for the next 3 fixed years.

Budgets for food security, land redistribution and restitution programmes have been significantly cut consistent with the Covid-19 induced budget adjustments, which could have a detrimental effect on the implementation of critical agricultural projects. The initial February budget allocation of R16.8 billion was reduced to R14.4 billion. The greatest portion of the cuts of R1.89 billion was in the programmes which were to deliver on food security (R939 million), land redistribution (R544 million) and restitution (R403 million). Figure 5 indicates the reduction in allocations for the Ilima-Letsema and Comprehensive Agriculture Support Programme (CASP) programmes. This means that in the current financial year, provinces will receive lesser allocations for producer support, production, and infrastructure. The Ilima and CASP programmes are critical for the upscaling of up-and-coming farmers, since it provides production assistance for the next season for small scale farmers. In 2019/20 over 89 430 producers were assisted by the grant of R538 091 000 and 95.3% was spent.

Figure 5: CASP Allocation and Expenditure 2004/05-2019/20



Source: DALRRD CASP Report, 2020

While the budget cuts will impact the service delivery in the agricultural sector, this also presents an opportunity to re-establish the priorities and core functions that the department needs to deliver to ensure that the sector remains competitive and contributes significantly to national and household food security in a far more efficient manner.

During this reporting period, the cluster had not yet achieved or reported on this commitment, however, the Agriculture Master Plan is at an advanced stage of development. The Master Plans approach will need alignment with recovery plans. This will require the highest level of coordination to avoid the incoherent and inconsistent application of economic recovery initiatives. However, if

DALRRD could take the implementation of Operation Phakisa Lab outcomes more seriously, a lot more could have been achieved during the reporting period.

Other initiatives that had targets which were decreased were land claims settled, 454 to 244, claims finalised, reduced from 479 to 295, land redistributed reduced from 50 000ha to 23 000ha, and no food security related projects. The land development support to PLAS farms for agriculture infrastructure and production inputs target was decreased from 200 to 146. An additional 12 rural village based Custom feedlots will be added to the existing 19 feedlots and additional land reform commitments by the IMC on land Reform amount to 700 000 hectares, mainly land owned by the state, which will be transferred to needy members of the community to increase their net worth.

2.5.6 Environment

While there is no visible environmental impact as yet, the sector has proposed interventions for implementation to ensure economic recovery post Covid-19. The foregoing entails the creation of an estimated 20 317 jobs as per the Waste Economy Section 18 Industry plans. The Extended Producer Responsibility (EPR) schemes will be used to help divert waste from landfill sites. This initiative will create over 20 000 jobs and targets to divert over 25% of waste in 2 years. Section 29 Industry plans will create an estimated 1 100 jobs. Development of market access tool for distribution, local beneficiation and export potential of ash and gypsum is in progress while a local response team for Job creation stimulation and mobilization of funding for small enterprises in the vicinity of the industrial hubs has been established. Negotiations of off-take agreements with Government and private sector projects forms part of the social compact sector projects. Industry engagement in developing a model for the utilization of organic waste to fuel options is being facilitated. The foregoing is part of the implementation progress of Operation Phakisa Waste Economy. Regarding the initiative on waste picker integration and revitalization of buy-back centre and operationalization of landfill sites, a national database of waste pickers and reclaimers will be developed.

2.5.7 Infrastructure

Covid-19 had disrupted some of the functions as well as performance against quarter 1 targets as per the Annual Performance Plans (APPs) of most departments, especially due to budget adjustment and redeployment of senior staff away from their core to deal with Covid-19. This has resulted in a backlog of certain quarter 1 targets, which is likely to affect the outer quarters and years of the MTSF. Given the fact that the APPs were developed before the onset of Covid-19, departments had to reconsider the mode of delivery for planned targets and revise the APPs accordingly.

Although DCDT developed a draft Data and Cloud Policy to ensure reduction of data prices and eradication of skewed price settings by dominant players, delays were experienced in securing timeous stakeholder input. A departmental task team has been established to expedite the project.

The DCDT has compiled a report on 5G Spectrum in response to Minister' s policy directive and the concept document on the market access for local IP & innovation by SMMEs, which will inform the revision of the ICT SMME Development Strategy. ICASA issued an Information Memorandum for public consultation on the licensing process for International Mobile Telecommunications ("IMT") Spectrum in anticipation of high demand spectrum release earmarked for December 2020. The department has had engagements with SITA and DPSA to align the implementation of e-Govt roadmap in which e-Services portal is one of the deliverables. In this regard, the DCDT has drafted the e-Services portal concept document as well as governance structure for the implementation,

which details the mechanism of monitoring and reporting of uploading of e-Services on National e-Services Portal.

Government plans to expedite the implementation of at least 50 infrastructure projects with a total investment value of more than R340 billion and a job creation potential of approximately 770 000 jobs through immediate term infrastructure projects. The Department of Public Works reports the creation of 200 604 work opportunities in the current reporting cycle, quarter 1, through public employment programmes, which is made up of 74% women, 37% youth and 0.3% persons with disabilities.

Some progress has been made towards securing energy supply as per the MTSF and SONA commitment, as interventions towards improving energy availability factor to ensure constant supply of electricity including through the implementation of the Integrated Resource Plan (2019) continue. While an additional 1 000 MW is required to augment Eskom capacity by 2024, no progress has been reported on this target.

Another MTSF intervention is the diversification of energy sources from a baseline of 5.9% to 11% by 2024. Accordingly, the Gas Amendment Bill, which prioritises infrastructure investment by, amongst others, constructing infrastructure to import liquefied natural gas and increasing exploration to find domestic feedstock to diversify the energy mix and reduce carbon emissions will be tabled in Parliament. However, no specific timeframe has been set. Additionally, the Shale Gas research project in the Karoo, undertaken by the Council for Geoscience (CGS) and PASA, is expected to move towards ultra-deep drilling of a vertical boreholes during the third quarter of the 2020/21 f/y and targeting completion at the end of the 2021/22 financial year. All of the foregoing in pursuit for energy security and diversification objective.

Also, the DMRE is on track to complete the feasibility study on a new oil refinery by March 2021 as planned. Further, as part of the New Nuclear Build Programme, the DMRE has drafted a framework to aid in procuring 2 500 MW of nuclear energy by 2024. The National Nuclear Regulator Amendment Bill and the Radioactive Waste Management Fund Bill have been published for public comment while the National Radioactive Waste Disposal Institute (NRWDI) has been established to implement the centralised interim facility for sustainable management of radioactive waste.

Regarding the establishment of the Single Transport Economic Regulator (STER), the Department of Transport introduced the Economic Regulation of Transport (ERT) Bill to parliament for approval of the Bill for public consultations. Some progress has been made in the execution of Eskom Roadmap to ensure establishment of independent generation and transmission companies under Eskom Holdings, while functional separation of the divisions has been achieved with the Divisional Boards being appointed on the 1 April 2020 to improve accountability, transparency and performance.

2.6. ASSESSMENT OF PROGRESS ON MAJOR INTERVENTIONS

2.6.1 More decent jobs created and sustained

According to the 2019-2024 MTSF, government aims to facilitate the creation of between 2 and 3 million jobs by 2024 through creating an enabling environment for investment, as well as through the implementation of the Jobs Summit commitments, Operation Phakisa and Public Employment Programmes. To date a total of 61 149 jobs have been created through the Jobs Summit specific commitments, whilst 21 846 jobs were saved through successful mediation. The general decrease in economic activity and now the impact of Covid-19 show that the annual target of 275 000 could not be met and is unlikely to be met in the short to medium term and offsetting the 2.2 million sharp fall in employment during Q2 will require significant policy response.

The negative effect of Covid-19 has further impacted on government's commitment to ensure the creation 1 million youth jobs by 2024 in line with the Presidential Youth Employment Intervention strategy. However, as part of the response to impact of Covid-19 on employment, the PMO in the Presidency is coordinating the roll-out of the public investment employment stimulus. The stimulus package is expected to create 875 000 jobs in the 2020/21. In terms of the EPWP, the DPWI reports that:

- The EPWP Programme has reported 1 419 001 cumulative work opportunities against the target of 1 473 742 for the period 1 April 2019–30 September 2020.
- During this period, the programme had a deficit of 54 741 work opportunities (W/O) which has been carried over to the next quarter.

The process of developing a National

- The Q2 2020/21 performance against the Employment Policy (NEP), which will serve target is below the 50% mark. The expected as a vision and a practical plan for achieving underperformance is attributed to the national South Africa's employment goals is underway. lockdown restrictions where participants could not the first phase of policy process has been Report for duty. commissioned and comprise a number of
- The Community Work Programme has not sub-themes that will include post Covid-19 reported any work opportunities, however, is expected employment, the social economy, 4IR, and to start reporting in Q3 2020/21.

The Employment Equity Amendment Bill, 2020 was approved by Cabinet in the first quarter of 2020 for tabling in Parliament, which subsequently happened in July 2020. The proposed amendments will empower the Minister of Employment and Labour to introduce enabling provisions for the setting of sector-specific employment equity numerical targets. The Department of Public Works reports the creation of 200 604 work opportunities in the current reporting cycle, quarter 1, through public employment programmes, which is made up of 74% women, 37% youth and 0.3% persons with disabilities. In order to attract skilled immigrants, the Department of Home Affairs (DHA) is in the process of building a world-class immigration regime through the development of the e-visa system and simplification of visa application process. During the first quarter, 86.5% of critical skills applications were adjudicated within 4 weeks, against the MTSF target of 95% by 2022. Four Operation Phakisa delivery Labs attracted investment to the value R12.1 billion, creating 15 308 jobs in the process.

2.6.2 Investing for accelerated inclusive growth

The absence of faster and sustained inclusive economic growth is one of the biggest challenges that South Africa is faced with. Faster and inclusive growth is key to improving and sustaining higher living standards and successfully reducing inequality and unemployment. The NDP sought to achieve an average growth of 5.4% per annum by 2030 whilst the 2019-2024 MTSF targets 2–3% growth by 2024. For inclusive growth to be realised, structural transformation for economic diversification and increased competition is paramount. In order to achieve this, the government ought to build confidence in the South African economy, promote investment and job

creation, reduce anti-competitive practices, eliminate regulatory blockages, and increasing the ownership and participation by historically disadvantaged individuals.

To this end, there has been notable progress in improving the ease of doing business on the five targeted indicators in line with the World Bank's Ease of Doing Business report. Transnet port services for the export and import of vehicles are now fully automated and the time for border compliance for exporting has been reduced by 48 hours. The introduction of CIPC Bizportal has achieved a reduction of 3 procedures (from 7 procedures). The Bizportal allow company registration within 24 hours. SARS has reduced the time to obtain a VAT refund from 15 weeks to 5 weeks (reduction of 10 weeks). SARS has also reduced time to complete a Corporate Income Tax Audit from 32 weeks to 17 weeks (reduction of 15 weeks). Currently South Africa is ranked 84th out of 190 countries in the World Bank's Ease of Doing Business ranking, and the progress reported is expected to contribute to the improvement of the country's ranking in the medium to long term. Although this is a moving target.

In terms of priority skills plan, the Department of Higher Education and Training, in first quarter of the current financial year presented the revised skills lists to social partners at Nedlac. The lists include the Occupations in High Demand (OIHD), the Critical Skills List (CSL) and the List of Priority Occupations (LPO). The revised CSL has seen some delays but currently being finalised.

In order to ensure macroeconomic policy alignment and coherence, government planned to review South Africa's macroeconomic policy and develop a framework for just transition to low carbon economy by 2022. In this regard, a macroeconomic framework review project plan is currently under development by the National Treasury. In terms of the development and implementation of the framework for a just in transition to a low carbon economy, preparations are underway to publish an environmental fiscal reform review paper. It will explore the potential for new environment taxes and reforms to existing instruments, including restructuring of the general fuel levy to include some local air pollution emission components. In line with the Jobs Summit Framework Agreement, the Cabinet approved the establishment of the Presidential Climate Change Coordinating Commission (PCCCC) to ensure a coordinated response across all stakeholders. Government, led by the Department of Environment, Forestry and Fisheries (DEFF) has developed 4 transition plans, however implementation is yet to take place.

Food security, land redistribution and restitution programmes have been cut at the knees as Covid-19 induced budget cuts threatens to jeopardise the agricultural sector's fundamental duties. The initial February budget allocation of R16.8 billion was reduced to R14.4 billion, in June last month. The greatest portion of the cuts of R1.89 billion was in the programmes which were to deliver on food security, land redistribution and restitution. The food security programme had cuts of R939 million, land redistribution and tenure reform R544 million and land restitution R403 million. Other targets which were decreased were land claims settled, 454 to 244, claims finalised, from 479 to 295, land redistributed from 50 000ha to 23 000ha, and no food security related projects. The land development support to PLAS farms for agriculture infrastructure and production inputs target was decreased from 200 to 146. An additional 12 rural village based custom feedlots will be added to the already available 19 feedlots.

The MTSF 2019-2024 has committed DEFF to expand ecological infrastructure restoration and rehabilitation by province and districts by targeting 80% of degraded ecological infrastructure for restoration by 2024. Improved capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services. To date, 204 296 ha of ecological infrastructure has been restored.

The department in the MTSF has targeted 50% of waste to be diverted from the landfill sites through recycling. The 6th administration has identified the waste sector together with green procurement and green infrastructure as a catalytic sector that can contribute to economic growth and investment in order to boost greater product demand, support rural development, township economy, localisation, research and development and the development of small enterprises. To date 9.29% of waste generated during April to June was diverted. This is very positive as the medium-term target is likely to be met.

Amongst others, DEFF will implement investor-friendly model for tariffs, fees, rentals, leases and concessioning to promote marine manufacturing and competitiveness and promote national ships registry and facilitate cargo handling (potential R19bn and 14 000 jobs by 2033). The department targeted 42% reduction in total GHG emissions by 2024 and cumulative impact of the nation-wide implemented mitigation measures reflect that emissions are within the peak, plateau and decline (PPD) range (500 Mt as per the 2000- 2017 National GHG Emissions Profile).

Meanwhile DEL conducted 539 Employment Equity Act inspections to ensure compliance to EE Act and promote equity and transformation. Further, ensuring inclusive growth will also require plugging in resource leakages that permeate in the economic system through the illicit economy activities. The Illicit Economy Unit at SARS has been reconstituted, with focus on illicit activities such as tobacco smuggling, illegal imports, counterfeit goods etc. Strategy on illicit tobacco trade in particular is currently under development. Between April 2019 and January 2020, R2.6 billion in taxes was recovered. Illicit economy activities appear to have surged in South Africa during the Covid-19 pandemic mainly attributed to the ban on the sale of cigarettes and alcohol. A recent study by the Research Unit on the Economics of Excisable Products (REEP) at the University of Cape Town has found that the ban on the tobacco products is feeding the illicit market, with over 90% of continuing smokers being able to purchase cigarettes during the ban. During the month of April alone, SARS effected seizures to the value of R2.6 million mainly on cigarettes, alcohol and counterfeit clothing and footwear.

An interdepartmental working group that comprises of the SARB, FIC, SARS, NPA, SAPS, and SIU has also been established to share information, skills and resources to investigate illicit financial flow cases and prioritise such cases for prosecution. National Treasury and the Organisation for Economic Co-operation and Development (OECD) has commissioned a study to assess illicit financial flows and it is expected that a report will be delivered in 2022.

2.6.3 Industrialisation, localisation and exports

To achieve a more inclusive growth path, government has since refocused its strategic direction from the implementation of IPAP sector interventions towards the implementation of the re-imagined industrial strategy to support the development of the globally competitive sectors with the potential to create growth and employment. Notable progress has been made on the process of developing the industry Master Plans to give effect to the strategy. A Master Plan is a comprehensive plan of action developed by Government, Business and Labour which seeks to achieve a common policy objective, namely to preserve and create jobs; deepen capabilities in the sector; expand exports; promote transformation and support SMMEs. and/or prepare for the impact of a policy change. The Master Plan is typically time- bound and incorporates various actions across the main stakeholders, sequenced to achieve maximum socio-economic impact.

Below is the progress with regards to the development of some of the Master Plans:

- (a) The Retail-Clothing, Textiles, Footwear and Leather (R-CTFL) Value Chain Master Plan and the Poultry Master Plan Master Plan were launched at the President's Investment Conference

held in November 2019. About R7 billion worth of investments were committed to the R-CTFL industry, whilst the South African Poultry Association (SAPA) committed to invest around R1.7 billion in poultry productive capacity.

- (b) The draft Sugar Master plan has been finalised and the sign off event will be organised following the lifting of the Covid-19 lockdown. Amendments to the Sugar Industry Agreement and South African Sugar Association Constitution have also been gazetted, and the industry has been designated in terms of the Competition Act for an exemption thereby allowing industry stakeholders to work together to implement a Master Plan for the industry.
- (c) The draft Framework for the Furniture Master Plan has also been developed. The Master Plan is aimed at addressing challenges facing the industry, which include amongst others, overpriced raw materials, lack of access to market and capital investments, competition resulting from cheaper imports and skills shortages. As a result, the industry's workforce has declined from 50 000 jobs in 2009 to about 26 000 in 2018. Furniture products are already designated for local production as one of the 27 designated product types, with plastic pipes and fittings, bulk material handling, ester oil and instrument transformers being the latest products to be designated.
- (d) Draft framework for the Steel Master Plan was submitted at the end of April. Extensive stakeholder engagement with industry has been completed. Further engagements with departments (DMRE and DPE) on electricity, transport, mineral pricing policy levers is required. The Plastic Master Plan draft framework document was developed and circulated to all social partners for comment. The Chemicals Master Plan development process commenced in February 2020, with the review of the 2017 Chemical Sector Strategy. Consultations commenced in March 2020 and are still underway. The Mining Master Plan will be drafted and submitted to Cabinet in Q3 of the current financial year.
- (e) Government has identified SMME development as one of the key vehicles for economic transformation and development. With the current environment of low economic growth and high unemployment rate, support for SMMEs is fundamental for government to stimulate growth and reduce unemployment and is of paramount importance to realise the NDP vision 2030. The National Development Plan (NDP) estimates that 90% of all new jobs will be created by small businesses by 2030, and thus place the responsibility of job creation, poverty alleviation and economic growth on this sector. In line with government's plan to develop Master Plans for key priority sectors by 2021, a draft National Integrated Small Enterprise Development (NISED) and a draft Creative Industries Master Plan have been developed. The NISED masterplan serves as a strategy to assist in ensuring that governance systems (in support of smaller enterprises) are better functioning, in alignment with national government's objectives to improve efficiencies. One of the main objectives of the Creative Industries Masterplan is to facilitate the transformation of the creative economy to promote industrial development, investment, competitiveness and employment creation. The masterplan also sought to increase the local creative content share of the SA creative market from an average of 40% to 80% within three years, and improving the efficiency of royalty collections as well as distribution to right holders.
- (f) The draft Tourism Masterplan was finalised in March 2020, however, due to the devastating impact of Covid-19 on the tourism sector, the Masterplan has been replaced by the Tourism Recovery Plan (TRP) which has been drafted and was distributed for consultations during August 2020 before being presented to Cabinet for consideration. The TRP comprise of three strategic themes that are considered central to South Africa's recovery, namely protecting and

rejuvenating supply, re-igniting demand and strengthening enabling capability, to be implemented over 3 phases.

Special Economic Zones (SEZs) also have a major role to play in driving South Africa's industrial strategy. Following some delays as a result of Covid-19, work has begun on the Tshwane Automotive Special Economic Zone (TASEZ), with groundworks and the installation of bulk infrastructure currently underway. Launched in November 2019, the TASEZ already has 12 committed investors, with an anticipated investment of R4.3 billion. The TASEZ is one of the four (4) SEZs that are prioritised to maintain investment pipeline momentum, the rest are Maluti-A-Phufong; Bojanala and Vaal Triangle SEZ. The Project Management Unit (PMU) is being established to assist provinces to plan, develop and manage the SEZs and Industrial Parks (IPs) effectively and efficiently.

Work is underway on the refurbishment of industrial parks, with four (4) applications that are being processed for approval. These IPs are located in Seshego (Limpopo), Thohoyandou (Limpopo), Siyabuswa and Kabokweni (both Mpumalanga). All the IPs are being considered for Phase 1 of the revitalization, except for Seshego which has applied for Phase 2. Phase 1 entails upgrading of security infrastructure and critical electricity requirements, while Phase 2 relates to regulatory requirements such as landfill sites waste and water treatments plants, as well as renewable energy initiatives. Businesses located within the Seshego and Thohoyandou IPs currently employ 2 566 people, with further 200 construction jobs to be created during the revitalization of the aforementioned four industrial parks. The Industrial Park Revitalisation Programme aims to attract investment by improving infrastructure in existing industrial parks, many of which are located in low-income areas. The programme has been expanded from 10 to 27 Industrial Parks of which Phase 1 has been completed in 12 Industrial Parks. To date a total of R760 million has been approved for funding of Phase 1 and 2, with about 1 429 job opportunities that have been created through construction services since the inception of the programme. The industrial parks host both heavy and light industrial businesses in various sectors and currently employ 65 000 people.

The breakout of Covid-19 culminated in the passing of the Supplementary Budget on 24 June 2020, which entailed major reprioritisation of funds from the pre-planned programmes of government in terms of the MTSF. Research, Development and Support at Department of Science and Innovation lost about R1 billion, affecting projects such the Square Kilometer Array. Owing to the restriction measures to curb the spread of the virus, tourism, which had come to a standstill, saw about a R1 billion being reprioritized from international and local marketing activities to the Covid-19 fiscal relief package. Tourism is one of the priority sectors that were expected to create employment and support GDP growth.

Department of Small Business Development saw minor downward revision to its baseline, with more money directed to support small enterprises affected by Covid-19 and protecting jobs. Of the R1.77 billion that was reprioritized at the DTIC, about R1.57 billion was from Industrial Competitiveness and Growth and Industrial Financing programmes, which were meant incentive domestic production. This will have an impact on the competitiveness of some operations in the country, especially those that are export oriented. Ultimately, the Economic Development function had a decline of 0.3% in terms of its share of consolidated expenditure function.

In terms of compliance of government spend on designated products and services, there has been an increase on the levels of compliance by organs of state. A public sector tender monitoring tool was established to monitor tenders issued by all organs of state and advertised on various online platforms. During Q1 2020/2021 compliance level is reported to be 80% at the time of bidding, against the target of 100%. Meanwhile the public comment period for the Public Procurement Bill, 2020 closed on 30 June 2020, after being extended by 1 month.

Agriculture is identified as one of the priority sectors that will spur South Africa in a growth trajectory, increase exports and most importantly create jobs while ensuring food security. Land as economic infrastructure for agricultural production has the MTSF 2019- 2024 target of 150 000 ha rehabilitated. For the period under review, 13 116 hectares of degraded land was rehabilitated for production in all nine provinces. Further, 19 043 ha of land in traditional areas has been cultivated, against the MTSF a target of 50 000 ha. This is in line with the agrarian transformation strategy as agreed between the President and the National House of Traditional Leaders. This will ensure that underutilized land in communal areas is optimally utilized. To assist farmers, deal with climate change by 2024, 100 000 ha should be migrated to Climate Smart Agriculture or Conservation Agriculture, for the period under review 25 000 ha was migrated. This will ensure that water is conserved, less chemical is used to control weeds as mulching will be present to suppress weeds and crop pests breeding will be disrupted due to crop rotations.

Regarding agricultural economic infrastructure (irrigation technology, farm mechanization, and resource conservation management), 71 facilities were supported including provision of 20 land reform projects with secure water rights for the purposes of irrigation of agricultural products. The total amount of water use allocated to the projects is 1 171 699 m³/a. Water use is approved in terms of Schedule 1 of the National Water Act, 36 of 1998.

Twenty-five (25) agro-processing facilities for manufacturing of various agricultural produce were targeted to be established by 2024. To date, no new agro-processing facilities were established, while 124 existing agro processing initiatives were provided with technical support, including involvement in enterprise and supplier development programme and infrastructure. From January to March 2020, the DTIC funded the agro processing initiatives through the Agro-processing Incentive Scheme to the tune of R58.4 million.

Five (5) agri-hubs were targeted to be implemented by 2024, so far 4 agri-hubs are partially operational in EC, NW, WC and MP. These agri-hubs will facilitate smallholder producers' graduation from basic food production for consumption towards commercial activities. The DALRRD has a target of reducing 25% in waste generated during manufacturing and industrial process but no activities were reported under the period under review.

The MTSF 2019-2024 has targeted to rapidly and intensively rehabilitate and restore 8 000 000ha of land. South Africa is rich in Biodiversity which underpins the economy and currently employs 418 000 people. Biodiversity provides important inputs into the food chain through protein, pharmaceutical and cosmetic value chain. Opportunities for localization of the value chain through agro-processing and export of finished biodiversity-based products. Amongst others, the Marine Transport and Manufacturing focus area of the Operation Phakisa: Oceans Economy led by DEFF, will implement investor-friendly model for tariffs, fees, rentals, leases and concessioning to promote marine manufacturing and competitiveness and promote national ships registry and facilitate cargo handling (potential R19 bn investment and 14 000 jobs by 2033).

The department targeted 42% reduction in total GHG emissions by 2024 and cumulative impact of the nation-wide implemented mitigation measures reflect that emissions are within the PPD range (500 Mt as per the 2000-2017 National GHG Emissions Profile).

MTSF has committed to support smallholders' farmers for food production and commercial activities by building 71 Farmer Production Support Units (FPSU). So far, no new FPSU had been established due to the lockdown regulations. Further a commitment to support

300 000 smallholder farmers with skills, infrastructure, financial and non-financial support to increase productivity, 50 000 Ha of land will be under cultivation in traditional areas. The department

has supported smallholder farmers by allocating 18 687 hectares of land to smallholder producers. About 9 853 hectares of these hectares of land were allocated to 3 young women. The land claims settled benefited 1 401 households and 9 694 people of which 571 were from female headed households and 2 were people with disabilities. All were supported with post settlement support.

Land as economic infrastructure for agricultural production has the MTSF 2019- 2024 of 150 000 ha. For the period under review, 13116,14 hectares of degraded land were rehabilitated for production in all nine provinces. Land in traditional areas that is planned to be cultivated by 2024 is 50 000 in terms of agrarian transformation strategy as agreed between the President and the National House of Traditional Leaders, so far 19 043 ha has been cultivated. This will ensure that underutilized land in communal areas is optimally utilized. To assist farmers, deal with climate change by 2024, 100 000 ha should be migrated to Climate Smart Agriculture or Conservation Agriculture, for the period under review 25 000 ha migrated to Climate Smart Agriculture, this will ensure that water is conserved, less chemical is used to control weeds as mulching will be present to suppress weeds and crop pests breeding will be disrupted due to crop rotations.

Agricultural economic infrastructure (irrigation technology, on farm mechanization, and resource conservation management) facilities 71 were supported including provision of 20 land reform projects with secure water rights for the purposes of irrigation of agricultural products. The total amount of water use allocated to the projects is 1 171 699 m³/a (One million, one hundred and seventy-one thousand, six hundred and ninety-nine cubic metre per annum). This amount is made out the allocation from 4 properties broken down to 200 000 m³/a; 540 000 m³/a; 430 000 m³/a; and 1 699 m³/a. Further, 16 properties for grazing of livestock which is not considered in quantities. Water use is approved in terms of Schedule 1 of the National Water Act, 36 of 1998.

Fisheries, in South Africa between 90% and 95% of the small-scale fishers' catch is for local consumption. With support from the fisheries unit of the department, in collaboration with key strategic players, the fishing sector contributed more than R3 billion to the country's GDP last year. This translates to more than 15 000 jobs.

The fisheries sector is an important element of the Operation Phakisa Oceans Economy strategy and the battle against poverty and inequality. As part of achieving this, 15-year fishing rights were issued to 20 co-operatives representing more than 1 500 small-scale fishers at KwaZakhele in Port Elizabeth, in the Eastern Cape, during the reporting period.

The small-scale fishing sector will directly benefit more than 30 000 people from the coastal communities in the Northern Cape, the Western Cape, the Eastern Cape and KwaZulu- Natal. The fishing industry comes from a painful history of neglect. Even after South Africa ushered in a new democratic dispensation in 1994, the wheels of transformation have been grinding slowly for the industry. Compounding the situation is the climate crisis, a global phenomenon that has led to an unprecedented dwindling of marine stock.

Small-scale fishers, through their cooperatives, are allocated solid fishing rights and access a number of support programmes in partnership with provincial governments and the private sector. The department has been visiting the coastal fishing communities to issue certificates to registered cooperatives and allocate renewable fishing rights of 15 years. The department initiated a programme to train researchers, recruit students at tertiary institutions and encourage them to take up careers in the industry.

2.6.4 Improve competitiveness through ICT adoption

South Africa ranks 48 out of 63 countries in the IMD World Digital Competitiveness Ranking for 2019. Although the DCDT has developed a draft Data and Cloud Policy to ensure reduction of data and eradication of skewed price settings by dominant players, delays were experienced in securing timeous stakeholder input. A departmental task team has been established to expedite the project. The DCDT has compiled a report on 5G Spectrum in response to Minister' s policy directive and the concept document on the market access for local IP and innovation by SMMEs, which will inform the revision of the ICT SMME Development Strategy. ICASA issued an Information Memorandum for public consultation on the licensing process for International Mobile Telecommunications ("IMT") Spectrum in anticipation of high demand spectrum release earmarked for December 2020, which has now been shifted to the first quarter of 2021. Current population coverage is 99.9% on 3G and 80% on 4G and 854 government facilities were connected and monitored, while the SA Connect Feasibility Study to facilitate broadband connectivity to remaining government facilities is currently underway. The department has had engagements with SITA and DPISA to align the implementation of e-Govt roadmap in which e-Services portal is one of the deliverables. In this regard, the DCDT has drafted the e-Services portal concept document as well as governance structure for the implementation, which details the mechanism of monitoring and reporting of uploading of e-Services on National e-Services Portal.

The implementation of the re-invigorated industrial strategy requires that the whole of government approach, and that all levers of industrial policy be deployed. This include increased investment in Research and Development (R&D). It is common cause that R&D drives productivity growth through technological innovation, and ultimately enhance economic growth. The target on Gross Expenditure on R&D (GERD) for 2019- 2024 MTSF is 1.1%. GERD as a%age of the country's gross domestic product (GDP), an indicator of R&D intensity, remained relatively unchanged, moving from 0.82% of GDP in 2016/17 to 0.83% in 2017/18, according to the latest National Research and Experimental Development Survey. Uneven progress at firm, industry and country level is partly explained in terms of differences in technological capabilities. There is evidence that more developed countries generally have higher national R&D intensity.

2.6.5 Competitive and accessible markets

The South African economy has high levels of concentration, which creates barriers to economic expansion, inclusion and participation. This is a huge challenge particularly for small businesses, the reduction of market concentration and monopolies is key for the expansion of small business sector. There has been some notable progress with regards to government's commitment to support and facilitate the increase in the number of competitive SMMEs and Cooperatives in South Africa:

- (a) The Township and Rural Entrepreneurship Programme was approved by Cabinet in March 2020 to anchor the programmes geared towards providing support to opportunities for self-employment and job creation at economic entry level whilst improving the circulation of money in township and rural areas. Some of the informal sector programmes launched during this period include the Clothing & Textiles Support Programme; Bakeries & Confectioneries Support Programme; Spaza Shop Support Programme; and Automotive Aftermarket Support Programme. About 1 497 SMMEs were approved for funding under the SMME Debt Relief Fund. Of these, 33% are women owned, and 21% owned by young people.
- (b) A National SMME Database has been developed to ensure that all active enterprises in the country are registered in order to access government support and services. By end of the reporting period, approximately 195 000 SMMEs across all sectors of the economy had

registered and most of them have applied for different support programmes offered by government.

- (c) A One-Stop Model (also called Co- location) has been adopted and approved in order to integrate and provide seamless services to SMMEs and Cooperatives. This will bring services intended for business development and support by various entities under one roof, which is aimed to lead to an ideal One Stop Shop. A number of Co-location points have been established in various municipalities under Seda offices.
- (d) With regards to the development and adoption of the localisation policy paper on SMMEs, DSBD has decided to develop a Localisation Programme to expedite support initiatives for SMMEs. The programme is expected to drive the integration of SMMEs and Co-operatives into the various value chains. A draft discussion paper has been developed through a desk-top research conducted by the Department and critical stakeholders already identified for the development of the programme and the policy for localisation. The stakeholders include National Treasury, IDC, Manufacturing Circle, CSIR, DTIC and the World Trade Organisation.
- (e) SMME development through incubation centres and digital hubs is among the scores of interventions identified to support small businesses. To this end, 6 digital hubs in townships and rural areas were established and are currently concluding their respective procurement processes with construction/ refurbishment work having commenced. These are Botshabelo Digital Hub; Limpopo Digital Hub; Mpumalanga Digital Hub; KwaMashu Digital Hub; Alexandra Digital Hub and Mafikeng Digital Hub. This is part of the DDM model for economic development. The Mpumalanga Digital Hub will be launched in the 3rd quarter but have started with its first cohort call and community engagements. The KwaMashu Digital Hub is operational although refurbishment of the hub is still in progress. The remaining 4 hubs are in different phases of site gearing. It is expected that 5 out of the 6 hubs will be operational in the 4th quarter of the 2020/21 financial year. Currently none of the 6 new hubs have reported performance numbers.

Following the release of the Data Services Inquiry by the Competition Commission, the Commission reached agreements with major players in the telecommunications sector such as MTN, Cell C, Telkom and Vodacom regarding data price reductions, the structure of data pricing, and zero-rating for educational materials and essential government services and websites. Data cost reduction of up to 30% secured. Further, the Draft Guidelines for Competition in the South African Automotive Aftermarket Industry were published for comments in the first quarter of the year. The is meant to transform the automotive aftermarket and encourage competition through greater participation of small businesses, including historically disadvantaged groups. This include entry into the dealership market, promoting inclusive and fair allocation of repair work by insurers and in-warranty service and maintenance work, and access to OEM-training and technical information by independent service providers.

2.6.6 Economic Infrastructure Development

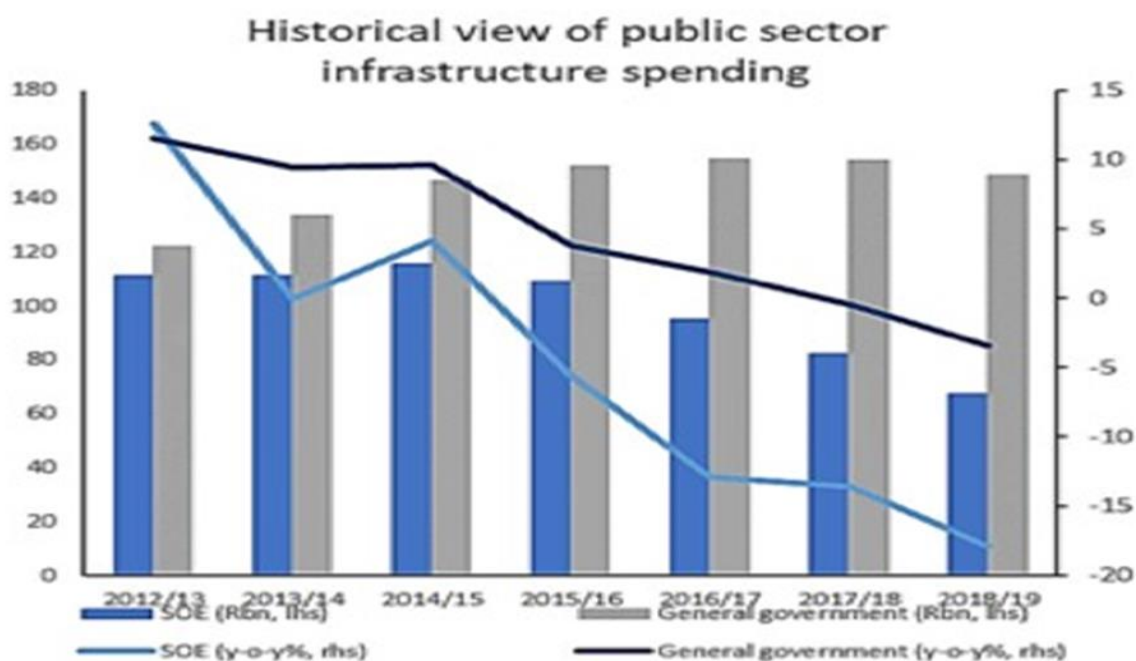
2.6.6.1 Improve the Quality and Quantum of Investment to Support Growth and Job Creation

According to the National Treasury 2020 Budget Review, the public sector spent R3.2 trillion on infrastructure between 1998/99 and 2018/19 (Figure 6). Investment by general government (GG) was down 0.8% and State-Owned Enterprises (SOEs) down by 4.9% on average between 2014 and 2019. SOEs have reduced their spending over the past few years as most struggled to access capital markets to finance infrastructure programmes.

Public Sector infrastructure spending over the medium-term expenditure framework (MTEF) period is estimated at R815 billion with the SOEs Public-sector infrastructure investment plans for transport and logistics total R308.3 billion over the medium term. This accounts for 37.8% of total infrastructure expenditure during this period.

Recently, the Infrastructure Development Fund Memorandum of Agreement was signed by relevant parties including Infrastructure South Africa (ISA) in the Department of Public Works and Infrastructure (DPWI); the National Treasury and the Development Bank of Southern African (DBSA). The signing of the Infrastructure Fund MoA signifies a significant milestone in bringing together the key stakeholders to create a financing facility for blended infrastructure projects. Through the Infrastructure Development Fund, Government will provide support for co-financing of projects and programmes that blend public and private resources. Currently provision has been made for R100 billion over 10 years, with R10 billion funding in the current MTEF baseline. DPWI also indicated in their quarter 1 reporting that the Minister has gazetted “Strategic Integrated Infrastructure Projects”- SIPs projects.

Figure 6: Historical view of public sector infrastructure spending



Source: DPWI- South Africa’s infrastructure investment plan June 2020

However, there is a need for further improvement of institutional coordination while capacity to prepare and implement projects needs further strengthening amongst the signatories. The foregoing includes clear definition of roles and responsibilities of various institutions in the project cycle from preparation to post implementation. This also entails improving the efficiency and quality of spending, cost and availability of infrastructure services provided to users. This requires focusing on the efficiency of critical role-players that deliver these services and leveraging the private sector when possible.

2.6.6.2 Supply of energy secured

Progress has been reported on the outcome of securing energy supply per the MTSF and SONA commitment, which includes measures to implement the approved Integrated Resource Plan (2019) and other interventions towards improving energy availability factor to ensure constant supply of electricity to 80% in 2024.

While an additional 1 000 MW is required to augment Eskom capacity by 2024, no progress on this target has been reported by the DMRE. Further, despite indication from the DMRE that plans are afoot to table the Gas Amendment Bill, which prioritises infrastructure investment by, amongst others, constructing infrastructure to import liquefied natural gas and increasing exploration to find domestic feedstock to diversify the energy mix and reduce carbon emissions, in pursuit of diversification of energy sources from a baseline of 5.9% to 11% in 2024, no specific time frame has been set.

The DMRE, which plans to develop the (long overdue plan-2015 was the deadline) Gas Master Plan 2020 in this financial year, is also trying to strengthen regional cooperation to develop a regional gas market and participating in the Regional Gas Master Plan development spearheaded by SADC. In terms of the Integrated Energy Plan, the DMRE has established a technical working group to guide strategy and plan for liquid fuels and the development of the LNG import-export facilities across various ports of the country, including Richards Bay, Saldanha Bay and Port of Ngqura. Additionally, the Shale Gas research project in the Karoo, undertaken by the Council for Geoscience (CGS) and PASA, is expected to move towards ultra-deep drilling of a vertical boreholes during the third quarter of the 2020/21 f/y and targeting completion at the end of the 2021/22 financial year, all to ensure realisation of energy security and diversification objective.

A total of 84.7% of households were connected to the main electricity supply during the previous MTSF period. Regarding grid connections to households as per the National Electrification Plan (NEP), 38 000 households were connected to the electricity grid in Q1 and Q2 of the f/y, and a further 7 000 households non-grid connections will be undertaken in Q3 and Q4 of 2020/21. Considering the target is to increase electricity access to 1.075 million more households over the MTSF period, this progress is quite slow and could significantly undershoot the 215 000 households to have been connected each year.

Maintenance of electricity networks will be undertaken by NERSA, in accordance with Cabinet approved recommendations, by the end of 2020. A Section 34 determination for 2 000 MW and an RFP for 2 000 MW was released in August 2020. Further, available information reveals that NERSA has concurred with the Section 34 determinations for coal, gas, renewable, energy and storage, which decision was made known during the course of September 2020. One of the 2020 SoNA commitments required the National Energy Regulator to continue to register small scale distributed generation for own use of under 1 megawatt (MW), for which no licence is required. Accordingly, the DMRE has gazetted the amended schedule 2 of the Energy Regulation Act exempting certain categories of power plants under 1MW from a requirement to hold a licence. The IRP2019 provides for distributed generation for own use above 1 MW, removing the requirement for Ministerial approval for deviation from the IRP.

Regarding the separation and unbundling of Eskom to eliminate cross-subsidisation and improve efficiencies, the DMRE reports that it continues to provide the necessary support to the DPE. There is good progress in the execution of Eskom Roadmap to ensure Eskom achieves functional

separation of the divisions with the Divisional Boards being appointed on the 1st April 2020 to improve accountability, transparency and performance.

Within those entities, the creation of the transmission entity is critical to support third party access to the grid, which will foster the development of a competitive market and encourage the use of diverse sources of energy. The division is expected to be completed by August 2022, followed by full legal unbundling. The criticality of development of a project monitoring plan to ensure that these important milestones are met cannot be over- emphasised.

Progress relating to Energy Availability Factor (EAF) as at 31 May 2020, was at 68% and Eskom is currently implementing Generation Recovery Plan to improve plant performance. However, some delays have been experienced in the delivery of the Power Build Programme, with projections of commercialising the last unit of Medupi (Unit1) by the end of 2020/21 financial year while 50% of Kusile power station (3 units) will be in commercial operation by 31 March 2021. Two units have been synchronized to the national grid and currently in the process of being commercialised by the end of March 2021. Units 4 to 6 limited construction activities were disrupted by the national lockdown and this might have a negative impact on construction schedule of these units.

The afore-stated contribute to energy supply challenges leading to power outages that have a profound negative impact on investment attraction and economic growth. In its submission to the Standing Committee on Appropriations (SCOA), Eskom asserts that power outages in July and August 2020 resulted from higher levels of unplanned losses throughout the generation fleet.

Strengthening competition in power generation aimed at development of a more competitive and decentralized generation market with new public and private generators and independent power producers (IPPs) that sell directly to larger customers as well as private sector-driven small-scale generation, mostly from renewables could greatly assist the country to achieve a significantly higher energy availability factor towards the required 80%, improve the power supply situation and significantly reduce power outages and their impact on the economy. The afore- stated would support implementation of the Government's Integrated Resource Plan (IRP) 2019-2030.

Also, the DMRE is on track to complete the feasibility study on a new oil refinery by March 2021 as planned. Further, as part of the Nuclear New Build Programme, the DMRE has drafted a framework to aid in procuring 2 500 MW of nuclear energy by 2024. The National Nuclear Regulator Amendment Bill and the Radioactive Waste Management Fund Bill have been published for public comment while a National Radioactive Waste Disposal Institute (NRWDI) has been established to implement the centralised interim facility for sustainable management of radioactive waste.

The DMRE continues to monitor progress of the Koeberg Nuclear Power Plant life extension. In terms of the MTSF a New Multi- Purpose reactor must be procured by 2024. In May 2020, the Project Initiation Report for Multipurpose Reactor Project was approved by NECSA Board in pursuit of the 2024 target for the procurement of the Multi-purpose reactor. Also, the Upstream Petroleum Resources Development Bill that was published for public comment on 24 December 2019 has been tabled in Parliament this financial year. In the July 2020 Budget Vote, the DMRE emphasised the criticality of public private partnerships in the implementation of the energy infrastructure projects.

2.6.6.3 Increased access to affordable and reliable transport systems

Regarding the establishment of the Single Transport Economic Regulator (STER), the Department of Transport introduced the Economic Regulation of Transport (ERT) Bill to parliament for approval of the Bill for public consultations. The Transport Minister highlighted in the Budget Vote Speech of

2020/21 that once the Bill is approved, a process to prepare the Ports Regulator for integration into the Transport Economic Regulator will then begin. The Bill proposes the establishment of the Transport Economic Regulator and the Transport Economic Council. The Bill will be applicable to the aviation, marine, rail and road transport sectors.

South Africa's potential to fully utilize its geographical position to become an important regional transport and logistic hub is hampered by various factors including sector inefficiencies that increase the cost of transport along the logistics value chain and hinder the country's competitiveness. Consequently, the importance of a Single Transport Economic Regulator in improving the country's competitiveness in terms of pricing and improved service quality in the freight rail and port system cannot be overemphasized.

A target on the upgrading, refurbishing and maintenance of +- 20 000km of road network by SANRAL has increased to 22 253 km during the 1st quarter. On the target of 10% set to transfer road freight to rail by 2024, guidelines for rail access regime have now been drafted. Regarding the implementation of Private Sector Participation framework this year, a discussion document for Rail Private Sector Participation has been developed during the first quarter.

The DoT has not made progress on the development of a strategy for the implementation of the user pay principle and is still awaiting Cabinet's determination on GFIP option analysis conducted.

The findings of an impact assessment study to establish the potential implications of TNPA corporatisation, which was commissioned by the DPE and completed in March 2020 revealed that corporatisation will have consequences for TNPA, Transnet and its operating divisions. These were shared with Transnet, National Treasury, Department of Transport (DoT) and Department of Monitoring and Evaluation (DPME) for inputs, which are currently being consolidated. However, the risk of missing the target December 2020 deadline for the corporatisation of TNPA remains high.

The delay in the corporatisation of the TNPA will mean that transparency issues, potential introduction of private partners in terminal and freight rail operation as well as addressing the sub-optimal operational efficiencies as identified in the World Bank's diagnostics report on ports will remain. These inefficiencies tend to increase the costs along the logistics value chain and hinder the country's competitiveness.

2.7. MAJOR CHALLENGES AND BLOCKAGES AFFECTING IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF, INCLUDING THE IMPACT OF COVID-19 ON THE PLANNED INTERVENTIONS BY THE SECTOR.

- (a) It is important to underscore that Covid-19 found an economy that was already extremely fragile. Growth constraints such as inefficiencies particularly in the network industries is well documented, and efforts to address these challenges were already underway before the breakout of Covid-19. Covid-19 necessitated reprioritisation of funds from planned interventions to respond effectively to the pandemic.
- (b) The tourism sector, one of the hardest hit sectors, did not achieve its targets of increasing international tourist arrivals, and increasing tourism's contribution to jobs and GDP. Impact of the pandemic on the industrial sector as a whole affected the implementation of the re-imagined industrial strategy in earnest. The small business sector did not escape unscathed, and the need for financial support from government is greater than the available resources.
- (c) The impact of Covid-19 exposed the fact that many South Africans lack access to the internet and digital devices that would enable them to work remotely due to high data prices, poor implementation of e-learning programme and high prices of smartphones; which have

resulted in inadvertent socio-economic exclusion of the poor majority of South Africans from accessing services during the pandemic. The foregoing is more profound in the education sector where mainly private schools and some previously advantaged higher education institutions continued with teaching and learning virtually while mostly public schooling and poorer higher education institutions continue to struggle owing to resource constraints and inability of students to access same due to affordability challenges.

- (d) Covid-19 has accentuated the digital divide between the rich and poor, as well as the rural/urban populations as the less affluent continued to struggle as they had to congregate in certain public spaces to access some of these services using free Wi-Fi thus exposing themselves to potential infection.
- (e) The findings of an impact assessment study to establish the potential implications of TNPA corporatization, which was commissioned by the DPE and completed in March 2020 revealed that corporatization will have consequences on TNPA, Transnet and its operating divisions. However, while the stakeholders continue to consolidate their inputs, the risk of missing the targeted December 2020 deadline for the corporatization of TNPA remains high.
- (f) The installation of the Beit-bridge Border Fence at a cost of R40.4m as a result of the irregular application of the emergency procurement process has brought to the fore issues of corruption and poor planning in the DPWI. The project was characterised by high costs, amounting to about R1.1 million per kilometer and shoddy work that did not serve intended purposes as contraband smugglers breached it within a day after its construction.
- (g) In the mining sector, the pandemic affected the broader outcome of growth in investment and job creation as exploration, production and sales plummeted. Additionally, impacts on the number of monitoring and enforcement compliance inspections conducted as well as growth and revenues are likely to be felt throughout the minerals- energy complex. Lastly, the budget cuts implemented by National Treasury will impact on various projects, particularly, electrification projects.
- (h) The pandemic impacted negatively on the transport sector inflicting significant losses across the board (public and private alike) as all transport operations (aviation, rail, road transport) ground to a halt resulting in significant delays in planned capital infrastructure projects and related expenditure. Road Infrastructure projects were also impacted by the Covid-19 pandemic. This affected most SOEs as revenue generation dried up. The foregoing had a profound impact on implementation and delivery timelines of all projects and denied the unemployed the employment opportunities that could have resulted from the implementation of these infrastructure projects.

2.8. CROSS-CUTTING ISSUES THAT HAVE A CONTRIBUTION TO MAJOR CHALLENGES AND BLOCKAGES AFFECTING THE SECTOR'S IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF.

2.8.1 Lack of economic regulators across the economic infrastructure sectors, particularly transport, and poor capacity, continue to inhibit competition, economic sustainability and growth. While Infrastructure South Africa and other initiatives are being put in place in order to strengthen coordination, a culture of non-implementation continues to constrict the ability of the country to realise the desired end state.

2.8.2 Although the Presidential Infrastructure Coordinating Council (PICC) was established to improve coordination, this has not led to significantly improved coordination and faster

implementation of infrastructure projects across South Africa, due to poor alignment between various departments, provincial governments, local municipalities and state entities.

2.8.3 Government has also failed to optimise the use of private public partnerships to attract private sector investment into key infrastructure projects through well- structured initiatives.

2.8.4 Failure to implement the Operation Phakisa Lab outcomes by various sector departments, particularly, the DMRE and DALRRD as required by the MTSF, has cost the country dearly in terms of investment attraction, economic growth, job creation and transformation.

2.8.5 The above is due to lack of accountability and consequence management and the continued failure of the Operation Phakisa Ministerial Management Committee to meet to resolve identified bottlenecks.

2.8.6 Since some departments have not reported according to the monitoring framework, omitting important sections of the framework, it remains therefore unclear if the department is facing any challenges in their implementation (DPWI, DMRE etc) and how best to resolve same.

2.8.7 The delays in the completion of Eskom Build Projects has impacted negatively in the economy of the country.

2.9. ACTIONS NEEDED TO ADDRESS MAJOR CONSTRAINTS AND CHALLENGES TO ACHIEVE THE MTSF TARGETS.

2.9.1 The Covid-19 response measures have proven that it is possible for the departments to work across cluster boundaries, but coordinated to derive the highest precision in the implementation of the Covid-19 response measures. Covid-19 also naturally forced government departments to prioritise their plans in pursuit of common objectives in the face of the exposed higher levels of inequalities and shortcomings in addressing them.

2.9.2 All government agencies should report through their shareholder departments and their activities should be directly related to the MTSF to contribute to the realisation of national objectives. The standardisation of indicators across government must be prioritised.

2.9.3 While the DCDT would like to have the target -South Africa will be the cheapest in Africa by 2024 and South Africa will be in the top 10 in Africa for the price of 1G data pricing by 2024- to be revised, arguing that this is a moving target as competitors do same, that does not invalidate the need to make these services accessible to the poor majority. Continued socio-economic exclusion of the masses is unjustifiable and should not be sustained when the rest of the world is moving towards virtual reality in most aspects including communication, learning, e-commerce and working.

2.9.4 Expedite the finalisation of ICASA Board appointments and ensure the release of high demand spectrum by the target date. This will promote transformation and competition resulting in lower prices while enriching the lives of South Africans.

2.9.5 Direct all lead departments to implement the Operation Phakisa Lab outcomes as required by the MTSF to ensure the realisation of the related investment, jobs and GDP growth targets.

2.9.6 Operation Phakisa MINMANCOs should be resuscitated and meet regularly to monitor implementation progress and resolve bottlenecks as required by the methodology. Failure to implement Operation Phakisa Lab outcomes must be dealt with harshly and expeditiously to help realise their job and investment targets.

2.9.7 Departments need to put some time and effort in their reporting in order to properly clarify on all the issues as per the reporting guidelines. DPWI needs also to report on the progress of the Beit Bridge project because that priority project has put the spotlight not only on the department but the whole country in terms of corruption and looting.

2.9.8 The DPE should develop a monitoring plan with stringent timelines to monitor the establishment of Eskom's independent generation and transmission company as well as the implementation of the build projects to eliminate the possibility of any further delays.

2.9.9 The DPE, which has proposed a strategy to mitigate the risk of not delivering on the MTSF target of corporatizing TNPA by December 2020, should submit a monitoring plan with stringent timelines to DPME and all stakeholders to ensure the target is achieved this financial year. Corporatisation of the TNPA will improve efficiencies and competitiveness of SA ports as well as increase investments.

2.9.10 The current economic environment in general and fiscal position in particular will likely be worsened by the impact of Covid-19. Therefore, a more concerted effort by both the public and private sector is needed to stabilise the economy and create a conducive environment for growth and job opportunities. The 'whole of government' approach in dealing with these issues must be embedded in all initiatives.

2.9.11 The immediate intervention by government is to reprioritize resources towards measures that are urgently required to stabilise and support the sectors of the economy that have the potential to rebound quickly but the resilience to innovate and to breakout beyond our borders. However, this does not necessary mean that government should fully abandon its own current priorities. The interventions in the current MTSF emanate from the 25-year Review, which was a robust process. There is greater alignment between the MTSF and the various economy recovery plans proposed by non-state actors.

2.9.12 Beyond creating a conducive policy environment for small businesses to thrive by creating blended favourable financing arrangements, and facilitate access to markets, the use of public procurement to effect change in this sector will only work if government lead by example and pay suppliers on time.

2.9.13 The process of enacting the Public Procurement Bill must be expedited in order to unlock the transformative opportunities it brings in terms of efficiencies, localisation and inclusivity, but also useful in terms of curbing corruption.

2.9.14 Process of development of national priority masterplans as part of the re-imagined industrial strategy must be expedited where progress is slow, whether or not as a result of Covid-19. These must also be accompanied by an M&E framework. Relevant departments through relevant clusters must appraise Cabinet on the implementation process. Because of the volume of Master Plans being developed, a great deal of coordination and a sense of urgency is required.

2.9.15 High level government delegations must randomly visit strategic economic regions to get first hand assessment of the performance. This appeared to work during Covid-19.

2.9.16 Ensure that funds resources for public employment initiatives are secured beyond 2020/21 financial year as the economy will likely take some time to create employment on a sustainable basis. This will have positive spinoffs in terms of alleviating hunger, but also bolstering domestic demand and fostering skills development.

2.10. IMPLICATION OF THIS TO THE REVIEW OF THE MTSF AND OPTIMIZING HOW GOVERNMENT OPERATES

2.10.1 The deteriorating fiscal environment means that the country will have to do much more with much less. This has had a direct impact on the ability of government to implement all the initiatives and realise the outcomes and impacts as initially envisaged in the 2019-2024 MTSF. In the medium-term focus must be on those projects that will yield the highest returns in terms of employment, growth and investment.

2.10.2 The tourism industry has been completely decimated, and its ability to create jobs in the short term severely compromised. The R200 million Tourism Relief Fund has supported over an estimated 23 000 jobs in the sector. With 65% of the international tourism arrivals down 65%, the Tourism Recovery Plan (TRP) will have to be implemented as soon as possible to claw back some the share of its contribution to the economy. The TRP comprise of three strategic themes that are considered central to South Africa's recovery, namely protecting and rejuvenating supply, re-igniting demand and strengthening enabling capability, to be implemented over 3 phases. The MTSF tourism related targets may need to be reviewed in light of the current environment.

2.10.3 The SMME sector bore the brunt of the Covid-19 pandemic as the government implemented the nation-wide lockdown to curb the spread of the virus. The economic mediation measures that have been put in place must be strengthened to ensure inclusivity. The number of small businesses supported may need to be reviewed. On industrialisation and manufacturing, Covid-19 presented opportunities for upscaling, and growing exports particularly in the continent. The health economy presents positive spinoffs in terms of manufacture of ventilators, PPE and medicine localisation. As the country and the economy adapt to the new normal, this must include the greater participation of women, youth and people with physical disabilities.

2.10.4 The risk of not meeting the MTSF target or TNPA corporatization by December 2020, confirmed by the DPE, is likely to further delay various issues including improvements in productivity and infrastructure spending, investment attraction into ports system as well as dealing with possible conflicts of interests, transparency, accountability and regulation harshly and expeditiously. A confluence of the foregoing and the Covid-19 related delays in capital infrastructure projects could significantly impact or postpone further the realisation of this target.

2.10.5 While persistent delays in the completion of Eskom Build Projects continue to constrain the potential of the country's economy, the achievement of this outcome remains unlikely unless project implementation is closely monitored and any failures dealt with expeditiously.

2.10.6 Regarding outcome on Investing in accelerated inclusive growth- 6% investment attracted in the South African mining cluster by 2020; increase in the number of direct jobs created as per investment, from zero in 2016 to 5% in 2020- this target may not be achieved unless the failure by DMRE and DALRRD to implement the Operation Phakisa Mining and Rural Economy Labs outcomes attract the requisite consequences to ensure accountability.

2.10.7 Due to Covid-19, the DCDT encountered challenges in broadband connections. The pace with regard to the implementation of the Broadcasting Digital Migration (BDM) is still very slow taking into consideration that the country is behind schedule since the 2015 international deadline. It is highly unlikely that the new deadline of 2021 will be met since the programme is still experiencing challenges unless decisive action is taken to resolve the bottlenecks.

2.11. RECOMMENDATIONS

2.11.1 DSBD to lead the process of determining and designating on an incremental basis 1 000 locally manufactured products that must be procured locally to support small businesses.

- 2.11.2 Departments and entities responsible for implementing the Covid-19 relief measures must ensure that the recommendations of the Auditor General are fully implemented.
- 2.11.3 Energy insecurity and rising cost of electricity is a major constraint to growth in South Africa, and reform in this sector must be of the highest priority. Further, SOE reform must be expedited in order to build confidence in the economy in terms of capability of the state, which will increase investment and support growth.
- 2.11.4 Auctioning of high demand spectrum must be prioritised, and no further delays should be permitted.
- 2.11.5 DHET and DHA work together to urgently finalise the Critical Skills List and gazette the regulations in terms of the Immigration Act.
- 2.11.6 All departments must report on the MTSF transversal targets relating to the empowerment of women, youth and people with physical disabilities.
- 2.11.7 Operation Phakisa Ministerial Management Committee should be resuscitated and meet regularly to resolve identified challenges, ensure implementation of Operation Phakisa Lab outcomes by relevant departments and deal expeditiously with any failure to implement same.

3. PRIORITY 3 - EDUCATION, SKILLS AND HEALTH.

3.1. PURPOSE OF THE REPORT

This report presents an analysis by the DPME of the Bi-Annual Progress Reports on the implementation of the Medium-Term Strategic Framework (MTSF) 2019-2024, focusing on Priority 3 namely Education, Skills and Health. The Bi-Annual Reports were submitted to the DPME on behalf of the three sectors by the National Departments of Basic Education (DBE); Higher Education and Training (DHET) and Health (DoH). The DPME conducted an analysis of the reports, triangulated the data with other sources and produced the report that follows below.

This report reviews the following:

- (a) Progress on the implementation of MTSF 2019-2024;
- (b) Challenges and blockages, including the impact of the Coronavirus Disease (Covid-19) on progress attained, and the likelihood of achieving the 2024 targets and NDP 2030 targets;
- (c) Implications of the recorded progress on the review of the MTSF 2019-2024 and optimizing how government operates going forward.

3.2. STRATEGIC INTENT

The strategic intent of Priority 3 is to develop the human capital of South Africa by investing in education, training and health of its citizens. Government investment in developing the capabilities of South Africans extends from conception to early childhood development (ECD) through to skills development and quality health. This report focuses on work done around ECD, basic Education, post school education and training and the health of South African citizens.

- a. Investments in human capability covers the life cycles of South Africans building the capabilities of South Africans, developing their social assets, and ultimately addressing the triple challenge of poverty, inequality and unemployment.
- b. To build effective capabilities, access to quality ECD is needed for all children, especially those in vulnerable groups. Access to quality ECD needs to be supplemented with quality schooling that leads to effective post-school education and training (PSET) with skills needed by the economy. To develop skilled individuals, the country must address structural barriers in tertiary institutions, while making dedicated investments to ensure labour activation. These need to happen in tandem with skills review processes to ensure appropriate improvements in learning and skills levels.
- c. At the same time, South Africans also depend on improvements to the health sector to strengthen its management, financing and delivery. The health of South Africa's people underpins the health of the country as a whole, and its ability to grow and thrive.

This report is divided into three sections. The first part presents an overview of progress made by the Basic Education Sector towards the MTSF 2019-2019, in the first six months of 2020. This is followed by an assessment of the Higher Education and Training Sector. The third and the last section focuses on the milestones attained by the health sector.

3.3. BASIC EDUCATION COMPONENT

3.3.1. Impacts planned to achieve in the Basic Education sector

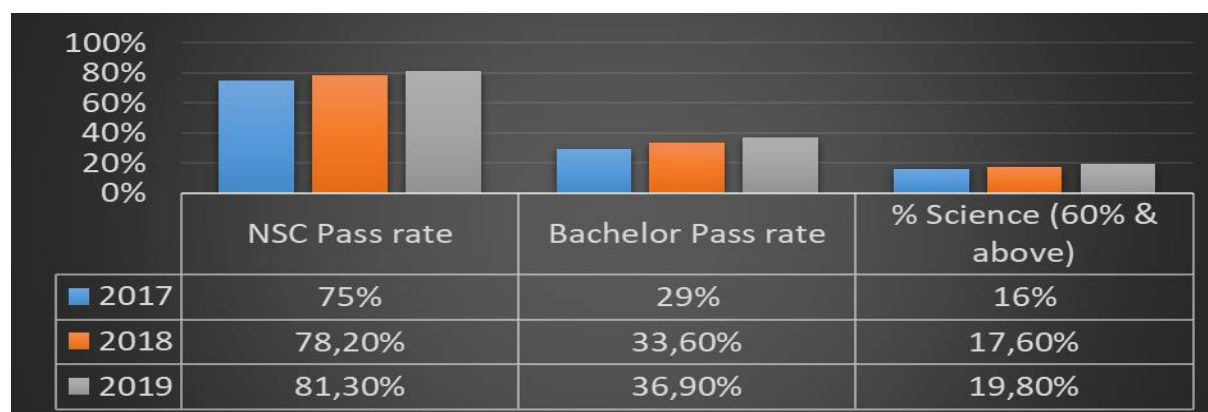
The MTSF 2019-24 seeks to achieve the following impacts during the period review:

- (a) Increased access to pre-schooling expanded to 95% and quality improved;
- (b) More children in foundation phase acquire levels of literacy and numeracy required for meaningful lifelong learning by 2024;
- (c) Improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024;
- (d) More learners obtain a national senior certificate (NSC) with excellent marks in critically important subjects by 2024;
- (e) School physical infrastructure and environment that inspires learners to learn and teachers to teach.

3.3.2 Overview of main achievements in Basic Education sector

The basic education highlights include the green shoots developing in the performance of the basic education. The country moves into the new MTSF with National Senior Certificate (NSC) passes showing that the system is on an upward trajectory. Performance has increased with overall pass rate increasing from 75.1% in 2017 to 81.3% in 2019. Coupled with this rise in pass rate is the quality of passes as represented by bachelor pass increasing from 29% in 2017 to 36.9% in 2019, with many learners coming from no-fee schools. Many more learners passed Physical Science at 60% or above, moving from 16% in 2017 to 19.8% in 2019. The table below summarises the above details.

Table 1: Matric results



Source: DBE NSC results, 2017-2019

These improvements are partly due to the sector's concerted efforts to provide extra tuition over the weekends, winter and spring classes. These classes serve as remedial lessons for learners to get a better understanding of topics covered during normal tuition time. The ideal is an efficient system that is able to produce these results without extra ordinary interventions to support learning and resources devoted to achieve this.

This period starts also at a high note of increasing scores in international assessments that South Africa participates in, even though the scores are not at a level the country wants them to be at.

¹ *Department of Basic Education. 2014/2019. National Senior Certificate Technical Reports*

The introduction of technical subjects by DBE such as Civil Technologies, Mechanical Technologies, Mechanical Technologies, Technical Mathematics and Technical Sciences in 2018 to address skills shortage in the trades has been progressing with majority of learners registered for these subjects passing these at grade 12, though the number of students enrolling in these areas are still small.

Many of the process issues required to achieve the MTSF (2019-2024) impact indicators have commenced which are a precondition towards reaching the impact targets. These include putting in place processes for migrating ECD coordination from Department of Social Development to DBE, following the President's SONA announcement. The two departments (Social Development and Basic Education) have been working out how to make this a reality. Provincial dialogues were conducted in provinces as part of DBE's consultation as well as informing of stakeholders on the ECD migration. Various work streams focusing on specific areas of service delivery have been established. Proposed proclamations have been sent to the Office of the State Law Advisor.

To achieve the SONA directive of ensuring that all 10 years old people are able to read with meaning, the sector has developed training programmes for reading coaches to build capacity by training Subject Advisors to support schools. By the end of June, the basic education sector had distributed the Early Grade Reading Assessment (EGRA) Toolkit for Phase 4 and CDs with the National Reading Framework and Manuals to all nine provinces. Furthermore, DBE is implementing Early Grade Reading Assessment in 8 000 schools across all Provincial Education Departments (PEDs) as part of improving reading in the education system. This is part of the long-term investment the country is making towards increasing the literacy rates of learners.

To support the teaching of reading the sector has deployed a cohort of experienced coaches to provide high quality on-site support to foundation and intermediate phase teachers to teach reading in English and African languages. On-site coaching has been taking place in 140 schools in the NW province, with plans to further provide coaches to another 80 and 50 schools in KZN. Training of teachers in Primary School Reading Improvement Programme through virtual platforms has been conducted in NW, MP, WC and LP. The progress is threatened by Covid-19.

In addition, access to reading material is crucial for increasing literacy levels. The country continues to invest in the provision of workbooks with grades R-9 learners receiving 31 949 945 Volume1 workbooks. These workbooks help many learners to have access to reading material in addition to other texts. Furthermore, PEDs have begun rolling out ICT devices including tablets to learners and Laptops to teachers as part of enriching curriculum and access to reading material. Budgets for materials such as workbooks and textbooks need to be protected going forward when more budget reprioritisation and cuts will be expected if the economy does not perform.

There is also progress towards provision of skills and economic opportunities for persons with disabilities. In the rollout of Policy on Screening, Identification, Assessment (SIAS), support and curriculum differentiation has reached 122 347 teachers and 6 056 officials. The implementation of the policy on learners with severe to profound intellectual disability (LSPID) is also making progress. Various outreach services were provided to 9 421 in 469 special care centres and 104 special schools.

The sector continues to enhance social support to vulnerable learners. Before the COVID-19 lockdown, 9 675 366 learners benefitted from the National School Nutrition Programme (NSNP). It created business opportunities to 4 977 enterprises, the majority of which are Small Medium Enterprises (SMMEs), and provided stipend to 55 620 volunteer food handlers who prepare, cook and serve meals to learners.

The introduction of the three-stream curriculum model by DBE, heralds a shift in the country's strategy to develop human capital to go beyond academic training. In preparation for the implementation of the model, 26 draft occupational subjects' statements have been finalised these are precondition to implementing the three-stream model. Various technical vocational specialisations have already been introduced in 550 schools, and 67 schools are now piloting the occupational stream. The quality assurance of CAPs for Vocational Stream is in progress.

In line with basic education's Framework for Skills for a Changing World, training is expanded for both educators and learners to respond to emerging technologies. Coding and Robotics is introduced in Grade R-9 curriculum. A total of 200 primary schools have been identified to pilot the Grade R-3 Coding and Robotics Curriculum, while for Grade 7-9 Curriculum, 1000 primary schools have been identified.

3.3.3 Positive or negative changes to the key high-level indicators Basic Education

(a) Access to pre-schooling expanded to 95% and quality improved

There are substantial improvements in the attendance of ECD facilities for 5 to 6-year-olds. About 91.6% of 5-6-year-olds attend educational institutions, while school-based Grade R attendance increased to 72% in 2017 (General Household survey, 2018) from 13% in 1999.

A pilot study on the administration of the Early Learning National Assessment to assess a proportion of Grade R learners that are school ready has just been completed. When this assessment is institutionalized it will help the country to know the extent to which Grade R prepares learners for their school career.

Processes for the migration of the ECD coordination to DBE was affected by COVID-19 lockdown delaying pilot preparation for national audit of ECD and Diagnostic report of ECD human resource capacity. Eight (8) Work Streams have been established between DBE and DSD to focus on specific areas of service delivery including: Legislation and Policy; Finance; Infrastructure; HR; Governance, Curriculum and Services; Communication and Advocacy; M&E; as well as Health and Nutrition. Finalisation of the work by these workstream needs to be finalised so that the SONA commitment to migrate ECD to DBE can be realised as soon as possible. Urgency is needed to ensure legislation making this possible is in place and issues of quality are addressed.

(b) Improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024.

The number of youths passing at bachelor level increased by 14 015 from 172 043 in 2018 to 186 058 in 2019 (an 8% increase), while those passing Physical Science at 60% and above also increased by 2 196 from 30 368 in 2018 to 32 564 in 2019 (7% increase). However, there was a 4 359 decline in the number of learners passing Mathematics from 28 151 in 2018 to 23 792 in 2019 (15% decline).

Grade 3, 6 and 9 test items were piloted and reviewed, with DBE working with Australian Council for Education Research (ACER). The tests items are an essential building block for the institution

of the new Systemic Evaluation replacing Annual National Assessments (ANA). The aim is to replace ANA with a more robust system that makes it possible to compare progress across years which was one of the weakness of the previous assessment. By 30 June 2020, chapters 2 and 3 of the contextual frameworks were drafted, three (3) fieldwork manuals were formulated and an options framework for digitisation were developed.

Granting of bursaries through Funza Lushaka Bursary Scheme has paid dividends making the supply of highly needed teachers available to take up vacancies created by COVID-19 with some teachers having comorbidities and therefore needing to stay at home. 81% (3 594) of Funza Lushaka bursar graduates were placed in schools within 6 months upon completion in 2019, while by end of August this year only 64% (2756) had been placed. It is important that the rest of the bursary holders are placed so that the country does not waste the investment it has made in developing this human capital.

South Africa hosted the first National Research Coordinators (NRC) meeting on the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ) V study focusing on instrument development. The SACMEQ V pilot study was completed and the data sets submitted to the SACMEQ Coordinating Centre (SCC) in preparation for the main study. The TIMSS 2019 data collection is completed and data sets for Grades 9 submitted to the International Association for Evaluation and Assessment (IEA) for country analysis. Release of results is expected in December 2020. Participation in these international assessments is important for South Africa to continue benchmarking the progress the country is making against countries participating in these assessments and to track its improvement over time using international benchmarks.

(c) Learners and teachers feel respected and learning improves by 2024

Although progress in replacing schools built with inappropriate materials through the Accelerated Infrastructure Development Initiative (ASIDI) has been very slow with challenges over the years since its inception, in 2019, the targeted number of schools (40) was delivered for financial year 2019/2020. Overall 246 ASIDI schools have been completed out of 510 initially planned schools in 2011. School infrastructure remains a challenge for the country, and made worse by the demands that COVID-19 pandemic has placed on the sector. Replacing inappropriate schools while maintaining existing buildings has become very important part of complying with hygiene conditions for complying with COVID-19. The sector needs to also focus on the maintenance of existing infrastructure to ensure the infrastructure's life span is not cut short.

The sector identified 3 898 schools with inappropriate sanitation facilities late in 2018. The introduction of Sanitation Appropriate for Education (SAFE) initiative in 2018 came as a boost but by June 2020 only 392 schools had been provided with appropriate sanitation other 1109 projects were at different stages of construction process. The inappropriate water and sanitation hampered the progress of reopening of schools during the lockdown, requiring resources to be re-appropriated to meet the COVID-19 protocols developed by DBE and DoH ensure schools comply with these protocols.

3.3.4 Highlights of achievements in mitigating the impact of COVID-19

Basic education was quick to respond to the new reality imposed by COVID-19. They closed their institutions to help the country deal with the spread of the virus and instituted COVID-19 compliant protocols before reopening.

Basic Education put in place hygiene rules and resources designed to limit the spread of the virus in schools when they reopen. The sector acted quickly in dealing with issues related to availability

of water and sanitation. These measures amongst other include MOU between Department of Water and Rand Water to provide water tanks and water to 3 500 schools identified as having water challenges, reprioritisation of its budget to fund the Covid-19 measures, the expedited appointment of substitute educators, cleaners, screeners and sanitisers.

It also published directions for how phased in reopening of schools was to take place while at the same time introducing online learning and broadcasting of lessons. Steps such as securing zero rated educational websites working with the DTPS meant learners could continue learning online without using data when they go to these identified websites. Accomplishing on of the Operation Phakisa: ICT in education goals which took long to be realised.

3.3.5 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

The progress of transferring ECD coordination is progressing slowly, and it needs to be accelerated. This is not withstanding that the sector is complex with varied stakeholders. COVID-19 has shown the need for formalizing the sector with many centres not meeting norms for registration or meeting COVID-19 protocols for reopening.

Access to ECD facilities and school-based Grade R has improved. However, there has been a delay in introducing an instrument that can be used to measure school readiness of learners who enter Grade 1. Such instrument will play a crucial role in identifying challenges experienced at this level and coming up with interventions. The recently developed Early Learning National Assessment (ELNA) tool is still in pilot stage.

The sector is still struggling to put measures to track curriculum coverage, with different provinces using different methods to measures this. Although School Monitoring Survey (SMS) attempts to measure curriculum coverage, it is not frequent enough to track progress on this imperfect input towards increasing quality of the system. This is complicated by the fact that a wide range of subjects and different subject combinations per Grade have to be assessed. Current attempts to systematise the monitoring of curriculum coverage should be fast tracked, since this is vital and has a great impact on the learner attainment.

Another critical aspect of school capacity relates to the appointment of school principals based on competency assessment. The NDP highlights the crucial role that principals play as managers and as curriculum leaders within schools. This commitment which is in both the NDP and the DBE's Action Plan, has not yet been implemented.

The Accelerated School Infrastructure Development Initiative (ASIDI), which was established in 2011, with the intention to address inappropriate school structures and provision of basic services, has progressed slowly. Initially 510 schools were planned to be built in 2011. To date only 246 schools have been completed and handed over for use. Challenges around contracts and weak monitoring systems delayed the projects while DBE improved its systems. Challenges outside the control of DBE also affected progress, these include interruptions from contractors who were not appointed to build these schools. Reprioritisation of budgets is further going to affect this project going forward risking litigation.

Sanitation, remains a challenge and the extent of this challenge was brought to sharp focus during the process of reopening schools during the lockdown. While the sector had in 2018 identified 3 898 schools as without proper sanitation facilities, by 2019 only 392 schools had been provided with appropriate sanitation through the Sanitation Appropriate for Education (SAFE) initiative developed as SONA commitment to tackle this issue. Currently 1109 projects are at different stages of

construction process. Delays were caused by disruptions by Business Forums and the lengthy process for the approval for DBE to use National Education Collaboration Trust (NECT) and Department of Environmental Affairs (DEA) as Implementing Agents. Going forward the sustainability of some of the measures put in place during COVID-19 need to be looked into, to ensure gains made during this period are sustained.

The number of learners passing at Bachelor level in Mathematics is decreasing. Youth passing Mathematics at a level allowing them to enroll for science programmes at university has regressed. While in 2018, 28 151 learners passed Mathematics at 60% and above, in 2019 this number dropped to 23 792 a 15% decline. There are still fewer learners who choose Mathematics as a subject compared to those who choose Mathematical Literacy. In 2019 only 256 338 learners enrolled for Mathematics while 349 338 enrolled for Maths Literacy.

Although all 447 public Special Schools were profiled for the connectivity and provision of devices and specialised equipment targeted by March 2020, most of the schools have not been provided with these services, mainly due to delays brought by national COVID-19 lockdown.

Vandalism remains a challenge in the sector, destroying investments that the country is making in resources needed for successful human capital development. During the lockdown, between 26 March and 4 September 2020, 2411 schools across all provinces experienced vandalism with EC being the worst affected province as shown in the table below. Government gains are reversed by such actions.

Vandalised schools

| EC | FS | GP | KZN | LP | MP | NC | NW | WC | SA |
|-----|----|-----|-----|-----|-----|-----|-----|----|-------------|
| 576 | 75 | 355 | 467 | 332 | 157 | 107 | 129 | 21 | 2411 |

³ DBE, POA bi-annual report, August 2020

Teacher Needs identification through Teacher Self Diagnostic Assessments is still an issue that is impacting negatively on the quality of the teacher development programmes offered to teachers. The participation of teachers in these assessments is still very low.

3.3.6 COVID-19 related challenges

The closure of schools is a major challenge facing this sector and the reprioritisation of budgets to tackle challenges related to the pandemic. The sector is seeking to save the academic year which if not saved will have long term effect on the country's ability to develop the country's human capital.

Besides the closure of schools, DBE had to suspend many activities related to its monitoring role of the sector and some had to be moved to online monitoring or postponed to later date in the year. This includes among others monitoring of reading norms, curriculum implementation in the FET phase and Grade 12 vacation classes. Orientation of new Funza Lushaka bursary holders could not take place.

Processes related to migration of ECD to basic education were halted including preparation for piloting the for national audit of ECD and diagnostic of human resource issues related to ECD. The sector had to trim the school curriculum of grades below grade 12 as a result of changes in the academic calendar and lost days. The sector had to delay the printing of Grade R-9 workbooks

because of the lockdown, in addition the Grade 1-12 South African Sign Language (SASL) catalogue which quality LTSM is provided to learners with special needs could not be finalised due to lockdown. Exams that slated for June had to be postponed to November /December increasing the number of students who will be sitting for these exams.

Water and sanitation issues made it difficult for the basic education to reopen, and required funding to be reprioritised to ensure schools meet the criteria for reopening. Funding had to be reprioritised in the sector towards the purchasing of sanitizers, masks and services of cleaners to ensure schools could reopen. Reopening of schools was also delayed due to Community disruptions linked to contracts for COVID19 and infrastructure, student formations disruptions and parents not realising their children to attend.

The unavailability of nutrition during the hard lockdown exposed some learners to hunger, though many of these children could access services provided by Department of Social Development. Studies show levels of hunger increased during the lockdown meaning learners were also affected. At the same time the lockdown affected the country's supply chain affecting delivery of fresh produce to schools even after DBE was feeding learners including those not attending classes.

Stats-SA on child poverty report reveals that the multidimensional child poverty rate in SA stands at 62.1% for children aged 0-17, with Black African children leading at 68.3%. The dimensions considered here include nutrition, health, child development, education, child protection, WASH (water, sanitation and hygiene), housing and information

Using the above argument, the Equal Education (EE) approached the Northern Gauteng High Court to compel the Minister and MECs to provide all qualifying learners with daily meals irrespective of whether they had resumed class or not. In July judgement was handed down in favour of EE and since then schools have been providing food to learners who come to school and those who do not come to school but have to collect their food in schools near to their homes.

The impact of the COVID-19 lockdown exposed inequality faced by the country including in the education sector. Learners from high economic status households were able to continue their education through virtual online facilities while others without resources were unable to do so. This is cementing inequalities. These challenges could have been resolved had the country implemented Operation Phakisa: ICT in Education recommendations. It would have prepared the country to tackle many of the challenges that arose when the country tried to implement remote learning.

The basic education sector human resource capacity was tested during the period. Many teachers applied to work from home due to comorbidities. They applied in terms of the ELRC Collective Agreement 1 of 2020 signed between teacher unions and education department. 24 223 teachers have been granted permission to work from home, out of approximately 430 000 teachers.

The Department of Basic Education had to postpone the May/June Amended Senior Certificate (old matric) and National Senior Certificate Examination, affecting more than 350,000 part-time candidates who include those who did not meet the pass requirements in the 2019 final exams as well as those who sought to rewrite to improve their marks.

Other disruptions related to this pandemic include delaying implementation of the National Reading Plan; delaying piloting of the Coding and Robotics; construction sites were temporarily closed and work on building schools was suspended; and vandalising of school property increased to a total of 2411 schools during the lockdown of which the majority was in EC (576), followed by KZN (467), GP (355) and LP (332).

⁴ DBE DG back to school under corona virus disease 2019 (COVID-19)

The outbreak of coronavirus has led to budget cuts in certain areas. In school infrastructure some projects have been delayed. As a result of these budget cuts in infrastructure provision, the initially targeted delivery in the annual performance plan (APP) for the current financial year were revised down with only SAFE project increasing as can be seen in the table below.

Table 2: Number of infrastructure projects

| PROJECT | OLD APP | REVISED APP |
|---|---------|-------------|
| Replacement of inappropriate structures | 31 | 24 |
| Water output projects | 125 | 100 |
| Sanitation output projects | 220 | 98 |
| SAFE | 700 | 727 |

Source: DBE's Revised 2020/21 APP

The Education Infrastructure Grant (EIG) allocation over the 2020 MTEF has been reduced from R35 billion to R32.5 billion. The budget cut will have serious implications for maintenance and building of school infrastructure.

3.3.6.1 DPME School visits

School site visits undertaken to monitor provision of adequate school infrastructure and adherence to COVID-19 protocols revealed that:

Provision of Sanitation facilities in most schools is adequate and it meets Regulations Relating to minimum Uniform Norms and Standards for Public School Infrastructure (DBE, 2013). Only few schools did not have enough toilets for the number of learners enrolled (for example :10 toilets for 1244 learners where it is supposed to be 12 toilets (MP- Ehlanzeni District).

Water supply is adequate in many schools visited, the challenge is that not all school have water tanks to store water.

All schools visited had an ICT challenges: Even though the school may have access to electronic devices and internet connectivity, these are only for teachers and for administrative purposes, and not for teaching and learning purposes. Almost all schools visited, Internet connectivity is only available in the administration block and not in the classrooms and as such learners cannot access electronic device. Some schools have received tablets from private partners but are unable to use them due to lack connectivity.

3.3.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF.

Improved collaboration with universities, and the Funza Lushaka bursary programme, is needed to ensure that enough young teachers with the right skills in newly developed curricular for 4IR subjects such as coding and robotics are trained and are enough to meet the coming demand around these subjects. It should not be that only urban schools are able to teach these subjects only, but as many schools should be able to offer this curriculum to support the knowledge economy.

The provision of basic services (water and sanitation including electricity) to education institutions remains the responsibility of local government/ municipality. It is therefore important that municipalities at local level and COGTA and the Department of Human Settlement, Water and Sanitation at national level work closely with the basic education and post school sector to ensure

access to these services. Compliance of schools to COVID-19 regulations has made the need for these collaborations even more urgent.

To increase the percentage of schools with access to functional internet connectivity for teaching and learning connected through different options, and to implement the new normal of teaching and learning through online methods, including full implementation of ICT in education, the Department of Communications and Postal Services (DCPS) broadband connectivity has become critical. The release of spectrum has even become more urgent to ensure broadcasts of education programs and contributing to reduction of data costs.

Strengthened partnerships with private sector and other stakeholders has become imperative especially on online services and reduction of the cost of data. The gains made in data cost reduction for university students should not be lost post COVID-19 lockdown. Covid-19 has accelerated this reduction which was taking long to be realised. Going forward blended learning will be the new normal and will require cheap data and zero rating of educational websites as a way of opening the doors of learning and expanding how human capital gets developed in the country.

Basic Education Minister's Roundtables to mobilise industry to support the rollout of ICT devices in schools particularly schools for Learners living with disabilities, should be continued to strengthen to bring more players into the sectors and to move barriers to learning because of limited availability of ICT devices.

It has become an almost normal phenomenon that when community members are unhappy with the delivery of service on any aspect, they vandalise schools. It is essential that the South African Police Services (SAPS) work with education sector departments to ensure safety and security of education institutions against burglaries and vandalism. Security of students on campus is still an important issue that needs to be addressed in preparation of students returning to campuses.

Learners in special schools and special care centres (for children and adults living with disabilities) need to be provided with skills and that economic opportunities should be created for them. To effectively do this, the availability and provision of multi –disciplinary professionals and skilled people is critical to implement learning and skills programmes.

Strengthened partnerships with private sector and other stakeholders has become imperative especially on online services and reduction of the cost of data. The gains made in data cost reduction for university students should not be lost post COVID-19 crises. Going forward blended learning will be the new normal and will require cheap data and zero rating of educational websites as a way of opening the doors of learning and expanding how human capital gets developed in the country.

Material for the Centres of Specialisation has been developed and will incrementally become an online resource for the Open Learning Unit in the Department. Advocacy for the use of Open Access LTSM has been intensified. All 50 TVET college websites have been zero-rated by Mobile Network Operators to allow for free access to college LTSM. Some of the LTSM is shared through the DHET centralised platforms which are also zero-rated. This progress should not be allowed to cease post the state of disaster.

Security of students on campus is still an important issue that needs to be addressed in preparation of students returning to campuses.

3.3.8 Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets (in the presence of COVID-19

COVID-19 has forced basic education sector to innovate on how to handle challenges posed by the new environment. DBE has had to trim the curriculum in response to reduced school days and the impact of closing schools when learners and teachers test positive. DBE has had to innovate how Grade 12 learners can continue attending school in the midst of the pandemic even if some of the schools were located in hotspots.

Since COVID-19 is a reality the world will be living with for a long time, DBE has had to innovate and experiment on how to have learners attend schools while keeping social distance. Some of the innovations include scheduling school attendance differently allowing learners not to attend school at the same time. These new innovations will require time to see which have work and which do not, and therefore need effective evaluations to be put in place.

The introduction of remote learning by the sector has allowed this sector to respond creatively to the lock down. The zero rating of educational websites is an important advancement in opening access to education. It has opened possibilities for South Africa to explore new ways of developing human capital. If these gains are not reversed post the state of disaster it will help the country to increase access to training and to different ways of developing human capital. At the same time, it raises the long-standing issue of how to connect all schools regardless of their location. Limited progress has been made and this is beginning to cement inequality with those with resources able to connect while the majority cannot.

As the sector transitions to blended teaching and learning, training teachers to develop skills to take advantage of what this method offers becomes paramount. Without these skills the transition into the new reality will not be possible, and may result in wasted resources. The blended teaching that is required going forward requires new skills set that current stock of teachers and administrators do not necessarily have. Creative ways of funding development of these new skills set will require creative ways of securing funding that is needed.

To ensure that nutritious meals are continuously provided at schools PEDs have to be supported to review suppliers' contracts and delivery models towards promoting smallholder farmers in collaboration with Department of Agriculture.

To ensure that learners read for meaning, coaches should be assigned to targeted set of schools on rotation basis to help the sector to realise the goal of increasing levels of reading.

For the implementation of the Three Stream Model, the sector has to establish partnerships with Business, industry and other stakeholders to mobilise resources. Industries working with DBE have to open their Technical Training Centres for the training of teachers on technical and occupational stream.

3.3.9 Innovation

Service delivery has improved with more schools provided with water and sanitation facilities. However, this is not sustainable in the long run, for example the tanking of water to schools is expensive. More permanent solutions are needed.

Data service providers have demonstrated that it is possible to zero rate educational websites. For instance, Vodacom offered free online educational content for all grades. MTN provided zero-rated online resources on siyavula.com, while Microsoft offered learners free access to Office365 by

visiting mahala.ms. Government needs to take advantage of this and make this arrangement permanent.

New methods of providing education through various platforms such as radio, television, online have been explored.

Cooperation between teacher unions and school governing body associations and to some extent with the education sector has demonstrated that working together can go a long way in resolving challenges facing the sector. What is required is a genuine engagement in which all parties are accorded the respect they deserve.

This pandemic has exposed inequalities and lack of service delivery that predated the outbreak of this virus. School infrastructure has been at the centre of this unfortunate situation. This includes school buildings, water supply, sanitation facilities and connectivity. The sector, working with DCDDT, will have to work hard to ensure all schools have access to internet for teaching and learning.

3.3.10 Implication of this to the review of the MTSF and optimizing how government operates

Basically, the COVID-19 impacts have necessitated that the MTSF should be reviewed comprehensively. Due to lockdown and education institutions closures, teaching and learning and implementation of interventions towards the realization of the targeted outcomes as planned in the current MTSF negatively affected.

The academic year curricular have been trimmed and major activities have been shifted to the following year. Reprioritisation of the allocated financial resources have also affected the implementation of the current MTSF and its interventions.

The slowing down economy, recession and slow recovery of the economy going forward requires that the MTSF review consider which interventions, inputs in this sector will result in a vibrant economy and which programs need to be scaled back.

The implications of these impacts necessitate that in reviewing the MTSF, the following should be considered:

- a) Extension of the timeframe for the current MTSF by a year. This takes into consideration that the review (which has not started), may take the whole of 2021 to be approved for implementation in 2022. Therefore, it should be MTSF 2021- 2025. This aligns well with the timeframe for the current NDP 2030. The next MTSF will then cover the remaining period of the NDP (2025-2030).
- b) Focus on the achievement of the remaining NDP objectives, especially those that are and have been constrained, without losing momentum on those that are progressing smoothly.
- c) Prioritization of allocation of financial resources to the remaining NDP objectives.

In this sector the implementation of ICT for teaching and learning, provision of needed facilities in learners from poor communities and those with special needs is key to close the inequality; integration of information systems from (DSD for provision ECD, social grants, learner sanitary towels etc); health for assessment of learners with disabilities and other health issues); examination systems where NSC and IEB to facilitate national monitoring of youth attainment at schooling exit examinations to focus on making Community Education and Training system highly effective in the advent of increasing loss of jobs and the need for re-skilling.

The outbreak of coronavirus has led to budget cuts in certain areas in order to make money available for the fight against this virus. In the field of school infrastructure some projects have been delayed. For instance, the number of schools to be replaced because they were built with inappropriate materials has been reduced from 31 to 24 schools; water projects dropped from 125 to 100 while sanitation projects decreased from 220 to 98.

The Education Infrastructure Grant (EIG) allocation over the 2020 MTEF has been reduced from R35 billion to R32.5 billion. This budget cut will have serious implications for maintenance and building of school infrastructure.

School funding has also been reprioritized to ensure schools meet the criteria for reopening. For instance, R4.4 billion from Education Infrastructure Grant has been reprioritized for trucking of water, purchasing of sanitation materials and equipment salaries for screeners.

The impact of budget cuts goes beyond infrastructure issues. In the revised APP the DBE has reduced the number of schools it plans to monitor and support regarding implementation of the Early Grade Reading Assessment (EGRA) in grades 1 - 3 from 75 to 55 as well as the national reading sector plan and Incremental Introduction of African Languages (IIAL) Strategy from 20 to 10 schools.

The slowing down economy, recession and slow recovery of the economy going forward requires that the MTSF review consider which interventions, inputs in both sectors will result in a vibrant economy and which programs need to be scaled back.

3.3.11 Recommendations

School principals are senior managers and leaders of curriculum delivery at school level, which is the core in improving the quality of education. In the public service, the appointment of senior managers goes through competency assessment. The NDP proposes that the appointment process of school principals need to be changed “to ensure that competent individuals are attracted to become school Principals”. It further proposes that “as in other senior management positions, candidates should undergo a competency assessment to determine their suitability and identify areas in which they would need development and support” (NDP 2030, p.309). This is part of professionalizing the sector and it should be a prerequisite.

The eight work streams for the migration of ECD work, needs to be finalised so that the SONA commitment to migrate ECD to DBE can be realised as soon as possible. Urgency is needed to ensure legislation making this possible is in place and issues of quality are addressed.

3.4. POST-SCHOOL EDUCATION COMPONENT

3.4.1 Impacts planned to achieve in the Post-school education sector

The MTSF 2019-24 seeks to achieve the following impacts during this period:

- (a) Expanded access to PSET opportunities;
- (b) Improved success and efficiency of the PSET system;
- (c) Improved quality of PSET provisioning;
- (d) A responsive PSET system;

3.4.2 Overview of main achievements in the PSET sectors

The PSET sector, had several achievements during the period under review. The Minister approved the 2020 to 2025 enrolment plan for universities for implementation with quarterly and annual reports uploaded by universities into the platform designed to generate standard reports on the allocation and use of infrastructure funds across the university system.

In respect to the TVET college sector, Automation of printing and packaging of question papers has been introduced and this has significantly improved the security of question papers. Curriculum support teams were established to review the 2020 curricula of TVET programmes, so that TVET colleges can respond to the needs of industry.

Material for the Centres of Specialisation have been developed and will incrementally become an online resource to be used on the Open Learning Unit in the Department. This is an important development as the sector introduces blended learning in the PSET sector and helps access to training modules to go virtual. Building projects in the TVET sector were progressing however delays due to lockdown at the end of March 2020 means projects cannot be completed on time and it increases costs.

The National Skills Development Plan concluded at the National Development and Labour Council was implemented from 1 April 2020. In addition, the Minister has appointed new Sector Education and Training Authorities (“SETAs”) Accounting Authorities to serve until the 31st of March 2025. Governance of these SETAs is still a challenge and there is a need to combine some to make them more viable.

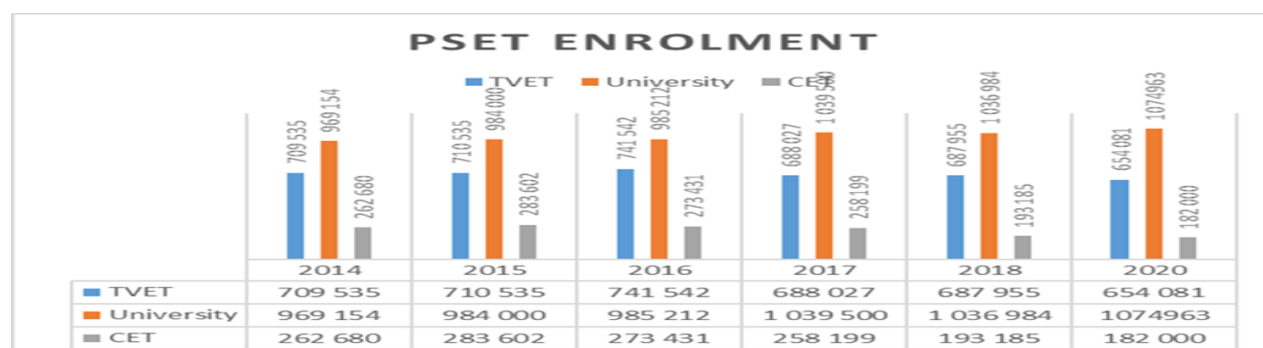
In respect to the Community Education and Training (CET) sector, the National Norms and Standards for Funding for Community Education and Training (CET) Colleges were approved; CET colleges Councils were trained; and CET colleges financial management systems were implemented. Transformation of this sector to provide skills for individuals who do not want to go to tertiary education is needed.

3.4.3 Positive or negative changes to the key high-level indicators - PSET

3.4.3.1 Access to Post-School Education and Training opportunities

The PSET system has made significant progress in expanding access to post school opportunities except in the CET college sector. **Table 1- below shows how PSET enrolment has improved over the years.**

Figure 1: PSET ENROLMENT FROM 2014-2020



5 National Planning Commission, 2013, NDP 2030

i. University programme- Milestones

Between 2018 and 2020, university headcount enrolments increased from 1 085 568 in 2018 to 1 074 963 (not audited) in 2020 however this is below the Annual Performance Plan (APP) target by 5 037. While growth is supported the governance issues in some these institutions requires increased support and interventions from DHET.

Department of Science and Innovation (DSI) funded 2333 Honours, 2641 Masters and 1929 PhDs as a contribution towards achieving the NDP target of 100 PhDs per million population by 2030. A total of 570 graduates and students were placed in DSI-funded work preparation programmes in science, engineering and technology institutions, with 732 women awarded research grants, while 790 black researchers were awarded research grants through NRF-managed programmes.

To improve the percentage of lectures with PhD qualifications, a total of 1 515 researcher grants were awarded through NRF by 30 June 2020, exceeding the target of 1 500 by 1%. The production of PhD graduates requires more lectures who hold PhD. qualifications and it takes time to gain these qualifications. The country needs to explore ways of partnering with other universities or attracting lecturers with PHD to help the developmental goal of producing more PHDs to support the knowledge economy.

Government continues investing in the reduction of cost barriers to accessing university and TVET colleges. Total number of university students funded through NSFAS increased to 469 068 (not audited) an increase of 20% or (79 7890) more eligible students assisted when compared to 2019 with 389 279 university students accessing NSFAS bursary. The period under review indicates that 73 477 more learners received funding against the APP target of 395 591. **Table 1 below shows comparison of NSFAS funded students at universities for three years.**

Table 1: Funding Statistics for university Sector

| University status | 2018 | 2019 | 2020 |
|------------------------------|----------------|----------------|----------------|
| NSFAS Qualifying | 513 826 | 578 037 | 742 448 |
| Funded (Reg Received) | 372 420 | 389 279 | 469 068 |
| Reg linked for disbursement | 372 268 | 386 573 | 467 667 |
| Paid-Amount | 19,752,481,904 | 23,206,785,019 | 15,215,265,196 |

(<https://pmg.org.za/committee-meeting/30651/>, 2020)

Challenges of NSFAS at Universities

Multiple Registration Records - students who apply and register at several institutions creates duplication of applications which cause institutions to submit more than one registration claim for a single student. This Indicates that **there's a need for a centralised system at DHET to cut across both Universities and TVET Colleges.**

Lack of compliance to agreed datelines - NSFAS not receiving registration, historic debt and appeal data against agreed datelines delays processing of disbursements.

Students exceeding the N+2 Qualifying Criteria - Students who registered prior to 2018 are allowed N+2 years to complete the qualification and receive NSFAS funding, while students registered in 2018 onwards are allowed N+1. **The Minister of higher education approved a once off concession for N+2 rule for students with terms and conditions.**

Private Accommodation providers not receiving due payments when students pay directly to the landlord - Private Landlord Association escalated the matter to NSFAS and DHET, **to resolve the issue, a draft framework with proposals was developed.**

ii. TVET programme

TVET college headcount decreased from 657 133 in 2018 to 654 081 (not audited) against an annual target of 700 000 for current period under review. Total number of TVET students funded through NSFAS is 245 526 (not audited) for the current academic year. This shows 35 570 or (12.65%) less students funded compared to 281 096 TVET students funded in 2019. For the past two financial years, additional funding from the National Budget, has contributed to reduction of the funding shortfall experienced by the TVET system. Table 2- below shows a comparison of three years' registrations received, amount and number of TVET students funded by NSFAS. The number of students qualifying for NSFAS at TVET colleges reached a pick of 245 526 in 2019 then declined to 245 526 in 2020. The sector is in danger of not meeting the NDP target of TVET college enrolment

Table 2: Funding Statistics for TVET Sector

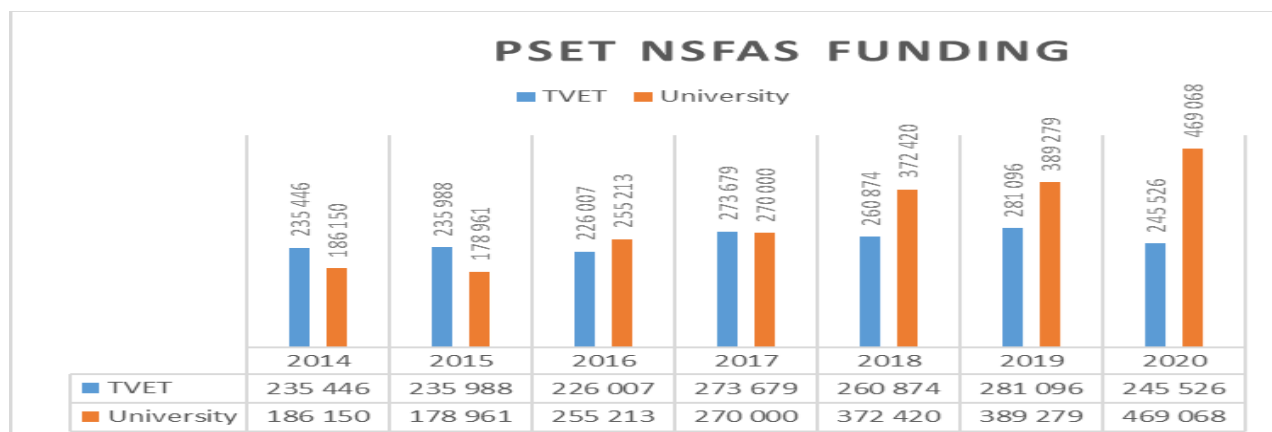
| TVETs status | 2018 | 2019 | 2020 |
|------------------------------|----------------|----------------|----------------|
| NSFAS Qualifying | 292,681 | 338,225 | 313,477 |
| Funded (Reg Received) | 260 874 | 281 096 | 245 526 |
| Reg linked for disbursement | 260 874 | 277 577 | 244 328 |
| Paid-Amount | 3,327,323,294 | 5,283,107,484 | 3,288,726,201 |

(<https://pmg.org.za/committee-meeting/30651/>, 2020)

The TVET sector was going to experience funding challenges if the academic period was a full year, the funding for 2020 is sufficient because the Semester 2 and Trimester 3 will no longer be implemented as per the academic calendar. In the coming years there is going to be a significant financial pressure with many more students wanting funding because of the economic down turn and parents losing employment.

The increase in NSFAS paid amounts for 2019 was due to improvements in the standardisation of allowances that were introduced and the sector still anticipates outstanding registration records for Trimester 2, the figures on the table excludes that registration. Figure 2 below shows how PSET sector has been funded through the years to unblock barriers to PSET access.

Figure 2:



Continuing NSFAS challenges

- **Discrepancies** between results received from the department and institutions impacts negatively funding of returning students;
- **Delayed payment** from TVETS managing disbursements to students
- **NSFAS wallet** - Students not receiving allowances because of blocked accounts or cell phone and ID mismatch. This could be due to suspected fraud;
- **Sustainable funding for the laptop initiative** - NSFAS will provide once off grant for digital devices for TVET students and reallocation of book line items contemplated for future sustainability.

iii. CET programme

The 2020/21 financial year marks the fifth year of the establishment of Community Education and Training (CET) colleges. This is a sector that has the potential to bring concrete transformation to historically marginalised communities, including out-of-school youth and adults. There were two targets for the period under review.

Enrolments in CET colleges has improved extraordinarily by 81.4%, an increase of 81 714 in 2020, enrolling 182 000 learners, however this is still below the 2020 APP target of 375 035 enrolments across the 9 CET Colleges.

GETC: ABET Level 4 qualification is the lowest qualification level that has a registered NQF rating (NQF Level 1, equivalent to Grade 9). This qualification level has attracted the highest enrolment within the CET system. In 2017 enrolments declined to 258 199 dropped to 100 286 in 2018 and further dropped to 149 444 in 2019. This sector needs funding to make a huge contribution to give a chance to students who dropout by providing skills they need to make a living. It is urgent that this sector is transformed to refocus on helping more students to learn skills in addition to helping those who want to complete their matric certificate.

3.4.3.2 Improved success and efficiency of the PSET system

i. Sector Education and Training Authorities (SETA)

To create a South Africa that can provide decent opportunities for youth and adults through education and skills development initiatives the Department of Higher Education and Training, (DHET) has among other initiatives, started to implement a new Sector Education and Training Authority (SETA) landscape from 1 April 2020 till 31 March 2030, with a view to strengthen, realign and repurpose the SETA system.

For the financial year ending 31 March 2020, the 24 000-set target on qualifying artisans found competent was marginally exceeded at 24 049. Achieving this target is important signal that the country was on its way of reaching the 30 000-artisan target by 2030. DHET will continue to partner with stakeholders, including business and state-owned enterprises, to expose learners so that they can make informed career decisions and train as artisans to increase the number of artisans in the country.

During these reported period, 92 531 learners completed SETA- supported skills programmes missing the annual target of 146 000 while 30 792 completed learnership programmes against an annual target of 50 000 and similarly 3 713 learners completing SETA internships missed an annual target of 7000. These number are likely to be worse going forward if the economy does not rebound quickly. The phasing in of Skills Education and Training Management Information System (SETMIS) reporting brought about rules that account for beneficiaries and exclude interventions from previous years. This resulted in significant drop on achievement of targets.

ii. Technical and Vocational Education and Training (TVET) programme

The establishment and operationalisation of centres of specialisation (CoS) in Technical and Vocational Education and Training (TVET) colleges is a critical project for which the Department continues to engage employers to work with young people as apprentices. The project aims to provide fully qualified artisans for a range of sectors in the economy, including high-technology manufacturing, the creative industries, computer software and aerospace engineering. For the reviewed period of 2020, 840 (not audited) artisan learners were trained in 30 centres of specialisation, reaching the 2020/21 APP target. For Report 191 (the National Accredited Technical Education Diploma (NATED) programme, 3 596 TVET College students completed the N6 qualifications with an annual target of 65 761 students completing the N6 programme.

iii. Community Education and Training (CET) programme

For the period under review, 28 154 (not audited) students completed the GETC: ABET Level 4 against an annual target of 21 028. The purpose of the Qualification is to provide a solid foundation of general education learning which will help prepare learners and enable them to access Further Education and Training learning and qualifications, particularly occupational workplace-based or vocational qualifications.

3.4.3.3 Improved quality of PSET provisioning

University lecturers (permanent instruction/research staff) who hold doctoral degrees marginally missed the target of 49% with 47% holding PhDs. In the university sector, the share of black or African instruction and research staff with PhDs grew by one% from 46% in 2018 to 47% in 2020.

A number of TVET Colleges have signed protocols with industry for the placement of lecturers. However, the MTSF 2019-2024 target that 33% of TVET lectures be placed for experiential training was missed due to COVID-19 hard lockdown. Most colleges could not place their lectures in industry, however the Lecturer Support System (LSS) was put in place to help tackle the challenge of limited spaces for experiential learning. However, it should be noted that it is not adequate to help lecturers experience being in industry. A total of 11 181 lecturers have registered as users of

the LSS and 503 have been regular users between January 2020 and June 2020, however this cannot be better than actual work experience.

To support the quality of TVET colleges, more universities are expected to offer accredited TVET college lecturer qualifications. The target of 9 universities offering this qualification by 2024 is still likely to be met, with 2 universities already having submitted to Council of Higher Education (CHE) seeking accreditation.

Both universities and SETAs show an increased standard of good governance of 72% for universities and 76% for SETAs.

3.4.3.4 A responsive PSET system

At least 40 subjects have been identified for review and Curriculum Support teams have been established for the review cycle that runs until end of 2020.

Fourteen (14) TVET colleges have some form of an entrepreneurship incubator program to support entrepreneurship, the current MTSF requires 9 hubs to be established to promote entrepreneurship. The need for this service is huge compared to the target as a means of increasing self-employment.

The introduction of entrepreneurship and skills programmes, e.g. digital and other skills programmes, seeks to address issues of unemployment, poverty and inequality within communities, while providing skills for establishing sustainable entrepreneurships. Thirteen (13) Colleges are currently offering digital skills integrated into the NC(V) Life Orientation curriculum. The training of 25 colleges is underway.

3.4.4 Highlights of achievements in mitigating the impact of COVID-19

Both Basic education and PSET were quick to respond to the new reality imposed by COVID-19. They closed their institutions to help the country deal with the spread of the virus and instituted COVID-19 compliant protocols before reopening.

Upon closing its institutions, the PSET sector quickly moved to remote learning to ensure that both university and TVET college students continue with lessons.

Working with telcos government was able to secure data for students at lower cost, thereby reducing cost of data as a barrier to learning. In addition, the sector moved quickly to ensure students on NSFAS could access ICT devices needed for remote learning. NSFAS material allowances were used to offset the purchase of these devices. In addition, NSFAS also played an important role in reducing hunger during the lockdown by continuing to pay stipends so that students can continue buying food.

Other options being explored by tertiary education institutions include the use of print media, PowerPoint presentations and learning material loaded on flash drives. But not every syllabus can be taught online, even if all parties involved had access to electronic devices and the internet. Many students are enrolled in courses which require face-to-face interaction, such as dance, theatre as well as studio, laboratory, clinical and community-engagement fieldwork. these types of modules would have to be re-organised.

All 26 universities are committed to completing the academic year, and depending on the trajectory of the pandemic, this completion may occur in the first part of 2021.

3.4.5 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

(i) Funding

Great strides have been made in removing funding as a barrier to entry through NSFAS. However, the challenge of the "missing middle" has not been dealt with and is likely to be a big challenge in the coming years with students uprising around this issue if it is not dealt with. A sustainable solution should be explored including the bringing-in of the private sector to help fund this segment. With many parents losing jobs, NSFAS is going to experience a huge pressure with many more students needing funding. The sector needs to brace itself for continued unrest in the coming years around this issue.

Underfunding of TVET sector, even before COVID-19 has resulted in capping of enrolments number at 664 748 for Ministerial approved programmes over the next MTEF cycle. TVET college enrolment plan has a deficit of R3.5 billion which translates into a funding level of 62% compared to the required 80% funding level provided by the State. Budget cuts to tackle COVID-19 pandemic and underfunding threaten TVET college enrolment targets and the NDP 2030 vision of enrolling more learners in these institutions compared to universities. Similar to TVET colleges, the target to increase number of learners enrolled in Community Education and Training Colleges (CETC) is unlikely to be realised because the program does not have the requisite funding.

The planned indicator of developing a sustainable funding model for CET colleges, is an enabler to achieve 555 194 CET enrolments targets by 2024. However, it is envisaged that the development requires an estimated funding of R5 million. Programme 6 does not have the requisite funds.

(ii) Limited access to workplace-based learning for TVET students in public colleges

The declining economy and rising unemployment during 2019 and 2020, had serious implications on workplace-based learning programmes, including apprenticeship.

Not all TVET colleges have dedicated units or staff for work placement. In some colleges, Work Based Learning (WBL) is a function within other focus areas such as student support services, with no dedicated staff. This affects ability of colleges to support students to be placed for WBL besides that the declining economy is having adverse effect on availability of spaces. The declining economy and rising unemployment during 2019 and 2020, had serious implications for workplace-based learning programmes, including apprenticeship. The workplace-based learning programme target of 165 000 was not achieved reaching 158 651 (unaudited). Targets such as that of WBL and work experience for lectures are in danger as a consequence of lockdown and the economic fallout.

Although the NC(V) curriculum includes extensive practical components (based in workshops rather than workplaces), these have not been implemented in many colleges. As a result, learners often exit these programmes without the necessary practical skills.

(iii) Examinations

In accordance with national policy, a certificate should be issued to a successful candidate within three months of the publication of results. A certificate is essential for a graduate to access employment or further studies. The Department has been unable to adhere to the three-month timeframe due to the data problems and stability of the data being generated by the national

examinations IT system. Processing errors are repeatedly being experienced, which has even led to the withdrawal of results after their publication.

For the period 2020, a Certification Task Team comprising of both DHET, Umalusi and SITA representatives has continued to disentangle possible barriers impacting the release of certificates in order to address the certification backlog. DHET in collaboration with Government Printing Works introduced automation of printing and packaging of question papers with no human intervention with a specialized barcoding to track and identify the source of leakage of question papers to minimize question paper leakage

To illustrate a typical example, a NATED student might sit at one exam sitting for all four subjects in order to be issued with a certificate, but in that exam sitting only three subjects are passed and one is missing. That one subject would be passed at another exam sitting at a later date. Only after the subsequent exam sitting, assuming the candidate passes, do they become a qualifying candidate for a level certificate. National Certificate Vocational [NC(V)] qualification candidates (Level 2 to Level 4) have to pass all seven subjects at the same level. Candidates must pass preceding levels to obtain Level 3 and Level 4 (L3 and L4) certificates.

The backlog statistics fluctuate due to the following reasons:

- a) SITA is busy refining the scripts and system certification backlog.
- b) Instability of the examination information system to process the eligible candidates for certification.
- c) 2019 August exam cycle outstanding certificates have been included in the backlog totals as they now meet the certification backlog's criteria
- d) Candidates who had outstanding raw marks in the previous report to Committee which have since been summated by TVET colleges who are now eligible for certification are included in the totals
- e) Candidates who had irregularities in the previous report and have since been cleared by the irregularity committee and now eligible for certification are included in the totals.

Table 3: Progress and status of the certification backlog statistics

| Qualification | Portfolio Committee on Higher Education & Training, Science and Technology (PCHETST) (5 February 2020) | | Current Reporting to PCHETST (18 February 2020) | |
|--|--|---|---|---|
| | Date of report extract | Backlog candidate records and exam cycles | Date of report extract | Backlog candidate records and exam cycles |
| GETC | 30-Jan-20 | 66072 (2002/11 to 2018/11) | 14-Feb-20 | 65890 (2002/11 to 2019/06) |
| NATED: Business Studies | 15-Jan-20 | 29524 (1992/11 to 2019/06) | 15-Feb-20 | 29473 (1992/11 to 2019/06) |
| NATED: Engineering Studies | 15-Jan-20 | 19780 (1992/11 to 2019/04) | 13-Feb-20 | 21638 (1992/11 to 2019/08) |
| NC(V): first issue subject or full certificates | 15-Jan-20 | 444 (2007/11 to 2019/03) | 12-Feb-20 | 410 (2007/11 to 2019/03) |
| NC (V): Full Certificates based on report from Umalusi | 17-Dec-19 | 7878 (2008/11 to 2019/03) | 13-Feb-20 | 7866 (2008/11 to 2019/03) |

(Certificate backlog: <https://pmg.org.za/committee-meeting/29810/>)

The biggest backlog GETC, Engineering and Business N courses.

(iv) Poorly qualified teachers

The current staff in the Community Education and Training (CET) sub-system is poorly qualified and it has been difficult to retain qualified educators. The majority of teachers in the Public Adult Learning Centres (PALCs) are part-time contract workers without tenure. The sector does not have a core of permanent adult educators, and conditions are not uniform from province to province. This severely affects long-term planning, and leaves little room for career and learning path development for educators. By end of Q4 2019, only 181 (62%) of lectures across all nine CETC centers were qualified however the sector was experiencing placement challenges.

(v) Covid-19 related challenges in the PSET sector

Like in basic education, the sector sought to save the academic year as it understood that failure to do so would have long-term effects on the county's ability to build the human capital of the country. The ripple effect of this would have taken longer to deal with if the academic year is not saved.

Operational construction of TVET sites will incur escalations because of time lost due to the shut down and start-up of the sites. This increase takes place when the sector needs more investment

Intervention on CET college skills program being piloted around community needs is in danger of not reaching its target. When the country was put under hard lock down colleges were busy with advocacy and registrations for occupational programmes. The lockdown means these efforts will have to be repeated to ensure success, however budgets may be inadequate. Most of these programmes are funded by Skills Levy Institutions and are delivered in collaboration with other government departments. It is envisaged that budget reprioritisation will impact on the roll-out of programmes or lesser numbers will be accessing the programmes post the lockdown.

The workplace-based learning programme target of 165 000 was not achieved which provisionally stood at 158 651. In the CET, delivery and implementation was hugely impacted by the national lockdown.

The Minister of Finance tabled a Special Adjustments Budget in Parliament on 24 June 2020 and only “front-line” departments (health, defence, police and social development) had been spared from cutting their budgets by 20% to fund government’s COVID-19 response. In the case of the higher education department, this would have amounted to R19.5 billion which could have had a serious impact on the whole higher education sector and as a result the final cut was reduced to R9.857bn. The Department’s original allocation for 2020/21 reduced from R116.857 billion to R107.000 billion that represents a reduction of 8%.

The big reduction as a result of the tax holiday meant companies did not have to pay their skills levies. Consequently, skills levy collections declined from R19.413 billion to R11.291 billion, a reduction of R8.122 billion (42%). This has impact on SETAs budgets and ability to carry out planned activities.

The total suspension of funds amounts to R6.734 billion of which R4.999 billion was re-allocated for reprioritising expenditure towards COVID-19 activities. The purpose of the re-allocation of funds is to cater for reprioritised expenditure towards addressing COVID-19 related activities, including student support. In addition, the budget provides for the shifting of R1.510 million within the Department’s operational expenditure for COVID-19 expenditure.

3.4.6 The Budget Reprioritisation

3.4.6.1 University Sector

a) Teaching, learning and assessment

All universities have submitted plans for multimodal teaching, learning and assessment to enable them to complete the 2020 academic year, considering the additional costs as a result of COVID-19. Funds were reprioritised by institutions from their block grants and earmarked grants to develop teaching and learning platforms to accommodate remote ways of teaching and learning.

b) Campus readiness

All universities developed campus readiness plans to ensure all the regulations for health and safety are in place when students and staff return. The proposed costs are substantial and had to be accommodated within existing resources. An estimated cost of R1.879 billion is applicable.

c) Infrastructure Grant

The budget cut on the Infrastructure and Efficiency Grant amounting to R210 million will result in the postponement of certain projects and a general slowing down of the Infrastructure Programme, including the Student Housing Infrastructure Programme, in the future.

3.4.6.2 TVET Sector

a) Teaching and Learning

The impact of the subsidy cut on the 2020 student enrolment relating to the TVET sector is calculated at approximately 6 200 less headcount enrolments, but due to the extensive impact of the lockdown, these students would not have been able to register during this period, thus making the impact on the TVET system minimal. The main impact of the cut will be on the new student intake for the centres of specialisation for 2021, as the funding that was due in January 2021 has been reprioritised for COVID-19-related expenditure.

One trimester and semester for Report 191 programmes have been disrupted. It is envisaged that there will be two trimesters instead of three this academic year and possibly one semester.

b) Infrastructure Grant

There is sufficient infrastructure funding at college level to continue with existing projects and the cut will not affect the system immediately. College funding that is already with TVET colleges will allow colleges to continue with their building projects because they are already allocated, but future allocation is in jeopardy. Enrolment numbers in Centres of Specialisation are in jeopardy because of reprioritised funding.

While initially NSFAS was paying students directly in 3 colleges this has risen to 38 out of 51 during the lockdown. This is because these colleges had indicated that they have no capacity to continue paying students. At the same time private accommodation service providers are facing financial challenges especially those where students pay for themselves. Students have not been paying.

3.4.6.3 Skills Sector

The PSET sector faces the challenge of reduced resources as a result of COVID-19 tax relief for 4 months introduced by government to help companies survive the lockdown. This tax relief means companies did not pay skills levies which are a lifeline for many of the SETAs. It is estimated that collection decreased from the planned R19,413 billion to R11,291 billion, this is 42% reduction, putting many SETAs in perilous financial position that requires them to scale down drastically their training activities. Programmes such as apprenticeship, learnership and work integrated are affected meaning they might not reach their targets for this financial year.

3.4.7 Crosscutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF.

Strengthened partnerships with private sector and other stakeholders has become imperative especially on online services and reduction of the cost of data. The gains made in data cost reduction for university students should not be lost post COVID-19 crises. Going forward blended learning will be the new normal and will require cheap data and zero rating of educational websites as a way of opening the doors of learning and expanding how human capital gets developed in the country.

Material for the Centres of Specialisation has been developed and will incrementally become an online resource for the Open Learning Unit in the Department. Advocacy for the use of Open Access LTSM has been intensified. All 50 TVET college websites have been zero-rated by Mobile Network Operators to allow for free access to college LTSM. Some of the LTSM is shared through the DHET centralised platforms which are also zero-rated. This progress should not be allowed to cease post the state of disaster.

Security of students on campus is still an important issue that needs to be addressed in preparation of students returning to campuses.

3.4.8 Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets in the presence of COVID-19)

The introduction of remote learning by both sectors has allowed this sector to respond creatively to the lock down. The zero rating of educational websites is an important advancement in opening access to education for both basic education and PSET. It has opened possibilities for South Africa to explore new ways of developing human capital. If these gains are not reversed post the state of disaster it will help the country to increase access to training and to different ways of developing human capital. At the same time, it raises the longstanding issue of how to connect all institutions regardless of their location. Limited progress has been made and this is beginning to cement inequality with those with resources able to connect while the majority cannot.

Connectivity of college campuses and their satellite campuses is an issue that needs to be addressed. All TVET college websites are zero-rated for the duration of the state of disaster, providing free access to learning resources, guidelines and communication methods for students. It is important that government does not allow the previous status quo to prevail. Two major publishers of TVET college textbooks have already made their e-Guides available free of charge to college students.

These e-Guides are fully aligned to the national subject curriculums, and can be accessed using the App that can be downloaded free of charge from Google Play Store. Previous national

examination question papers are available on the Department's National Open Learning Platform (NOLS), for students to access and help them prepare for the national examinations.

As both sectors transition to blended teaching and learning, training teachers and lecturers to develop skills to take advantage of what this method offers becomes paramount. Without these skills the transition into the new reality will not be possible, and may result in wasted resources. The blended teaching that is required going forward requires new skills set that current stock of teachers, lecturers and administrators do not necessarily have. Creative ways of funding development of these new skills set will require creative ways of securing funding that is needed.

According to the recent University of Cape Town (UCT) study has revealed that technical and vocational education and training (TVET) students are faring worse than university students in terms of Internet access for remote learning. The majority of university students come from municipalities in which 10% to 20% of households have access to the Internet. Just over 25% of all university students come from City of Tshwane, eThekweni, and Ekurhuleni. The next 25% of students reside across eight municipalities, and the remaining 50% of university students are spread over the remaining 206 municipalities. Half of university students reside in municipalities where between 30% and 47% of households have access to a device.

For TVET students the concentration is lower: 25% of all students in the TVET sector come from City of Cape Town, Ekurhuleni, eThekweni and the City of Tshwane municipalities. A further 25% of TVET students come from 12 municipalities in total, with the remaining 50% distributed across 194 municipalities.

The researchers commented that in an attempt to remedy the connectivity situation, some institutions are offering data bundles to students, and TVET colleges are broadcasting learning materials on radio platforms.

Institutions and residences have implemented a phased return of the most vulnerable students as directed under level 3 lockdown which permitted 33% of students to return to institutions, however the existing structural and household inequalities continue to disadvantage some of the students.

The process of funding the "missing middle" students must be fast-tracked looking at the economic situation of which has led to the reduction of income in most households. The use of private funding to help these students should be explored and urgently be implemented to avoid conflicts on campuses with many students unable to pay for their university education.

COVID-19 has forced the PSET sectors to innovate on how to handle challenges posed by the new environment.

The improvement in integrating government information systems was able to detect a total of 5000 students who were incorrectly funded through NSFAS on the basis of providing incorrect information for the 2020 academic year on the basis of inaccurate information supplied in the original applications. These discrepancies of financial information were obtained from South African Revenue Services (SARS).

Higher education made strides in innovating a risk assessment screening tool, which allows for early detection, mapping and management of COVID-19 cases within higher education institutions and feeds into the national Department of Health tracking and tracing system launched by the department's Higher Health division. Students and staff across the PSET system are accessing the daily risk assessment tool via Web, WhatsApp or USSD for screening purposes.

There are 592 educational sites that are zero-rated, to support multi-modal teaching and learning in higher education. Most universities have already negotiated free data bundles with mobile network operators (MNOs) to pay for additional content that is not covered through the zero-rating.

The PSET sector moved quickly to ensure students on NSFAS could access ICT devices needed for remote learning and using NSFAS material allowances to offset the purchase of these devices. The minister of Higher education, signed a once off policy deviation which will allow TVET college students to receive digital devices for the 2020 academic year, since the NSFAS funding policy does not make provision for NSFAS funded students studying at TVET colleges to receive a learning material allowance. The policy deviation will only apply for this specific academic year, 2020. University students who are not funded in the DHET scheme like Funza Lushaka do not qualify.

PSET has also made free digital content available to TVET college students specifically through Higher Education and Training Web site, the National Open Learning System of the department, institutional Web sites and other sites, where students can find digital materials to access and assist them in their learning and preparation for exams. This is an intervention to Advocate for the use of Open Access Learning Training Support Material (LTSM) in TVET colleges. All 50 TVET college websites have been zero-rated by Mobile Network Operators to allow for free access to college LTSM.

New methods of providing education through various platforms such as radio, television, online have been explored.

This pandemic has exposed inequalities and lack of service delivery that predated the outbreak of this virus. Infrastructure has been at the centre of this unfortunate situation. This includes buildings, water supply, sanitation facilities and connectivity.

3.4.9 Implication of this to the review of the MTSF and optimizing how government operates

Basically, the COVID-19 impacts have necessitated that the MTSF should be reviewed comprehensively. Due to lockdown and education institutions closures, teaching and learning and implementation of interventions towards the realization of the targeted outcomes as planned in the current MTSF were negatively affected.

The slowing down economy, recession and slow recovery of the economy going forward requires that the MTSF review consider which interventions, inputs in both sectors will result in a vibrant economy and which programs need to be scaled back. Targets such as number of students in learnership and internship will have to be reviewed, unless the country encourages companies to be more responsive to providing training. Currently South African companies do not see skills development as core to making them competitive. As such they do not actively provide spaces for experiential learning.

The sluggish economy makes it even more difficult for companies to open spaces for experiential learning. A new way is needed to engage industry to play an active role in skill development.

The Covid-19 pandemic has made it necessary for the review of the MTSF. The slowing down economy, recession and slow recovery of the economy going forward requires that the MTSF review consider which interventions, inputs in both sectors will result in a vibrant economy and which programs need to be scaled back. Targets such as number of students in learnership and internship will have to be reviewed. If the economic growth is sluggish it has adverse effects on whether companies will allow for spaces for these important activities. Similarly, SITA funding will decline if

the economy does not quickly recover, therefore their targets need to be reviewed. At the same time, it is imperative that some of the SETAs be amalgamated to ensure sustainability.

3.4.10 Recommendations

Evidence has shown that due to COVID-19, people have and continue to lose jobs, thereby increasing the unemployment and poverty level in the country. These people need to be trained and re-skilled to generate some income and make a living in their communities without being employed, Community education and training (CET) system is critical for this purpose. Re-imagining the CET system is needed urgently.

The policy on funding the “missing middle” students must be developed and fast-tracked in the light of the weak economy which affects incomes of households. The policy should look at how to unleash funding from private sector to help students from missing middle. There is a high probability of conflicts around university funding in the coming years because many students will not be able to pay for their university education as the economy is trying to recover. Urgent steps are needed to increase funding of the missing middle students including using private sector funding

The expansion in the PSET system is not possible until adequate funding is made available. It is therefore important for Cabinet to take note of the possible impact that the funding shortfall will have on service delivery. DHET has to find ways of attracting private funding into the sector to augment government funding.

Gains made during the COVID-19 should be maintained including the zero rating of educational websites. The telecoms should not be allowed to revert back to pre-COVID-19 status that priced access to educational websites and costly data bundles. This will not only help access to education and training but also the introduction of blended learning going forward. DBE, DHET working with the ESEID cluster should work hard to institutionalise these initiatives.

Evaluation of the blended learning should be implemented to help the sector to pursue this approach based on good research which identifies conditions under which this approach works. This is because this approach holds so much promise in increasing access going forward.

Institute implementation evaluation of whether NSFAS is increasing attractiveness of students from poor families at the expense of students from middle classes.

⁶ United Nations in South Africa, 2020, Socio-Economic Impact Assessment of COVID-19 In South Africa

3.5. THE HEALTH SECTOR

3.5.1 Strategic Intent

Health is a key human capability, which affects the quality of life and productive capacity of South Africans. It is therefore a socio-economic right of South Africans and impacts on our development and growth prospects. The National Development Plan (NDP) 2030 espouses a vision of health system that works for everyone and produces positive health outcomes, and is accessible to all. The NDP 2020 asserts that by 2030, South Africa should have: (a) raised the life expectancy of South Africans to at least 70 years; (b) produced a generation of under-20s that is largely free of HIV; (c) reduced the burden of disease; (d) achieved an infant mortality rate of less than 20 deaths per thousand live births, including an under-5 Mortality rate of less than 30 per thousand; (e) achieved a significant shift in equity, efficiency and quality of health service provision; (f) achieved universal coverage; and (g) significantly reduced the social determinants of disease and adverse ecological factors. The overarching outcome that the country seeks to achieve is A Long and Healthy Life for All South Africans. Arising from the NDP 2030, the MTSF embodies a set of priorities for 2019-2024.

3.5.2 Health Priorities of the MTSF 2019-2024

Over the previous MTSF period (2014-2019), health outcomes in the country improved significantly, as evidenced key health status indicators, including total life expectancy at birth, life expectancy for men and women, maternal mortality, and infant and child mortality. However, despite of recent evidence-based improvements, the South African health system still faces key constraints. At the core of the country's health challenge lies the dual and unsustainable health system, characterised by high costs of care in the private sector, which caters for only 16% of the population with medical aid, and a public sector that provides for care for the majority (84%), with a resource envelope almost similar to that of the private sector. Notwithstanding their improvement, health outcomes still differ significantly across provinces and districts. Over the next five years, government will continue to transform the entire health sector and strengthen strategic health programmes. The two overarching goals of the MTSF 2019-2024 are:

- (a) Universal Health Coverage for all South Africans progressive achieved. This is to be achieved through creation of the enabling legal framework for the implementation of National Health Insurance (NHI) namely, the NHI Bill 2020.
- (b) Progressive improvement in the total life expectancy of South Africans. This is to be achieved through the effective delivery of strategic health programmes to curb communicable and non-communicable diseases.

3.5.3. Overview of Main Achievements

3.5.3.1 Universal Health Coverage

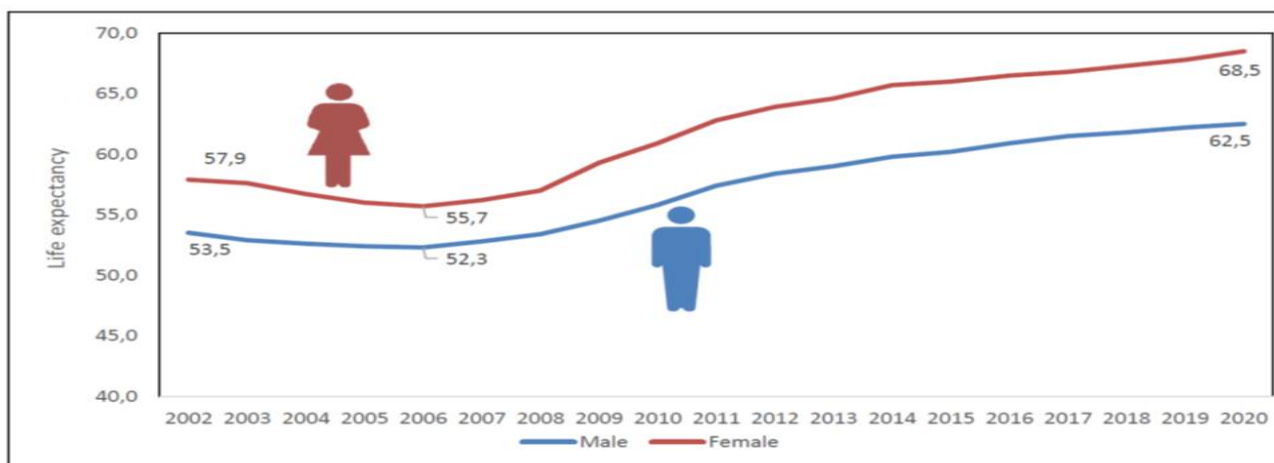
Key milestones were attained towards the finalisation, promulgation and implementation of the NHI Bill 2019 to provide access to good quality health services for all South Africans, based on their health needs, and not their ability to pay, as envisaged in the NDP 2030. This is consistent with the global efforts spearheaded by the World Health Organization (WHO) to attain universal health coverage for all. Following the tabling of the Bill in Parliament by the Minister of Health in 2019 the Parliamentary Portfolio Committee on Health convened public hearings in all 9 provinces, to provide communities a platform to contribute toward the shaping of the NHI Bill.

An embryonic structure of the NHI Implementation Unit was created within the National DoH. The final structure of the NHI Fund will be determined once the NHI Bill has been finalised and enacted. The health sector also completed a Human Resources for Health Plan (HRH) 2019-2024, and the HRH Plan and HRH Strategy 2020-2030 was finalised and prepared for approval by the National Health Council. To improve quality of primary healthcare services, a total of total of 1 906 of the existing 3 467 PHC facilities obtained Ideal Clinic Status by end of March 2020. The MTSF target is that 100% of PHC facilities should have attained ideal status by 2024.

3.5.3.2 Life Expectancy

The life expectancy of South Africans has continued to improve during the period under review. Statistics South Africa's (StatsSA) Midyear Population Estimates released in July 2020, reflect Life Expectancy (LE) at birth as 62.5 years for males and 68.5 years for females for the year 2020. This implies that the average LE of South Africans is 65.5 years in 2020. Male LE has improved by one year compared to 2019, when it was 61.5 years. Female LE increased by a smaller margin of 8 months, relative to 2019 when it was at 67.7 years.

Figure 1: Life Expectancy by sex over time, 2002-2020



Source: Statistics South Africa, Statistical Release P0302, Midyear Population Estimates 2020, 9 July 2020

7 DPME (2020): Medium-Term Strategic Framework (MTSF) 2019-2024

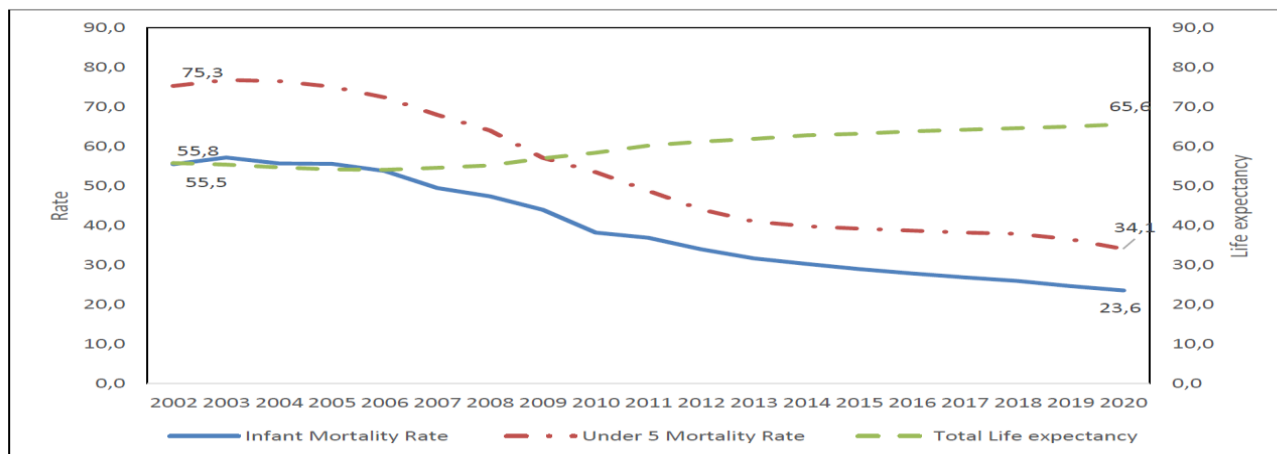
3.5.4 Overview of main challenges

3.5.4.1 Child Health

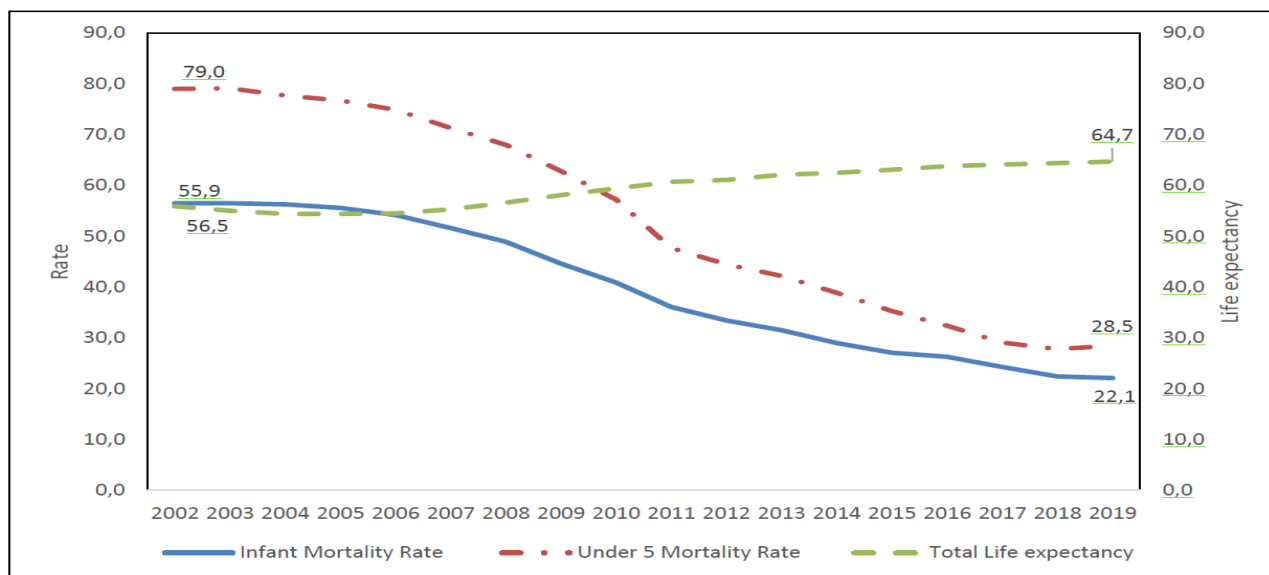
Several child health indicators are reflecting a worsening trend related to both the MTSF baseline figures and the 2024 targets. In the 2020 Midyear Population Estimates, Statistics South Africa (StatsSA) estimated the country's infant mortality rate (IMR) to be 23.6 deaths per 1,000 live births and the under-5 mortality rate (U5MR) to be 34,1 deaths per 1,000 live births in 2020. These figures reflect a deteriorating trend compared to the year 2019, when the country's IMR was 22,1 per 1 000 and the U5MR was 28.5 per 1 000. StatsSA data previously reflected a consistent decline in IMR and U5MR over time, from 2002 to 2019. As earlier indicated, the MTSF target is that South Africa's IMR must decrease to less than 20 deaths per 1 000 live births by 2024 and the under-5 mortality rate to less than 25 deaths per 1 000 live births by 2024.

The Medical Research Council's (MRC) Annual Rapid Mortality Surveillance (RMS) Report, on which the health sector's baseline data are derived from, was released in January 2020. The RMS Reports reflects IMR as having been 25 per 1 000 live births in 2018, and U5MR having been 34 per 1 000 during the same period. However, the latest data points covered in the RMS reports are outside the period covered by the MTSF 2019-2024, and therefore offer limited value in tracking progress towards the MTSF 2019-2024 as at July 2020. The DPME's triangulation approach strives to review all possible sources of data on MTSF indicators, hence the review of StatsSA Midyear Population Estimates data as at July 2020.

Infant Mortality Rate (IMR), Under 5 Mortality Rate (U5MR) and Total Life Expectancy (LE) over time, 2002-2020.



Source: Statistics South Africa, Statistical Release P0302, Midyear Population Estimates 2020, 9 July 2020 Infant Mortality Rate (IMR), Under 5 Mortality Rate (U5MR) and Total Life Expectancy (LE) over time, 2002-2019



Source: Statistics South Africa, Statistical Release P0302, Midyear Population Estimates 2019, 29 July 2019

The Medical Research Council's (MRC) annual Rapid Mortality Surveillance (RMS) Report, on which the health sector's baseline data are derived from, was released in January 2020. The RMS Report reflects IMR as having been 25 per 1 000 live births in 2018, and U5MR having been 34 per 1 000 during the same period. However, the latest data points covered in the RMS report (year 2018) are outside the period covered by the MTSF 2019-2024, and therefore offer limited value in tracking progress towards the MTSF.

Furthermore, for the period January to July 2020, data from the District Health Information System (DHIS), which is the routine information system of the health sector, reflects that the child under 5 years diarrhea case fatality rate (CFR) was 2.3%. This reflects the proportion of children under-5 who die from diarrhea, relative to the total number of children who present to health facilities with this condition. This is a worsening trend compared to the 2018/19 baseline of 1.9%, and is moving in a direction opposite to the target of <1.0% by 2024. In the same vein, the DHIS indicated that the child under-5 severe acute malnutrition case fatality was 8,6% for the period January to July 2020. This reflects a deteriorating trend relative to the baseline figure of 7.1% in 2018, and the 2024 target of <5%. Also, a child under-5 pneumonia case fatality rate of 2.2% was registered for the period January to July 2020. This reflects a deteriorating trend compared to the 2018/19 baseline of 1.9%, and an opposite direction from the MTSF 2024 target of <1%.

3.5.5. Highlights of progress on Key High-Level Indicators

A recent positive development is the improvement in the life expectancy of South Africans between 2019 and 2020, as highlighted in section 3 above. The average LE of South Africans is 65.5 years in 2020, against an MTSF target of 66.6 years by 2024. This target is likely to be achieved. Having reached a LE of 68.5 years in 2020, female LE has already exceeded the MTSF target for 2024. If the current rate of change is sustained, female LE is also likely to reach (and probably exceed) the NDP target of 70 years by 2030.

For the 2011-2016 period, StatsSA estimated Female LE in the Western Cape to have reached 70, 3 years. Recent estimates for the period 2016-2021 reflect Female LE in this province as 71.0 years. This suggests that female LE in this province has already surpassed the NDP 2030 target of 70 years. However, male LE in the Western Cape still lags behind that of females, at 65.7 years for the period 2016-2021. As shown later in this report, this is also the case with male LE nationally.

However, much more life-saving interventions are required to advance the LE of men to the required levels. At 62.5 years in 2020, male LE is on track towards the 2024 target of 66.6 years. However, it is moving at a slower pace than that of females. In its Rapid Mortality Surveillance Report 2018, released in January 2020, the South African Medical Research Council (MRC) drew attention to the increasing impact of Non-Communicable Diseases (NCDs) on mortality trends in the country. Drawing a distinction between males and females, the MRC (2020) further stated that the risk of a 30-year old person dying before age 70 from the selected NCDs considered preventable was 35% for males and 24% for females, an 11-%age point difference. The MRC therefore recommended that renewed focus on NCDs was required to reduce premature mortality from these conditions. Finally, the MRC observed in 2019 that LE at age 60, which is a useful summary of the mortality experienced by older South Africans, has demonstrated little change since 2000. So, while LE at birth has improved, LE at age 60 remains constant. RMS reports of the MRC are produced with a 2-year time lag, and recent reports are awaited.

The Free State province has the lowest LE for both males and females. For the period 2016-2021, StatsSA (2020) estimates LE in the Free State to be 56.0 years for males and 62.0 for females. These figures are lower than those of all other 8 provinces, as well as the national average LE. Improving LE requires a combination of health and socio-economic interventions. It necessitates

effective implementation of programmes to fight leading causes of mortality amongst infants, children and adults, as well as improvements in the socio-economic conditions of citizens, including the social safety reducing poverty and diseases of poverty, provision of clean water, sanitation and housing. Through its social security measures, the government of South Africa has sought to address this, and has made significant progress, as reflected in the 25-Year Review of democratic governance. However, the Free State province is lagging behind.

3.5.6 Assessment of progress on major interventions

The MTSF 2019-2024 entails a total of 11 health interventions, of which 7 are associated with the overarching goal of achieving universal health coverage in South Africa by developing and implementing NHI, which is a new dispensation. The other 4 interventions are located within the second goal of achieving progressive improvement in the total (average) LE of South Africans, and focus on the sustained agenda of driving national wellness and healthy lifestyle campaigns, to reduce the burden of disease and ill-health. Associated with the 12 MTSF interventions are 22 indicators and 22 targets.

With respect to Intervention 1, which is the creation of enabling legal framework for the implementation of NHI, the cumulative progress is that following the tabling of the NHI Bill in Parliament in 2019, Parliamentary Hearings on the NHI Bill took place in all 9 provinces and were completed during the period under review. Chronologically, these were held as follows: Mpumalanga Province (25-28 October 2019); Northern Cape (1-4 November 2019); Limpopo (15-18 November 2019); KwaZulu-Natal (22-25 November 2019); Eastern Cape (29 November- 02 December 2019); Free State (27-29 January 2020); North West Province (30 January-01 February 2020); Western Cape (4-7 February 2020); and Gauteng (21-24 February 2020). These hearings provided communities with a platform to contribute towards the crafting of the NHI Bill. Officials of National Department attended the public hearings. As reflected in its January-July 2020 Bi-Annual Report, the National DoH attended all the public hearings to respond to various service delivery issues that were raised by communities and also note the public comments made to the specific sections of the NHI Bill. The National DoH has also created an embryonic structure of the NHI Implementation Unit, with a view that the final NHI Fund structure will be determined by the enacted NHI Bill.

In terms of Intervention 2, which entails rolling out quality improvement programmes in public health facilities to ensure they meet quality standards required for certification and accreditation for NHI, during the first year of the MTSF 2019-2024, which was the financial year 2019/20, the health sector supported development of quality improvement plans for maternal and neonatal health in regional hospitals, through the problem identification and solving programme. This support entailed a systematic process of identifying factors and barriers impacting on quality, designing and implementing solutions to prevent maternal and neonatal deaths at these hospitals.

During the current period under review, January to July 2020, the health sector designed a National Quality Improvement Plan (NQIP) which seeks to establish quality learning centres and produce procedures and training manuals required to roll out the programme.

Quality Improvement Plans of 11 Regional hospitals were implemented in January-July 2020. Furthermore, the process of appointing a service provider for implementation of NQIP is underway at NDoH; and the bid evaluation is being concluded to appoint a technical team to drive the process.

Intervention 3 focuses on **expanding the primary health care system** by absorbing over 50 000 Community Health Workers (CHWs) into the public health system. During the period under review,

a total of 49 809 CHWs were appointed and paid R 3 500.00 monthly stipends from Conditional Grants.

Intervention 4 focuses on interventions to **improve quality of primary healthcare services** through expansion of the Ideal Clinic Programme. Cumulative progress is that by the end of March 2020, a total of 1 906 of the existing 3 467 PHC facilities obtained ideal status, after conducting both peer reviews and peer review updates. During the reporting period, the health sector reported that the ideal clinic status determination process was suspended during 2020/21 financial year due to COVID-19. Therefore, no further progress was made in this regard and the number of ideal clinics remained at 1 906. An ideal hospital framework was also developed, which was fully aligned to the regulated national core standards. In this way, this reduces the burden of hospitals being subjected to dual assessment through different tools. The MTSF 2024 target is to have 3 467 PHC facilities attaining ideal status, and 100% of these maintaining their Ideal Clinic status.

Intervention 5 focuses on the development of a comprehensive policy and legislative framework to mitigate the risks related to **medical litigation**. The MTSF target is to have contingent liability of medico-legal cases reduced by 80% (under 18 billion) by 2024.

Cumulative progress for April 2019-March 2020 is that a claim management system was implemented to manage medico legal claims in three Provincial DoHs. During the reporting period, the health sector reported that a total of 12 948 medico-legal claims amounting to R100 822 486 781.93 (i.e. R100 billion) were submitted by the Provincial DoHs for the medico-legal intervention project which commenced in April 2019. From these, 46 of 288 cases in Free State did not include claim costs. The health sector further reports that an initial analysis claims by Service Providers resulted in a reduction of claims to a total of 6 072 claims with a total amount of R68 886 605 994.11 (i.e. R68 billion). This reduction is due to costs related to letters of demand, PAIA cases and fraudulent claims. The sector indicated that claims would be further reduced (i) by scientifically re-calculating some of the claims made, (ii) discounting claims of claimants who are SASSA grants recipients, (iii) removing matters that have been withdrawn or struck off the roll or dormant; and (iv) providing medical care by the State Hospitals for future medical treatment of claimants.

Intervention 6 focuses on the development and implementation of a **Human Resources for Health (HRH) strategy** for 2030 and an HRH Plan 2020/21- 2024/25. Cumulative progress for the period under review 2020 is that a final draft HRH Strategy 2020-2030 was produced and approved by the National Health Council in October 2020. The HRH Plan includes indicative costs for addressing human resources needs and gaps, with various cost scenarios contained in the final draft. The MTSF targets, which have been met, are that the HRH Plan and HRH strategy should have been completed by March 2020.

The primary objective of **Intervention 7** is the establishment of **provincial nursing colleges with satellite campuses in all 9 provinces**. The 2024 MTSF target is to have one nursing college per province (with satellite campuses) established by 2020 and fully operational in all nine provinces by 2022. Cumulative progress as at the end of March 2020 is that all 10 public nursing colleges were re-organised into a single college per province with campuses in districts. Through this approach, provinces are better able to respond to national requirements and to improve access to public nursing colleges by local communities.

Ten (10) public nursing colleges were reportedly designated by the Minister of Higher Education and Training to offer Certificates, Diplomas and Degrees in nursing which are accredited and registered under the Higher Education Qualifications Sub-framework from January 2020. Also, a collaborative approach for the accreditation process had been established by both South African Nursing Council

(SANC) and Council for Higher Education (CHE). It was further reported that by the end of March 2020, 6 of the 10 provincial colleges were accredited by the South African Nursing Council (SANC) and the Council for Higher Education (CHE) to offer the Diploma in Nursing and registered with South African Qualifications Authority (SAQA). The health sector further reported that accreditation processes will continue in 2020 for programmes commencing in 2021. Progress in this area is consistent with the MTSF 2024 targets.

Intervention 8 focuses on driving the national health wellness and healthy lifestyle campaigns to reduce the burden of disease and ill health, particularly from conditions that are leading causes of mortality in the country, such as Tuberculosis (TB) and HIV/AIDS. With respect to the national response to HIV/AIDS, the MTSF 2024 target is to administer 30 000 000 HIV tests annually. The health sector reported that a cumulative total of 18 966 005 (i.e.18.5 million) HIV tests had been conducted during April 2019 to March 2020. During the period January to July 2020, a total of 8 336 561 HIV tests were conducted. Given the current levels of performance, the annual target of 30 million tests is unlikely to be achieved in 2020.

The annual MTSF targets for 2020 are that 90% of people living with HIV should know their status; that 90% of HIV positive people should be initiated on ART and that 90% of people on ART should be virally suppressed at 12 months. The MTSF requires that these figures should increase to 95% for each of the three components by 2024. Actual performance reported during the period under review was that 88.5% of people living with HIV knew their status during the period January to July 2020, that 64% of HIV positive people were initiated on ART), and that a total of 88.1% of patients on ART were virally suppressed during the same period.

With respect to TB, the MTSF 2024 target is that an additional 2 million people should be screened for TB by 2020 and eligible people initiated on treatment. This is additional to the baseline of 48 991 695 people screened during 2014-2018. A total of 53 150 817 TB screenings were performed during January to July 2020. The top four Provinces that screened the largest numbers of people for TB (i.e. above 10 million) were: KwaZulu-Natal (14 317 066); Eastern Cape

(14 066 048); Limpopo (13 458 637); and Gauteng (10 266 971). The other 5 provinces conducted less than 10 million TB screenings, namely Mpumalanga (8 091 255); Western Cape (8 042 768); North West (5 819 249); Free State (5 923 838) and Northern Cape (1 861 251).

In terms of WHO Guidelines, TB treatment outcomes are reported with one-year time lag. The health sector therefore has TB treatment outcomes available for 2017/18, with the 2018/19 outcomes expected in 2020. The MTSF requires a TB treatment success rate of 90% by 2022 and 95% by 2024. The sector reported an average TB new smear positive client treatment success rate of **76.9%** for January-July 2020, which was inconsistent with the set target.

None of the 9 Provinces has as yet achieved the TB treatment success rate of 90%, targeted for 2022. Gauteng Province recorded the highest performance at 82.4%, while the Northern Cape Province attained the lowest figure of 73.5% for the period under review. each.

With respect to the identification and management of Non-Communicable Diseases (NCDs), the MTSF 2024 targets are that 25 million people must be screened annually for high blood pressure, to reduce the risks of cardiovascular diseases and 25 million people screened for elevated blood glucose levels, to minimise the risks of diabetes. For the period January to July 2020, the sector reported that a total of **6 794 922** users of public health services were screened for elevated blood glucose levels. A further **6 168 594** people were screened for high blood pressure during the same period. The lower levels of screening compared to the set MTSF targets of 25 million per annum were attributed to the impact of Covid-19, particularly during national lockdown which restricted people's movement in order to protect

their health. Given the current levels of performance, the annual target of screening 25 million people is unlikely to be achieved

Intervention 9 seeks to ensure provision of good quality antenatal care. In South Africa, pregnant women are encouraged to visit the health facilities as early in their pregnancy as possible to access antenatal care services, to enhance the safety of the mother-baby dyad. In the months of January to July 2020, a total of 68.2% of pregnant women visited health facilities before 20 weeks, which was lower than the MTSF 2024 target of 75%. A total of 94.1% antenatal HIV positive clients was initiated on ART in the months of January to July 2020, building towards the MTSF target of 98% by 2024.

Intervention 10 focuses on protecting children against vaccine preventable diseases. The MTSF target is that national immunization coverage should improve from the baseline of 81.9% in 2019 to 90% by 2024. The health sector's report indicated that immunisation coverage for under 1-year olds was 79.4% in the months of January to July 2020, against the MTSF target of 90% annually by 2024. The health sector reportedly conducted the first National Immunisation Coverage survey in all 52 districts to validate official administrative coverage estimates (as recommended by the WHO); investigate vaccination of children aged 24 to 35 months of age; measure the drop-out rates between vaccination dose series; measure the timeliness of vaccinations and identify reasons for missed vaccinations. The National DoH had received a preliminary high-level immunisation coverage survey report and targeted interventions have been identified to improve coverage in poorly performing districts.

Intervention 11 seeks to improve services focusing on the integrated management of childhood diseases. The sector reported that the child under 5-years diarrhoea case fatality rate was **2.3%** during January to July 2020 against the MTSF 2024 target of <1.0%. Second, the child under 5-years pneumonia case fatality rate was **2.2%** during January to July 2020, against the MTSF 2024 target of <1.0%. Third, child under-5-years severe acute malnutrition case fatality rate was **8.6%** during January to July 2020, against the MTSF 2024 target of the 2019 baseline was 7.1%. Three provinces carried the highest severe acute malnutrition case fatality rate for children under-5 namely: Mpumalanga (14.3%); North West (11.8%); KwaZulu-Natal (10.4%) and Eastern Cape (9.2%). The health sector report further indicated that in order to improve these child health indices, interventions were being implemented in collaboration with other sectors, focusing nutrition; the integrated management of childhood illnesses, and training of provincial healthcare workers on emergency triaging of acute children for treatment.

In summary, when examining progress towards specific targets, the health sector's Bi-annual Report for April to September 2020, reflects notable progress towards **13** of the **27** targets, while **14** targets are **not** on track. These are reflected in **Table 7 below**.

TABLE 7: MTSF TARGETS ON TRACK AND OFF-TRACK, JANUARY TO JULY 2020

| Goal 1: Universal Health Coverage for all South Africans progressive achieved | Goal 2: Progressive improvement in the total life expectancy of South Africans |
|---|--|
| <ul style="list-style-type: none"> ➤ Quality Improvement Programme: 80% of public sector facilities implementing the National Quality Improvement Programme by 2022/23 ➤ 100% of public sector facilities by 2024/25. ❑ Quality Improvement Plans of 11 Regional hospitals implemented in January-July 2020. Process of appointing a service provider for implementation of NQIP is underway at NDoH; and the bid evaluation has been concluded and technical team appointed to drive the process | <ul style="list-style-type: none"> ➤ Two (2) million people screened for Tuberculosis (TB) annually [in addition to the 2018 baseline of 48 991 695] and eligible people treated ❑ Total of 53 150 817 TB screenings performed during January to July 2020 – exceeding set target |
| <ul style="list-style-type: none"> ➤ Contingent liability of medico-legal cases reduced by 80% (under R18 billion) in 2024/25 ❑ Implementation of the new case management systems has already saved the country an amount of R 68 billion, though investigation of the merits of each case during January-July 2020 | <ul style="list-style-type: none"> ➤ 90% of people living with HIV know their status by 2020 ➤ 95% of people living with HIV know their status by 2024 ❑ 93% of people living with HIV knew their status during January to July 2020 |
| <ul style="list-style-type: none"> ➤ HRH Strategy 2030 & Human Resources for Health (HRH) Plan 2020/21 to 2024/25 completed by March 2020. ❑ Final HRH Strategy 2030 and HRH Plan 2020/21 to 2024/25 were produced and approved by the National Health Council in October 2020 | <ul style="list-style-type: none"> ➤ 90% of people on Antiretroviral Therapy (ART) are virally suppressed ➤ 95% of people on ART are virally suppressed by 2024/25 ❑ 88% of patients on ART were virally suppressed at 12 months during January to July 2020 |
| <ul style="list-style-type: none"> ➤ One nursing college per province (with satellite campuses) established by 2020 and fully operational in all nine provinces by 2022 ❑ All 10 public nursing colleges were designated to offer new Nursing Programs per Government Gazette, with 6 Nursing Colleges fully accredited by the Nursing Council and Council for Higher Education to commence with new programmes | <ul style="list-style-type: none"> ➤ 75% of pregnant women visit health facilities for antenatal care (ANC) before 20 weeks by 2024 ❑ 68.2% of pregnant women attended ANC before 20-weeks in January-July 2020; |
| <ul style="list-style-type: none"> ➤ Expansion of the Primary Health Care system by absorbing over 50 000 community health workers (CHWs) into the public health system ❑ 49 809 CHWs working in the health sector, paid R 3 500 monthly stipends – CHWS were instrumental in Covid-19 screening in 2020 | <ul style="list-style-type: none"> ➤ 98% of Antenatal Care (ANC) clients initiated on ART rate by 2024 ❑ 94.1% of ANC clients initiated on ART during January-July 2020 |
| <p>Total = 13/27 MTSF targets on track</p> | |

11 Dorrington RE, Bradshaw D, Laubscher R, Nannan N (2020). Rapid mortality surveillance report 2018. Cape Town: South African Medical Research Council.

TABLE 8: MTSF TARGETS OFF-TRACK, JANUARY-JULY

| Goal 1: Universal Health Coverage for all South Africans progressive achieved | Goal 2: Progressive improvement in the total life expectancy of South Africans |
|---|--|
| <ul style="list-style-type: none"> ➤ National Health Insurance (NHI) Fund operational by December 2020, and ➤ NHI Fund purchasing services by 2022/22 ❑ Although the Parliamentary Hearings on the NHI Bill were conducted across all 9 Provinces, the oral submissions on the Bill have <u>not</u> yet been conducted in the National Assembly and the processes to be (subsequently) led by the National Council of Provinces (NCOP) have not yet commenced ➤ 3 467 clinics attaining ideal clinic status by 2024 ➤ 100% PHC facilities maintaining their Ideal Clinic status by 2024. ❑ Total of 1 906 of total 3400 PHC facilities obtained ideal status by March 2020. Status determination slowed down in 2020 due to Covid-19 | <ul style="list-style-type: none"> ➤ 90% of HIV positive people are initiated on ART by 2020 ➤ 95% of HIV positive people are initiated on ART by 2024 ❑ 64% of HIV positive people were initiated on ART in the period January to July 2020 ➤ TB treatment success rate of 90% achieved by 2022, which increases to 95% by 2024 ❑ TB treatment success rate of 76.9% achieved during January-July 2020 ➤ 30 million HIV tests conducted annually by 2024 ❑ 8 336 561 HIV tests conducted during January-July 2020 ➤ 90% of children under 1-year of age immunized against vaccine preventable diseases by 2024 ❑ 79.4% immunisation coverage rate for infants under 1-year olds was achieved in January to July 2020 ➤ Severe acute malnutrition case fatality rate of <5% amongst children under-5 achieved by 2024 ❑ Child under-5-years Severe Acute Malnutrition Case Fatality Rate was 8.6% in January-July 2020 ➤ Pneumonia case fatality rate of <1% amongst children under-5 achieved by 2024 ❑ Child under 5-years pneumonia case fatality rate was 2.2% in the period January to July 2020 ➤ Diarrhoea case fatality rate of <1% amongst children under-5 achieved by 2024 ❑ Child under 5-years diarrhoea case fatality rate was 2.3% during January to July 2020 ➤ 25 million people screened annually for high blood pressure by 2024 ❑ 6 168 594 people screened for high blood pressure during January-July 2020 ➤ 25 million people screened annually for elevated blood glucose levels by 2024 ❑ 6 794 922 people screened during January-July 2020 |
| <p>Total = 14/27 (51.8%) MTSF indicators off-track.</p> | |

3.5.7 Major challenges and blockages affecting implementation of the interventions identified in the MTSF, including the impact of the Covid-19 pandemic.

3.5.7.1 Impact of Covid-19

Following its onset in Wuhan City, Hubei Province, China in November 2019, the Coronavirus Diseases (Covid-19) outbreak swept through the world, resulting in the World Health Organisation (WHO) declaring it a public health emergency of international concern (PHEIC) in January 2020, and a global pandemic in March 2020. South Africa was not spared. The government of South Africa acted swiftly, led by the President and the inter-Ministerial National Coronavirus Command Council (NCCC), supported by the National Joins Operations Centre (NatJoins). The President declared a National State of Disaster on 15 March 2020, and announced a 21-day national lockdown on 23 March 2020, which came into effect on 26 March 2020. It was subsequently extended to the end of April 2020, and a national Alert Level system was subsequently implemented, with five alert levels guided by transmission rates and health systems capacity.

The onset and exponential increase in Coronavirus Diseases (Covid-19) cases in the country since March 2020 impacted on progress with several targets of the MTSF 2019-2024. The legislative process and development of the building blocks of NHI have been adversely impacted by the Covid-19 pandemic. Although the Parliamentary Hearings on the NHI Bill were conducted across all 9 Provinces, the process has not yet been handed over to the National Council of Provinces (NCOP) to proceed with oral submissions on the NHI Bill. The MTSF 2019-2024 targets were that the NHI Fund should be operational by December 2020, and that the Fund should be purchasing services on behalf of the covered population by 2022/23. Access to services such as HIV testing and child immunisation services was limited. These targets are now unlikely to be achieved in their current format.

Several milestones were achieved. Screening of populations for symptoms of Covid-19 is an important intervention aimed at enhancing proactive case finding by identifying and referring eligible people for screening. The total number of people screened increased from a cumulative total of **7 216 777 during Alert level 5** (March-April 2020) to **35 765 088** during the first week of **Alert Level 1 (as at 25 September 2020)**.

The cumulative total of people tested increased exponentially, from only **207 530 during Alert Level 5** (March-April 2020), to **4 633 671 during Alert Level 1** (as at 22 October 2020, outside the reporting period). This enabled early case finding and referral of eligible people to the health services for further management. Efficient testing also enabled early case finding and referral to treatment. The cumulative number of people who tested positive for Covid-19 increased from only **5 647 during Alert Level 5** (March-April 2020) to **710 515 during Alert Level 1** (as at 22 October 2020, outside the reporting period). South Africa also extricated itself successfully from the top 10 countries with the highest burden of Covid-19 disease globally in October 2020. The country's Covid-19 recovery rate has consistent improved from only 51% during Alert Level 4 to 90.4% in Alert Level 5 (as at 22 October 2020, outside the reporting period).

3.5.7.2 DPME visits to the coalface of Service Delivery

During the reporting period, the DPME conducted monitoring visits to two hospitals in the Eastern Cape, Dora Nginza and Livingstone in Nelson Mandela Metro, as well as to the Steve Biko Academic-Tshwane District Hospital Complex in the City of Tshwane, Gauteng Province to assess their readiness for the Covid-19 peak period. This was in August 2020.

As a member of the Covid-19 National Joint Operations and Intelligence Centre (Nat Joints), the DPME utilised the Covid-19 dashboard developed by the Nat Joints to review human resources capacity, bed capacity; ICU bed capacity and access to testing sites. The DPME compiled comprehensive reports with recommendations and submitted these to the facilities visited, their District Health Managers and the respective Provincial Heads of Departments (HoDS).

In summary, from the four facilities visited, a national policy issue that the DPME emerged with was that the presence of effective management; good infrastructure; equipment and motivated health care providers enables and enhances the provision of good quality care to the citizens of South Africa. A second and related policy issue would be the equitable allocation of resources across all provinces, and their effective utilization.

At Steve Biko Academic and Tshwane District Hospitals, the DPME team observed several best practices. Both Steve Biko and Tshwane District Hospitals had a management team fully apprised of the required health systems preparedness for a Covid-19 surge, as indicated by the National DoH.

Tshwane District had been declared a dedicated Covid-19 hospital in the district, to which other hospitals would refer. To enhance hospital bed capacity, the two hospitals had erected additional marquees staffed by health professionals, with hospital beds and equipment available. Both hospitals had ventilators and other essential equipment available for the provision of appropriate Covid-19 hospital care, as well as sanitation facilities and additional ablution facilities for staff members who provided 24-hour services. Two wards at Tshwane District Hospital had been repurposed from general wards to critical wards enhance capacity for the treatment of Covid-19 patients. A few challenges reported by the Steve Biko Academic Hospital-Tshwane District Hospital Complex were shortages of PPEs, inferior quality of PPEs, and the need for high flow oxygen units. Overall, however, the Steve Biko Academic Hospital – Tshwane District complex demonstrated adequate preparedness for managing Covid-19 patients.

In the two hospitals in the Eastern Cape, the DPME observed a dedicated team of officials striving to provide health services under very trying conditions. At Livingstone Provincial Tertiary Hospital, a key challenge was vacant senior management positions, temporarily occupied by acting hospital officials, with insufficient authority to take decisions. Persistent disputes between management and labour were also a key constraint, arising from vacant General Assistant posts. However, health workers were at work, providing services.

At Dora Nginza Hospital, the DPME found a management team that had proactively begun repurposing some hospital beds to be Covid-19 ready, including the provisions of oxygenated beds, in several wards. The Department of Public Works had also committed to renovating the hospital to generate another 100 wards to be completed by December 2020. Key challenges included inadequate ablution facilities, resulting in Covid-19 positive and Covid-19 negative patients sharing ablution facilities. There was also poor security at Dora Nginza Hospital, as the DPME team was easily able to access and exit its hospital without inspection by the security officials. Concerns about the quantity and quality of PPE at these hospitals was also a challenge. Following interventions by the Premier of the Eastern Cape, as well as the Ministry of Health, which deployed senior managerial leadership and technical capacity to the Province, the situation has improved significantly. Covid-19 outcomes of the Eastern Cape reflect improvement, except for the persistent high Case Fatality Rate hovering over 3%.

3.5.8 Other (non-Covid-19) challenges affecting the health sector

Despite the most welcome improvements in Life Expectancy at birth in 2020, Covid-19 had an impact of restricting access to health services for community members – particularly during Alert Level 5 (lockdown period), while social and economic activities were restricted, as well as due to anxieties by community members of using health facilities.

Several child health indicators are reflecting a worsening trend related to both the MTSF baseline figures and the 2024 targets. In the 2020 Midyear Population Estimates, Statistics South Africa (StatsSA) estimated the country's infant mortality rate (IMR) to be **23.6** deaths per 1,000 live births and the under-5 mortality rate (U5MR) to be **34.1** deaths per 1,000 live births in 2020. These figures reflect a deteriorating trend compared to the year 2019, when the country's IMR was **22.1** per 1 000 and the **U5MR was 28.5 per 1 000**. StatsSA data previously reflected a consistent decline in IMR and U5MR over time, from 2002 to 2019. As earlier indicated, the MTSF target is that South Africa's IMR must decrease to less than **20 deaths** per 1 000 live births by 2024 and the under-5 mortality rate to less than 25 deaths per 1 000 live births by 2024.

Furthermore, for the period January to July 2020, data from the District Health Information System (DHIS), which is the routine information system of the health sector, reflects that the child under 5 years diarrhoea case fatality rate (CFR) was **2.3%**. This reflects the proportion of children under-5 who die from diarrhoea, relative to the total number of children who present to health facilities with this condition. This is a worsening trend compared to the 2018/19 baseline of 1.9%, and is moving in a direction opposite to the target of <1.0% by 2024. In the same vein, the DHIS indicated that the child under-5 severe acute malnutrition case fatality was **8.6%** for the period January to July 2020. This reflects a deteriorating trend relative to the baseline figure of 7.1% in 2018, and the 2024 target of <5%. Also, a child under-5 pneumonia case fatality rate of **2,2%** was registered for the period January to July 2020. This reflects a deteriorating trend compared to the 2018/19 baseline of 1.9%, and an opposite direction from the MTSF 2024 target of <1%.

The Medical Research Council's (MRC) Annual Rapid Mortality Surveillance (RMS) Report, on which the health sector's baseline data are derived from, was released in January 2020. The RMS Reports reflects IMR as having been 25 per 1 000 live births in 2018, and U5MR having been 34 per 1 000 during the same period. However, the latest data points covered in the RMS reports are **outside** the period covered by the MTSF 2019-2024, and therefore offer limited value in tracking progress towards the MTSF 2019-2024 as at July 2020. The DPME's triangulation approach strives to review all possible sources of data on MTSF indicators, hence the review of StatsSA Midyear Population Estimates data as at July 2020.

3.5.9 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF

Even prior to the onset of Covid-19 pandemic, the public health sector in the country was already under severe strain, occasioned by the increasing demand on services, and shrinking resources. In the Supplementary Budget Speech by the Minister of Finance, Mr. T. Mboweni, on 24 June 2020, the health sector was allocated an additional amount of **R21.5 billion** for Covid-19 health care spending, and a further **R12.6 billion** to services at the frontline of the country's response to the pandemic⁴. Minister Mboweni further stated that this allocation was informed by epidemiological

¹² Minister Tito Mboweni: 2020 Supplementary Budget Speech: <https://www.gov.za/speeches/minister-mboweni>

modelling, a national Covid-19 cost model and the country's experiences over the last 100-days.⁵ This was a much-needed injection of resources into the national Covid-19 response. However, the public health sector's budget bid to Treasury for additional resources for Covid-19 had exceeded R40 billion. The allocation of R41 billion was significant and must be appreciated, but reflected a R9 billion deficit.

In the preamble to the Presidential Health Compact of July 2019, all stakeholders to the compact including government, civil society, business and other formations, acknowledged that the public health sector in South Africa had contributed to improved health status and health outcomes. However, the stakeholders expressed deep concern about poor governance structures, inequitable funding, human resource maldistribution and shortage, inappropriate skill-mix⁶. With reference to the private sector, the Presidential Health Compact of July 2019 raised deep concerns that the private health sector was challenged by prices that were unaffordable to a majority of South Africans; maldistribution of providers and facilities and a lack of regulation and perceptions of over-servicing and perverse incentives.

The health sector's resource needs to enable delivery of good quality resources will always outstrip the available quantum. At present, the implementation of NHI remains the only possible effective measure to pool together all the resources of the public and private sectors into one fund, which will purchase services for all South Africans based on their health needs, and irrespective of their ability to pay. NHI will also ensure equitable access to the country's human resources, health infrastructure and medical equipment.

3.5.10 Actions needed to address major constraints and challenges in the health sector

The government of South Africa has adopted a comprehensive Economic Reconstruction, Recovery and Growth Plan. The plan foregrounds 9 priority interventions namely; Aggressive infrastructure investment; Employment orientated strategic localization, reindustrialization and export promotion; Energy security; Support for tourism recovery and growth; Gender equality and economic inclusion of women and youth; Green economy interventions; Mass public employment interventions; Strengthening food security; and Macro-economic interventions.

It is a positive development that the Economic Reconstruction, Recovery and Growth Plan has targeted the creation of 5 531 new opportunities in community health work and nursing. As indicated in the foregoing sections, the health sector has reported that a total of 49 809 CHWs are already working in the health sector, paid a stipend of R3 500 per month. A key issue is the sustainability of the work of CHWs in the sector, in the long term. CHWs could continuously support the health sector with community-based Primary Health Care (PHC) interventions. The MTSF target is that 50 000 CHWs should be integrated into the health system by 2024. Key activities of CHWs include health promotion and disease prevention at the level of households and communities. Their activities can contribute towards improving the declining child health indicators such as immunisation coverage; as well as early identification of children with diarrhoea, pneumonia and severe acute malnutrition, and early referral to the PHC facilities.

¹³ Minister Tito Mboweni: 2020 Supplementary Budget Speech: <https://www.gov.za/speeches/minister-mboweni>

¹⁴ The Presidency: Presidential Health Compact 2019

3.5.11 Implications of this to the review of the MTSF and optimizing how government operates

Apart from examining the feasibility of achieving the MTSF 2024 targets set for each sector, the review of the MTSF must examine whether there is sufficient integration of government programmes across sectors, and within spheres of government. The second tasks should be to examine whether there are sufficient measures included in the MTSF 2019-2024 to address cross cutting issues and to strengthen the enablers of socio-economic development.

The country's integrated response to Covid-19, led by the National Covid-19 Command Council (NCCC), supported by the National Joint Operations and Intelligence Centre (NatJoints) has demonstrated that government is more effective when it works in unison, collaboratively, and under effective leadership at the centre.

With specific reference to health, Covid-19 vividly illustrated the centrality of intersectoral collaboration to address what the World Health Organisation (WHO) calls the social determinants of health. These are factors that exist outside the health sector, which contribute to good health, including the provision clean water, proper sanitation, decent housing, electricity and jobs. One of key preventive measures of Covid-19 was the washing of hands, and practicing of proper hygiene. A case in point is the rapid response to Covid-19 of the Department of Human Settlements, Water and Sanitation, which enhanced its delivery of water tanks to communities. A more sustainable solution is the provision of bulk water services to all communities, as government capacity to achieve this is increased. Other departments also played a key role, such as the Department of Social Development providing social relief of distress measures during the pandemic.

3.5.12 Recovery Plans of the Health Sector

The health sector has developed plans to accelerate progress towards key interventions that lagged during the severe phases of Covid-19 in 2020. A synopsis of these plans is reflected below, for different health programmes.

3.5.12.1 Improving performance on 90:90:90 targets for HIV/AIDS

The National DoH has initiated virtual meetings with provinces to develop catch-up plans to mitigate the impact of low patient volumes as from the beginning of the lock down in March 2020. Key interventions include accelerating HIV case finding through Index testing, HIV Self Screening; targeted testing at key entry points, and consistent linkage to treatment for diagnosed patients. The health sector has also enhanced the enrolment of clients into the Central Chronic Medicine Dispensing and Distribution (CCMDD) programme and has decanted patients to differentiated models of care. The National DoH also supports pharmaceutical services to manage drug availability in a climate of global shortages. Defaulting patients also being returned to care by tracking and tracing any clients who do not attend scheduled appointments, or who are due for laboratory tests to support clinical management.

3.5.12.2 Improving immunisation coverage

The National DoH has conducted the First National Immunisation Coverage survey in all 52 districts to validate official administrative coverage estimates (as recommended by the WHO). The objectives are to investigate vaccination of children aged 24 to 35 months of age; to measure the drop-out rates between vaccination dose series; to measure the timeliness of vaccinations and to identify reasons for missed vaccinations. The Department indicated that a preliminary high-level

immunisation coverage survey report has been submitted, and targeted interventions have been identified to improve coverage in poorly performing districts.

3.5.12.3 Improving Management of Childhood Illnesses

The health sector has implemented nutrition-focused interventions in collaboration with other sectors. The sector also reports that the Integrated Management of Childhood Illnesses is in place. Provincial healthcare workers have been trained on emergency triaging of acute children for treatment. To inform communities of appropriate child health practices, the health sector has initiated a Side-by-Side Radio Show Campaign which provides messages to children's caregivers on all components of child health and nutrition, including care and identification of danger signs.

3.5.13 Recommendations for the Health Sector

- 3.5.13.1 One of the best practices of the National DoH is to disaggregate the health sector's overall performance information into provincial figures, to reflect variations across the country. This should be sustained into the future, and in keeping with the District Development Model (DDM), consideration should be given to district-level reporting, even as an Annexure to the main report. The health sector's routine District Health Information System (DHIS) and the annual Health Systems Trust's (HST) annual District Health Barometer, are important enablers of this approach. These tools facilitate tracking of equity in health care delivery.
- 3.5.13.2 For the period under review (January-July 2020), implementation of interventions to improve child health has lagged behind during the reporting period. This is attributed to the impact of Covid-19, which restricted access by communities to health facilities. Data from both StatsSA and the health sector's District Health Information Systems (DHIS) reflect worsening child health indicators during the period under review. Renewed focus on key child health indicators, including immunization coverage; and child mortality from diarrhea; pneumonia and severe acute malnutrition, is required.
- 3.5.13.3 The health sector has previously implemented programmes such as the Integrated Management of Childhood Illnesses (IMCI) with major success, also introduced two new vaccines, rotavirus and pneumococcal conjugate, which reduced child mortality from diarrhea and pneumonia, and also implemented the Prevention of Mother-to-Child Transmission (PMTCT) of HIV. All these interventions contributed immensely to the improvement of child health, and conversely the reduction of child mortality. The reversal of these important gains must be curtailed.
- 3.5.13.4 Health and socio-economic development are intricately linked, and while ill-health and underdevelopment are also connected. Elevated child mortality rates have the impact of reducing the country's Human Development Index. Furthermore, the advent of Covid-19 and the subsequent implementation of an Alert Level system that included a lockdown was a reminder that a single disease can shut down a country's economy, including in developed countries. It must therefore be emphasized that the improvement of child health also requires intersectoral interventions across government and society, including strengthening food security and good nutrition, as well as the provision of clean water and sanitation.
- 3.5.13.5 The health sector has a total of 49 809 CHWs, who are well trained, and are receiving a stipend of R3 500, and who were instrumental in Covid-19 screening processes, by enhancing community awareness of Covid-19 and conducting actual screening. Their

scope and focus should now also be directed towards supporting the health sector with Primary Health Care (PHC) interventions (i.e. health promotion and diseases prevention), to improve the declining health indicators such as immunisation coverage; and early identification of children with diarrhea, pneumonia and severe acute malnutrition. This would contribute towards saving the lives of young South African children.

- 3.5.13.6 CHWs play an important role as part of Ward-based Outreach Teams in the delivery of Primary Health Care (PHC) programmes. Over time, South Africa should develop an integrated framework for the functioning of all community-based workers, who are deployed by different government departments to do frontline work, and serve as the interface between government and communities.
- 3.5.13.7 Screening of the population for Non-Communicable Diseases (NCDs) requires enhancement. Successive reports from the National DoH in 2020 analysing the causes of death amongst Covid-19 patients converged around the contribution of pre-existing (comorbid) conditions to mortality rates. This accentuates the need for a dedicated focus on these conditions, including high profile socio-behavioral campaigns to inform, educate and communicate to all South Africans to raise their awareness about NCDs, with the aim of preventing these.
- 3.5.13.8 Based on emerging empirical data, the health sector should develop and implement integrated, patient-centric models of care for Non-Communicable Diseases (NCDs) and their risk factors, which prioritise continuity and quality of care.
- 3.5.13.9 Some of the positive spin-offs of the Covid-19 pandemic, despite the devastation that it wrought in South Africa (and globally), is that it has led to the development of Innovative Information, Communication Technologies (ICT) platforms in the health sector. These included systems such as Covid-Connect, an application (app) which provided multitudes of South Africans with access to information about Covid-19, including the importance of testing, accessing testing sites, and also assisted with effective contact tracing. The DATCOV hospital sentinel surveillance system developed by the health sector and the National Institute of Communicable Diseases (NICD), has contributed immensely towards monitoring of Covid-19 hospitalisations and the epidemiology of hospitalised patients in South Africa. These legacy systems should be sustained into the future

3.5.14 CONCLUSION

The foregoing report has presented a synopsis of the analysis produced by the DPME from the Bi-Annual Progress Reports on the implementation of the Medium-Term Strategic Framework (MTSF) 2019-2024, for the period January to June 2020, focusing on Priority 3 namely Education, Skills and Health.

Enhancing universal access to health, education and skills for all citizens is an important priority of the South African government. Therefore, as the country recovers from the impact of Covid-19, and reconstructs its socio-economic development programmes, the three sectors should remain amongst top priorities, and be shielded against the adverse impacts of economic vicissitudes that the country has faced.

¹⁵ NICD, *Special Public Health Surveillance Bulletin, Volume 18, Supplementary Issue 1, 10 June 2020*

4. PRIORITY 4 - CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES

4.1. PURPOSE OF THE REPORT

This report presents the of DPME's analysis of the Social Protection Sector's Bi-Annual Progress Report on the implementation of the Medium-Term Strategic Framework (MTSF) 2019-2024. The Bi-Annual Report was submitted on behalf of the social protection by the Department of Social Development, and focuses on Priority 4 namely: Consolidating the social wage. This briefing focuses only on a fraction of the entire basket of the social wage, namely social security (social assistance and social insurance), social welfare, aspects of developmental social welfare and Early Childhood Development (ECD). Other components of the social wage are monitored in other priorities. Priority 5 - Spatial Integration, human settlements and local government, monitors access to free basic services such as housing, water, sanitation and energy for poor households is monitored. Priority 3 – Education, skills and health, monitors progress in relation to health care and education (Free health care and no fee schools). Priority 2 – Economic transformation and job creation measures Public Employment.

The report provides the Cabinet Committee with progress on the implementation of the MTSF covering the period April to September 2020 and highlights the challenges and blockages in the likelihood of achieving the 2024 targets and NDP 2030 targets.

4.2. STRATEGIC INTENT

The National Development Plan positions social protection as a critical part of public policy providing support that reduces vulnerability, alleviates and ultimately prevents poverty, and empowers individuals, families and communities through a range of social development services. The formation of a social protection floor and a comprehensive, inclusive and responsive social protection system ensures the resilience of citizens and protects them from the ravages of extreme poverty. Priority interventions in the next five years are about includes:

- (a) Addressing social grants exclusion errors by improving targeting (orphans, children, aged on farms, remote rural areas, disabilities),
- (b) Increasing UIF coverage as currently only 5% of unemployed people benefit from this Fund,
- (c) Reducing the turn-around times for the payment of the Unemployment Insurance benefit,
- (d) Finalising a comprehensive policy on social security that will include low-paid workers and informal traders, as well as pregnancy and maternity benefit schemes,
- (e) Strengthening the capacity of the social sector by increasing the number of social sector practitioners,
- (f) Solidifying the relations and partnerships between the state and civil society, and by building the capacity of civil society organisations,
- (g) Developing and implementing a sustainable livelihood framework that support the graduation of Child support Grant recipients of working age from social grants to self-reliance,
- (h) Increasing ECD coverage and the number of children in receipt of ECD subsidy,
- (i) Integrating the Social Protection Information systems for early and timeous intervention.
- (j) Priority Components NDP 2030 targets.

4.3. SUMMARY OF IMPACT INDICATORS

4.3.1. Reduce inequality – the Gini coefficient should fall from 0.69 to 0.6.

Inequalities in South Africa are high and manifest through a skewed income distribution, unequal access to opportunities, and regional disparities and they are very pronounced, more so in terms of wealth than income.

Wealth: An April 2020 a report by the Southern Inequality Studies indicate that ‘the top 10% own 86% of aggregate’ wealth whilst a tiny 0.1% own almost 33% of the aggregate wealth. The engine of inequalities in South Africa in terms of wealth are land, housing, financial securities, pension funds etc.

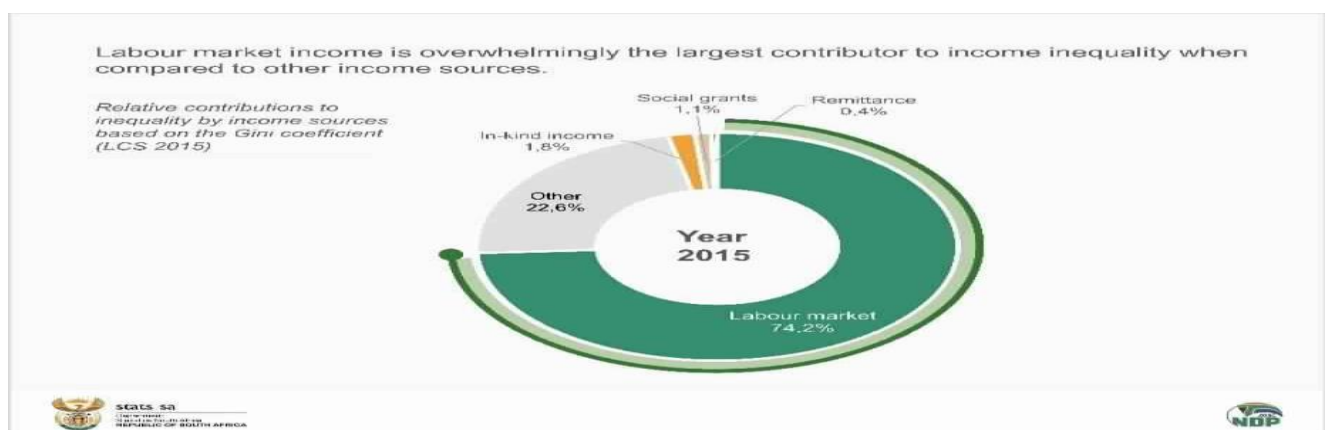
Income: South Africa suffers among the highest levels of inequality in the world when measured by the commonly used Gini index. The top 20% of the population earns over 68% of income (compared to a median of 47% for similar emerging markets).

The bottom 60% of households depend more on social grants and less on income from the labour market (StatSA 2019).

Despite having a progressive Constitution that espouses non-sexism and non-racialism, inequalities are still produced along gender and race.

Female workers earn approximately 30% less, on average, than male workers - males are more likely to be employed and have relatively better-paying jobs compared to females. Black Africans have higher rates of joblessness and earn the lowest wages when they are employed. Whites, in contrast, earn substantially higher wages than all the other population groups. The mean real earnings between 2011 and 2015 amongst employed black Africans was R6 899 (real earnings) per month. For coloureds and Indians/Asians, the corresponding figures are R9 339 and R14 235 per month, respectively. Amongst whites, it was R24 646 per month, or more than three times as high as it was amongst black Africans (StatsSA 2019). Wage Income is the greatest contributor to income inequality contributing 74.2% (see figure 1)

Figure 1: Contributors to inequality



The income inequalities particularly using the race dimension are further revealed through the social grants' distribution. The racial distribution of the social grants shows that Coloureds and Black Africans possess the highest rates of social grant receipt (29.3 and 33.8 respectively) compared to only 6.1% of the White population. About 34 in a 100 black people receive grants compared to only 6 in a 100 in the white population. Blacks are more than five times more recipients of the social

grants than White people, and more than double the rate the rate of Indian recipients who are at 14.5%.

4.3.2. NDP 2030 targets eliminate poverty

As with inequality, poverty too has a gender, regional and race dimension. According to the Living Conditions Survey of 2014/15, using the Upper Bound Poverty Line, adult males and females experienced a poverty headcount of 46.1% and 52.0%, respectively. Adult females experienced higher levels of poverty when compared to their male counterparts, regardless of the poverty line used. The provinces with the highest headcount of adult poverty are Limpopo (67.5%), Eastern Cape (67.3%), KwaZulu-Natal (60.7%) and North West (59.6%) (StatsSA2015). 64% of blacks, 41% of Coloureds, 6% of Indians and 1% of whites South Africans are living in poverty (SAHRC 2017).

The NDP target is not likely to be met as poverty levels are increasing. At least 2.5 million more South Africans fell into poverty between 2011 and 2015. Forty% of the population lived below the LBPL in 2015 compared to only 36.4% in 2011. The impact of lockdown due to COVID19, has worsened the situation. 23.8% of the population (14 million people) were food insecure (experience hunger) prior to COVID-19 pandemic and now 50% of the population is at risk of being food insecure.

The individual deprivation measure study confirms the regional dimension of poverty

Poverty is relatively rooted in rural areas than it is in urban areas. Before the advent of COVID19, 18.2% of rural poor were mildly food insecure compared to 12.7% in urban areas. However, in the category of the severely food insecure, poverty is more pronounced in urban areas as 31.9% of the urban poor experience poverty compared to 28.5% of the rural poor. Severe food insecurity is relatively high amongst people with disability than any other disaggregated category of the poor. Persons with disability fair relatively poorly on all poverty measure dimensions such as on access to water, shelter, health, and education. Women are also disproportionately affected by poverty than men are. About 38.8% of men do not experience any food insecurity compared to 34% of women. On the other hand, 30.4% men are severely food insecure compared to 31% of women.

4.3.3. Redistribution and poverty eradication

Studies show that the progressive tax system and social transfers reduce inequality and poverty. There is a significant drop in the market income Gini from 0.73 to 0.66 after considering the impact of the selected fiscal tools (direct taxes and social grants).

Using income per capita as the welfare indicator, fiscal policy reduced the “market income” Gini coefficient from 0.771 to a “disposable income” Gini of 0.694 once direct taxes (PIT and payroll taxes) and transfers (cash transfer and free basic services) are considered, in line with what is typically reported by Statistics South Africa. However, as demonstrated through numerous studies, if an extra step is taken and the value of health and education spending is monetised, bearing in mind potential differences in the quality of services, the “final income” Gini coefficient would be 0.596. Social transfers are also capable of making a significant contribution to improving the current lives of the poor and hold the promise of reducing persistent poverty. Using the US\$1.25 PPP per day poverty reference line, South Africa’s social cash transfers are well targeted and reduce extreme poverty significantly. The incidence of extreme poverty reduces by 68% (from 26% to 8%) after accounting for social transfers.

4.4. IMPACTS WE WERE SEEKING TO ACHIEVE IN THE COMPONENT (SOCIAL PROTECTION)

4.4.1. Transforming elements of social protection through inter alia;

- a. Optimising the social welfare and comprehensive social security policy space
- b. Expanding the number of Social Services Professionals in the public service from 18 300 social workers to 31 744;
- c. Creating an enabling environment for children’s services through legislation, policy, effective practice, monitoring, evaluation and quality assurance,
- d. Developing a core package of social welfare interventions including an essential minimum psychosocial support and norms and standards for substance abuse, violence against women and children, families and communities;
- e. Strengthening prevention and response interventions for substance abuse such that there is a 10% increase in the number of people accessing prevention and treatment programmes by 2024;
- f. Increasing access to quality ECD services and support such that 3.6 million children access ECD services from the current 2 487 599 by 2024 and a School Readiness Tool Assessment system is operational by 2021;
- g. Articulating the practical meaning of the social protection floor, developmental social welfare and sustainable community development interventions.

4.5. OVERVIEW OF MAIN ACHIEVEMENTS

Transformed Social Welfare: As at June 2020, a draft White Paper for Social Welfare Services has been completed and will be shortly tabled at Cabinet.

Comprehensive Social Assistance System - coverage: The South African Social Security Agency (SASSA) pays 18.3 million social grants to approximately 12 million beneficiaries at a cost of R15 billion per month.



Figure 2. Grants recipients by gender – 26 August 2020

In addition, SASSA is implementing social relief measures to alleviate the impact of the Covid-19 pandemic by releasing of temporary grants in order to provide for those vulnerable citizens who are desperately affected by the virus. The Total Covid-19 relief package is R40.9 million for a period of six months May to October 2020. The grant has since been extended by a further three months.

Due to the fact that there is congestion at the point of sales, ATMs and cash pay point on the day of social grants pay out, the Department and South African Social Security Agency (SASSA) resolved to stagger the payment of social grant in the months of April and May. The staggering was also intended to ensure that there was social distancing to minimise the chances of the spread of the virus and that beneficiaries who are elderly and those who had disabilities and frail were not caught the congestion.

Increased access to social insurance - UIF: Since COVID-19 lockdown (between 26 March 2020 to 09 October 2020), over 960 000 employers were paid R49.2 Billion COVID-19 TERS on behalf of 11 million employees.

4.6. OVERVIEW OF THE MAIN CHALLENGES

The social protection policy including social welfare services and legislative framework has still not been optimised as also identified by the 1997 Social Welfare White Paper Review. This contributes to lack of uniformity across provinces in funding; serious inequities in available services across provinces; prioritisation of different service areas and services; contradiction of an absence of minimum service delivery packages in some cases e.g. as it relates to care for survivors of abuse, existing side by side with a proliferation of norms and standards to implement policies - the different documents in some cases seem to contradict each other and there is a huge implementation gap. For example, in respect of services for older persons, in 2015/16, Western Cape has by far the highest amount (R1 448) per poor person aged 60 years and over, and Limpopo the lowest (R203).

The social welfare sector is underfunded. The need for social welfare services including psychosocial support in critical areas such as child protection, violence prevention, substance abuse, trauma counselling and in mental health as well as in the care of the elderly, far outstrips current levels of provision. Service delivery to previously disadvantaged areas has expanded and services are now more integrated, but there are still clear imbalances in access. The funding available for social development, particularly social welfare services, remains limited. The NAWONGO court case concluded that government is fully responsible for the provision of social welfare services to those that are most vulnerable in society – fully fund not subsidise. A study commissioned by National Treasury found that to move from subsidising NPOs, to fully funding them to provide the services on behalf of the department, as required by the NAWONGO judgments, the state would need an additional R9.18bn in transfers to existing NPOs that provide social welfare services.

The concept of developmental social welfare - a pro-poor strategy which strives to promote a welfare system that facilitates the development of human capacity and self-reliance within a caring and enabling socio-economic environment - is now widely accepted as the underlying approach to social development, although there are differences in how it is understood and so is yet to be implemented.

The payment of social security is fraught with challenges:

- **Social Assistance:** The corporatization of Postbank and separation from SAPO Postbank as a bank may have adequate capital, but SAPO has capital adequacy issues; Inadequate security features of the SAPO card; Poor security level at Post Offices resulting in burglaries and robberies and even death;

- **Road Accident Fund:** Despite the high investment in the Fund in terms of Rand value, it remains severely under-capitalised with liabilities exceeding assets by R262.4 billion in 2018/19. This liability has increased from R206.3 billion in 2017/18. By December 2019 the liability of RAF stood at R293 billion and subsequently increased to R325 Billion by January 2020. This huge liability has the potential of destabilising the state and financial markets if the creditors would call.
- **Fraud and corruption:** Non-compliance with the Unemployment Insurance Contributions Act by employers who have not been contributing when they were supposed to and thus leading to delays in finalising the payment of claims to their employees as well as technical glitches due to system overload.

4.7. DISCUSSION

4.7.1. Assessment of progress on major interventions

4.7.1.1 Transformed Social Welfare

The White Paper for Social Development was just recently presented to technical government structures and will soon be submitted to Cabinet for approval.

Cabinet approved submission of Children's Amendment Bill to Parliament. The Draft Children's Amendment costing report with 10-year projections has been developed.

In the current MTSF the sector is to develop a strategy for the employment of social service professionals, as at June 2020, only public sector capacity analysis tool for the social work practitioners has been developed.

The DSD has allocated R58 462 000 to fund 925 students currently registered for the Bachelor of Social Work degree in various universities. As at 31 March 2020, there were 5 372 scholarship social work graduates who were still unemployed. On the other hand, the total number of unemployed social work graduates and social auxiliary workers who were registered on the department's but were not recipients of the scholarship stood at 3 912 and 3 640 respectively.

4.7.1.2 Social security policies: not completed.

A number of policies intended to deepen social assistance and expand social security access were not delivered in the 2014-2019 MTSF and were thus rolled over into the 2019 -2024 MTSF to ensure their finalisation. These include: Policy on Mandatory Cover for Retirement; Disability and Survivor Benefits; Maternal and Child benefits policy; Policy on the Inclusion of Informal Workers and Policy on the Universalization of Benefits to Older Persons. All these policies are part of the Comprehensive Social Security Framework Paper that is being finalised at NEDLAC. A draft policy such as the Universalisation of other benefits to older persons was rejected by the FOSAD cluster owing to the fact that it was not subjected to adequate consultation particularly with the National Treasury for feasibility. The legislation to increase the value of the Child Support Grant to Orphans and Child-Headed households was also not completed.

4.7.1.3 National integrated social protection information systems: not completed.

The system was intended for the tracking of the access of the vulnerable to the social wage. The Department of Social Development has not even completed the linking of internal system let alone the making linkages with systems administered by other government departments. The DSD

attributes the non-achievement to what its terms lack of resources. Only seven of the eleven existing silo welfare services have been integrated into a single information case management system.

4.7.1.4 Early Childhood Development

According to the 2018 General Household Survey, about 2.1 million children out of a total of 5.8 million attend Early Childhood Development in different forms of ECD such as day care centres, crèches, ECD playgroups, nursery school and pre-primary. This means that about 64% of children between 0 and 4 do not attend any centre and non-centre based ECD owing to a lot of factors such as poor infrastructure, poor and inequitable access to ECD subsidies and lack of parental support. About 710 223 children accessed ECD services during 2019/20 financial year. About 3 197 822 children have accessed ECD services by March 2020, almost reaching the target of 3.6 million children accessing ECD services by 2024. There are about 800 654 children currently accessing registered ECD programmes. Of this figure, about 624 000 receive an ECD subsidy of about R17 per child per day for 264 days. It must be noted that a 2020 joint report by Bridge, Ilifa Labantwana, National ECD Alliance (NECDA), Nelson Mandela Foundation, Smartstart, South African Congress for Early Childhood Development (SACECD) indicates that unregistered ECD operators provide ECD services to over 1.5 million vulnerable children. With the advent of COVID 19 lockdown, ECD centres closed.

4.7.1.5 ECD Infrastructure

In 2016, National Treasury allocated a conditional grant to the value of R812 towards increasing access to ECD services over the MTSF period. However, due to COVID-19, the ECD Infrastructure Grant has been redirected from funding infrastructure to the purchasing of PPEs, Health & Hygiene products for ECD Centres.

4.7.1.6 ECD other

The Diagnostic report on the ECD function shift to DBE is at final draft stage, being discussed by DBE, NT, DSD and DPME. The Early Learning National Assessment (ELNA) pilot to assess school readiness (ELNA) – Grade 1 was conducted in 8 provinces by March 2020

4.7.1.7 Social insurance

Since COVID-19 lockdown (between 26 March 2020 to 09 October 2020), over 960 000 employers were paid R49.2 Billion COVID-19 TERS on behalf of 11 million employees.

Over the 2014-2019 MTSF period the UIF was amended to extend the length of period for which claimants can receive the benefit; from a maximum period of six months to a new maximum of 12 months. Prior to the UIF Amendment of 2016, which was implemented retrospectively from January 2017, beneficiaries were supposed to lodge claims within six months of not being in employment. Most importantly as result of the amendments, claimants of maternity leave are now entitled to a flat rate of 66% of their income. Previously, women on unpaid maternity leave could claim a benefit at a rate of between 38 and 60% of their wages. Furthermore, other categories of workers who were previously not covered, were included (e.g. workers of foreign origin, and workers on learnerships) and thus extending social insurance coverage and reducing income vulnerabilities of unemployed workers. The credit days also accrue faster (i.e. one credit day for each four days worked as opposed to one credit day for each six days worked). The unemployment benefits (i.e. the benefit paid to those who lost their jobs and were not going to go back to their former jobs for reasons such as retrenchment and dismissals) were reduced to 15 days since 2018/19 whilst the deceased benefit took an average of 20 days for payment to be effected.

Despite this progress, there still needs universality and consistency in terms of the number of days it takes for the payment of the different benefits. For instance, in the financial year 2019/20, about 94% (or 733 215 of 783 683) of unemployed benefits were paid within 15 days. 95% (or 13 483 out of 14 214) of deceased benefits paid within 10 working days. Notwithstanding this, the UIF still needs to include other category of excluded workers such as graduates, artists, the self-employed, informal traders and business owners who do not have employees. Ironically this category of workers has most potential to create jobs and employ others.

4.7.1.8 Social Assistance:

Currently, about 18.3 million beneficiaries are enrolled on the social grant system, and 3.9 million unemployed people have been paid SRD grant of R350. In some provinces every second person is on grants (Eastern Cape and Limpopo).

Table 1: Access to grants

| NUMBER OF SOCIAL GRANTS PLUS COVID 19 PER PROVINCE | | | | |
|--|-------------------|-------------------------------|---------------------|---------------------------------------|
| Prov. | Population Est. | Social Grants as at July 2020 | Covid -19 SRD Grant | Grants as a % of the total population |
| Eastern Cape | 6,712,276 | 2,835,249 | 740,590 | 53% |
| Free State | 2,887,465 | 1,042,344 | 296,877 | 46% |
| Gauteng | 15,176,116 | 2,814,767 | 1,187,226 | 26% |
| KwaZulu-Natal | 11,289,086 | 4,072,116 | 1,244,673 | 47% |
| Limpopo | 5,982,584 | 2,620,628 | 776,584 | 57% |
| Mpumalanga | 4,592,187 | 1,549,661 | 470,537 | 44% |
| North West | 4,027,160 | 1,285,198 | 382,917 | 41% |
| Northern Cape | 1,263,875 | 498,929 | 107,728 | 48% |
| Western Cape | 6,844,272 | 1,651,085 | 369,891 | 30% |
| South Africa | 58,775,022 | 18,369,977 | 5,577,023 | 41% |

Source: SASSA 2020

4.7.1.9 Protective measures for nutritional and food security:

23.8% of the population (14 million people) were food insecure (experience hunger) prior to COVID-19 pandemic. As at 02 October 2020, a little over 1.3 million food parcels were distributed feeding about 6.6 million people (assuming that one food parcel fed five people). About 7.4 million food insecure people are yet to be reached through government-led initiatives. During the MTSF period under review, over 1 million vulnerable households and 2.4 million individuals accessed food. In the financial 2019/2020 alone, about 320 308 vulnerable individuals accessing food and whilst 98 412 households accessed food through DSD programmes. The Community Survey of 2016 shows that around 13.8% (2.33M) of all households were engaged in household agriculture. This is worrying in light of the fact that in 2011 there were 19.9% (or 2,88M) of households who were involved in household agriculture. This has led to food insecurity and the loss of households' productive assets in the form of livestock and harvest. The decline in household meant that households have to depend on supermarkets for food making the country the only one on the continent whose poor depends on the markets for all of its household's food.

4.7.1.10 The following constitute major interventions put in place following commitments made in the previous states of the nation address:

(a) In the 2018 SONA, the President raised concerns around the alarming incidences of violence against women and children. Also, in 2019, the President during the June 2019 SONA indicated that following intensive consultations and engagements, that the country was working towards the establishment of the Gender Based Violence and Femicide Council and a National Strategic to eradicate this national scourge. Subsequent to the two SONAs, a Presidential Summit on Gender Based violence and femicide (GBVF) was convened. The DSD has set up a GBVF Please Call Me functionality and a 24-hour GBV Command Centre through which it provides professional psychosocial support and trauma counselling to victims of GBV. In order to enable access to psychosocial support to persons living with disabilities, on support related to GBVF, a Help me GBV and an SMS functionality was developed. The services provided through the GBVCC have a GBVCC is its geolocation technology, which enables the practitioner to correctly identify the caller's exact physical location and thus enabling the practitioner to link the caller or victim directly with other service points such as nearest police stations, healthcare facilities or shelters.

(b) Employment of Social service practitioners against GBV: with regard to human resources issues an amount of about R93 million was reprioritized and is being utilised to increase the workforce/human capacity. Consequently, about 200 social workers were appointed in December 2019 in order to deal and respond to GBV issues in the country and a further R50 million was sourced in to provide financial support to non-profit organisations that offer response services to GBVF. The DSD and the National Development Agency are also evaluating over 500 business proposals on GBVF and in a process to conduct site visits to selected NPOs before the disbursement of funds towards the fight against GBVF. Furthermore, in order to strengthen and promote of GBV services additional two white doors were established; one in KwaZulu Natal and the other in the Northern Cape.

(c) Mandate shift of ECD from DSD to DBE: in the SONA February 2019 the President stated that government will 'migrate responsibility for ECD centres from Social Development to Basic Education, and proceed with the process towards two years of compulsory ECD for all children before they enter Grade 1. The Department of Basic Education with the participation of a Think Tank consisting of a select government departments and civil society has developed a Diagnostic report on the ECD function shift and a Draft Framework on the Mandate Shift from the Department of Social Development (DSD) to the Department of Basic Education. As at June 2020, the ECD mandate is still with the DSD as the deliverable to migrate the responsibility for pre-schooling to the Department of Basic Education has not been achieved.

(d) Substance abuse: The 2019 SONA decried the high levels of substance abuse which fuels crime and violence against women and children. Since the SONA, the DSD presented the Victim Support Service Bill and policy to Cabinet for approval. The Bill has already been gazetted for public comments. In October 2019, Cabinet approved the 2019-2024 National Drug Master Plan. The MTSF deliverable to increase access to support programmes by victims of substance abuse has suffered under-performance in this reporting period. The department holds that this was attributable to restrictions related to COVID-19 particularly restrictions with regard to the movement of persons. 1 796 people accessed treatment programmes in the reporting period. There is currently training underway of officials working in Substance Abuse Treatment centres and trainers of the Colombo Plan Universal Treatment Curriculum (UTC). There are also campaigns against substance abuse in institutions of higher learning.

(e) Job creation: The President in his June 2019 SONA indicated that government should ensure that young people are employed in social economy jobs such as in early childhood development and health care. In support of this initiative, particularly for the financial year 2019/20, the Department has allocated R58 462 000 to fund 925 students currently registered for the BSW degree in various universities.

(f) Social worker scholarship programme: in October 2016, National Treasury approved a conditional grant to the value of R 591 269 097 to employ 566 graduates over a period of three years. A total of 925 social work students were awarded the scholarship resulting in 447 completed their studies in 2019. In order to mobilise sufficient resources for the employment of financial resources for the employment of social workers, in the financial year 2017/18 the DSD discontinued the provision of scholarships towards the study of social work so that these financial resources could be shifted and allocated towards the employment of social work graduates. Although the decision to discontinue the training of social workers was good in the short term in light of the fact that there was the pressing need to balance need for social workers to address social ills such as gender-based violence, foster care, substance abuse and the provision of psychosocial support against offering scholarships to students towards the study of social work degree. However, in the medium and long-term the department may have to revert to offering scholarships. Over 1500 social workers were employed by the end of the MTSF period whilst about 2000 were awarded scholarships.

4.7.2. Major challenges and blockages affecting implementation of the interventions identified in the MTSF - Impact of Covid-19

4.7.2.1 Apart from the development of legislative frameworks, a number of deliverables were not achieved such as targets to increase the number of social service professionals in the public service, construction and maintenance of new ECD centres as the infrastructure funds will be used to purchase PPEs and attend to Health & Hygiene at ECD Centres in response to COVID-19.

4.7.2.2 SAPO experiences challenges related to the payment of grants:

(a) Poor security level at Post Offices resulting in burglaries and robberies and even death. The many cash in transit robberies impact on the availability of money in many post offices.

(b) Inadequate security features of the SAPO card. There are systemic flaws in the SAPO/Postbank environment. The SAPO card has compromised the grant payment landscape. This has resulted in a SARB directive to SAPO to implement a number of remedial measures, including replacement of all SAPO cards by 31 March 2021. The cost of replacing this card is estimated at R1billion.

(c) Postbank as a bank may have adequate capital, but SAPO has capital and profitability challenges. This impacts negatively on the payment of grants because on 1 April 2019 the rights, obligations, assets and liabilities of the Postbank Division of SAPO were transferred to the Postbank. The corporatization of Postbank and separation from SAPO in accordance with the requirements of the Financial Matters Amendment Act currently pose a challenge to the SAPO/SASSA collaboration. This is due to the withdrawal of the SARB Designation Notice that makes SAPO a designated clearing system participant and this negatively impacts on SAPO operations due to its financial constraints.

(d) The separation has highlighted SAPO's financial constraints and has potential impact on SASSA business of paying out grants. The Master Services Agreement entered on 28 September 2018 by SASSA and SAPO, could be legally terminated and SASSA may enter into a new agreement with just the Postbank without going out on open tender, because the Master Services Agreement has the following clause: "Notwithstanding anything else to the contrary contained in this Agreement, a resolution by SAPO entitling SAPO to commit any of the actions specified in clause 12.1 will entitle SASSA to reserve its rights to withdraw as a Party to this Agreement thereby effectively withdrawing the right for SAPO to render the Services on behalf of SASSA with no further obligations on SASSA. If SAPO i) disposes shares or the business of the post-bank; ii) disposes of

the whole, or substantially the whole function performed by the post-bank in respect of this Agreement; and iii) disposes all, or the greater portion of, the assets of the post-bank.”

(e) **Food security:** before the COVID-19 the DSD used to provide cooked meals to food insecure individuals. The non-feasibility of this approach during the lockdown meant that food parcels had to be distributed in lieu of cooked meals. As at June 2020 about 5.2 million (37% of 14 million of the food insecure) people access food through government and other partners support as part of COVID-19 response. Besides corruption, at this scale of food parcels’ distribution, about 7,9 million (56%) of food insecure and vulnerable people have not been reached. In order to cover an additional 2 million food insecure people over the next 9 months will require an amount of amount of about R3 Billion. The DSD referring to an Oxfam report indicate that about 12 000 people could die on a daily basis if the bid for the R3 Billion was not supported and granted. Business society, civil society and the Solidarity Fund have collectively donated through the DSD financial resources or food items valued at R66 447 250.00. This contribution though welcome, is very small in comparison to the need on the ground and the financial capacity that these sectors possess.

(f) **Social insurance:** The UIF set aside an amount of about R40 Billion towards the implementation of COVID19TERS for the duration of 3 months (26 March 2020 to 30 June 2020) to assist affected employers and employees. For the period ending July 2020, about 921 322 employers lodged claims for about 10 411 988 employees. However, 8 298 054 employees’ claims were regarded as valid and subsequently paid at an expenditure of R 37 132 443 225.47. This means that claims of about 2.2 million were not regarded as valid for a variety of reasons such as administrative errors on the part of employers filing the claims, ineligibility etc. Though the work of the UIF is commendable particularly taking into account the fact that the system was not developed to cope with the numbers it had to contend with during the lockdown period, a number of workers particularly those in the informal sector as well as unregistered domestic workers and related workers were excluded. Furthermore, a number of claims and allegations of corruption and fraud were levelled against the Fund and some unscrupulous employers.

(g) **Early Childhood Development:** Despite the fact that the DSD has continued to provide registered ECD centres with a subsidy of R17 per child per day to about 700 000 children during the COVID-19 national lockdown, an April 2020 report by Bridge, Ilifa Labantwana, National ECD Alliance (NECDA), Nelson Mandela Foundation, Smartstart, South African Congress for Early Childhood Development (SACECD) reveals the extent of exclusions of the ECD sector from the socio-economic support during the COVID-19 national lockdown period. This is compounded by the fact that the majority of the ECD operators are not compliant with a myriad of requirements; they are not registered with the DSD, Companies Intellectual Properties Commission, and SARS, do not pay UIF or any form of social insurance. Unregistered operators provide ECD services to over 1.5 million vulnerable children. A survey conducted by Bridge, et al. (2020) indicated that; 99% of operators reported that caregivers have stopped paying fees owing to the lockdown, 83% of operators have not been able to pay full salaries of staff over the lockdown period, 96% of respondents reported that their income was not sufficient to cover their operating costs, 68% were worried that they would not be able to reopen 35% of the ECD workforce who participated in the survey were UIF registered, 13% of operators were CIPC registered and 45% SARS registered. If the ECD sector is to be saved post the COVID-19, the Bridge et al. report makes a clarion call to government to provide socio-economic support or grant support of about R1000 or R6000 per operator (particularly to the unregistered ones) for a period of between three to six months.

(h) In preparation for the reopening of ECD centres, the DSD has introduced a self-assessment system to be completed by centres to determine their readiness to open. The self-assessment tool is based on health protocols and can be completed online or manually. Upon completion, the DSD provincial offices verify the veracity of the self-assessment. To date about 24 209 centres have

completed the self-assessment, but only 5 927 have so far being verified resulting. The findings were that of the 5 927 only 1 812 centres (or 30.5%) met the readiness assessment. A new target that seeks to enable recipients of child support grant to be in active economic activity has been introduced. The target is to have about 2% of CSG recipients below 60 linked to sustainable livelihoods opportunities by 2024. In the reporting period, no programmes have already been put in place and the measurement of the target is scheduled for the 2021/2022 financial year. Currently the CSG comprises 69.7% of the total social grant system. The grant is paid to 12.76 million beneficiaries through 7,1 million recipients at a monthly cost of R9.3 billion (inclusive of the caregiver grant).

4.7.3. Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets (in the presence of COVID-19)).

4.7.3.1 Social Security: Social Assistance: SASSA must partner with Post Bank; and begin now encouraging beneficiaries to join a bank institution of choice including the Post Bank. If all beneficiaries migrate to the existing Banking system, there will be no need to have a SASSA branded card. SASSA should be communicating more aggressively that the R350 SRD grant is ending in October and effort should be made to expand the Public Employment Programmes such as the Community Work Programme.

4.7.3.2 The Road Accident Fund can be replaced with a referral system to existing public services. The advent of the National Health Insurance will avail to all, quality health care including rehabilitation from injuries. Alternatively, a wholesale amendment of the RAF Act in order to reshape the RAF within the context of existing social protection can be undertaken.

4.7.3.3 The social insurance provided through the UIF should be timeous and also convenient to those without access to technology. Furthermore, the UIF will need to invest in the development of technological capacity to respond to high volume of claims and expedite payments. At the height of TERS COVID-19 and UIF claims, the capacity of the UIF was stretched to the limit and the Fund utilised Harambee's capacity. The UIF will need to explore how to exploit of the residual legacy left by the partnership with Harambee. The Department of Labour will also need to enforce legislation with the Unemployment Insurance Act and Unemployment Insurance Contributions Act with regard to the registration of eligible employers. This will ensure that workers are registered and eligible to claim when they lose their jobs.

4.7.3.4 The current number of beneficiaries targeted through various initiatives such as CNDCS will have to be increased. There should also be expansive and coordinated efforts and adequate resources for social relief of distress to support food security efforts. These efforts should go beyond traditional stakeholders who are part of Outcome 13 to include stakeholders such as Department of Agriculture and COGTA. The DSD should also redirect some of its resources from the CNDCS that provide cooked meals to individuals to providing food parcels for consumption by poor and eligible households.

4.7.3.5 Optimise social protection policy: The delivery of social protection related legislation should be minimally impacted by COVID-19. A substantial part of the deliverables within the social wage priority entail the delivery of legislative frameworks. With due consideration to the limitations that COVID-19 creates on face-to-face consultations, there will be need for consultation strategies that will ensure that consultations towards legislation and policy development are not only limited to those with access to technology. Limiting participation to virtual platforms may inadvertently exclude the participation by sections of society that are technologically excluded.

4.7.3.6 A large number of ECD centres do not comply with the health standards as they were already non-compliant with basic norms and standards required for registration. This entrenches inequalities of access as ECD centres that are compliant and subsidised are generally those that are generally privileged in some ways. Currently the ECD centres that stand a chance of being reopened are those that meet a predetermined set of health standards. The challenge of non-compliant ECD centres will be compounded by the fact that the ECD infrastructure grant has been reallocated to address the need for PPE needs within the ECD sector. Government should take responsibility upon itself that every ECD centre that was operational is enabled to comply with the COVID-19 health standards so that they can also open. This cannot be left in the hands of poor ECD centres to comply.

4.7.3.7 This is opportune time to employ the large number of social workers who will help provide psychosocial support brought about COVID-19 Trauma.

4.7.4. **Implication of this to the review of the MTSF and optimizing how government operates**

4.9..4.1 With dwindling financial resources, the priority will need to consider the following options in order to accrue some savings: i) Redirecting some of its goods and services budget towards service delivery as some of the goods and services budget will not be utilised owing to COVID-19 disruption e.g. funds for conferencing, catering, stationery, travelling, etc. ii) Cutting down on consultancy fees and where possible consider negotiating down on existing contracts such as office accommodation and cleaning expenses, owing to reduced utilisation of office spaces iii) alternative innovative means of raising resources for the welfare sector must be implemented.

4.9.4.2 With regard to content issues of the MTSF, the priority should consider the following:

- (a) Optimising social security and social welfare policy and standards/ Standardise norms & Standards for Welfare Services in all provinces/ rationalise financial support to non-profit organisations such as early childhood development centres, organisations working on social welfare;
- (b) Enhance provision of psychosocial support; Expand the number of social services professionals in the sector,
- (c) Improve coverage and efficiencies in social security: minimising social grant exclusions, promoting public employment; enhancing efficiencies is delivering the social security – UIF, RAF, COIDA, Compensation fund,
- (d) Elaborate on developmental social welfare: Resolving fragmentation within the Community Development Work by streamlining Community development work across government; Resolving fragmentation, sustainability and impact of the food programme; Reposition the role of the NDA and align its mandate with NDA Act; Link profiling with other services and conduct cross referrals; Build Monitoring and reporting capacity of the NPO sector,
- (e) Respond & invest in programmes that combat GBV and Substance abuse
- (f) Address resourcing inequalities within the sector (by adjusting for inequalities perpetuated by equitable share allocations).

4.8. RECOMMENDATIONS

- 4.8.1. Cabinet resuscitates the IMC for Social Protection to fast track; the definition of the social protection floor; elaboration of developmental social welfare and its implementation, approval of a comprehensive social security policy framework, resolution on the payment challenges of the SASSA grants, RAF and the UIF; and resolve the challenges of underfunded social welfare space. (Build UIF administrative capacity to process high volumes of applications within a short space of time - the current capacity was beefed up by Harambee's capacity; Aggressively ensure that there is compliance with the UIC Act by enforcing compliance amongst employers who defy the obligations to contribute; Introduce a social insurance system that covers those who work in the informal economy - Social insurance should include the employed & unemployed; tighten governance issues when putting in place social protection interventions such as food parcels; UIF, grants etc.
- 4.8.2. Cabinet gives national treasury the mandate to raise non-debt funds e.g. wealth tax) so as to provide financial support to amongst others non-profit organisations such as early Childhood development centres, organisations working; for food security and Health initiatives (such as HIV/AIDS and provision of dignity packs), economic Participation and inclusion, and organisations working against gender-based Violence and substance abuse.
- 4.8.3. DSD accelerates the optimisation of the social welfare policy and legislation space
- 4.8.4. DSD working with SITA and DPME establishes an inclusive social protection register for the vulnerable (NIPSIS) for timely intervention during times of crises (e.g. COVID-19). This will be assisted by the establishment of the social protection floor,
- 4.8.5. DSD must lead the building/strengthening of linkages between social security and developmental social welfare initiatives,
- 4.8.6. DSD must foster a culture of cooperation and coordination intra-government and with civil society organisations on an ongoing basis.

Cabinet Committee recommendation:

- (a) Cabinet to notes the Department of Planning Monitoring and Evaluation's review of the Bi-annual Progress Report of the Medium-Term Strategic Framework (MTSF) for Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services, as presented; and
- (b) Approves the recommendation outlined in slide 8 of the presentation.

5. PRIORITY 5 - SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT

5.1 STRATEGIC INTENT

Priority 5 has five components that are directed towards addressing the following development problems:

- i. **Spatial integration:** The country's spatial planning systems remain fragmented and disjointed. As a result, apartheid spatial patterns persist, and spatial disparities and injustices continue to exacerbate socio-economic challenges.
- ii. **Environmental management and climate change:** Despite a strong policy foundation, environmental management remains a weak area of core policy and implementation. This manifests in the country's greenhouse gas (GHG) emissions per capita which are above the average for G20 countries, which include developing country giants China, India and Indonesia, although our level of development is below the G20 average. Moreover, the effects of climate change are increasingly being felt through changes in rainfall patterns (drought and floods), leading to stress on livelihoods and infrastructure damage. This exacerbates the vulnerability of communities, especially the poor. Part of the challenge is capacity to manage intersecting environmental crises, mounting resource pressures, climate change and environmental degradation, and the transition to a growth path in a manner that lessens environmental impacts and resource use.
- iii. **Rural economy:** The legacy of exclusion for large parts of the population in land, labour, capital and formal markets hampers growth. Rural areas and the agrarian economy face high rates of unemployment, inequality and stagnant growth. This has contributed to migration to urban areas, with the poor concentrating in the peripheries of urban centres, exacerbating spatial inequalities within cities and towns. Migration to urban areas is largely by the economically active, leaving many households mired in spatial poverty traps with high dependency ratios and reliance on remittances and social grants to sustain livelihoods.
- iv. **Human settlements:** South Africa has one of the biggest housing delivery programmes in the world, with significant redistributive spin-offs. A key concern is that the form and location of land developments, human settlement projects and informal settlement upgrades rarely respond directly to government's intent of spatial integration and spatial justice. Consequently, human settlement patterns remain inequitable and dysfunctional and tenure insecurity persists. All of this is in the context of a dramatic increase in housing demand as household size has reduced and urbanisation has accelerated.
- v. **Basic services:** South Africa has demonstrated progressive growth in the provision of basic service delivery, but it continues to face difficulties. Many municipalities are struggling to operate and maintain their services infrastructure in a cost-effective and sustainable manner. This has resulted in the rapid deterioration of assets and regular or prolonged disruptions to service delivery. Poor service delivery causes immense hardship for the residents of municipalities, and has a detrimental impact on social and economic development.

5.2 PRIORITY COMPONENT: SPATIAL INTEGRATION

The National Development Plan (NDP) identifies a direct link between our inherited colonial and apartheid spatial patterns and the stubborn persistence of poverty, inequality and economic inefficiency. In order to address the historical spatially-grounded injustice, the NDP calls for the urgent, well-planned and systematic pursuit of national spatial transformation, which takes account of the unique needs and potentials of different rural and urban areas.

To this end, the NDP proposes the development of a National Spatial Development Framework (NSDF) in support of integrated spatial planning and development across all sectors starting from precinct level. This will be guided by a set of normative principles to create settlements throughout our country that are economically viable, equitable, liveable and sustainable.

5.2.1 Impacts we are trying to achieve

The overarching imperative in this context is for a coordinated, integrated and cohesive national spatial development plan to enable place-based economic growth and spatial transformation. This is intended to achieve the following outcomes:

- (a) Coordinated, integrated and cohesive national spatial development guidance to enable economic growth and spatial transformation with a target of 100% of government investment in the built environment guided and informed by the NSDF by 2024;
- (b) Functional sub-national regional development in urban and rural spaces developed with a target of three functional city regions institutionalised and six regional interventions in ecologically and economically lagging and socially vulnerable regions initiated; and
- (c) Integrated service delivery, settlement transformation and inclusive growth in urban and rural places with a target of 100% of districts and metros with 'One Plans' developed through the implementation of the District Development Model (DDM) as a strategic area-based implementation system for the priorities of government as articulated in the National Development Plan and Medium-Term Strategic Framework (MTSF).

5.2.2 Overview of main achievements

In respect of the first outcome, public consultation on the draft NSDF was concluded in March 2020. Moreover, work is underway with the development of a Regional Spatial Development Framework for the Karoo using the NSDF as the framework.

In respect of the second outcome, the Department of Cooperative Governance has started with consultation on the development of the Smart City Framework. Following the announcement by President Cyril Ramaphosa of a new smart city in Lanseria, Gauteng, which will be home to up to 500,000 people within the next decade, preparations with regards to this were underway, but stalled during the Covid-19 lockdown.

With respect to the third outcome, spatial transformation is being incorporated as a key outcome of the DDM and draft spatial profiles have been developed for each of the districts and metros. The DDM was launched in 3 sites; O R Tambo District, Waterberg District and eThekweni Metro. In addition to the districts launched by the President, some Premiers/ provinces proceeded to conduct provincial DDM launches in some of their municipalities; - Kwa Zulu Natal has launched 10 of 11 Districts, whilst Limpopo Province has launched 2 of 5 Districts. COGTA has rolled-out the DDM to all remaining districts and metros and this process will be facilitated and given impetus by the issuing of Guidelines on the One Plan content and establishment of District/Metro Hubs. These will be

further rationalised with the planning and budgeting framework. The guidelines are envisaged to be issued by December 2020.

District visits by designated Political Champions (Ministers and Deputy Ministers) are currently underway in the different provinces and visits have taken place in the 7 provinces of EC, GP, KZN, LP, NC, NW and WC. The COGTA Minister held follow-up post-launch visits to Waterberg and OR Tambo Districts as well as a visit to Harry Gwala on 14 October 2020. Planned visits to eThekweni, iLembe and Alfred Nzo districts are underway for the period between October and November 2020.

At the level of cities, 6 metros have Built Environment Performance Plans (BEPPs) to drive spatial transformation. BEPPs enable cities to define a set of built environment outcomes for more productive, sustainable, inclusive and well governed cities with a view to ensure that the metro's urban form contributes to reducing poverty and inequality and enables faster more inclusive urban economic growth.

5.2.3 Overview of the main challenges

The outcomes and targets of the MTSF 2019-2024 not performing are:

- (a) According to MTSF 2019-2024, the National Spatial Development Framework (NSDF) should have been adopted by Cabinet in March 2020. In the absence of an approved NSDF, the country does not have an overarching framework to inform and guide government investment in sub-national spaces and territories.
- (b) By 2024, 50 land parcels were to be identified and handed over, but progress in this regard has not been reported by the Department of Public Works and Infrastructure.
- (c) Although the DDM has been rolled out to all districts and metros, no final joined-up plans (or One Plans) have been developed despite the launch of 3 pilots close to a year ago and the subsequent roll out and development of profiles in all the districts.

5.2.4 Progress on key high-level indicators

Spatial transformation occurs at a glacial pace. As such there are no changes at the outcome or impact indicators at this stage of the implementation of the MTSF.

5.2.5 Assessment of progress on major interventions

The outcome on spatial integration has the following major interventions:

- a) Adoption of the NSDF by March 2020 and an implementation charter by June 2020: The NSDF has not yet been adopted and consequently the implementation charter which was meant to be developed by June 2020 has also not yet been produced.
- b) On the development of the Smart City Framework intervention, consultations with stakeholders have been initiated.

The intervention to drive the outcome on functional sub-national regional development relates to the establishment of 3 functional city region governance and coordinating structures. In this regard an initial framework has been developed through extensive public participation and collaboration amongst different entities.

The outcome on Integrated service delivery, settlement transformation and inclusive growth in urban and rural places has the following major interventions:

- a) Joined-up plans for 44 districts and 8 metros by 2021: No final joined-up plans developed at this stage. Profiles have been developed for all districts and metros and the One Plans are in process. DCOG has for the purpose of implementing the DDM, employed district managers to support District Champions comprised of Ministers, Deputies Ministers and Directors General allocated to the 44 districts and 8 metropolitan municipalities. [COGTA Media Briefing, July 2020]. The District Champions are meant to work with local, regional and provincial leadership to coordinate efforts towards integrated service delivery and avoid duplication and wastage of resources.
- b) Capital investment frameworks /BEPPS to drive spatial transformation in major cities are in place in 6 out of the 8 metros.

5.2.6 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

- (a) Processes towards institutionalising functional city region governance to foster improved collaboration between provincial governments and relevant metropolitan and district municipalities have been halted due to the Covid-19 pandemic. However, DCOG has indicated that the city-region governance intervention will be integrated into the work of the DDM. However, this would of necessity need to consider the wider aspects of regional development and governance arrangements that expands beyond district/metro boundaries, i.e. city regions will require consideration of broader impacts emerging from multiple 'One Plans' representing a larger functional region.
- (b) As with the other interventions, due to Covid-19, the DDM reporting focus has been on Covid-19 related activities and less on the preparation of the One Plans. In this regard it is recognised that the Disaster Operations Centre (DOC) developed a system of capturing and responding to Covid-related queries received. Moreover, the DOC has a system that enables the provinces to upload or submit reports documenting key issues emanating from the provinces relating to the Covid-19 response in municipalities.

5.2.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting implementation of the interventions identified in the MTSF

Fragmented and dispersed responsibilities related to spatial integration, regional and local planning and development continue to hamper a unified approach.

5.2.8 Actions needed to address major constraints and challenges

- (a) Conceptual consolidation and integration of the various initiatives cutting across various departments related to spatial integration, regional and local planning and development is required to address the fragmentation and potential duplication of responsibilities amongst departments (particularly amongst DCOG, Human Settlements and Rural Development and Land Reform).
- (b) On the issue of land parcels to be provided, it will be necessary to agree on interim milestones for reporting on this indicator, given that it is not recorded in the APP of the DPWI during the current financial year.

5.2.9 Implication of this to the review of the MTSF and optimizing how government operates

Re-arranging and consolidating the responsibilities for the various initiatives within the priority required to overcome fragmented roles and responsibilities.

5.3 Priority Component: Environmental management and climate change

5.3.1 Impacts we are trying to achieve

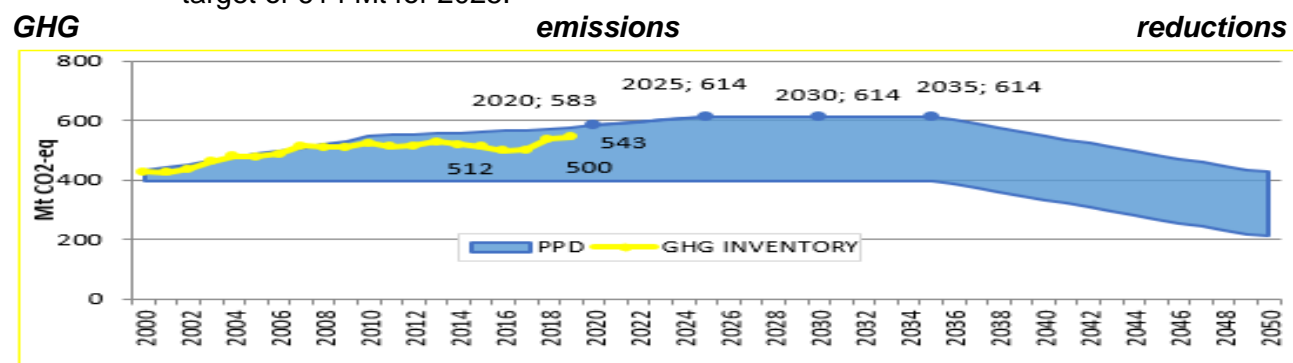
The overriding imperative is to ensure that natural resources are sustainably managed and sectors and municipalities are able to respond to the impact of climate change. The aim is to achieve the following 4 outcomes:

- Greenhouse Gas Emission Reduction (GHG) with a target of 42% reduction in total GHG emissions by 2024.
- 80% of municipalities with capacity to fund and implement climate change programmes and adaptation measures.
- Development of Just Transition plans for high carbon emitting sectors with a target to produce plans for the 4 largest GHG emitters.
- 80% of degraded ecological infrastructure restored.

5.3.2 Overview of main achievements

i. GHG emissions reduction

- The National GHG emissions level based on the latest available measurements for 2017 show that South Africa emitted 500 million tonnes (Mt) of carbon dioxide equivalent (CO₂e). The 2019 greenhouse gas emissions are estimated to be 543 Mt CO₂e. Thus, relative to the PPD upper range target of 568 Mt of carbon dioxide equivalent (CO₂eq) in 2020, South Africa has a greenhouse gas emissions budget of 40 Mt and an emissions budget of 71 Mt when compared to PPD to the upper range target of 614 Mt for 2025.



Source: DEA GHG emission reduction trajectory report for 2025

- The sector has targeted to have GHG Emissions reduced by 42% by 2024. In this regard, out of a total of 53 new Atmospheric Emission Licences (AELs) applications received, 62% (33/53) were issued of which 16 were issued within set timeframes.
- Progress report on climate change mitigation actions from all stakeholders (using the National Climate Change Response Database (NCCRD) template) has been compiled through the NCCAS for all projects in Sector Departments and Provinces (Sector Departments, Provinces, local government, NGOs, private sector initiatives).

ii. *Municipal preparedness to deal with climate change*

- (a) Funding and implementation plan for municipality capacity building finalised (adaptation). To date, capacity building workshops have been conducted in 1 province (Mpumalanga) through the Local Government Climate Change Support Program.
- (b) District based reviews of 10 IDPs regarding climate change adaptation and mitigation carried out in 44 municipalities - (Ehlanzeni and Nkangala District Municipalities and Nkomazi, Chief Albert Luthuli, Thaba Chweu, Msukaligwa, Victor Khanye, Themisile Hani, Bushbuckridge and Mkhondo Local Municipalities).

iii. *Just transition to a low carbon economy*

- (a) 5 sector transition plans developed (agriculture, forestry, biodiversity and tourism disaster risk management, human settlements and water).
- (b) 4 sector plans finalised (energy, transport, agriculture, waste).

5.3.3 Overview of the main challenges

(i) *GHG emissions reduction*

Lack of resources such as internet connectivity has affected the processing of AELs as this is done online. Capacity challenges, particularly in local government continues to be a challenge, this has been exacerbated by the lockdown restrictions as some municipalities have limited technological resources.

(ii) *Municipal preparedness to deal with climate change*

While no progress update was provided, the Department has requested the lowering of the target from 80% to 50% of municipalities with capacity to fund and implement climate change programmes and adaptation measures by 2024. In the absence of a report from the Department, it is difficult to validate this adjustment.

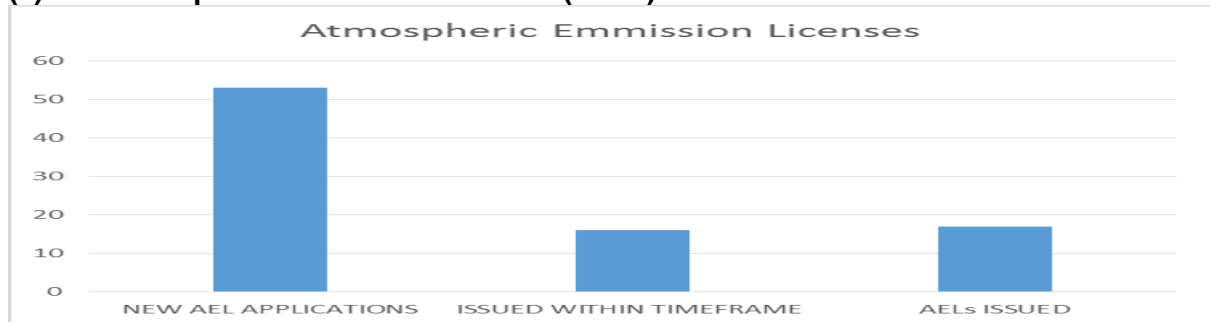
(iii) *Just transition to a low carbon economy*

The Department has developed 5 transition plans however none of the 5 has been implemented. No report on the finalisation of the 4 sector plans (energy, transport, agriculture, waste) has been furnished.

5.3.4 Progress on key high-level indicators

(i) GHG emissions reduction

(ii) Atmospheric Emission Licenses (AELs)

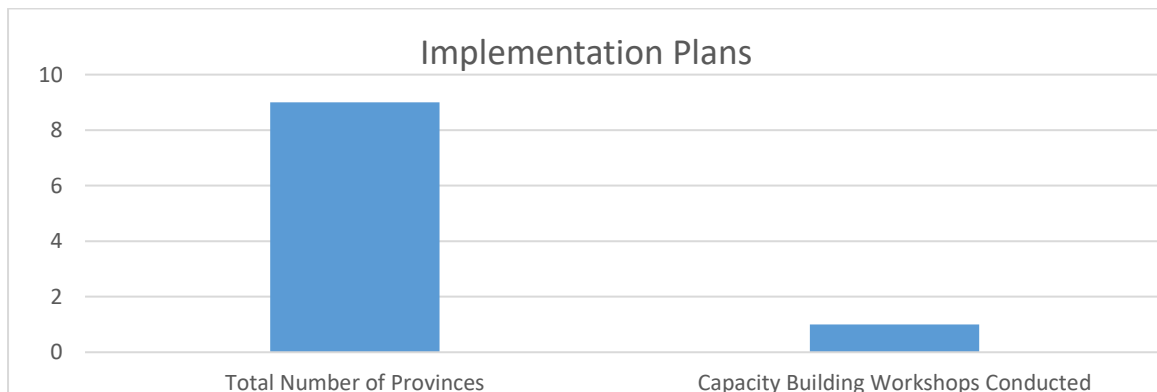


Source: DEFF MTSF 2019/20 – 2023/24 UPDATE

Over 30 AELs have been issued of which 16 were within the time frame.

Municipal Preparedness to Deal with Climate Change

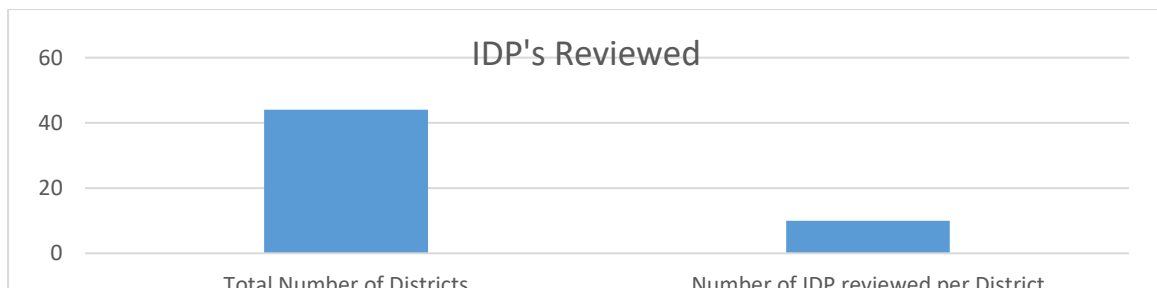
Development of Implementation Plans



Source: DEFF MTSF 2019/20 – 2023/24 UPDATE

The Department has conducted 1 capacity building workshop in each of the 9 provinces. No implementation plans to respond to climate change have been developed to date.

District based review of IDP's



Source: DEFF MTSF 2019/20 – 2023/24 UPDATE

The Department reviewed 10 IDPs per district. DEFF has since requested the lowering of the target to 50% from 80% by 2024.

Just Transition to a Low Carbon Economy Just Transition Plans



Source: DEFF MTSF 2019/20 – 2023/24 UPDATE

The Department has developed 5 transition plans but none have been implemented to date. However, as part of a process towards implementation of the plans, inputs received from stakeholders has been used by the Trade and Industry Policy Strategies (TIPS) think tank to conclude technical reports on Sector Jobs Resilience Plans (SJRPs).

There is no report on the finalisation of the 4 sector plans (energy, transport, agriculture, waste).

5.3.5 Assessment of progress on major interventions

Progress against the outcomes and interventions has been slow. This is understandable given that we are still in the early stages of the implementation of the MTSF.

| MTSF TARGETS THAT ARE ON TRACK | MTSF TARGETS THAT ARE NOT ON TRACK |
|--|--|
| 1. GHG emissions reduction | |
| <ul style="list-style-type: none"> 5 sector transition plans developed (Agriculture and Forestry, Biodiversity and Tourism, Disaster risk management, human settlement and water). 4 sector plans finalised (energy, transport, agriculture, waste). | <ul style="list-style-type: none"> Atmospheric Emission Licences, lacks resources such as internet connectivity has affected the processing of AELs as this is done online. Capacity challenges, particularly in local government |
| 2. Municipal preparedness to deal with climate change | |
| | <ul style="list-style-type: none"> Coordinated disaster and risk management plan can be compromised due to the financial constraints |
| 3. Just Transition to a Low Carbon Economy | |
| | <ul style="list-style-type: none"> Just transition to a low carbon economy |

5.3.6 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

The reduced budget allocation and amended annual performance plans negatively affected the MTSF deliverables and will likely affect the subsequent years for this MTSF period.

5.3.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF

As part of a coordinated response, DCOG in collaboration with DHSWS, DEFF, and DALRRD are jointly responsible for building capacity and allocating adequate resources to respond to the impact of climate change and implementing related programmes in municipalities.

5.3.8 Actions needed to address major constraints and challenges

It is not immediately apparent as to what actions are needed. However, it is proposed that engagements between DPME and departments take place to establish the impact of COVID-19 and reprioritisation of budgets on planned outcomes, targets and interventions.

5.3.9 Implication of this to the review of the MTSF and optimizing how government operates

This will be determined from the above process, however DCOG has indicated that the target of a 100% reduction in disaster losses is not attainable.

5.4 Priority Component: Rural Economy

5.4.1 Impacts we are trying to achieve

Rural areas face high rates of unemployment, poverty, inequality and the agrarian economy has been largely stagnant. In this context the overarching imperative is rapid land and agrarian reform contributing to reduced asset inequality, equitable distribution of land and food security with the aim of achieving the following outcomes:

- i. Rapid land reform and food security
 - a) Acquire 1.5 million ha over 5 years (900 000 ha for 2020/2021) for redistribution, restitution and tenure reform.
 - b) 100% of approved land reform projects provided with post settlement support.
- ii. Agrarian transformation
 - a) 100 000 Ha under conservation agriculture (Smart Climate Methods)
 - b) 300 000 smallholder farmers supported (financial and non-financial)
- iii. Integrated rural development
 - a) 71 FPSU (Farmer Production Support Units) functional
 - b) 27 livestock, 5 agri-hubs, 25 agri-processing and 60 auction facilities established.

5.4.2 Overview of main achievements

During the period under review, 84 279 hectares of land had been acquired and allocated. Moreover 23 521 smallholder producers against the 2024 MTSF target of 300 000 were supported through various initiatives and 50 farms were supported through the land development support programme.

700 000 hectares of the state land has been identified by the Inter-Ministerial Committee (IMC) on Land Reform to be transferred for different commodities utilisation. The IMC's recommendations on land reform giving effect to the Presidential High-Level Panel are about to be implemented.

All producers given land are being supported, however, it is yet to be established if the support provided is having an impact.

Also, in this period, 13 116 hectares of degraded land was rehabilitated against the 2024 MTSF target of 150 000 hectares (8.7% achievement).

5.4.3 Overview of the main challenges

No progress update was received on the Land Fund which was meant to be established by March 2020 and R3.6 billion of which was to be allocated over a 5-year period. Key challenges to implementing MTSF priorities pertained to the diverting of funds towards the Covid-19 response. The land reform post settlement support is still lagging and has not taken off.

5.4.4 Progress on key high-level indicators

MTSF 2019-2024 entails a total of **13** rural economy interventions. The Rural Economy sector's Bi-annual Report for January to June 2020, reflects notable progress towards **7** of the 13 targets, while **6** targets are **not** on track. These are reflected in the Table below.

| MTSF TARGETS THAT ARE ON TRACK | MTSF TARGETS THAT ARE NOT ON TRACK |
|--|--|
| 1. Rapid land reform and food security | |
| <ul style="list-style-type: none"> • Interministerial Committee has unlocked some government land to be released | <ul style="list-style-type: none"> • Land acquisition and distribution • Land Fund which was meant to be established by March 2020 |
| 2. Agrarian transformation | |
| <ul style="list-style-type: none"> • The land reform post settlement support • Degraded land put back into production • Support for smallholder farmers in accordance to the District plans | <ul style="list-style-type: none"> • Impact measurement on interventions need to be established |
| 3. Integrated rural development | |
| | <ul style="list-style-type: none"> • Infrastructure (Agri hubs, Cattle Handling facilities were all delayed due to onset of COVID 19. |

There are no changes in the impact indicators, but some targets will be reduced due to funds diverted to deal with the Covid-19 pandemic. The FSPU support to agri-parks was decreased to 15 for the 2020/21 financial year, which means that for the next 3 financial years they need to do at least 18 annually to meet the 2024 MTSF target.

5.4.5 Assessment of progress on major interventions

The department has reinforced its technical capabilities by employing 46 additional agricultural advisors to support land reform farms to increase productivity.

5.4.6 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

The initial February 2020 budget allocation of R16.8 billion was reduced to R14.4 billion, in June 2020. The greatest portion of this cut of R1.89 billion was in the programmes responsible for delivering on food security, land redistribution and restitution with each experiencing cut of R939 million, R544 million and R403 million respectively.

5.4.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF

The success of land reform requires the commitments from private organizations and individuals that still hold vast tracks of land. DALRRD in partnership with DPW&I and private landowners (farmers and multinationals) must work together for a successful and sustainable land reform project to succeed.

5.4.8 Actions needed to address major constraints and challenges

- (a) To fast track sustainable land reform, the Department should begin a process to acquire unused land in the hands of multinationals using all Constitutional means possible.
- (b) Agricultural land in the traditional areas should be given to people who are working on it and they should be issued with title deeds so that it can serve as an asset.

5.4.9 Implication of this to the review of the MTSF and optimizing how government operates

Presently, the target relating to support to agri-parks by the FSPUs is the major one that may require review. However, it is proposed that engagements between DPME and departments take place to establish the impact of Covid-19 and reprioritisation of budgets on planned outcomes, targets and interventions.

5.5 Priority Component: Human Settlements

South Africa still reflects a legacy of apartheid spatial planning where poor working-class households are located far from economic and critical social facilities and amenities and have to travel a long distance between home and work place. This inequitable spatial form imposes huge costs in terms of transport costs and time spent on the roads for the poor.

The NDP clearly expresses the need to redress and 'address the challenge of apartheid geography' by devoting concerted attention to spatial integration and accelerating the provision of well-located housing and land to poor South Africans. Human settlements have a key role to play in the effort to address poverty, create employment, improve socio-economic conditions and creating sustainable futures. Notwithstanding the provision of shelter and security to millions of South Africans over the past decades (acknowledged as one of the biggest state housing development programmes in the world), massive spatial injustices still persist.

To overhaul apartheid spatial planning and patterns of social exclusion, access to liveable, adequate and affordable housing opportunities on well-located land is necessary for the wellbeing of communities and society as a whole.

Housing provides an opportunity to live in a healthier environment, a financial asset and security of tenure. Well-located human settlements act as enablers for economic empowerment (access to jobs or business), greater social cohesion and reducing income inequality – not excluding its contribution towards stimulating the construction sector.

5.5.1 Impacts we are trying to achieve

The human settlement component of Priority 5 of the MTSF 2019-2024 has the desired goal of restructuring the urban space economy to offer optimal opportunity to integrate, consolidate and ultimately transform settlements. The focus of the human settlement programme is to reshape settlement patterns and accelerate spatial transformation.

Over the next five years, government will continue to focus on reshaping and transforming human settlements into equitable and efficient spaces, with citizens living in close proximity to work, social facilities and the necessary infrastructure. To advance this vision, the MTSF 2019-2024 pursues three interrelated outcomes with clear targets and results:

- i. Spatial transformation through multi-programme integration in priority development areas (PDAs) with the following targets:**
 - a) 94 PDAs invested in
 - b) 94 Implementation programmes completed;
 - c) 100% of acquired land during 2014-2019 falling within the PDAs rezoned for integrated settlement.
- ii. Adequate housing and improved quality living environment with the following targets:**
 - a) Total of 812 000 housing units and typologies provided (through BNG – 450 000, Finance Linked Individual Subsidy Programme (FLISP) – 20 000, social housing – 30 000, community rental units – 12 000), serviced sites – 300 000), and upgrading of 1 500 informal settlements.
- iii. Security of tenure including the eradication of title deed backlogs with the following targets:**

Issuing of 1 193 222 outstanding title deeds comprising pre-1994 backlog (45 535), post-1994 (500 845), post-2014 (346 842) and new title deeds (300 000).

5.5.2 Overview of main achievements

(i) Spatial transformation through multi-programme integration in PDA's

The object here is to ensure human settlement planning and development is prioritised in the targeted Priority Development Areas (PDAs) as a catalyst for spatial transformation and promoting spatial justice. A proactive lead was taken in this regard through the declaration of 136 priority housing development areas against a target of 94 PDAs. The department also established the Human Settlements Spatial Planning Forum with sector departments to improve planning coordination and strengthen alignment of programmes and implementation in the PDAs.

(ii) Adequate housing and improved quality living environment

Access to adequate and affordable housing continued to be provided with 128 410 housing units and typologies delivered as at June 2020 against the MTSF 2024 target of 812 000.

The number of subsidized housing units delivered was 69 669 against the 2024 MTSF target of 450 000 (15.4%). The balance is likely to be recovered over the MTSF period through strengthening the capacity for implementation at local level. Whilst subsidy houses help redress asset poverty, the

failure to improve project location and weak performance on title deed transfers limit integration into the workings of the city economy as well as households' ability to leverage the assets to assist with improved livelihood opportunities.

There were 51 135 serviced sites delivered against the 2024 target of 300 000 which represents 17%. Social housing units total to 3 185 of the 30 000 MTSF target representing 10.6% achievement against the 2024 target.

5.5.3 Overview of the main challenges

(i) Rezoning of acquired land in PDA's

Of the 17 720 ha of land acquired during the previous MTSF period, only 2 800 ha (17%) were rezoned. Of a balance of 14 920 ha acquired land, 0% was rezoned since 2019 and the rezoning of these strategic land parcels, once reconciled spatially with PDA's, require urgent intervention.

(ii) Community Residential Units and Informal Settlements Upgrading delivery

There is a total of 150 CRUs (82 new and 68 upgraded) delivered against a 2024 target of 12 000 target (1.2% achievement). With regard to the upgrading of the 1 500 informal settlements by 2024, there has been no shift from the baseline at this stage.

(iii) Title deed registration

The registration and issuing of title deeds to beneficiaries of state-subsidised housing offers security of tenure which offers protection and contributes to a functional housing market by enabling the efficient and optimal use of land and real estate property resources. One of the key MTSF priorities is to clear 893 222 outstanding title deeds for pre-1994 houses and post-1994 houses and process 300 000 new title deeds for serviced sites. Only 26 666 title deeds have been registered against the combined MTSF target of 1 193 222 (2.2%).

5.5.4 Progress on key high-level indicators

Given that this is still the early phase of the implementation of the MTSF, overall delivery progress for the Human Settlement component can be described as fair, albeit slow in some areas.

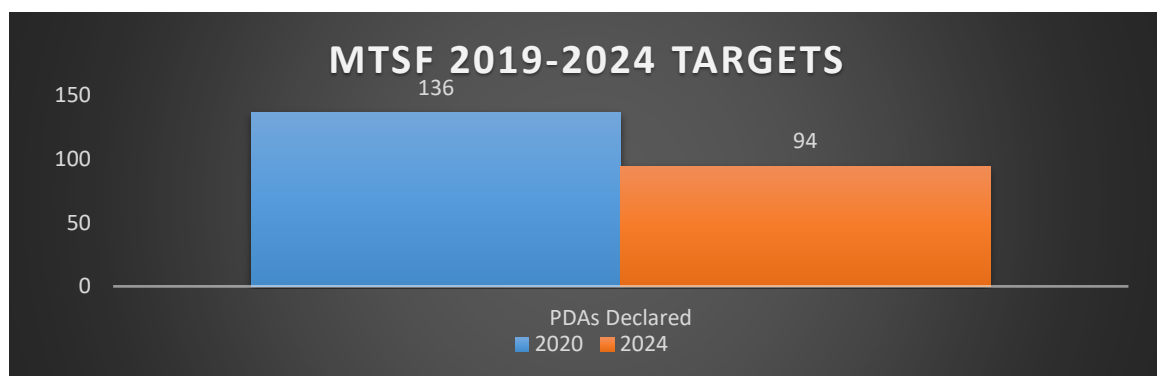
The human settlement sector's Bi-annual Report for January to June 2020, reflects notable progress towards 5 of the 13 targets, while 8 targets are **not** on track. These are reflected in the table below.

| MTSF TARGETS THAT ARE ON TRACK | MTSF TARGETS THAT ARE NOT ON TRACK |
|---|---|
| 1. Spatial transformation through multi-programme integration in priority development areas | |
| <ul style="list-style-type: none"> Declaration of 94 PDA's to enable integrated implementation programmes and investment in PDA's – 136 were declared | <ul style="list-style-type: none"> 0% of acquired land during 2014-2019 rezoned falling within the PDAs 94 implementation programmes to be completed |
| 2. Adequate housing and improved quality living environments. | |
| <ul style="list-style-type: none"> 450 000 BNG houses to be delivered 20 000 households to receive financial assistance and purchased units through FLISP 300 000 serviced sites to be delivered 30 000 social housing/rental housing units in PDAs | <ul style="list-style-type: none"> 150 of 12 000 community residential units (CRU)/ rental housing units delivered in PDAs None of 1 500 informal settlements upgraded to Phase 3 |
| 3. Eradicate backlog an issuing of title deeds | |
| | 26 666 of 1 193 222 title deeds registered <ul style="list-style-type: none"> 45 535 pre-1994 title deeds to be registered by 2024 500 845 outstanding post- 1994 title deeds to be registered by 2024 346 842 outstanding post- 2014 title deeds registered by 2024 300 000 new title deeds registered by 2024 |

- i. Changes against baseline and targets in the key indicators pertaining to spatial transformation through multi-programme integration in priority development areas:

To realise spatial transformation objectives and ensure priority investment opportunities through an area-based approach, the target of 94 PDAs was exceeded with the declaration of 136 PDAs across the country as per the figures below.

Declared PDAs



Source: Department of Human Settlements, June 2020

Distribution of PDAs

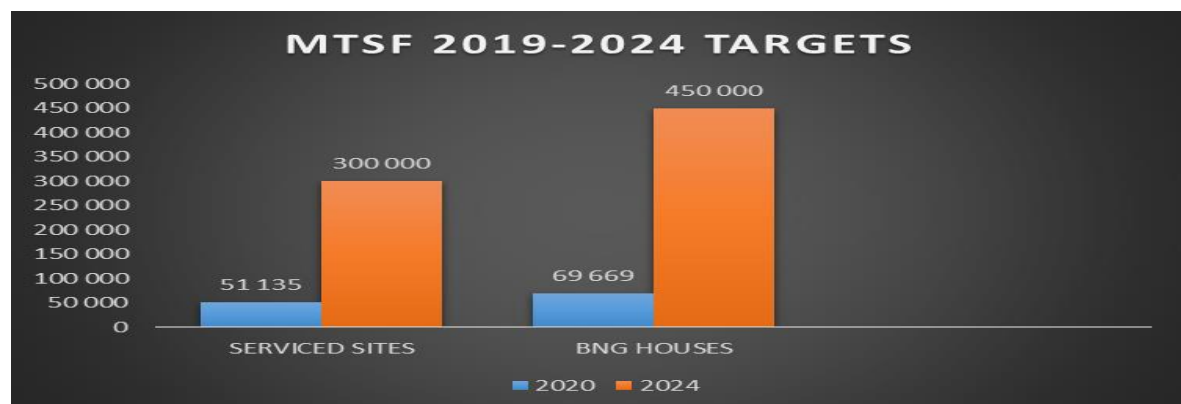


Source: Presentation by HDA at Human Settlements Spatial Planning Forum, June 2020

- i. Changes against baseline and targets in the key indicators pertaining to the provision of adequate housing and improved quality living environments.

As can be seen in the figure below, the number of subsidized housing units delivered is 69 669 against MTSF target of 450 000 (15.4%). The balance is likely to be recovered over the MTSF period through strengthening the capacity for implementation at local level. Whilst subsidy houses help redress asset poverty, the failure to improve project location and weak performance on title deed transfers limit integration into the workings of the city economy and households' ability to leverage the assets to assist with improved livelihood opportunities.

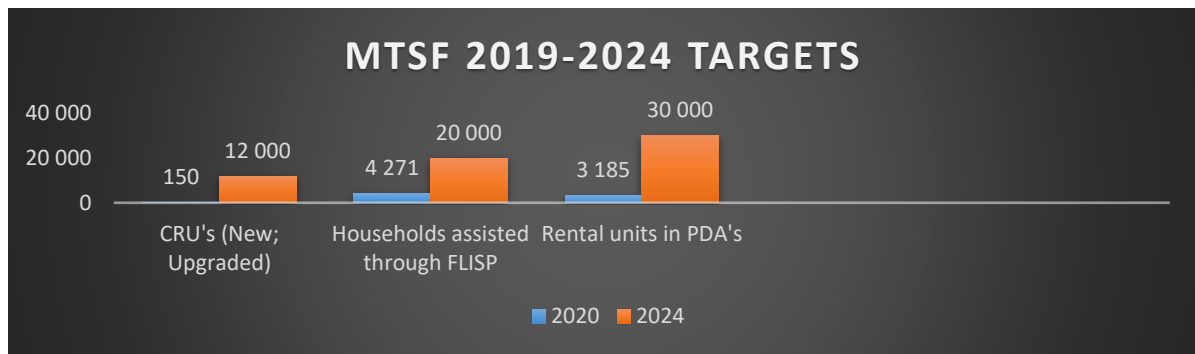
MTSF targets for subsidized housing



Source: Department of Human Settlements, June 2020

With regard to serviced sites, 51 135 serviced sites were delivered against a target of 300 000 (17% achievement).

MTSF targets for rental and affordable housing



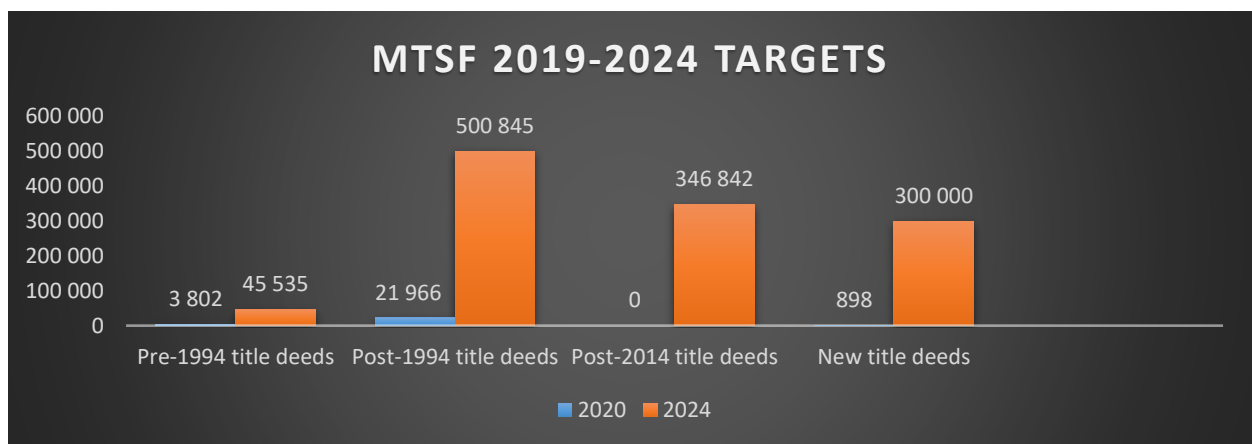
Source: Department of Human Settlements, June 2020

There is a total of 150 Community Residential units (CRUs) (82 new and 68 upgraded) delivered against a target of 12 000 target which represents 1.2%. Social housing units total to 3 185 of the 30 000 MTSF target representing 10.6% achievement against the 2024 target.

With regard to the upgrading of the 1500 informal settlements by 2024, there has been no shift from the baseline. The underperformance in the upgrading of informal settlements poses a negative impact on households that live in inhabitable living conditions in informal settlements and reinforce spatial poverty traps.

- ii. Changes against baseline and targets in the key indicators pertaining to the eradication of the backlog and issuing of new title deeds.

MTSF targets for registered title deeds



Source: Department of Human Settlements, June 2020

5.5.5 Assessment of progress on major interventions

The declaration of the PDAs was the first phase in ensuring that investments will be targeted through multi-programme integration. The progress on the declaration of PDAs are planned to be used as a point of entry and impetus for the implementation of the District Development Model (DDM) for selected metros. However, to unlock development in these areas, there is an urgent need to rezone the land that was acquired during the 2014-2019 MTSF period for human settlement development. Of the 17 720 ha of land acquired during the previous MTSF period, only 2 800 ha (17%) were

rezoned. Of a balance of 14 920 ha acquired land, 0% was rezoned since 2019 and the rezoning of these strategic land parcels, once reconciled spatially with PDAs, require urgent intervention.

The delivery of housing units and typologies has been slowed down by the decrease in construction activities due to the Covid-19 lockdown regulations and considering the stage of the 2024 MTSF reporting period, the delivery of subsidised houses, serviced sites and FLISP units are making steady progress. Of concern is the slow delivery on the CRU programme and the Informal Settlements Upgrading Programme (UISP). The formalisation of 1 500 informal settlements (Phase 3) are in the pipeline with the approval of 86 upgrading plans (Phase 1) and the 2020/21 Human Settlements Business Plan reflects the approved planned upgrading of informal settlements as budgeted for under the Human Settlements Development Grant (HSDG). In order to avoid deviations from the expected delivery target, sufficient attention should be paid to implementation and programme management capacity at the different levels of government.

5.5.6 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

The need to address the urgent housing challenge continues to grow as urbanisation and the urban population continue to mushroom resulting in an increase of informal settlements of which many lack the basic infrastructure for transportation, water, sanitation, or electricity and represent large concentrations of poverty. With urban populations continuing to grow faster than the population in general, increasing housing backlogs exists especially in the urban centres and the rapid increase of backyard dwellers. Between 2001 and 2016 the backyard dwellers statistics has grown up to 205% whereas informal settlements are sitting at 51%. The ever-growing demand for housing contributes towards fuelling the recent violent protests, illegal land grabs and the intense problem of overcrowding.

The health crisis in SA due to COVID-19 has brought into sharp focus the urgency of upgrading informal settlements to manage the risk posed to residents in informal settlements and townships. Informal settlements were categorised as high-risk areas of mass Covid-19 transmission due to high densities and the UISP was accordingly prioritized to slow down the rate and spread of Covid-19 infections by creating improved living conditions through de-densification plans and the construction of temporary residential areas (TRAs) to relocate households temporarily to these areas.

Finalising the outstanding systemic and policy issues to pave the way for upscaling the upgrading of informal settlements and concluding on the policy for provision of services to backyard dwellers is a high priority. While progress has not been optimal, the formalisation of 1 500 informal settlements (Phase 3) are in the pipeline with the approval of 86 upgrading plans (Phase 1) and the 2020/21 Human Settlements Business Plan reflects the approved planned upgrading of informal settlements as budgeted for under the Human Settlements Development Grant (HSDG).

The persistent lack of progress and poor performance in the issuing of title deeds is exacerbating the backlog and a cause for concern. The department has to account for delays in issuing new housing units' title deeds as there are no historical reasons for the delays. There was a hope and anticipation of a support programme operated by a National Project Office in the department that was intended to improve the performance in issuing of title deeds but it still needs to bear fruit. The programmatic approach to register title deeds with the registration of serviced sites is evidently not achieving the intended result since 51 135 serviced sites were delivered against only 898 new title deeds registered during the reporting period.

It should be welcomed that human settlement planning and development is to be prioritised in the targeted PDAs as a catalyst for spatial transformation and spatial justice. To unlock development in

the PDA's however, there is an urgent need to rezone the land that was acquired during the 2014-2019 MTSF period for human settlement development. This is expected to gain momentum since the PDAs have now been declared. To impact on spatial transformation, the development will require an acceptance of higher density development in new areas and in areas where land is not optimally utilised and on well-located vacant land. Integrated development should be pursued to counter fragmentation and investments to be aligned with infrastructure planning to optimise efficiencies.

Importantly though, the department is taking a strategic policy shift, moving from direct generalised public housing provision towards a targeted approach focussing on targeted groups: the aged, persons with disabilities, military veterans, truth and reconciliation victims and housing emergencies. Going forward, people will be encouraged and supported to build houses for themselves as adopted during Habitat III Conference with provision of serviced sites and the upscaling of the upgrading of informal settlements.

The Human Settlements budget for 2020/21 was cut and reprioritised as follows: R1.7 billion cut from the HSDG, R600 million redirected to Social and Affordable housing and R578 million reallocated from the title deeds restoration grant to the emergency housing grant. The reprioritisation focusses on informal settlements upgrading, title deeds, rapid land release, serviced sites and installation of bulk infrastructure. The budget cuts necessitate the postponement of projects and downscaling of delivery targets. Given this, the MTSF targets will be adjusted accordingly.

5.5.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF

In the rental sector, a number of tenants lost jobs and income and could not afford to pay any formal/informal rent to the landlords and they had to seek alternative accommodation. It will take time for the sector to recover and get back on track despite the relief grant. Therefore, the construction of new rental units might be delayed due to non-performance of the economy.

Illegal land invasions and protests have proliferated, especially in the Western Cape. Forced removals under court order have taken place in both Cape Town and Johannesburg.

5.5.8 Actions needed to address major constraints and challenges

To address the growing title deed backlog especially for new housing units and serviced sites, the standard procedures and practices being used by private sector conveyancers should be considered by government. This could include but not limited to computerised systems and improving capacity for programme planning and implementation at provincial level. Resolution will also need to be found for the delays by municipalities in terms of township establishment and finalization of township registers.

Human Settlements should urgently resolve all outstanding issues in the UISP including policy, grant design and forge the much-needed public and private partnerships with all relevant stakeholders to unlock implementation. In order to avoid deviations from the expected delivery target, sufficient attention should be paid to implementation and programme management capacity at the different levels of government, particularly provinces and major cities.

Ultimately, the major systemic challenge facing the Human Settlement sector lies in the fact that it is a strong concurrent function depending on provinces and municipalities (mainly large cities) to implement and deliver on the MTSF outcomes and targets. It is at this level that delivery problems

are encountered and unless these spheres are able to effectively fulfil their mandates and duties, overall performance will remain sub-optimal.

The Social Housing Institution's (SHI's) financial viability and its ability to raise funds from the banks for development to manage and produce new stock should be encouraged to relieve the programme from ongoing government dependency over the medium term. To this effect, the Canadian government through Equal Spaces has recently (March 2020) completed a capacity building programme focused on social housing and SHI's empowerment.

The policy shift towards housing provision for targeted groups and the shift towards self-build through the provision of serviced sites and upgrading of informal settlements should be supported. However, details as to how this shift will be effected and the programmatic and institutional mechanisms involved should be clearly articulated.

5.5.9 Implication of this to the review of the MTSF and optimizing how government operates

If the economic recovery is slow, some of the MTSF targets will potentially have to be reviewed; for example, social housing. At the moment, there will be no implications leading to the review of the MTSF other than as a result of budget cuts.

5.6 Priority Component: Basic Services

5.6.1 Impacts we are trying to achieve

The overarching imperative in this context is to improve access to basic services and provide reliable and affordable public transport with the aim of achieving the following outcomes:

- i. Improved capacity to deliver basic services and quality infrastructure to increase household access to basic services
 - a) 95% reliability of water services, 90% access to adequate sanitation and hygiene and ensuring that 100% of wastewater treatment works are operational.
- ii. Affordable, safe and reliable public transport
 - a) 60% national usage of public transport

5.6.2 Overview of main achievements

Without data from Statistic South Africa (StatsSA), it is not possible to determine the impact the country has made in terms of improving access to basic services. However significant strides were made by the various departments towards achieving the objectives of the MTSF. These include:

- i. Increase in grid connections and enforcement of licence conditions pertaining to the maintenance and refurbishment of electricity networks by Municipal Electricity Distributors.
- ii. Development of a conceptual framework for the National Sanitation Integrated Plan.
- iii. As at June 2020, a total of 514 bucket sanitation systems in formal settlements were replaced bringing the cumulative total of 40 995 of the 52 249 (78%) bucket sanitation systems replaced in the country.
- iv. To ensure the reliability of water services a total of 7 bulk water supply projects were completed. Eastern Cape, Kwa-Zulu Natal and Mpumalanga provinces have 2 completed projects per province, with Limpopo having 1 project.
- v. A total of 5 dams are under construction of which 2 are reported as dam safety rehabilitation projects and 3 as new bulk raw water projects.

- vi. Notably, provision of water and fixing of water infrastructure to combat the spread of the virus during the COVID-19 pandemic was correctly prioritised. These initiatives were aimed at assisting vulnerable households and communities, particularly in rural and informal settlements without adequate services. In this regard, 18 653 water tanks and 1 315 tankers have been delivered. To capitalise on this effort, it is advised that these be turned into sustainable solutions in the communities where access to potable water was not available.
- vii. As part of value-add to the public transport value chain, a gap analysis on the regulatory framework for national automated fare collection was conducted, and a concept for an integrated public transport ticketing or fare collection system was developed.
- viii. To date 6 cities (Johannesburg, Tshwane, Ekurhuleni, George, Cape Town and Nelson Mandela Bay) are successfully operating integrated public transport networks carrying a combined average of 143 000 passenger trips.

5.6.3 Overview of the main challenges

The MTSF outcomes and targets that are currently underperforming cut across the electricity, water and sanitation and public transport sectors and are as follows:

- i. Targets relating to the electrification of households through non-grid connections have not been implemented. The Department of Mineral Resources and Energy (DMRE) indicated that the project will be initiated in the last semester of the 2020/21 financial year.
- ii. Although DWS has conducted site visits to monitor non-compliant water systems and non-compliant wastewater systems against the regulatory standards, other interventions relating to the reliability of water services and functioning of wastewater treatment works have not been implemented due to the effects of the Covid-19 pandemic which halted procurement processes for the various projects. The department will resume procurement processes in line with the Covid-19 risk adjusted strategy.
- iii. For the 2019 period, 108 of the 144 (75%) Water Service Authorities (WSAs) completed the Municipal Strategic Self-Assessments (MuSSA) representing a 24% reduction when compared to 2018. The department is unable to say how many WSAs have received acceptable functional assessments at this stage.
- iv. Targets relating to sustainable waste management were not implemented for the period under review due to the Covid-19 lockdown. The majority of businesses were not operational during the period resulting in activities on the reduction and recycling of waste generated not being monitored.
- v. Department of Transport (DoT) has highlighted difficulties relating to the spending and infrastructure roll-out at 5 cities implementing the integrated public transport networks.

5.6.4 Progress on key high-level indicators

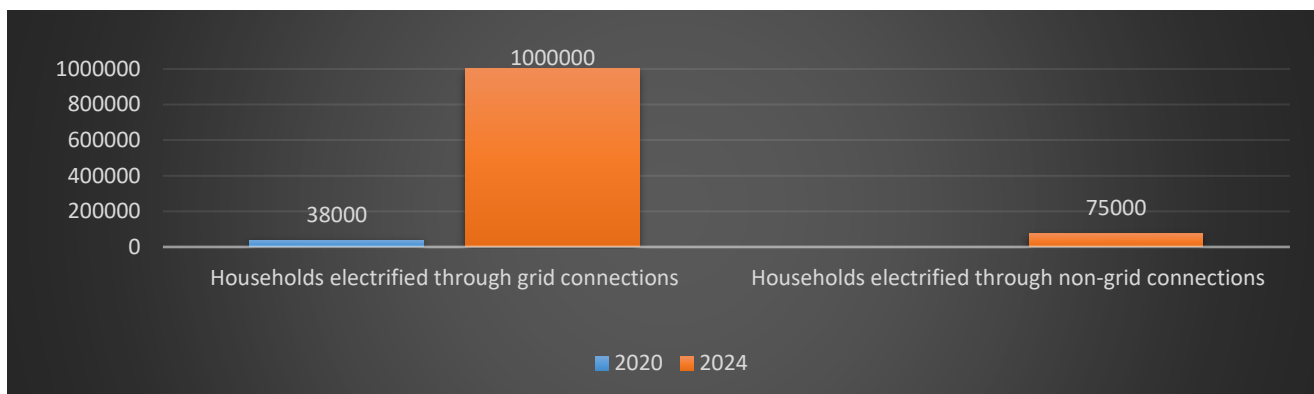
Given that the MTSF is still in the early phase of implementation and recognising the impact of the COVID-19 pandemic, the delivery of basic services in relation to the MTSF targets has shown slow progress. Moreover, the delay in the release of GHS data from Stats SA has made it difficult to see the shift or change in the indicators at outcome level.

MTSF 2019-2024 entails a total of **29** Basic Service Delivery interventions, of which **23** are associated with the overarching goal of achieving improved capacity to deliver basic services and quality infrastructure to increase household access to basic services. The other **6** interventions are located within the second goal of achieving affordable, safe and reliable public transport. Associated with the **29** MTSF interventions are **28 indicators** and **28 targets**. The period under review reflects notable progress towards **14** of the 28 targets, while **14** targets are **not** on track. These are reflected in the table and discussion below.

| MTSF TARGETS THAT ARE ON TRACK | MTSF TARGETS THAT ARE NOT ON TRACK |
|---|--|
| 1. Households with access to electricity | |
| <ul style="list-style-type: none"> • Increase in grid electrification connection- 38 000 households electrified • Municipal Electricity Infrastructure Asset Management framework finalised. • NERSA review to enforce compliance of licence conditions completed and adopted by Cabinet. | <ul style="list-style-type: none"> • Non-grid electrification connections to be implemented in last semester of the 2020/21 financial year. |
| 2. Access to water and sanitation services | |
| <ul style="list-style-type: none"> • Total of 7 out of 53 bulk water supply projects were completed (13.2% achievement) • 184 (50%) and 152 (58%) non-compliant water and wastewater systems were monitored against the regulatory standards, respectively. • DWS replaced a total of 514 bucket sanitation systems in formal settlements • 108 of the 144 (75%) Municipal WSAs have completed their functional assessments • Conceptual framework for the National Sanitation Integrated Plan developed. • Total of 5 dams under construction. | <ul style="list-style-type: none"> • Assessment of water and wastewater treatment works for compliance with the Blue and Green Drop Regulatory requirements, not completed respectively. • non-commencement of the 9 refurbishment projects to address the functionality component of WSAs reliability implementation plans. • 27 District Municipalities' Five-Year Reliability Plans not developed. • Amendment of the Regulatory Framework on Water Ownership and Governance. • None of the 9 provincial plans developed and implemented in support of the Integrated Water Resource plan. • New water sources expansion plan for each IGR impact zone not developed. |
| 3. Sustainable Waste Management | |
| | <ul style="list-style-type: none"> • No diversion of waste from landfill sites through recycling performed. • Reduction of waste generated during manufacturing and industrial process. |
| 4. Affordable, safe and reliable public transport | |
| <ul style="list-style-type: none"> • 10 cities investing in the construction and operation of the IPTNs, • Implementation of the revised BRT specifications and technical norm and standards. • Increase in operational hours for BRT – Average 16 Hours. | <ul style="list-style-type: none"> • 100% compliance in spatial referencing of the IPTNs. • No rail stations modernised. • Upgrading of 300 configured trains. |

- i. Changes against baseline and targets in the key indicators pertaining to households with access to electricity

MTSF 2019-2024 targets on household electrifications (INEP)

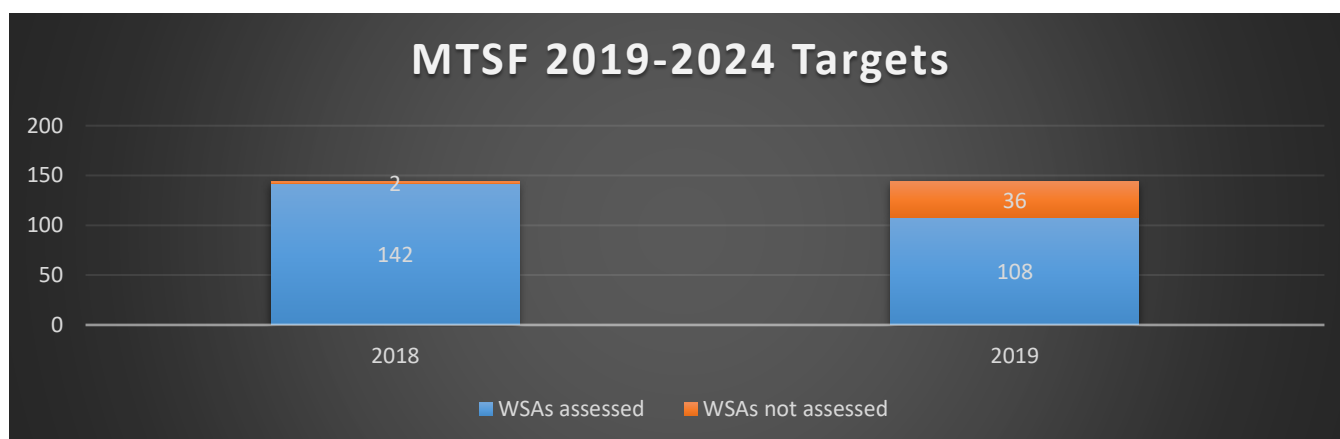


Source: Department of Minerals and Energy, June 2020

The number of households connected to the grid stood at 38 000 (3,8%) against the MTSF target of 1 000 000. Non-grid connections have not occurred, but the Department has indicated that this will commence during quarters 3 and 4 of the 2020/21 financial year.

- i. Changes against baseline and targets in the key indicators pertaining to Water Service Authorities (WSAs) that receive acceptable scores on functional assessment in the MuSSA.

MTSF 2019- 2024 targets Water Service Authorities Assessed

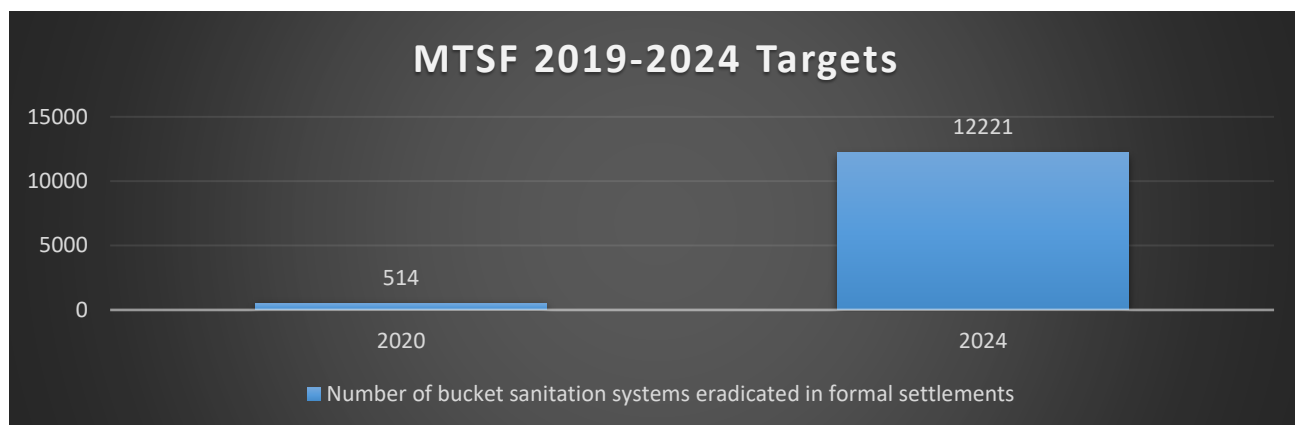


Source: Department of Water and Sanitation, June 2020

The MTSF target at outcome level requires that 100% of WSAs receive acceptable scores on functional assessments in the MuSSA against the baseline of 24%. While the Department has completed 108 of the 144 (75%) assessments for the 2019 period, information regarding how many received acceptable scores was not provided.

- i. Changes against baseline and targets in the key indicators pertaining to access to adequate sanitation and hygiene

MTSF 2019- 2024 targets on bucket sanitation systems

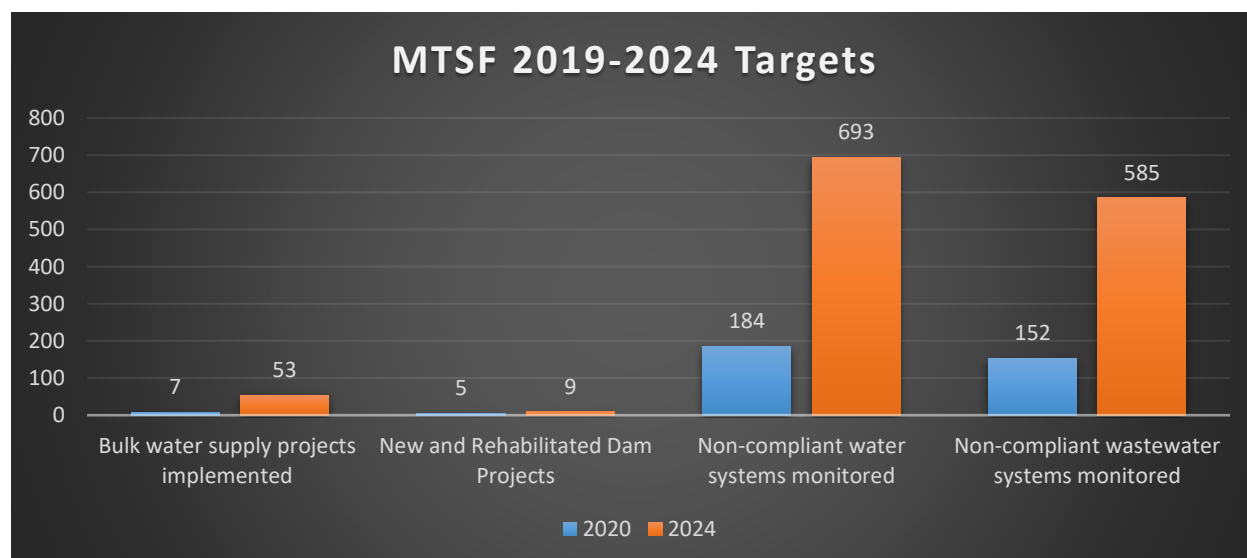


Source: Department of Water and Sanitation, June 2020

DWS replaced 514 (4%) bucket sanitation systems in formal settlements against the MTSF target of 12 221(11 254 remaining). The Covid-19 pandemic contributed to the slow performance. The movement in terms of the broader target of access to adequate sanitation services will be made available once StatSA GHS data becomes available.

- i. Changes against baseline and targets in the key indicators pertaining to the reliability of water services, effective water management systems and wastewater treatment works

MTSF 2019- 2024 targets on water systems



Source: Department of Water and Sanitation, June 2020

A total of 7 bulk water supply projects were completed against the MTSF target of 53 projects (13.2% achievement). A total of just under 420 000 households stand to benefit from these projects.

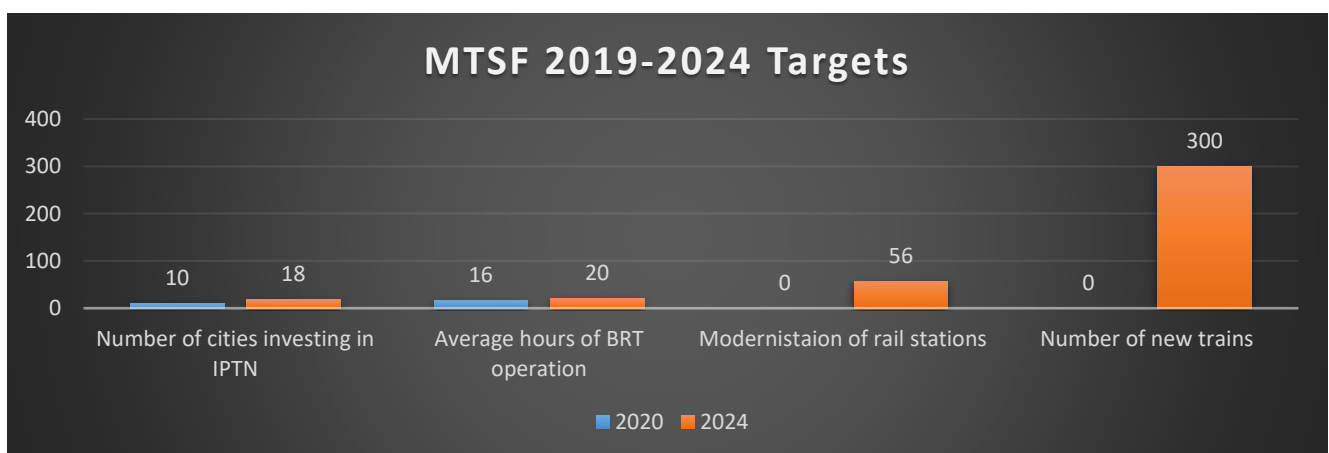
| Project name | Province | Number of Households that benefitted |
|--|----------|--------------------------------------|
| O R Tambo King Sabata Dalindyebo (KSD) Water supply Phase 2 of 2 | EC | 221 722 |
| Xonxa Bulk Water Supply Phase 1 of 2 | EC | 6 364 |
| Umshwathi Bulk Water Supply Phase 3 | KZN | 3 706 |
| Jozini Bulk Water Supply | KZN | 23 400 |
| Polokwane Bulk Water Supply Phase 1 | LP | 157 250 |
| Empuluzi Phase 3A of 8 | MP | 7 421 |
| Empuluzi Phase 4B of 8 | MP | 0 |

Source: Department of Water and Sanitation, June 2020

Moreover, a total of 5 dams are under construction of which 2 are reported as dam safety rehabilitation projects and 3 as new bulk raw water projects. 184 non-compliant water systems were monitored against the regulatory standards. This is below the annual MTSF target of 371 systems, indicating an attainment rate of 50% as at June 2020. Similarly, with the non-compliant wastewater systems, the department visited 152 (58%) sites against the annual target of 260. Once again, we have not been advised regarding what action has been taken where systems are non-compliant.

Changes against baseline and targets in the key indicators pertaining to increase in the national usage of public transport.

MTSF 2019- 2024 targets on public transport



Source: Department of Transport, June 2020

DOT is monitoring the construction and operation of the integrated public transport networks in 10 cities ((Johannesburg, Tshwane, Ekurhuleni, George, Cape Town, Nelson Mandela Bay, Mangaung, eThekweni, Polokwane and Rustenburg) against the MTSF target of 18 cities. The average hours of the cities actively operating the BRT have increased to an average of 16 hours across all cities; operations are expected to extend to 20 hours by March 2024. In relation to the

upgrading and modernisation of the railway network and stations, no movement against the MTSF targets is evident for the period under review.

5.6.5 Assessment of progress on major interventions

Electrification

The provision of grid and non-grid electricity to households remains a key basic service intervention of government in terms of the National Development Plan and the National Electrification Programme (INEP).

The department has reduced the budget for the INEP from the initial allocation of R3 billion to R1 billion. This may potentially have consequent implications on the projected MTSF targets for the electrification of households. For the current financial year (2020/21), the projected target of connecting 180 000 households has now been decreased by 43 000 households. [Parliament RSA, Portfolio Committee on Mineral Resources and Energy, July 2020].

There is concern that the 3 provinces (Eastern Cape, KwaZulu-Natal and Limpopo) with the largest electrification backlogs will be the most affected. The Department should develop a mitigating strategy to ensure that it spends all of the INEP grant within the given period to avoid funds being reallocated or rolled-over.

To support the electrification measures in local government, DMRE has also finalised work on the Municipal Electricity Infrastructure Asset Management framework involving the benchmarking and development of norms and standards for municipal electricity infrastructure. The framework is currently awaiting roll-out to municipalities as per the MTSF target.

Water and Sanitation

Overall, water and sanitation projects have shown slow progress for the period under review.

The delays in construction also affected the removal of the bucket sanitation system, particularly in the Free State Province. Although 99% of the top structures have been built, installation of associated bulk infrastructure is required to connect the completed internal reticulation network to the wastewater treatment works. Procurement delays were experienced for purchasing material for outfall sewer lines and pump stations. Subsequent to the lockdown the construction has resumed and plans are in place to fast track the completion of the planned targets.

This programme has since been transferred to the Human Settlements Department (DHS) and will be implemented under the auspices of the Housing Development Agency who has been entrusted to complete the connections to the main sewer lines by the end of this year. The failure to resolve the outstanding bucket sanitation systems in formal areas (that is excluding informal settlements) has been a blot on the country and the DHS will have to be held strongly accountable in terms of finalising the eradication of the remaining bucket systems by the end of this year.

Other projects that were not implemented included; the assessment of water and wastewater treatment works for compliance with the Blue and Green Drop Regulatory requirements, respectively; support to WSAs to develop and implement municipal priority action plans falling in the priority districts; the non-commencement of the 9 refurbishment projects to address the functionality component of the WSA reliability implementation plans; and the development of the

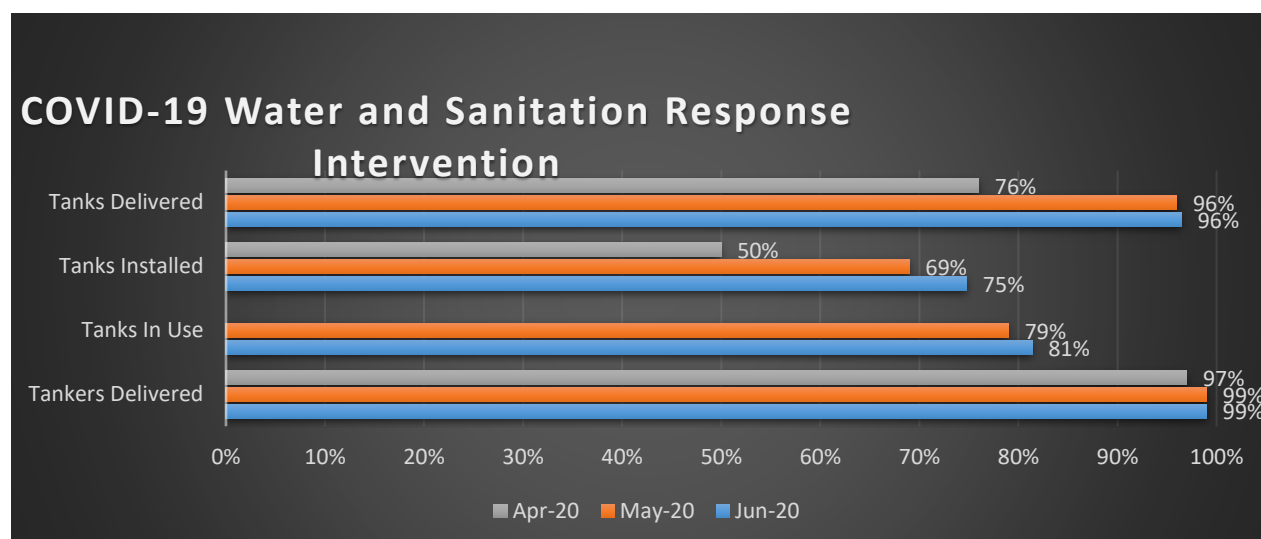
provincial plans in support of the Integrated Water Resource plan and the 52 IGR impact zones' new water sources expansion plans.

The department has not developed the five-year water and sanitation reliability plans for district municipalities. However, it has indicated that the plans will be completed for 17 district municipalities together with the final national MuSSA report in the 2020/21 financial year [DWS Performance Report, March 2020].

Other than the MTSF programmes on the provision of basic services, we realise the notable interventions undertaken by the DWS in collaboration with COGTA in the provision of water and fixing of water infrastructure to combat the spread of the virus during the pandemic. These initiatives were aimed at assisting vulnerable households and communities, particularly in rural and informal settlements without adequate services.

The interventions included the supply of 18 653 water tanks and 1 315 tankers to provinces to address water shortages as at June 2020. (Covid-19 Command Centre Progress report, 28 June 2020). There is a need to augment the water tanks and carting services through sustainable measures, such as the development of water sources and fixing of water infrastructure, in order to build long-term resilience of communities. The graph below presents the details of the interventions in place:

COVID-19 water and sanitation response intervention



Source: Department of Water and Sanitation, June 2020

Sustainable Waste Management

The Department of Environment, Forestry and Fisheries (DEFF) reported that activities relating to the reduction of waste production and the diversion of waste from landfill sites through recycling could not be monitored due to the COVID-19 lockdown restrictions imposed on the majority of businesses. The shift in the risk adjusted strategy will enable the business operations to resume with the recycling and reduction of waste produced in manufacturing and industrial processes.

Public Transport

In working towards 60% national usage of the public transport network, DOT is providing support to cities that are underperforming in the implementation of the integrated public transport network intervention. A national technical implementation unit has been assigned to manage the implementation and operations of BRTs whilst overseeing the spending efficiency in each city.

Compliance of cities with the spatial referencing of the integrated public transport network has seen little traction during this period. The 5 metropolitan municipalities (Johannesburg, Cape Town, eThekweni, Ekurhuleni, Nelson Mandela Bay and Mangaung) have demonstrated alignment of the integrated public transport network with the Build Environment Performance Plans, but have not executed the plans as yet.

Lastly, in the upgrading of the Metrorail fleet, the planned delivery of the 10 trains was delayed for the 2020/21 financial year due to challenges in the supply chain. Hence the stagnation in the achievement of MTSF targets.

5.6.6 Major challenges and blockages affecting implementation of the interventions identified in the MTSF

A major challenge over the period under review was the sudden shock emanating from the global Covid-19 pandemic, the resultant lockdown and the subsequent revision of the fiscal framework and the resultant reprioritisation of departmental budgets.

Water and Sanitation

The underperformance in relation to the eradication of bucket systems was affected by the lockdown. In particular delivery was affected by the halting of construction and procurement delays for purchasing material for outfall sewer lines and pump stations. Construction will resume in line with the Covid-19 risk adjusted strategy to accelerate the completion of the planned targets.

Furthermore, as a result of the pandemic, plans to conduct site visits to capacitate the supply of reliable water services and improve the functionality of wastewater treatment works were deferred.

At least a third of the 144 WSAs regarded as dysfunctional have no, or very limited, technical staff to advance the programmes (NWSMP, 2019). The lack of technical skills has contributed to the slow rate of reliable water supply services.

Sustainable Waste Management

DEFF reported delays in the implementation of waste management interventions for the period under review. The poor performance was as a result of the Covid-19 lockdown where the majority of businesses were not operational leading to activities on the reduction and recycling of waste generated not being monitored.

Public Transport

Due to the pandemic, the sector experienced, amongst others, substantial revenue losses; halted public transport operations; and delays in planned capital infrastructure projects, and related expenditure.

5.6.7 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF.

For all components, dependencies across the spheres of government and sector departments creates challenges in the implementation of interventions. These could vary from compliance with grant conditions, consensus of key policy stances to concerns around the alignment of legislative provisions and strategies.

Other cross-cutting issues arising relate to the provision of water, sanitation and electricity services. The financial sustainability of water boards to supply bulk potable and waste water services is in dire stress due to liquidity and debt issues. As at June 2020, municipalities owed water boards over R11.8 billion and water boards owed the Water Trading Entity R5.4 billion as at June 2020. Similarly, the municipal debt to Eskom is continuing to soar, and reached R28 billion at the end of March 2020; an increase of just over R8 billion in the past 12 months. As a result of the debt crisis, the entities are unable to operate at their ultimate capacity and are challenged with growing ageing infrastructure, high operational costs and inability to pay creditors.

The above circumstances have recently been exacerbated by the sharp economic downturn caused by the Covid-19 pandemic. Many municipalities are faced with reduced revenue collections as many businesses and households are unable to pay municipal bills. The former is supported by a municipal survey carried out by the DPME during May 2020 aimed at understanding challenges faced by South African municipalities as a result of the pandemic. The results highlighted that 68% of the participating municipalities projected a monthly revenue shortfall of more than 20%; and 42% were assisting customers with arrangements to delay or reduced account payments. Municipalities will, during this period, require focused support to handle the financial pressure upon them and guard the non-disruption of services to communities.

5.6.8 Actions needed to address major constraints and challenges

- i) As highlighted previously, water and sanitation services are particularly vulnerable because of the combined impact of falling revenues, the vicious cycle of rising debt and weak institutional and technical capability. At the minimum the following should be done to arrest the decline:
 - a. Multidisciplinary revenue task team to address non-payment of bulk water by municipalities coupled with a political solution to municipalities not paying their debt.
 - b. Institutional realignment through rationalisation of Water Boards into Regional Utilities as options to unlock expansion of services.
 - c. Consider disbanding WSAs that are dysfunctional and are unlikely to fully fulfil their functions and duties in the foreseeable future and the function transferred to utilities.
- ii) Ensure that the HDA resolves all issues affecting the rollout and completion of the remaining Bucket Eradication Projects as a matter of urgency.
- iii) MISA (Municipal Infrastructure Support Agency) and DWS to expedite the assessment of the water and waste water treatment works with regulatory requirements for the financial year and further lead in the refurbishment of the treatment works that have become dysfunctional.
- iv) DWS to finalise the national MuSSA report in the 2020/21 financial year for the purpose of determining their state of functionality and vulnerability in carrying out their service delivery obligations.

- v) Serious interventions should be made to manage water demand by improving efficiency, adopting new technologies and reducing losses (especially in the agricultural and Municipal sectors).
- vi) Accelerated planning and infrastructure investment to address the country's strategic water challenges.
- vii) All role players (e.g. CoGTA, DHS, DAFF) to take up leadership and responsibility to ensure the successful implementation of the NWSMP

5.6.9 Implication of this to the review of the MTSF and optimizing how government operates

The departments contributing to this component, remain committed to the current outcomes and targets. The only significant risk to this is potential budget cuts which would then require adjustments to the targets.

6. PRIORITY 6 - SOCIAL COHESION AND SAFER COMMUNITY

The report aims to provide the progress on the implementation of the MTSF including how Covid-19 has affected its implementation. The key focus areas are:

- Progress in the implementing the MTSF noting the challenges of Covid-19 poses on implementation
- The challenges, blockages and issues in meeting said outcomes (the likelihood of achieving the 2024 targets and NDP 2030 targets)
- Implications of this to the review of the MTSF and optimizing how government operates going forward

6.1. STRATEGIC INTENT

For the Constitutional vision of a safe, diverse, non-racist, non-sexist, equal and prosperous, socially cohesive and inclusive society with a common overarching national identity to be realised, South Africa must undertake deliberate interventions. These interventions include:

- Fostering Constitutional values, promoting a democratic culture of participation and addressing/discouraging actions that undermine Constitutional values. Fostering broad based leadership
- Promoting/Ensuring Inclusion, Redress and reducing inequality of opportunity, power and voice
- Sharing space across race and class
- Social compacting and improving trust levels
- Strengthening criminal justice platforms, police services and community participation in public policing;
- Reducing corruption and organised crime;
- Defending and securing cyberspace and rehabilitation of offenders.

6.2. PRIORITY COMPONENTS

Priority six consist of two programmes namely: (i) Social Cohesion and Nation Building derived from aligned with Chapter 15 of the NDP on transforming societies and uniting the country: and (ii) Safer Communities which is derived from Chapter 12 and 14 of the NDP on ensuring that people in South Africa are and feel safe.

6.2.1 Priority Component: Social Cohesion and Nation Building

- **Fostering knowledge of the Constitution and its values:** The Constitution aims to build a new over-arching national identity through a common citizenship and equal rights; it becomes the focal object of collective loyalties and even replaces other objects of identification such that traditional elements of identity become irrelevant and enables South Africans to have a common bond, providing normative principles that ensure ease of life lived side by side. The promotion of the country's national symbols, including the Constitution and its values - democracy, non-sexism, non-racism, inherent human dignity and equality - help forge one national identity.
- **Equal opportunities, inclusion and redress:** Building a nation demands righting of the wrongs of the past and equalising opportunity, voice and outcomes. Spatial and economic redress as well as creating equal opportunities and building capabilities should begin with ensuring that everyone has access to quality basic services and the social wage and the previously disadvantaged participate in programmes such as broad-based economic empowerment, land reform and employment equity programmes. Key actions in this regard are contained in the related chapters of the MTSF dealing with health, education, economic growth, agriculture, human settlements and local government. This MTSF chapter focuses mainly on the promotion and fast-tracking of cultural and language redress - the promotion and the implementation of indigenous language; cultural and heritage and art programmes.
- **Promoting social cohesion through increased interaction across space and class:** Sharing of common spaces enables people across race and class to get to know each other and appreciate each other's humanity as well as debunk stereotypes. Public interaction is important for building trusting societies; and so is the production of artwork and stories that facilitate healing, nation building and dialogue. Building inclusive cities and promoting Sport, Cultural activities and art, and the greening and making safe of public spaces play a major role in facilitating the sharing of common spaces.
- **Promoting active citizenry and broad-based leadership:** Participation of ordinary people in the civil affairs of the country is an important marker of a maturing constitutional democracy. Therefore, there should be various platforms created to enable civic participation and ensure that residents have trust in government institutions, actively participate in politics and believe that their viewpoints are legitimately represented.
- **Fostering social compacts:** There is now an urgent need to craft a social contract that will enable South Africa to achieve higher growth and employment, increase investment and savings. The compact should offer attractive and compelling benefits to each party and all parties should believe that the necessary sacrifices are relatively equitably shared amongst all participants.

6.2.2 Priority Component: Safer Communities

- **Crime:** Safety and security are directly related to socio-economic development and equality. A safe and secure country encourages economic growth and transformation and is therefore an important contributor to addressing the triple challenge of poverty, inequality and unemployment. The NDP 2030 envisions a South Africa where people feel safe and enjoy a community life free of crime. Achieving this requires a well-functioning Criminal Justice System, in which the police, the judiciary and correctional services work together to ensure that suspects are caught, prosecuted, convicted if guilty, and securely incarcerated and rehabilitated. Crime in South Africa has occupied centre stage on the public agenda. Twenty-

five years into democracy, people in South Africa, particularly vulnerable groups such as women, children, the elderly and people with disabilities, live in fear and feel unsafe due to crime especially serious and violent crime (including Gender-Based Violence and Femicide (GBVF)). This affects the country's economic development, undermines the wellbeing of people in the country and hinders their ability to achieve their potential.

- **Corruption:** The country faces high levels of corruption within the public and private sectors, which undermines the rule of law and impedes government's efforts to achieve its socio-economic development and service-delivery objectives. The cost of corrupt practices falls most heavily on the poor, degrading the quality and accessibility of public services. State systems of accountability have been uneven, enabling corruption to thrive. Corruption and transnational organised crime intersect, with corruption among state officials facilitating syndicated crime both within the country and across its borders. Crime syndicates aid and abet corrupt behaviour to facilitate their nefarious activities, perpetuating the cross-border movement of contraband and cash in and out of the country. Corruption contributes towards the growth of the illicit economy, which continues to pose a significant risk to the country's economic development. Furthermore, corrupt officials threaten the security and integrity of South Africa's identity and travel documents through the issuing of fraudulent documentation. Racism, racial discrimination, xenophobia and related intolerances remain a challenge impacting on the safety of communities.

6.3. OVERVIEW OF MAIN ACHIEVEMENTS

6.3.1 Social Cohesion and Nation Building

The Employment Equity Amendment Bill 2019 was approved by Cabinet in February 2020 and tabled in Parliament in March 2020. The Bill is a result of insignificant transformation in the country's labour market. The amendments are set to empower the Employment and Labour Minister, in consultation with sector stakeholders, to introduce enabling provisions for the setting of sector-specific Employment Equity numerical targets. Income Differential data collection tool (EEA4 form) has been developed and published in the government gazette of August 2019, which was initially targeted for 2022. The objective is to collect information from the employer to assess the remuneration gap between the highest paid and lowest paid employees. This exercise also enables an assessment into inequalities in remuneration in terms of race and gender at the different occupational levels.

Promotion and development of official languages: A total of 192 documents received have been translated and edited for the current period, which translates to 100%. Progress on the six (6) multi-year human language technology projects includes the following milestones: Evaluation process of Monolingual & aligned parallel corpora in progress; Final product of annotated speech corpus was delivered, and final project report was submitted - a speech corpus (or spoken corpus) is a database of speech audio files and text transcriptions. In speech technology, speech corpora are used, among other things, to create acoustic models (which can then be used with a speech recognition or speaker identification engine). In linguistics, spoken corpora are used to do research into phonetic, conversation analysis, dialectology and other fields; Final product of Mobile web-platform was completed, and final project report was submitted; System integration and testing process completed; HLT-enabled mobile application on pilot stage, Acoustic models for Afrikaans, Sesotho and isiZulu have been tested.

Support the increase of qualified language practitioners through language bursaries: A total 458 students were awarded language bursaries during the 2019/20 against a target of 300. The additional 158 students have no bearing on the funds allocated by DSAC because of varying fees

within various universities. Universities also submitted 4th quarter progress reports for 2019/2020 financial year and 1st quarter progress reports for 2020/21.

The Winnie Mandela Site in Brandfort has been completed during the period under review with a completion certificate issued. This is part of the heritage legacy projects to transform the national heritage landscape.

During the 2019/20 financial year, the design and development of three short courses has been finalised by the National School of Governance (NSG) which includes: Course 1 - GBV (2 days) - The content of the course has been carefully selected to empower and build resilience in a caring learning and development environment; Course 2 (3 days)- Gender Responsive Planning and Budgeting course developed in collaboration with the DWYPD; Course 3 (2 days) - Sexual Harassment course that includes issues and examples relevant to the current GBVF advocacy agenda. As part of the 2019 SONA commitments, an interim Steering Committee on Gender Based Violence and Femicide was established; a funded Emergency Response Plan was developed and implemented with a monitoring plan for the period of October 2019 to March 2020; the National Strategy on Gender Based Violence and Femicide was developed and approved by Cabinet; The Presidential Working Group on Disability was established to advise on measures to advance the empowerment of persons with disabilities.

6.3.2 Safer Communities

Reducing levels of crime: Robberies at residential places show a decrease of 5.8%, robberies of cash in transit decreased by 10.4% whilst bank robberies decreased by 100.0%; Cable theft was reduced by 80% (4 convictions from 5 verdicts) against the targeted 74% of conviction rate of persons arrested for cable theft.

Drugs: 11 out of 12 clandestine laboratories were dismantled with 23 arrests. Due to lockdown restrictions, informers and police members are not able to freely operate, but despite, the restrictions, the performance is still satisfactory. However, there's limited progress with regards the reduction of drug syndicates through the implementation of the Narcotics Intervention Strategy and the National Drug Master Plan (NDMP), as one syndicate was neutralized during the reporting period, from a total of 17 identified syndicates.

Reducing overcrowding in Correctional Services: President Ramaphosa authorised the release on parole of low-risk inmates to ease overcrowding and curb the spread of COVID-19 in correctional facilities. This was a measure to combat the spread of the virus in correctional facilities which are considered high risk areas for infection. At the time it was reported that 19 000 low risk sentenced offenders would be eligible for this parole. The initial releases started from 20 May 2020 and by 30 June 2020, 5 026 offenders were placed on parole and four (4) have been re-arrested. The released inmates are placed in Community Corrections where they will continue serving their sentences. Community Corrections officers will be entrusted with monitoring the parolees and administrating their parole conditions. COVID-19 has reduced physical monitoring of offenders within the system of community corrections.

6.4. OVERVIEW OF MAIN CHALLENGES

6.4.1 Social Cohesion and Nation Building

Some MTSF 2014-2019 targets were not achieved because there was lack of ownership. Examples that can be quoted are for the recital of the Preamble of the Constitution in schools and the implementation of the Employment Equity at the workplace. (i) Except for the DBE organised events, the Department of Basic Education has not promoted the regular recital of the Preamble of the constitution at all schools even though a circular to this effect was sent in 2013 to provinces; (ii) Even in this 2019 -2024 MTSF similar challenges prevailed such that of the 298 designated employers reviewed in line with the Employment Equity Act, all were found to be non-compliant and issued with DG Recommendations to comply within 60 days.

This 2019 – 2024 MTSF period the following targets will not be met:

Fostering of Constitutional values: This MTSF 2019-2024 all school-based programmes were not undertaken because of school closure and these include the recital of preamble of the Constitution. That very little was done to promote constitutional values – right to life, rule of law, equality before the law, democracy, non-sexism, non-racialism etc. is a tragedy in a country that is yet to embark on the RDP of the soul. There is need for societal counselling against the centuries of trauma and violence at a personal and state level imposed on all by patriarchy, colonialism and apartheid. High GBVF, violent protests such as that in Senekal and against Clicks illustrate the need for behavioural transformation. Programmes not achieved due to resource constraints and reprioritisation include: (i) Community conversations aimed at promoting patriotism and shared values did not happen to the magnitude planned. As a remedy, opportunities for dialogues have been identified across programmes in DSAC; the target for the placement of Artists in schools could not be achieved due to targets and budget allocation not synchronised and budget cuts; indigenous languages are still marginalised at all levels, only 1392 schools are currently implementing the Incremental introduction of African Languages Programme instead of the targeted 2583; school sport, which should be the foundation of all sport, is still not functioning optimally only 13339 schools, hubs, and clubs were provided with equipment and/or attire as per the established norms and standards, instead of the target of 16640. Sport and recreation are inadequately funded at all spheres of Government. This negatively impacts on the transformation of various sporting codes.

The suspension of co-curricular and school enrichment programmes due to COVID19 imperatives meant the following programmes could not be implemented: recital of the preamble in schools; installation of flags could not be completed;

Redress including Cultural redress is slow. Huge budget cuts mean there will not be enough funds dedicated to this imperative. The current status quo will remain. See picture of Egazini Memorial Precinct juxtaposed against the 1820 Settlers Monument.



6.4.2 Safer Communities

According to the annual crime statistics, released for the 2019/2020 Financial Year, most of the contact crimes that have a potential to instil fear among the citizens, recorded an increase when compared with the same period in 2018/19. For example, the murders went up by 1.4% and robberies with aggravating circumstances increased by 2.8%. There are continuous challenges in meeting targets to seize assets that are the proceeds of crime or have been part of an offence through a criminal or civil process. During the reporting period, the value of freezing orders obtained is R256m, against an annual target of R2.4 billion annually (R12 billion over 5 years). This non-achievement is alluded to the delays in the finalisation of investigations and enrolment of court cases during the COVID-19 lockdown which negatively impacted on the achievement of this intervention. However, to remedy the situation going forward there will be joint prioritization with units such as the Directorate for Priority Crimes Investigations (DPCI) and National Prosecution Service (NPS) to ensure that corruption matters are fast tracked.

The target to recover money and assets that are the proceeds of crime, where they targeted R1.4 billion annually (R7 billion over 5 years) was not attained. Only R16 000 was recovered. This under achievement is alluded to the slow finalisation of investigations and enrolment of court cases due to the COVID-19 pandemic, as well as the scope and complexity of the State Capture cases, which take long to finalise.

The outbreak of Coronavirus also imposed major disruptions on safety, security and international relations. Food security was one of the challenges, marred with allegations of theft of food parcels by public officials and nepotism with food parcel allocation, increases in the looting of premises selling liquor, incidents of corruption and bribery on the part of law enforcement, vandalising and burning of schools and increase in gender-based violence against vulnerable groups, in particular women and children. In addition, there were borderline security challenges experienced with residents from neighbouring countries seeking medical assistance and the smuggling of cigarettes and alcohol. In the Correctional Service facilities, there were challenges with regards to overcrowding, which is a risk factor for COVID 19 infections. Non-compliance with lockdown regulations also a concern. Government put measures to curb social activities to help the citizens in preventing the rapid spread of the virus and efforts were increased to ensure that there are patrols, roadblocks and increased police visibility. However, some of the community members still did not comply to the regulations. Alcohol and cigarettes bans were put in place however; we saw a surge in illegal trade of this products. After tears, after funerals, as a form of social gatherings, was also noticed, which is also a transgression of lockdown regulations. Noteworthy was also an

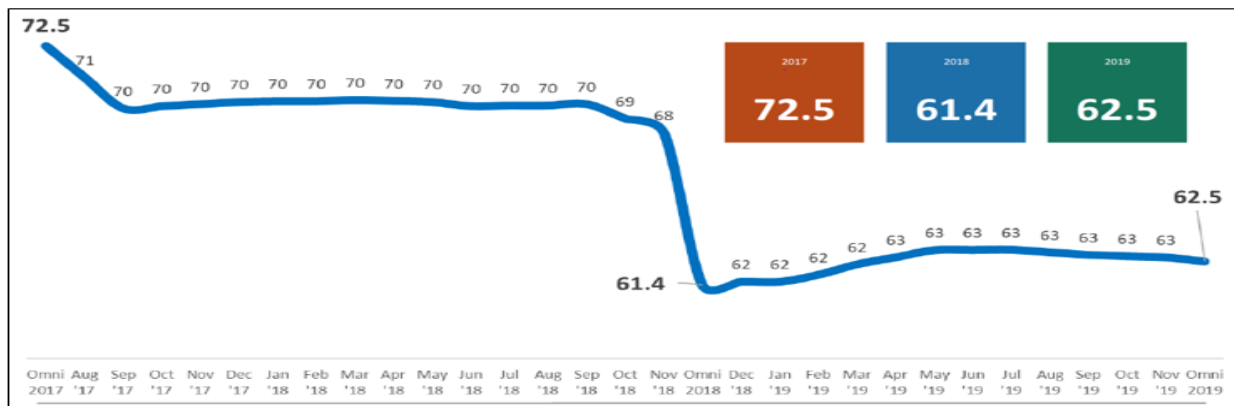
increase in the destruction and damage of critical social and public infrastructure during the lockdown.

6.5. DISCUSSION

6.5.1. Selected impact indicators

6.5.1.1 Social cohesion index: Social Cohesion measures and expresses the strength of relationships between people and between people and the state as a single score. Between 2017 and 2018, Social Cohesion score sharply declined from 72.5 to 61.4 and stabilised at 62.5 in 2019 which was mainly driven by a restored confidence in government. (see figure 1)

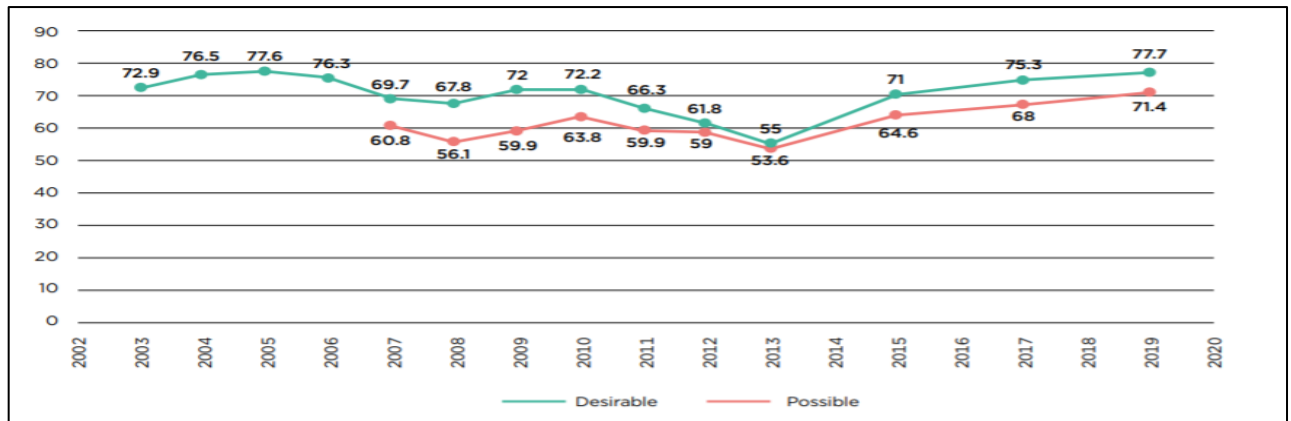
Figure 1: Social Cohesion Index



Source: BrandSA, 2019. Social cohesion construct

6.5.1.2 Pride index: According to the South African Reconciliation Barometer, there is emergence of majority being proud to be South African and associate positively with national symbols such as the current South African flag. Positive sentiments on unity has been noted which reveals the greatest optimism since 2013. About 81.6% want their children to think of themselves as South African, 80.5% affirms that being a South African is an important part of how they see themselves, and 79.7% agreeing that people should regard themselves as South Africans first. A united South Africa is desirable (77.7%) and possible (71.4%) and that there is more that unites South Africans than what keeps them apart despite the differences. These findings bode well in terms of building cohesion among South Africans.

Figure 2: Pride in South Africa and its symbols

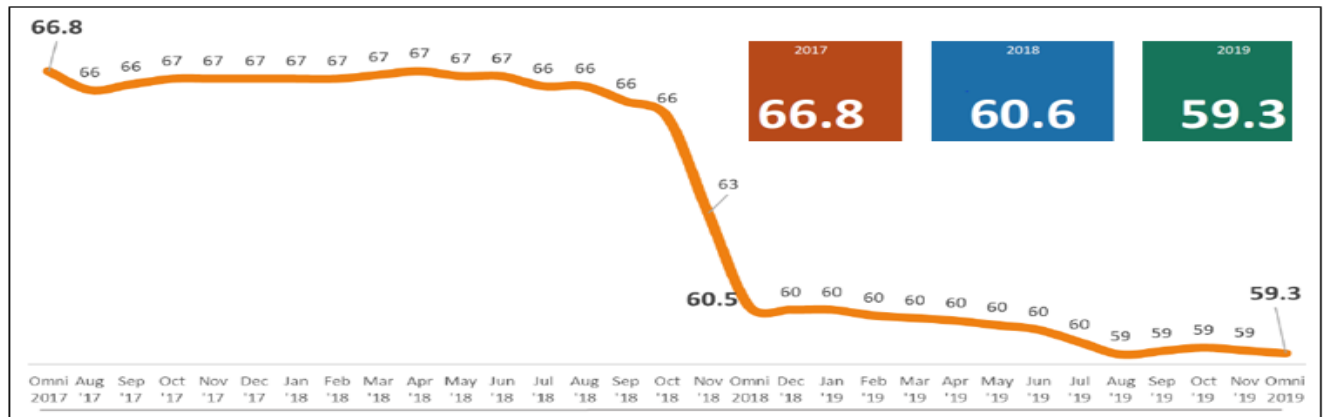


Source: South African Reconciliation Barometer (IJR) 2019. South Africans agreeing with the desirability and possibility of unity, SARB 2003–2019

6.5.1.3 Confidence and trust in institutions: The 2019 SARB shows an increase in confidence in most institution included in the survey from 2017 to 2019 and these includes the South African Broadcasting Corporation (SABC), with 57.7% from 50.7% being the first, followed by confidence in the President with 48.4% and thirdly the South African Revenue Service (SARS) with 45.5%. Although there is a high level of confidence restored in government, but it is without trust. The 2019 Edelman Trust Barometer reveals that although trust in South Africa has risen for all institutions (NGOs, business, government, media), government continues to be the least trusted institution at 21%; with NGOs 60% in the lead over business 58% followed by media 40%. Surveys undertaken by Brand SA and others show that the COVID-19 lockdown from level 5 up to level 4 has demonstrated improved levels of trust in the government, a sense of belonging and a willingness to participate and help others, which are all classic signs of strong social cohesion and a capable state. Surveys conducted on citizen perception conducted in April 2020 confirm confidence (73%) in the President and government in handling the Coronavirus outbreak, and 56% believe that current measures taken by government including the phased-in lockdown are the best ways to minimise the spread of the virus. Maintaining reasonable levels of trust between citizens and their institutions continues to be a daily challenge for most countries with the unprecedented individual and collective tension and anxiety brought about by the COVID-19 pandemic. (Accord 2020).

6.5.1.4 Active citizenship: Participation of ordinary people in the civil affairs of the country is an important marker of maturing constitutional democracy. In terms of voting, the Independent Electoral Commission voting data shows that out of the 75% eligible voters that were registered for the 2019 national elections, 66% voted accounting for a gender representation of 57% males and 43% females. Using the BrandSA (2019) active citizenship construct, a sharp decline from 2017 (66.8%) to 2019 (59.3%) has changed the dynamic of active citizenship. This has been characterised by a shrinking involvement in communities outside the immediate radius of those who tend to be more active in their communities due to social and economic challenges.

Figure 3: Active Citizenry



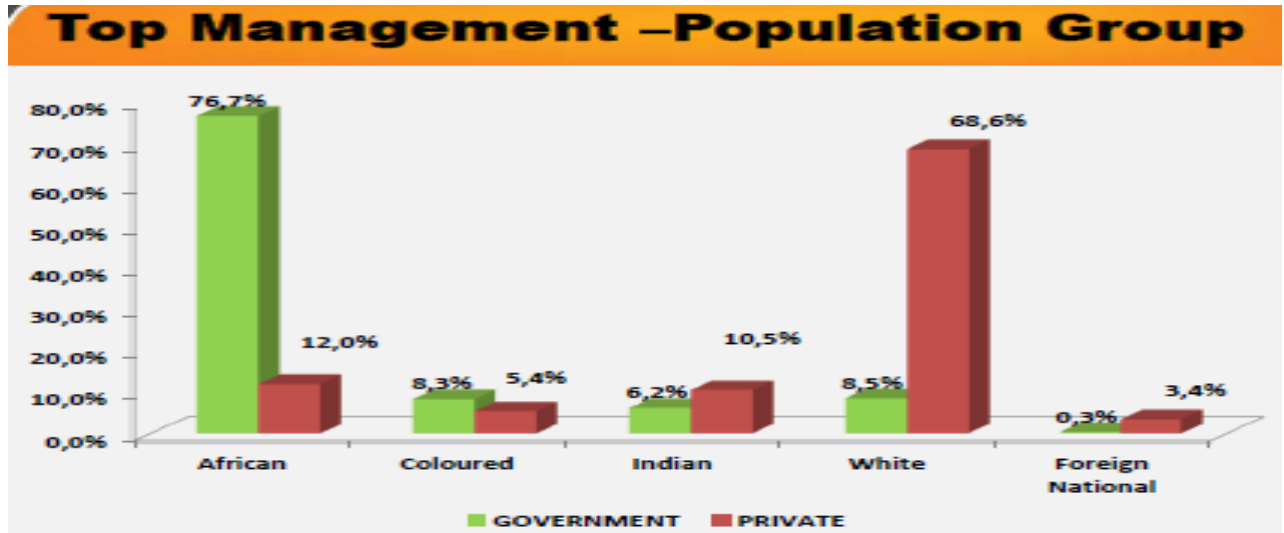
Source: BrandSA 2019. Active citizenship construct

6.5.1.5 Redress

Despite many redress policies, transformation pace is slow. For example, in the **Labour market**, against a target of 2% annual increase, Africans increased by 1.7% (41.5% in 2018 to 43.2% in 2019) at middle management, Africans increased by 0.3% (23.2% in 2018 to 23.5% in 2019) at senior management, and Persons with disabilities increased with 0.1% (1% in 2018 to 1.1% in 2019) against of 1.5% annual increase as reported by designated employers in 2019 EE reporting period. The finalisation of the EE Amendment Bill will be key in realising imperatives of the affirmative action policies.

Figure 4 illustrates how untransformed the labour market is. With an economically active population of 78.9% Africans, only 12% are in top management in the private sector. 68% of top management in the private sector is white, for an EAP of less than 10%, that is over representation. Linked to this is the foreign representation, very large. 9see figure 4 below

Figure 4: Top Management Representation



EE Report 2019

Indigenous languages are still marginalised at all levels, only 1392 schools are currently implementing the Incremental introduction of African Languages Programme instead of the targeted 2583.

Sport: is also not transforming as even the self-set transformation targets. Nine of the nineteen federations audited (47% of the total) achieved 50% or more of all prescribed Charter targets - football, with 89%; table tennis, 67%; volleyball, 67%; amateur boxing, 61%; cricket, 61%; softball, 56%; basketball, 56%; netball and athletics, 50%. One federation (chess - with 44%) was the only federation to achieve between 40% and 49% of all prescribed Charter targets. The ten federations at the bottom achieved between 28% and 0% of all predetermined Charter targets. These federations were: rugby with 28%; baseball, 22%; gymnastics, 17%; tennis, 17%; swimming, 17%, hockey, 11%; jukskei, 6%, bowls, 0% and rowing 0%. All are experiencing difficulties, but some more than others, in achieving the predetermined, one-size-fits all Charter targets adopted in 2011” (SRSA 2018:7)

Safer Communities

6.5.1.6 Increasing and Unacceptably high levels of crime in South Africa, especially serious and violent crime, result in people of South Africa living in fear and feeling unsafe, particularly vulnerable groups, such as women and children. Crime including contact crime is not declining. According to the annual crime statistics, released for the 2019/2020 Financial Year, most of the contact crimes that have a potential to instil fear among the citizens, recorded an increase when compared with the same period in 2018/19. For example, the murders went up by 1.4% and robberies with aggravating circumstances increased by 2.8%. There was also a 1, 7% increase in

total sexual offences. Rape and sexual assault increased by 1.7% by 4.2% respectively. The surge of violent crimes and deaths of women and children as a result of gender-based violence and femicide, remains a concern. Women do not feel free in their homes and communities and this puts a challenge for the Criminal Justice System. There are concerns that targeting the reduction of violent crimes against women and children including sexual offences may not be the appropriated response. The aim should rather be to ensure the increase in the reporting of these crimes in order to overcome the problem of acute under-reporting. There has been a spike in some categories of aggravated robberies. Carjacking increased by 13.3%, Robbery Non-Residential by 3,3% and Truck Hijacking by 1.7%. Drugs and substance abuse are important contributing factors to the high number of violent crimes directed at vulnerable groups such as women and children. Much effort should be put in policing the proliferation of illegal firearms considering that they are the drivers of serious and violent crimes.

6.5.2 Assessment of progress on major interventions

The first year of the 2019-2024 MTSF encompassed planning and implementation

simultaneously and this did not give adequate time for the alignment with the departmental strategic plans, which were also developed in the very same period. The following accounts for progress towards the realisation of the imperatives of the 2030 NDP vision.

6.5.2.1 Fostering constitutional values:

- a) The Prevention and Combating of Hate Crimes and Hate Speech Bill was approved by Cabinet in May 2018 for tabling in parliament and was not finalised at the end of the fifth Parliament. The Bill has since been revived on 29 October 2019 and is still before the Sixth Parliament. The finalisation of the process is therefore dependent on parliamentary processes.
- b) 75 schools recited the Preamble of the Constitution during the DBE Organized workshops and engagements during the month of February 2020 and March 2020 in Northern Cape and Mpumalanga provinces. DBE still lacks means and capacity to enforce compliance. Further to that the National COVID-19 lockdown restrictions led to suspension of all co-curricular and school enrichment programmes with immediate effect.
- c) BrandSA did 6 activations to promote constitutional awareness (freedom of expression, promotion of access to information freedom of religion, freedom month and youth month). All these was done utilising 12 various marketing platforms which included radio, digital, outdoor, TV, and print reaching a diverse audience across the provinces.
- d) DBE implemented four (4) programs on Human Rights Education Engagement sessions and National Schools Moot Court. The sprouts of racism that emerged in multiracial schools meant that the national office directly convenes the engagements to support provinces and education districts, hence the positive deviation of 4 instead of 2.
- e) No awareness activations on the "I am the Flag" were done against a target of ten (10)
- f) Two (2) Workshops to advance knowledge on National Symbols were facilitated for the Delpark Teachers Centre and for Department of Sport, Arts, Culture & Recreation (Ekurhuleni Municipality)
- g) 400 SA flags installed in schools by the DSAC against a target of 420 and the outstanding 20 flags were planned for April, May and June which were affected by Covid-19 restrictions.

6.5.2.2 Promoting equal opportunities, inclusion and redress:

This is a strategic intervention aimed at reducing the historical impact of factors such as gender, ethnicity, place of birth, and parental income and family background on people's life chances. The following progress can be noted:

- a) **Improve the enforcement of the Employment Equity Act:** The Employment Equity Amendment Bill 2019 was approved by Cabinet in February 2020 and tabled in Parliament in March 2020. The Bill is a result of insignificant transformation in the country's labour market. The amendments are set to empower the Employment and Labour Minister, in consultation with sector stakeholders, to introduce enabling provisions for the setting of sector-specific Employment Equity numerical targets. Of the 298 designated employers reviewed, all were found to be non-compliant and issued with DG Recommendations to comply within 60 days. This was against a target of 717 which could not be met due to the national lockdown which led to most workplaces to close and inspection could not be carried out.
- b) **Improve representation of the designated groups across occupational levels:** Against a target of 2% annual increase, Africans increased by 1.7% (41.5% in 2018 to 43.2% in 2019) at middle management as reported by designated employers in 2019 EE reporting period; Against a target of 2% annual increase, Africans increased by 0.3% (23.2% in 2018 to 23.5% in 2019) at senior management as reported by designated employers in 2019 EE reporting period; Against a target of 1.5% annual increase, Persons with disabilities increased with 0.1% (1% in 2018 to 1.1% in 2019) as reported by designated employers in 2019 EE reporting period;
- c) Income Differential data collection tool (EEA4 form) has been developed and published in the government gazette of August 2019, which was initially targeted for 2022. The objective is to collect information from the employer to assess the remuneration gap between the highest paid and lowest paid employees. This exercise also enables an assessment into inequalities in remuneration in terms of race and gender at the different occupational levels.
- d) **Outreach initiatives to change behaviour in relation to gender and xenophobia:** Two (2) Anti-Xenophobia campaigns in collaboration with DSD; SAPS; civil society organisations; international organisations and local government in Atteridgeville and Katlehong in March 2020, against a target of four (4). The non-achievement of the set target is attributed to the lock down regulations and the absence of supporting tools of trade to work remotely. DWYPD also conducted the Beijing +25 Stakeholder consultation, back to school campaign with learners with special needs; GBVF Assembly in partnership with Higher Education in Welkom FET; Dialogue with youth including those with disabilities; and initiatives in various children centres to contribute to the mitigation of the impact of the Covid-19 pandemic for vulnerable groups.
- e) **Coordinate the implementation of the National Action Plan (NAP) to combat racism, racial discrimination, xenophobia and related intolerance:** Draft Terms of Reference (TOR) for the NAP Governance Structure developed and circulated for inputs and work is underway to secure the comments from the Interim structure and approval by the Executive Authority. The implementation of the NAP among others includes the development of a funding model, institutionalisation of a rapid response mechanism and finally the virtual data repository on disaggregated statistical data which are due for outer years of the MTSF.

- f) **Increase support in the creative industry through the Mzansi Golden Economy (MGE) project:** Four (4) MGE projects were successfully implemented and collectively attracted diverse communities of South Africa against a target of 20. The non-achievement has been due to COVID-19 Regulations that discourage mass gatherings and traveling. The targets have since been reviewed in the DSAC APP
- g) **Implement heritage legacy projects to transform the national heritage landscape:** The Winnie Mandela Site in Brandfort has been completed during the period under review with a completion certificate issued. This is one of the six heritage legacy projects identified for the current MTSF. Khananda site; OR Tambo Garden of Remembrance; Winnie Mandela site in Brandfort; Archie Gumede statue; Statue and memorial of King Cetshwayo; and Enyokeni.
- h) **Promote the study of history in schools:** The topics for the oral history programme have been developed, approved and disseminated to provinces for learners to participate in the programme, however, the writing of the new curriculum is still in progress by the Ministerial Task Team. Co-curricular and school enrichment activities have since been suspended in keeping with the Covid-19 regulations and also for the subsequent Ministerial Task Team Meetings. This also affects the Revision of History Curriculum Policy/Documents; Training of Curriculum specialists, teachers, Examiners and moderators for Grade 12.
- i) **Promotion and implementation of indigenous languages:** No progress has been achieved against a target of introducing African languages in 2584 public schools. This includes the programme to promote Mother Tongue Based Multilingual Education, introduction of Kiswahili to 50 schools as Second Additional Language in the National Curriculum Statement. The focus of teaching and learning, during Covid-19 is on the fundamentals, which includes Home Language and First Additional Language levels. The Incremental Introduction of African Languages (IIAL) programme has been put on hold whilst the schools are currently managing the life-threatening situation of COVID-19 in the education sector.
- j) **Monitor the implementation of the Use of Official Languages Act:** 36 Departments and 131 entities were monitored through dissemination of the monitoring tool during the period under review, and only 13 that responded were found to have a language policy. A lack of cooperation by departments to respond to PanSALB's monitoring efforts is however noted with concern and requires Cabinet intervention.
- k) **Promotion and development of official languages:** A total of 192 documents received have been translated and edited for the current period, which translates to 100%. Progress on the six (6) multi-year human language technology projects includes the following milestones: Evaluation process of Monolingual & aligned parallel corpora in progress; Final product of annotated speech corpus was delivered, and final project report was submitted; Final product of Mobile web-platform was completed, and final project report was submitted; System integration and testing process completed; HLT-enabled mobile application on pilot stage, Acoustic models for Afrikaans, Sesotho and isiZulu have been tested.
- l) **Support the increase of qualified language practitioners through language bursaries:** A total 458 students were awarded language bursaries during the 2019/20 against a target of 300. The additional 158 students have no bearing on the funds allocated by DSAC because of varying fees within various universities. Universities also submitted

4th quarter progress reports for 2019/2020 financial year and 1st quarter progress reports for 2020/21.

- m) **Introduce compulsory module for public servants on diversity (gender, race and disability):** With regards to building capacity of the public sector, the NSG is in the process of developing an online programme “Anti-discrimination” to allow for online training and expand access. Capacity building of public sector: During the 2019/20 financial year, the design and development of three short courses has been finalised which includes: Course 1 - GBV (2 days) - The content of the course has been carefully selected to empower and build resilience in a caring learning and development environment; Course 2 (3 days)- - Gender Responsive Planning and Budgeting course developed in collaboration with the DWYPD; Course 3 (2 days) - Sexual Harassment course that includes issues and examples relevant to the current GBVF advocacy agenda.
- n) **Training of in-service teachers and School Management on anti-discrimination:** No training undertaken because training for teachers is undertaken through SACE and ELRC NSG and not covered by NSG. Currently all teachers’ development Programs are evaluated by SACE and endorsed through the ELRC and therefore teachers’ training dealing with racism and discrimination should be undertaken in collaboration with SACE and ELRC.
- o) **Advocate for transformation in sport and recreation bodies meeting 50% or more of all prescribed Charter transformation targets:** Nine (9) out of 18 which translates to **50%** of federations audited, table tennis, football, volleyball, softball, cricket, boxing, netball, athletics, and basketball have achieved 50% and more of all the generic Black Charter targets set.
- p) **Produce / support the production films and documentaries telling the South African story, including the history of liberation:** Against a target of 50 for this reporting period, only 11 films were supported. This is mainly due to the Covid-19 and the industry had to shut down, which resulted in the department not receiving any viable applications for the reporting period. Applications are still put on hold due to the pandemic.
- q) **National archives infrastructure upgrades:** Work is underway in consultation with the National Treasury on the process to follow when undertaking a public-private partnership (PPP) project. The procurement delays and COVID-19 lockdown implications were unforeseen.
- r) **Development of Provincial Resistance and Liberation Heritage Route (RLHR) Sites:** An amount of R20 398 000.00 has been transferred to the National Heritage Council on 30 March 2020 for the development of 19 RLHR Provincial sites against a target of nine (9) provincial sites.

Promoting social cohesion through increased interaction across space and class: Public interaction is important for building trusting societies. These include the production of artwork and stories that facilitate healing, nation building and dialogue. Similar with sport that create opportunities for interactions - cultural activities and art also play a major role in facilitating the sharing of common spaces, promotion and preservation and inform cultural sustainability of communities’ social fabric. The following progress can be noted:

- a) **Promote the celebration of national days on an intercultural basis, fully inclusive of all South Africans:** Digital campaigns showcasing the significance of national days has

been implemented by BrandSA, which includes programming on television and radio. These includes Human Rights Day, Freedom Day, Africa day and Youth day.

- b) **Promote access to cultural facilities/community arts centres and participation in arts, culture and heritage programmes:** Against a target of nine (9) only seven (7) provincial Community Arts Development Programmes were supported in Limpopo, Free State and Eastern Cape, Gauteng, Northern Cape and North West. Some of the programmes will only be implemented when the Covid-19 regulations are lifted due to the fact that they are mass based.
- c) **Implement the community conversations / dialogue programme:** Against a target of 10 only two (2) community conversations were held. Indigenous Languages Seminar on 21 February 2020, Western Cape and Setsoto Social Cohesion and Nation Building Community Conversation on 12 March 2020 in Free State. Community conversations were cancelled due to Covid-19 and the fact that they are mass based.
- d) **Implement advocacy platforms on social cohesion by Social Cohesion Advocates:** Six (6) Advocacy platforms were held from January – June 2020 instead if a target of 10. The rest of the advocacy platforms were not implemented due to the Covid-19 restriction on mass gatherings and travelling. As a remedial action, the targets have been revised and different formats of implementation are being explored.
- e) **Use international events to promote advocacy amongst South Africans living abroad:** Nine (9) Global South Africans activations have been implemented. Activation in Los Angeles, USA; Perth, Australia; Activation with ICC, Perth, Australia; Melbourne, Australia; virtual Activation, Zambia; Messages of Hope for SA from GSAs in the UK; Freedom Day Celebrating GSAs in the UK; Global Citizen Campaign, Head Office; Africa Day Virtual Shout-Out Event in collaboration with the GSA and Diaspora community, USA.
- f) **Greening of public spaces through the Community Works Programme:** As part of the Local Government effort of investing in the greening and making public spaces safe, 44 greening projects through the implementation and maintenance of vegetable gardens and parks respectively in Elias Motswaledi with nine (9) food gardens and one (1) park; Makhuduthamaga had five (5) food gardens; Fetakgomo Tubatse 23 food gardens and one (1) park; Ephraim Mogale had five (5) food gardens.
- g) **Promote participation in sport and recreation by facilitating opportunities for people to share space and by providing equipment and/or attire to schools, hubs and clubs:** This intervention includes sport and recreation promotion campaigns and events implemented; and schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards. The reported progress was not backed by evidence or means of verification and therefore it could not be recorded.
- h) **Develop talented athletes by providing them with opportunities to excel at the national school sport championships and by supporting athletes through the sports academies:** This intervention includes learners participating in the national school sport championship; and athletes supported by the sports academies. The reported progress was not backed by evidence or means of verification and therefore it could not be recorded.
- i) **Support high performance athletes to achieve success in international sport:** The intervention includes athletes supported through the scientific support programme per year.

The reported progress was not backed by evidence or means of verification and therefore it could not be recorded.

6.5.2.3 Promoting active citizenry and leadership.

- a) **Civic and Democracy Education (CDE) campaigns to improve participation in elections:** Against a target of 6333, only 5384 campaigns were held and due to face to face restrictions of Covid-19, no activity took place between April and June 2020.
- b) **Maintain an accurate national common voters' roll to ensure the credibility of elections:** Against a target of 26 800 000 registered voters reflected on the voters' roll as at 31 March each year, capturing of addresses is ongoing, with 26 550 467 (91%) voters captured with complete addresses in the voter registration system for the year under review.
- c) **Promote participation in community-based governance processes (Active citizenship bodies):** GovChat is a social media platform for community engagement and has been implemented in 3 provinces (WC, FS & NC) but fully accessible countrywide. The Know your Traditional Council feature is fully activated. The platform has been activated and live with built-in features for Covid-19. As at 30 June 2020, it had over 2,595 million active monthly users. Over 125 million messages received; 1397 reports of covid-19 regulation violations reported; 2,694 million Covid-19 SRD applications received; and over 854 requests for location of Covid-19 testing facilities. The platform has also been activated to map and locate non-registered ECD facilities through the Vangasali Campaign in preparation for opening post lockdown restrictions.
- d) A total of 113 municipalities were supported to have functional ward committees with effective community engagement structures, cumulative to the municipalities supported in the previous years. The review of the legislative framework for ward committees has been incorporated into the Municipal Structures Amendment Bill process.
- e) **Training of School Governing Bodies on school policies and code of conduct:** None of the 5 SGB Associations have been trained on school policies and code of conduct. Impact of COVID-19 Pandemic has halted progress on this. However, the Education Management and Governance unit is soliciting alternative plans for the training of the SGB Associations, who would then facilitate cascade training with their SGB constituencies.
- f) **Implement Play Your Part (PYP) activities that promote nation brand values implemented to encourage South Africans to use their time, money, skills or goods to contribute to a better future for all:** A target of six (6) PYP activities that promote nation brand values have been implemented and these included school activities in Western Cape; online school's activation in KZN in partnership with Gagasi FM; school's activation delivered in Limpopo in partnership with Capricorn FM; Virtual TV series launched and showcased 6x stories about NGOs that are playing their part during the Covid-19 Pandemic located in Gauteng, Northern Cape and Western Cape; Prepare, Plan and Prosper (#PPP) campaign radio and digital educational awareness in response to COVID 19.

6.5.2.4 Fostering Social Compacts:

- a) With regard to crafting a social compact for a more democratic, equal and more prosperous society, the DSAC has convened a social compact convention for social cohesion and nation building on 6 to 7 February 2020. It is hoped that the compact will foster partnerships with civil society, private sector and citizens; and contribute substantially to provide the political,

economic and social conditions for development. A monitoring plan for the compact will be used to track progress on commitments made in the compacts. However, there were many sector specific social compacts concluded and these include the Solidarity fund, the economic reconstruction and recovery plan.

Safer Communities

6.5.2.5 Improvement in corruption

- a) The target of 74% conviction rate of persons arrested for cable theft was exceeded by achieving 80% (4 convictions from 5 verdicts).
- b) With regards the target to strengthen the capacity of the Special Tribunal established under the SIU Act for civil, it is reported that 14 civil cases were enrolled in the Special Tribunal Court, between January to June 2020.

6.5.2.6 Reduced organised crime

- a) Serious Organised Crime continues to be a threat to the authority of the State and the safety and security of the citizens of South Africa. In particular, drug syndicates and those perpetrating illegal mining activities, pose a major risk to the safety of law-abiding citizens.
- b) It is to be noted that 57,14% of registered serious organised crime project investigations were successfully closed, against a target of 72%. It is reported that projects had to be extended due to COVID.
- c) The target to neutralise 90% of identified organised criminal groups or syndicates with arrests was not achieved as no organised criminal groups were neutralised. The reason for the non-achievement is alluded to lockdown restrictions which makes access to public and courts difficult and also to the decline in the aggressive approach to suspect track and trace operations and the utilisation of an informer network.
- d) The Cluster also received and responded to 100% (6) of requests to reduce identified Illegal mining operations, and they terminated the operations with arrests

6.5.2.7 A well defended and secured cyberspace

- a) Cybercrime has been described as being relentless and having a catastrophic impact on economic growth, jobs and investment.
- b) Government is hard at work in ensuring that the Cybersecurity Bill is reviewed as progress to date includes proposing draft Cybersecurity provisions for addition in the General Intelligence Laws Amendment Bill, 2020. The Amendment Bill, is planned for tabling in Parliament.
- c) With regards the target to have BMA operational at 36 Ports of Entry by 2024 and 10 segments of the land borderline, it is reported that the BMA Bill, 2016 was adopted by Parliament in March 2020 and was assented (signed into law) by President on 21 July 2020 (Act No. 2 of 2020: Border Management Authority Act, 2020). The establishment of the BMA will address the issue of porous borders.

6.5.2.8 Rehabilitation of offenders

- a) The target to increase the number of victims participating in Restorative Justice Programme, the Victim Offender Dialogues (through the use of Social Auxiliary Workers) have been suspended. The Department is using AVR (audio/video receiver) to conduct victim offender dialogues where stakeholders indicated readiness to engage. As a result, the performance in quarter 1 has decreased by 85%.
- b) In terms of social integration, 99% in terms of the percentage of parolees without violations per year was attained
- c) And 99% in relation to percentage of probationers without violations per year, all against a set target of 97%.

6.5.2.9 Community-Police partnerships

- a) Crime is a social phenomenon that cannot be prevented by the police alone, hence partnerships are critical in the fight against crime. Community Police Forums (CPFs) play a pivotal role in the building of partnerships, sharing information between the police and the community and tapping into resident's knowledge and expertise.
- b) With regards the target to implement the Community in Blue Concept in nine provinces by 31 March 2020, it is noted that to date, no Province has implemented the Community-in-Blue Concept.
- c) Also, the Traditional Policing Concept, which was planned to be implemented in KwaZulu-Natal, Eastern Cape, Limpopo and Mpumalanga by 31 March 2021. In the 1st Quarter of 2020/2021 has not been implemented.
- d) Regarding the Implementation of the Safer City Framework (including smart technology), it is reported that the Safer City Framework was implemented, in three cities, namely, eThekweni (Durban), Cape Town, and Port Elizabeth. There are delays in the implementation of the framework due to the travel ban between Provinces, which makes it difficult to have regular engagements between all stakeholders in the different provinces.

6.5.2.10 Border Security

- a) Improving border security and management by addressing security threats and vulnerabilities is one of the key objectives identified in the NDP and the National Security Strategy.
- b) During the reporting period, 15 landward subunits for border safeguarding were deployed. Landward, air and maritime capabilities were committed for the purposes of supporting the people of South Africa internally by safe guarding our borders, disaster relief, search and rescue, bridge building in communities isolated from essential services and conducting coastal patrols. The Defence Force rendered support to the SAPS at the Cape Flats, Western Cape in order to curtail gang violence.
- c) The target to have 100% of identified ports of entry equipped with biometric functionality is not attained as it is reported that the developers were not allowed to access the work place during level 5 of the lockdown and had to review the target to 70%. This means instead of rolling out the new system on all counters, only 70% will be upgraded and the 30% will remain with the old system for stability of the new system and service continuity.
- d) Progress with regards the target to implement the DHA Automated Biometric Information System (ABIS) is that 49 of the 54 million records of HANIS data is migrated into ABIS.

6.5.2.11 Gender-Based Violence and Femicide

- a. The SAPS prioritises the provision of Victim-Friendly Rooms at police stations that currently don't have these facilities.
- b. Currently, 1 149 police stations are rendering a victim-friendly service to victims of crime.
- c. It is to be noted that SAPS developed and distributed the guidelines for the policing of gender-based violence, during the COVID-19 lockdown and beyond, accompanied by a resource directory for services available from departments and civil societies on gender-based violence
- d. It is also reported that local community radio stations were used to conduct public awareness raising on services available, regarding the various forms of gender-based violence and child abuse.
- e. The prioritisation of GBV has managed to fast-track government processes as an immediate response to the scourge, wherein the President announced an Emergency Action Plan (EAP) for R1.6 billion focusing on improving access to justice for survivors of violence and prevention campaigns to change attitudes and behaviour. The GBVF Emergency Response Action Plan (ERAP) that was implemented by government and civil society between October 2019 and March 2020 demonstrated the effectiveness of multi-sectoral coordination. The approach harnessed the roles, responsibilities, resources and commitment of all stakeholders across different tiers of government and sections of society.
- f. Cabinet approved the National Strategic Plan on Gender-based Violence and Femicide (NSP on GBVF) and established the Inter-Ministerial Committee (IMC) on gender-based Violence and Femicide to oversee its implementation in November 2019. The NSP on GBVF provides a framework for different role players to intervene in a multifaceted and integrated manner. Similarly, the NSP is based on the understanding that a multi-sectoral approach is central to effectively addressing the GBVF affront. The Department of Women, Youth and Persons with disabilities is the custodian of the NSP and entrusted with the coordination and reporting on progress to the President. This is done in collaboration with DPME including the production of the weekly reports as directed by the President. for the implementation of the strategy.
- g. One of the key highlights for pillar three of the strategy aimed at providing protection, safety and justice for survivors of GBVF and effectively holds perpetrators accountable for their actions; progress is underway to amend three separate Bills that are intended to address GBVF. The first Bill amends the Domestic Violence Act to address practical challenges, gaps, and anomalies that have manifested themselves since the Act was put into operation in 1999. This is aimed providing greater protection to victims in violent domestic relationships and to curb domestic homicides and femicide.
- h. The second Bill amends primary law dealing with sexual offences which, among others, contains a Chapter on a National Register for Sex Offenders to broaden the scope of the categories of sex offenders whose names must be included in the Register, which currently only convicted sex offenders whose victims are children or mentally disabled persons are included.
- i. The last Bill tightens up on the bail and sentencing laws in cases that have a bearing on gender-based violence and femicide. The intention is to ensure that persons who pose a danger to members of society because they are alleged to have committed GBVF-related offences are not released on bail; and also proposes changes to the laws on sentencing to ensure that convicted offenders for GBVF-related offences receive sufficiently severe sentences and that they are not released on parole in the normal course.
- j. The success of the GBVF-NSP is therefore dependant on respective stakeholders moving beyond differences, building meaningful relationships of trust, and finding ways to work together – recognising that B+GBVF is a shadow pandemic to Covid-19.

6.6. MAJOR CHALLENGES AND BLOCKAGES AFFECTING IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF. INCLUDE THE IMPACT OF COVID-19 ON THE PLANNED INTERVENTIONS BY THE SECTOR.

6.6.1 COVID-19 experience, implications and lessons learned

- a) Covid-19 experiences meant certain rights had to be limited in order to enable social distancing so as to curtail the spread of the virus. Directions issued in terms of the Disaster Management Act, 2002 suspended all sporting, arts, cultural and religious events; directed for the closure of public places such as parks, theatres and cinemas; imposed restrictions on gathering and movements of persons including regulations on visits. The Covid-19 lockdown from level 5 up to level 4 has demonstrated improved levels of trust in the government, a sense of belonging and a willingness to participate and help others, which are all classic signs of strong social cohesion and a capable state. Both surveys from BrandSA and UJ-HSRC on citizen perception conducted in April 2020 confirm confidence (73%) in the President and government in handling the Coronavirus outbreak. The lockdown regulations, although necessary, also brought about some unintended consequences including the compromise of the objectives of social cohesion and nation building, particularly that of fostering solidarity among individuals and communities and sharing of common spaces.
- b) The cancellation of events has had a huge impact on both national and provincial plans particularly on customised sector indicators that are predominately mass-based. Women, youth and persons with disabilities are disproportionately impacted due to attitudinal, environmental and institutional barriers that are reproduced in the Covid-19 response. Social cohesion initiatives, particularly at this time of isolation are best placed to bring hope and comfort to South Africans as we unite in the fight against COVID-19.
- c) The introduction of the GovChat provides another opportunity for public interface with government and the fact that the platform has been activated and live with built-in features for Covid-19 response. This should be considered as a valuable source of citizen experiences on the ground and this seeks to promote the District Development Model
- d) As the lockdown progressed, the South African public got further acquainted with the state apparatus and measures put in place to enforce the legal framework of the Disaster Management Act such as the National Coronavirus Command Council (NCCC). The lockdown has enhanced the use of technology, the effect of which will have an impact far beyond the pandemic, and may well change the way Government provides services and support in the future.
- e) The outbreak of Coronavirus also imposed major disruptions on safety, security and international relations. Food security was one of the challenges, marred with allegations of theft of food parcels by public officials and nepotism with food parcel allocation, increases in the looting of premises selling liquor, incidents of corruption and bribery on the part of law enforcement, vandalising and burning of schools and increase in gender-based violence against vulnerable groups, in particular women and children.
- f) In addition, there were borderline security challenges experienced with residents from neighbouring countries seeking medical assistance and the smuggling of cigarettes and alcohol.

- g) In the Correctional Service facilities, there were challenges with regards to overcrowding, which is a risk factor for COVID 19 infections. In a proclamation gazetted on 08 May, President Ramaphosa authorised the release on parole of low-risk inmates to ease overcrowding and curb the spread of COVID-19 in correctional facilities. This was a measure to combat the spread of the virus in correctional facilities which are considered high risk areas for infection. At the time it was reported that 19 000 low risk sentenced offenders would be eligible for this parole.
- h) The initial releases started from 20 May 2020 and by 30 June 2020, 5 026 offenders were placed on parole and four (4) have been re-arrested. The released inmates are placed in Community Corrections where they will continue serving their sentences. Community Corrections officers will be entrusted with monitoring the parolees and administrating their parole conditions.
- i) COVID-19 has reduced physical monitoring of offenders within the system of community corrections. High risk offenders have been prioritised for physical monitoring while field calls are conducted for low and medium risk offenders. Low risk and medium risk that are monitored remotely telephonically are confirmed by location and video of the surroundings. In certain circumstances the police and other law enforcement agencies are requested for assistance. The lack of physical monitoring does pose challenges particularly where probation officers are unable to fully verify the facts that have been provided. The current crisis has accelerated the Department's plans to increase monitoring through alternative means such as electronic monitoring.
- j) Non-compliance with lockdown regulations also a concern. Government put measures to curb social activities to help the citizens in preventing the rapid spread of the virus. And efforts were increased to ensure that there are patrols, roadblocks and increased police visibility and However, some of the community members still did not comply to the regulations. Alcohol and cigarettes bans were put in place however; we saw a surge to illegal trade in these products. After tears, after funerals, as a form of social gatherings, was also noticed, which is also a transgression of lockdown regulations. Noteworthy was also an increase in the destruction and damage of critical social and public infrastructure during the lockdown.

6.7. CROSS-CUTTING ISSUES THAT HAVE A CONTRIBUTION TO MAJOR CHALLENGES AND BLOCKAGES AFFECTING THE SECTOR'S IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE MTSF.

- 6.7.1 Transformation pace in the labour market is noted with concern and the finalisation of the Employment Equity Amendment Bill 2019 tabled in Parliament in March 2020 will be key in realising imperatives of the affirmative action policies which includes the representation of Africans, Women and People with Disabilities.
- 6.7.2 Whilst the lockdown regulations have been eased, the current restrictions on mass events remains and impacts directly on the delivery mode for mass-based interventions which also includes the schools, sport, arts, culture and recreation environment.
- 6.7.3 In view of the need to seamlessly champion the struggle to eradicate GBVF, it is of paramount importance that the national response continues to be founded on a participatory and multi-sectoral approach. Given the enormity of the task and the need to uphold an inclusive approach, all government tiers must be encouraged and brought on board to support and build cohesion around the GBVF-NSP vision of eradicating gender-based violence and ensuring that the NSP is fully implemented.

- 6.7.4 The BrandSA online public perception survey results from April to June 2020 shows a three-month trend that is dwindling on public confidence in government measures to minimise the spread of the virus from 88% in April to 76% in June 2020. The results show that confidence in the leadership of the NCCC has retreated the most (13% decline), dropping from 81% in April to 68% in June. In addition, several legal challenges to regulations also stirred public distrust in certain regulations and measures taken by government.
- 6.7.5 Compared to the early period of the national lockdown, people are also feeling more at risk of contracting the virus than during April with 69% and up with 73% in June. This in turn is hoped to encourage people to adhere to basic hygiene principles such as washing of hands, wearing of mask and keeping social distance.
- 6.7.6 The most important point to note is that addressing some of the key drivers of crime are beyond the scope and mandate of the criminal justice system. Consequently, more progress will need to be made in order to address the socio-economic determinants of crime through, inter alia, implementing the Integrated Social Crime Prevention Strategy and the Charter of positive values of the Moral Regeneration Movement.
- 6.7.7 The prevalence of violent crimes and deaths of women and children as a result of gender-based violence and femicide in society is a challenge. Women do not feel free in their homes and communities and this puts a serious challenge on the Criminal Justice System.
- 6.7.8 Endemic allegations of corruption, especially that relates to the fraudulent UIF claims, overpricing of goods and services, violation of emergency procurement regulations, and collusion between officials and service providers.
- 6.7.9 Proliferation of drugs and drug abuse is a precursor to social ills such as violence, crime, injuries and premature deaths. Therefore, the three key pillars of the National Drugs Master Plan, namely demand, supply and harm reduction should all receive the attention they deserve, through a coordinated and multi-pronged approach, to address the scourge of drugs.

6.8. ACTIONS NEEDED TO ADDRESS MAJOR CONSTRAINTS AND CHALLENGES [INNOVATIVE ACTION TO ACHIEVE THE MTSF TARGETS (IN THE PRESENCE OF COVID-19)].

6.8.1 In normalising Covid-19 and noting some remedial actions and alternative methods of delivery that have been proposed including the review of the Departmental Strategic Plans and Annual Performance plans in order to intensifying government response to the pandemic (circular 2 of 2020 from DPME), the immediate review of the MTSF to reprioritise and repurpose it accordingly is inevitable. This will ultimately inform and assist in building a relevant and responsive monitoring system with adjusted targets and indicators in accordance with Covid-19.

6.8.2 Proposed platforms of engagement are mostly digital and on a positive note, costs are being saved, however, on another note a high level of exclusion prevails due to the required means to participate in these engagements. This means that the poor and those located in rural/remote areas remains excluded in the empowerment programmes, some services targeted at them. Adopting new Information Technology (IT) systems therefore requires upskilling and empowering of employees to meet the emerging demand in line with the alternative implementation modalities for the affected programmes whilst maintaining values of the Constitution.

6.8.3 Stable, well-functioning families tend to exhibit higher levels of social capital and resilience which in turn contributes to greater social cohesion at the societal level (HSRC review 2016). Taking cognisance of the importance of issues of families in fostering social cohesion, programmes aimed at strengthening families so that they can inculcate constitutional values have continuously lagged behind by the Department of Social Development. As a result, they also do not feature in the current MTSF Priority 6 (Social Cohesion). This become a critical intervention noting that families are a base for social cohesion. Family is critical to achieving a healthy, cohesive society.

6.8.4 In realising the imperatives of the GBVF-NSP, it should be mandatory for all sectors to make commitments and operationalise the plan into their respective mandates according to the Pillars of the strategy. This will assist in dealing with the GBVF scourge across the sectors and with the participation of civil society and the private sector through collaboration.

6.8.5 Efforts should be enhanced to reduce incidents of serious crimes through interventions such as implementing, the revised National Drug Master Plan, the White Paper on Safety and Security, the National Anti-Gang Strategy etc.

6.8.6 The production of an integrated crime and violence prevention strategy needs to be expedited. It is noted that a Draft Integrated Crime and Violence Prevention Strategy (Draft Strategy) was approved for consultation at the end of the 2019/20 financial year. The Draft Strategy proposes a 'whole of government' and 'whole of society' approach, and clarifies the roles and responsibilities of key national and provincial departments in implementing safety programmes, as well as placing emphasis on the role of local government in planning for and implementing safety programmes.

6.8.7 There is consequently, a need for improvement in areas of investigations and prosecutions, increased police visibility, tackling the scourge of corruption and serious and violent crimes, implementing measures to increasing the effectiveness and efficiency of the criminal justice system.

6.9. IMPLICATION OF THIS TO THE REVIEW OF THE MTSF AND OPTIMIZING HOW GOVERNMENT OPERATES

6.9.1 The review of the MTSF will ensure alignment and a relevant response to the current environment in terms of planning, monitoring and resource allocation in line with the Covid-19 pandemic and the scourge of GBVF. This means that focus should be on reprioritisation of interventions that contribute to improvement of livelihoods with a specific focus on initiatives creating employment opportunities, reducing poverty and inequalities of opportunities. Implementation of social cohesion programmes remain relevant in transforming society and uniting the country-specifically with the implementation of the redress measures, because without unity of purpose it will be impossible to weather this period of minimal resources.

6.9.2 Raising revenue and reducing costs to government should be prioritised. For example, cognisance should be taken that Illegal mining is on the rise in South Africa and presents challenges including lost revenue (lost tax) that need to be addressed from a range of perspectives. It takes place at abandoned mines and at operating mines with illegal miners often operating under dangerous conditions. Community-based alternative sentencing should be enhanced to reduce the inmate population, to better meet basic human needs, such as healthcare, food, and accommodation, and to promote effective rehabilitation and successful reintegration of offenders into the community.

6.9.3 In 2016, the process to develop the National Anti-Corruption Strategy, which is a comprehensive Strategy to support improved coordination between the numerous role-players in the fight against corruption, and tackle the systemic causes of corruption was developed. To date there is a draft National Anti-Corruption Strategy (2020-2030), with a monitoring plan and an implementation strategy, which was targeted to be finalised in June 2020 but it was delayed owing to COVID 19. However, a Reference Group was established to provide quality assurance and to endorse the draft strategy for Cabinet Approval.

6.9.4 The surge of violent crimes and deaths of women and children as a result of GBVF remains a concern. Women do not feel free in their homes and communities and this is a challenge for the Criminal Justice System. To deal with the increase in sexual offences, focus should be on ensuring the increase in the reporting of these crimes in order to overcome the problem of acute under-reporting.

6.10. RECOMMENDATIONS

6.10.1 The new MTSF, departmental strategic plans and annual performance plans must infuse the national Strategic Plan on Gender Based violence to ensure that women are and feel safe and the constitutional value of non- sexism are realised. All members of the executive must drive all six pillars of the NSP (GBV)

6.10.2 In order to deal with both crime and social cohesion fostering values of the constitution becomes necessary and programmes for the family, schools and society at large should be resourced

6.10.3 Efforts should be enhanced to reduce incidents of serious crimes through interventions such as implementing, the revised National Drug Master Plan, the White Paper on Safety and Security, the National Anti-Gang Strategy etc.

6.10.4 Redress and righting the wrongs of the past must be prioritised for all to feel the belong. This includes ensuring all have access to the social wage as well as economic, cultural and space redress.

6.10.5 Raising revenue and reducing costs to government should be prioritised- illegal mining, illicit financial flows etc must be prioritised to mobilise funds for development.

7. PRIORITY 7: A BETTER AFRICA AND WORLD

7.1. STRATEGIC INTENT OF THE PRIORITY –FOREGROUNDING THE PRIORITY

7.1.1 The international relations arena has undergone rapid changes through globalisation and digitalisation. The natures of agreements, both political and economic, are complex and require countries to clearly articulate their foreign policy objectives and identify and forge relationships that will have positive geo- political impacts.

7.1.1 Policy uncertainty in this area is affecting the country's ability to be influential, and to implement foreign policies and agreements in order to deepen integration and cooperation, particularly in the region and on the continent. The lack of a clear articulation of the country's national interest and its stance on economic diplomacy contributes to uncertainty, affecting investor confidence and accelerating the pace of inward direct investment.

7.1.2 The number of foreign missions and posted personnel is unsustainable. South Africa's defence force is not being appropriately equipped, resourced and trained to execute successful operations in support of South Africa's national security, national interest and foreign policy.

7.1.3 The National Development Plan (NDP) identifies tourism as a highly labour intensive industry which stimulates the development of small businesses and generates foreign direct investment and significant export earnings. The sector could create jobs for semi-skilled and unskilled workers in the short to long term, with a focus on villages, townships and small towns. Emphasis is placed on increasing the number of tourists entering South Africa and the amount spent; the availability of tourism infrastructure; positioning South Africa as a regional shopping and business centre; and ease of access by air and travel facilitation through favourable visa regimes.

7.2. PRIORITY COMPONENTS: IMPACTS WE WERE SEEKING TO ACHIEVE

7.2.1 Growth in tourism sector resulting in economic growth.

7.2.2 Increased regional integration and trade.

7.2.3 Implementation of identified Agenda 2030 and Agenda 2063 flagship programmes.

7.2.4 Equitable multilateral institutions and enhanced global governance.

7.2.5 Peaceful and secure continent.

7.3. OVERVIEW OF MAIN ACHIEVEMENTS

7.3.1 The first six months of 2020, saw South Africa assume the Chairpersonship of the African Union. The assumption of Chairpersonship of the AU placed the country in a strategic position to further consolidate the African Agenda by means of speeding up the implementation of Agenda 2063 and its flagship programmes, in particular, which includes the African Free Trade Area (AFCFTA) and Silencing the Guns.

7.3.2 In February 2020, South Africa also assumed the Chairpersonship of the Committee of the Heads of State and Government on Climate Change (SAHOSCC). South Africa aims to

use its leadership of CAHOSCC as a vital platform to advance the positions of the AU on Climate Change in all relevant multilateral fora.

7.3.3 South Africa has submitted its first progress reports on the implementation of Agenda 2063, thereby affirming their commitment to the successful implementation of Agenda 2063. In promoting equitable multilateral institutions and enhanced global governance, South Africa advocated for the strengthening of international cooperation and multilateralism in addressing global challenges such as COVID-19 in various multilateral fora such as the United Nations, Non-Aligned Movement (NAM) and Alliance for Multilateralism. South Africa also articulated and promoted African and developing country perspectives.

7.3.4 Preparations for the high-level week for the opening of the 75th session of the UN General Assembly (UNGA75) which will be held virtually, commenced. Negotiations on the Declaration for the 75th anniversary of the UN, which will be adopted at the virtual high-level event on 21 September 2020 took place from April and concluded in June. South Africa actively participated in the negotiations on the Declaration and ensured that substantive commitments such as strengthening for multilateralism and Security Council reform were included in the final text.

7.4. OVERVIEW OF THE MAIN CHALLENGES

7.4.1. During the reporting period, the working methods of multilateral institutions such as the United Nations had to adapt due to COVID-19, with a number of meetings being held virtually.

7.4.2 One of the most important priorities for South Africa was the planned hosting of back-to-back Summits on Peace and Security, and on the AfCFTA planned for 30 May 2020. However, due to the COVID-19 pandemic the Summits had to be postponed to the end of the year.

7.4.3 South Africa's prioritised economic empowerment of Africa's women during its term as AU Chair, working with all member states on measures to promote financial inclusion, preferential procurement and preferential trade arrangements for women. The commitments made to fight for women's economic and financial inclusion have been undermined by the COVID-19 pandemic as a result of postponement of meetings that were aimed at advancing these commitments.

7.4.4 There are constant delays in the attainment of the target to develop South Africa's National Interest Framework by March 2022, no progress has been given on the target except to say that progress will be reported on during next reporting period.

7.4.5 The AU Heads of State have pledged their support for measures to end GBV on the continent, and working towards the adoption of an AU Convention on Violence against Women during the course of 2020. The main focus of the AU Chair was mitigating the impact of the COVID-19 in the continent and ensuring that the capacity of member states to withstand the financial burden is supported beyond the Continent. As a result, the commitment to end gender-based violence was compromised.

7.4.4 The tourism sector was significantly affected by the COVID-19 pandemic. This was as a result of most countries closing their borders in a way to reduce the spread of the virus. These lockdowns essentially closed the market in the sector as they were not able to trade. Therefore, the projected economic growth by the sector could not be achieved. The sector will need innovative strategies in order to recover from the losses caused by pandemic and further enhance South Africa as a preferred tourism destination.

7.5. DISCUSSION

7.5.1 Positive or negative changes to the key high-level indicators (impact indicators).

- (a) The indicator to increase growth in tourism sector resulting in economic growth by increasing tourism arrivals has not been attained. For period Jan to March '20 tourist's arrivals are 10.2% down compared to same period in 2019.
- (b) Also, the target to increase the value of international tourist spend with 4% each year is negatively impacted by Covid-19. For period Jan to March '20, tourists spend is 24% down compared to same period in 2019. Borders were closed from 26 March 2020 and remain closed thus there is no international arrivals since lockdown to date.
- (c) The target to increase investment (FDI and domestic) into South Africa by R1.2 trillion in 2024 will not be attained. Actual progress during the reporting period is R663.687 billion.

7.5.2 Assessment of progress on major interventions

- (a) With regards the outcome to increase regional integration and trade, South Africa submitted its Country Report on the implementation of the SADC Revised Regional Indicative Strategic Development Plan (RISDP) (2015 – 2020) on 3 February 2020. The draft Revised RISDP (2020 – 2030) and SADC Vision 2050 will be tabled during the 40th Ordinary SADC Summit of Heads of State and Government for approval.
- (b) On the intervention to contribute to the implementation of identified Agenda 2063 Flagship Projects, South Africa targeted to prioritise Agenda 2063 and African flagship programmes in all inputs to all African and AU official's strategic partnerships. Progress to date includes that South Africa successfully assumed the Chairpersonship of the AU. It is worth noting that Mr Wamkele Mene, of South Africa, was elected as the first Secretary- General (SG) of the Secretariat of the AfCFTA. He will serve in this position for a four-year term.
- (c) South Africa has submitted its first progress reports on the implementation of Agenda 2063, thereby affirming their commitment to the successful implementation of Agenda 2063.
- (d) The target to fulfil 90% of country's obligation to SADC and AU were not achieved. It is reported that there are significant challenges in meeting all statutory financial obligations. And also, that due to the impact of foreign exchange and depreciation of the Rand commitments for compulsory membership fees to AU and SADC could not be fully honoured. The shortfall for AU is approximately R35 million and for SADC is R32 million.
- (e) The outcome to increase regional and global integration by targeting 100% compliance with all international commitments and requests for external missions (including political and diplomatic initiatives) in pursuit of regional, continental and international stability has been achieved. South Africa honoured 100% of its commitments and efforts in order to resolve continental conflicts. Several virtual meetings were conducted including AU High-

Level Committee on Libya at Summit level, meeting on Silencing the Guns: Role of South Africa in Maintaining Peace and Responding to Humanitarian Disasters as organized by the SA Institute of Foreign Affairs, (30 May 2020) and virtual Ministerial Meeting of the International Coalition for the Sahel (12 June 2020), to name but a few.

- (f) The indicator to promote South Africa as a preferred tourism destination by targeting to increase international tourist arrivals by 6% was not achieved. It is reported that during the reporting period, Jan to March '20 – arrivals are 10.2% down compared to same period in 2019. This is alluded to the closing of borders since 26 March 2020 and remain closed thus no international arrivals since lockdown to date.
- (g) The target to increase the value of international tourist spend with 4% each year was also not achieved. For period Jan to March '20 – spend is 24% down compared to same period in 2019. And this is also due to the same reasons as above. Consequently, the sector couldn't generate income.
- (h) The indicator to activate selected countries with functional e- Visa system was not achieved. The country targeted to roll out e-Visa to all selected countries (106) by 2025. The site readiness of the identified countries was not done due to restricted movement and closed borders. However, progress to date is that the development of the e-Visa solution was completed and piloted in Kenya and India only. COVID-19 will impact significantly on the target. The DHA is expected to travel to the identified countries for the installation of the system (backend activities), conduct change management and ensure that the system is functional in missions.
- (i) The indicator to comply with external peace support operations, rescue operations and humanitarian assistance whereby the country targeted 100% compliance was achieved as planned.
- (j) Landward, air and maritime capabilities were committed for the purposes of supporting the people of South Africa internally by safe guarding borders, disaster relief, search and rescue, bridge building in communities isolated from essential services and conducting coastal patrols. The Defence Force rendered support to the SAPS at the Cape Flats, Western Cape in order to curb gang violence.
- (k) Externally, the focus was on the peace mission (MONUSCO). The SANDF continued to support the UN Peace Support Operation in the DRC as part of the Force Intervention Brigade with a force size of 1 112 soldiers. The Government of Mozambique was also supported through anti-piracy operations in the Mozambique Channel. The latter was only achievable for the first three months of 2020 and had to be suspended since April 2020 due to the COVID-19 pandemic.

7.5.3 Major challenges and blockages affecting implementation of the interventions identified in the MTSF. Include the Impact of Covid-19 on the planned interventions by the sector.

- (a) Due to the COVID-19 outbreak, South Africa as the Chair of the AU refocussed its priorities towards efforts to contain the spread of the virus. Furthermore, South Africa and the Bureau of the AU, in conjunction with the AU Commission, spearheaded the

mobilisation of resources to mitigate the catastrophic socio-economic and humanitarian consequences that will befall Africa due to the pandemic. These initiatives included a series of AU Bureau meeting which commenced in March 2020 and are continuing to date, with the intention to coordinate regional and international efforts towards assisting Africa in responding to the pandemic.

- (b) South Africa's ability to implement its multilateral objectives is undermined by deep budget cuts and the impact of COVID-19 on the international schedule of meetings. However, South Africa was able to participate in events that took place virtually during the reporting period to articulate and promote African and developing country perspectives.
- (c) Moreover, virtual platforms are not conducive to multilateral negotiations and many key multilateral events were postponed to 2021 or beyond. This will lead to a particularly heavy schedule of face to face meetings once international travel and other restrictions are lifted.
- (d) One of the most important priorities for South Africa was the planned hosting of back-to-back Summits on Peace and Security, and on the AfCFTA planned for 30 May 2020. However, due to the COVID-19 pandemic the Summits had to be postponed to the end of the year.
- (e) Due to the impact of foreign exchange and depreciation of the Rand, commitments for compulsory membership fees to the AU and SADC could not be fully honoured. The shortfall for the AU is approximately R35 million and for SADC is R32 million.
- (f) Due to the COVID-19 pandemic some planned engagements and interactions to increase investment in both foreign and domestic had to be postponed to comply with the Disaster Management Act Regulations and social distancing measures.
- (g) Due to the implementation of budget cuts, South Africa would lack the financial resources required for an effective re-engagement post-COVID-19. The non-attendance of international engagements may result in the reversal of the gains made by South Africa and other developing countries over the previous decades in a wide range of multilateral bodies. South Africa would not be well placed to influence the ongoing evolution of international law, norms and values and decisions that will affect its citizens. Opportunities to benefit from the exchange of best practices will be lost and South Africa's influence and presence in key multilateral bodies will be eroded, including the ability to attract means of implementation support and debt relief from multilateral institutions and other countries.
- (h) On the Presidential Infrastructure Champion Initiative (PICI): Updates were received on the various PICI projects, including the 4 championed by SA and led by the President, Mr CM Ramaphosa. It was noted that while the COVID-19 pandemic has had a considerable impact, some positive progress was reported. This included:
 - The AU Rail Stock Initiative Project: progress was being made with advancing SA as the hub for rail manufacturing. (Mozambique and Zambia)
 - The Beit Bridge Border Post and related developments Project: The Request for Proposal has been finalised and will shortly be issued into the market
 - The Lesotho Highlands Water Project, Phase 2: Excavation of the intake and outlet portals have been completed and work on the tunnels' concrete lining is under way, with concrete casting and reinforcement having been started on tunnel one. The tunnels are

being excavated in advance of the construction of the Polihali dam to reduce the dam construction period. Impoundment of the Polihali reservoir is expected to start in 2024, with water delivery planned to start in 2027. The Project is a multi-phased, multi-billion Maloti/Rand project between the governments of the Kingdom of Lesotho and the Republic of South Africa. It comprises water transfer and hydropower generation components with associated ancillary developments.

- The Inga III Project: The AfDB recently committed \$7m through the AUDA NEPAD to assist in fast tracking the progress with regard to the Inga III Project.
- (i) COVID-19 will have an impact on the rollout of the e-Visa system in the 2020/21 financial year and therefore on the 2020/21 APP annual target. The DHA is expected to travel to the identified countries for the installation of the system (backend activities), conduct change management and ensure that the system is functional in missions. However, the Department is continuing with further enhancements to the system to facilitate rollout, once possible.

7.5.4 Cross-cutting issues that have a contribution to major challenges and blockages affecting the sector's implementation of the interventions identified in the MTSF.

Gender-based violence and femicide: The AU Heads of State have pledged their support for measures to end GBV on the continent, and working towards the adoption of an AU Convention on Violence against Women during the course of 2020. The main focus of the AU Chair was mitigating the impact of the COVID-19 in the continent and ensuring that the capacity of member states to withstand the financial burden is supported beyond the Continent. As a result, the commitment to end gender-based violence was compromised.

7.5.5 Actions needed to address major constraints and challenges (innovative action to achieve the MTSF targets (in the presence of COVID-19)).

- (a) The foreign policy messages the country is advancing through virtual platforms at a time when face to face meetings are not possible due to COVID-19, include that only international solidarity and a collective multilateral response will be effective because no country can address a global challenge of the magnitude of the COVID-19 crisis on its own. State and non-state actors alike need to work together to contribute in accordance with their means and equity considerations.
- (b) The country is seeking to provide foreign policy leadership for South Africa and Africa within a coordinated and coherent multilateral response to the COVID-19 crisis and the associated economic recovery. Such an approach seeks to locate South Africa and Africa's response within the context of the implementation of the United Nations 2030 Agenda, the African Union's Agenda 2063 and SADC's RISDP on Sustainable Development. The recovery presents an opportunity to build back in a better, more equitable and sustainable manner.
- (c) The COVID-19 global pandemic demonstrated that international solidarity and a collective, multilateral approach is essential, yet some countries continue to oppose multilateralism. In the midst of the global pandemic the USA withdrew from the World Health Organisation and the President of Brazil continued to question the seriousness of the crisis and the need for preventative measures. It is therefore essential that South Africa continue to press for multilateral cooperation, especially at this time when it is Chairing the African Union.

7.6. RECOMMENDATIONS

- (a) There is a need to prioritise the implementation of Agenda 2063 priority areas and develop a “coalition of the willing” of key African strategic partners, based on the potential for economic cooperation, peace and security, and the opportunity for cooperation in continental priorities linked to SDGs, whilst advancing the continents priorities on trade, investment and development.
- (b) As a result of most multilateral meetings on the social, economic and environmental aspects of sustainable development being cancelled, postponed or held virtually, it is essential that the understandable global focus on addressing COVID-19 not detract from the overarching objective of the full implementation of the United Nations 2030 Agenda on Sustainable Development. All three pillars of sustainable development (economic, social and environmental) need to be fully implemented in an integrated manner.
- (c) The NDP instructs that we define and articulate our national interest. Cabinet has also directed that the matter be expedited. Regrettably, progress in finalizing it has been slow. The NDP proposes that once national interest has been defined, it should serve as the basis of our foreign relations. It should be noted that the process of defining and articulating South Africa’s national interest actual began in or around 2012.
- (d) The DOD remains on track in the implementation and achievement of the indicators as set out in the MTSF. All planned activities are continuing in defending, protecting and safeguarding communities as well as improving peace, security and stability on the continent. However, the duration of the SANDF deployment for humanitarian assistance against COVID-19 cannot be confirmed. As a result, more and more resources may be required or much less.
- (e) Due to the impact of COVID-19 it became even more urgent to secure scaled-up and appropriate means of implementation support in the form of finance, technology transfer and capacity building support to all African and other developing countries that require it and to address the debt crisis. The remedial action is to press forward with this political messaging at a time when many developed countries are backtracking on their international commitments and grant based support to developing countries is giving way to loans with ever increasing conditionality and co-financing requirements, exacerbating the debt crisis.
- (f) South Africa plays an active role in the development of SADC programmes and the implementation of the SADC work programme as outlined in its blueprints. South Africa to continue to support the implementation of the SADC work programme through the coordination and facilitation of partner departments in their respective areas of focus and responsibility.
- (g) The focus for 2020 remains on South Africa’s chairing of the African Union and meeting its multilateral commitments, particularly as an outgoing member of the UN Security Council, where South Africa will hold the rotating Presidency in December 2020.