

## **CHARTERED INSTITUTE OF GOVERNMENT FINANCE, AUDIT AND RISK OFFICERS' (CIGFARO) 90<sup>TH</sup> ANNUAL CONFERENCE**

<b>Conference theme:</b>	Transformational Leadership in the Public Sector
<b>Topic:</b>	An integrative and multidisciplinary planning and development approach in Public Sector
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### **Abstract**

In this paper I provide a brief background to the National Development Plan (NDP) as the long-term plan and vision 2030 for South Africa. The mandate of the second National Planning Commission is to advance the implementation of the NDP through multi-stakeholder engagements and multi-disciplinary research. National government uses the Medium-Term Strategic Framework to implement the NDP, which contains government priorities for the period of 5 years. Provinces and municipalities have their equivalent plans and planning processes. Planning is deemed as a critical instrument for taking the NDP to the people via the new District Development Model. At a departmental level the strategic plans and annual performance plans are used to implement government programmes. They are audited and presented to Parliament and Provincial Legislatures for accountability purposes. Municipalities also use the Integrated Development Plans and related planning instruments to implement their mandates.

The NDP identifies specific leadership qualities that all stakeholders need to imbue in order to put South Africa in a progressive developmental path. Multi-disciplinary teams and multi-stakeholder partnerships are crucial for planning and development, involving planners, project managers, financial managers, risk managers, subject matter experts and auditors, as well as monitoring and evaluation experts. The NDP envisages a developmental state free of poverty, inequality and unemployment.

### **1. The National Development Plan and our quest for a developmental state**

April 2019 marked 25 years since the dawn of democracy and freedom in South Africa. The milestone has triggered reflection in society among intellectuals in academia, media, think tanks, civil society and private sector organisations. Government is also busy doing its own introspection in this regard. The main questions being asked are: what did we inherit in 1994? What have we achieved so far? What are the persistent challenges and remaining tasks? There is broad consensus that today is definitely better than yesterday, and the main task of this generation is to ensure that tomorrow becomes much better than today and yesterday. We all have a responsibility to create a better future for the next generations.

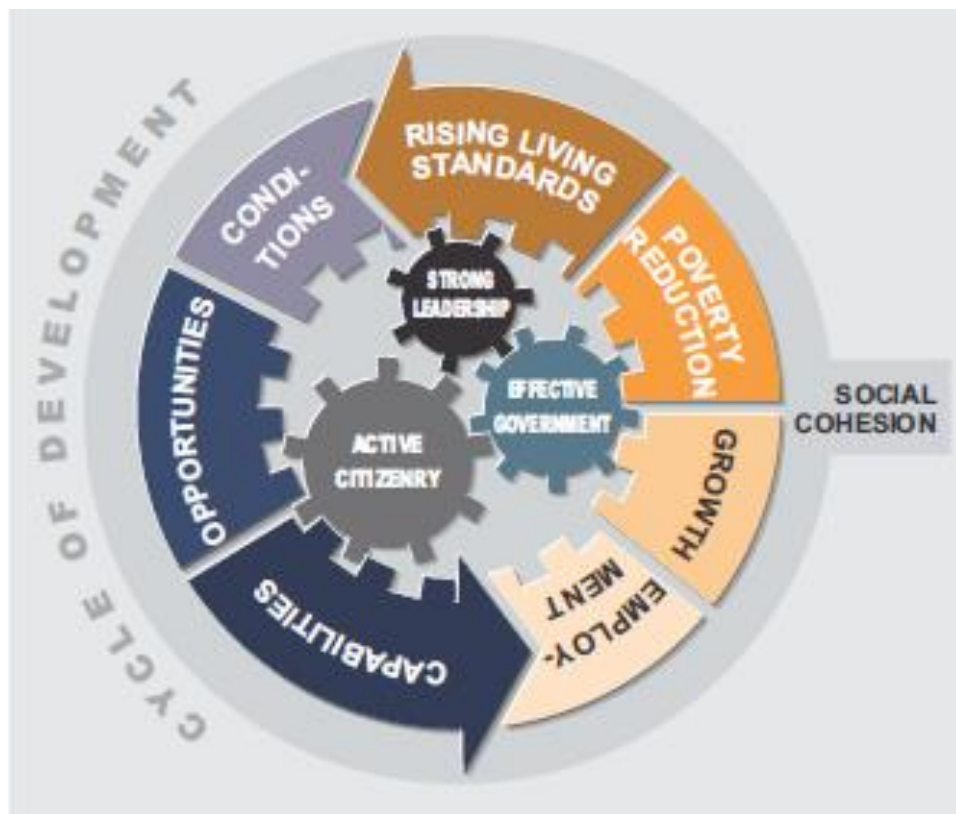
The National Development Plan, our vision 2030 was adopted in 2012 as a national long-term vision and plan, based on extensive social dialogue and research. It seeks to implement the vision of the Constitution of South Africa and key policies that were aimed at moving our country into a new developmental path

as initially articulated in the Reconstruction and Development Programme (RDP) White paper of 1995. Both the RDP and the NDP recognised the imperative to build a democratic state and society that is development-oriented, transformational and people-centered. For instance, in its introduction the NDP states the following (I quote):

*“ This plan envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. Realising such a society will require transformation of the economy and focused efforts to build the country’s capabilities. To eliminate poverty and reduce inequality, the economy must grow faster and in ways that benefit all South Africans<sup>1</sup>. ”*

Transformational leadership, therefore, in the context of South Africa implies the need to build the nation, transform the economy, and ensure that benefits of growth and development accrue to all citizens. This is about inclusive growth that create jobs, innovates, and competes with the best in the world.

The NDP also identified active citizenry, effective government and strong leadership as key enablers for development and improved quality of life in South Africa (as depicted in Figure 1 below):



**Figure 1:** An approach to change for South Africa (NDP, 2012, p26)

The 15 chapters of the NDP address a range of social, economic and governance challenges by articulating a vision statement and goals for each sector, as well as clarifying broad proposals and actions that are

<sup>1</sup> NDP (2012) page 24.

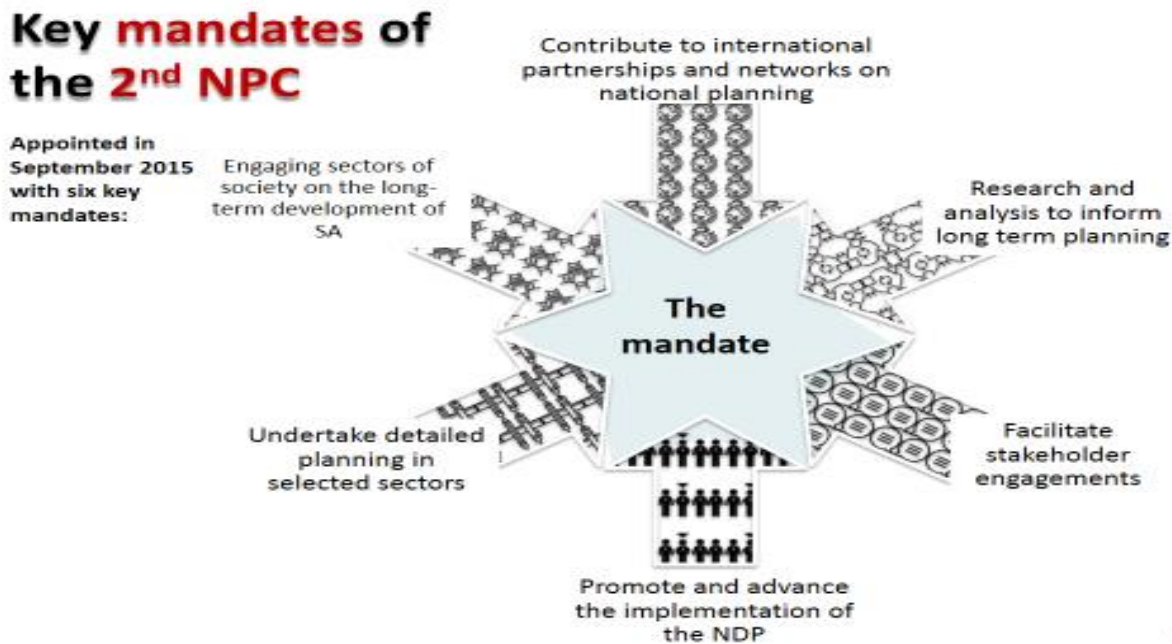
required to achieve the specific developmental goals. The underlying philosophy is aligned to Amartya Sen’s Capability Approach which has been very influential as an alternative development paradigm to traditional economic development frameworks such as welfare and growth economics<sup>2</sup>. In broad terms, the NDP argues that:

*“Alongside hard work and effort, capabilities and opportunities that flow from development enable individuals to live the lives to which they aspire. A developmental state builds the capabilities of people to improve their own lives, while intervening to correct historical inequalities. Neither government nor the market can develop the necessary capabilities on their own.”*

Over the past 9 years, government and stakeholders from private sector and civil society have engaged with the NDP with the view to take forward some of its key proposals. Government identified planning, budgeting, monitoring and evaluation as key instruments to coordinate and ensure implementation of the NDP. Respective sector organisations and entities are expected to have strong financial management systems and project management capacity to execute their respective tasks. Risk management and accountability as assessed through auditing are vital for keeping public sector bodies honest.

## 2. Implementation of the NDP

The second National Planning Commission (NPC) was appointed in 2014 with the view to provide an independent advice to the President and advance implementation of the NDP. It does its work through multi-stakeholder partnerships, research, policy analysis and detailed planning advice on specific topics and sectors e.g. spatial development planning.

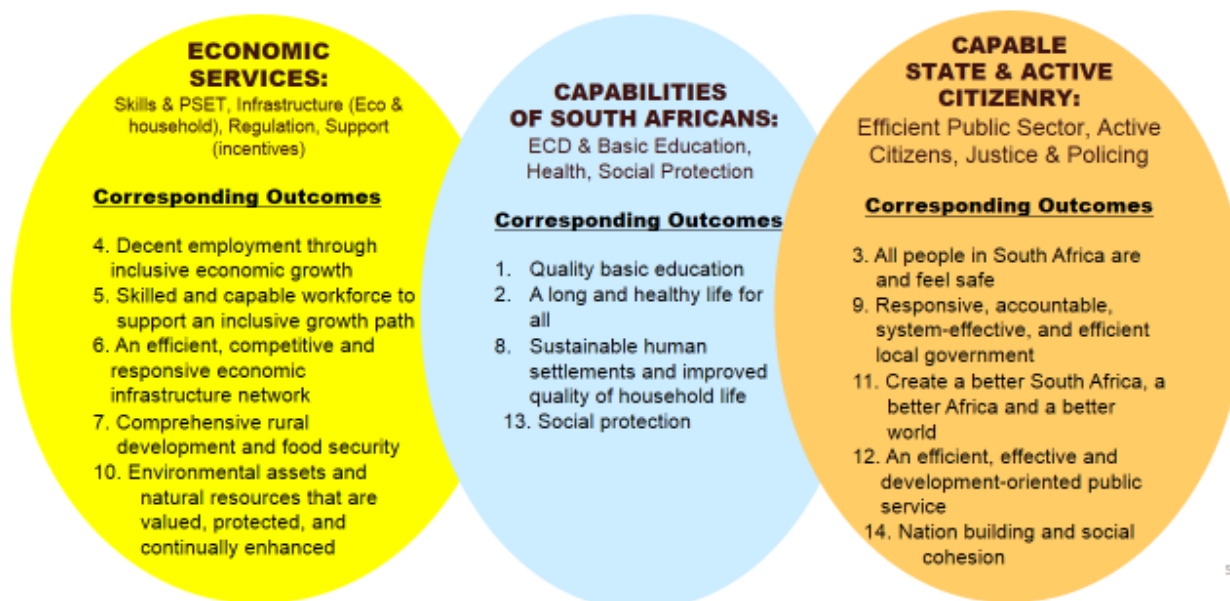


**Figure 2: The key mandates and responsibilities of the second National Planning Commission**

<sup>2</sup> David Clark (undated paper) The Capability Approach: Its development, critiques and advances. Global Policy Research Group [www.gprg.org](http://www.gprg.org)

Furthermore, since 2009 the technical functions of national planning, monitoring and evaluation were established in the Presidency via the Department of Planning, Monitoring and Evaluation (DPME). Budgeting remains with the National Treasury and recently a collaboration on budget prioritisation has been established between DPME and National Treasury at macro level. The DPME is also tasked with the role of translating the NDP and policy priorities of the government of the day into an implementable programme called the Medium Term Strategic Framework (MTSF). The 2014 to 2019 MTSF had 14 outcomes cluster according to 3 pillars of the NDP, namely: economic services, capabilities of South Africans and capable state and active citizenry. The 2019 to 2024 MTSF is being finalised for Cabinet consideration and approval in October 2019. Some of the instruments of implementation include Operation Phakisa, which as a big fast results methodology adapted from Malaysia. It targets areas like the oceans economy, ideal clinics, ICT in educations, among other programmes. This is essential about advance project planning and stakeholder management in a highly focused and engaged manner using delivery labs.

### Levers for implementing the NDP 2030



**Figure 3: Using the Medium Term Strategic Framework to implement the National Development Plan**

Overall, the general view is that government has succeeded to make substantial progress in areas where it has direct control such as the delivery of the social wage and services, but quality thereof remains a concern. In areas that require strong collaboration between national, provincial and local spheres, as well as partnerships between government, business, labour and civil society there has been regression. For example, inequality, unemployment and economic growth indicators have not improved. The scourge of corruption, crime and violence continues to trouble the South Africa society. Public trust and confidence levels are general weak, as also demonstrated by the high prevalence of violent protests, among other things. This calls for stronger partnerships, leadership and multi-disciplinary efforts to planning and development across all sectors of society and the economy.

### 3. What are the priorities of the new administration?

In his June 2019 State of the Nation President Cyril Ramaphosa state the following:

*“Now is the time to focus on implementation. It is time to make choices. Some of these choices may be difficult and some may not please everyone. In an economy that is not growing, at a time when public finances are limited, we will not be able to do everything at one time. As we enter this new administration, we will focus on seven priorities (namely):*

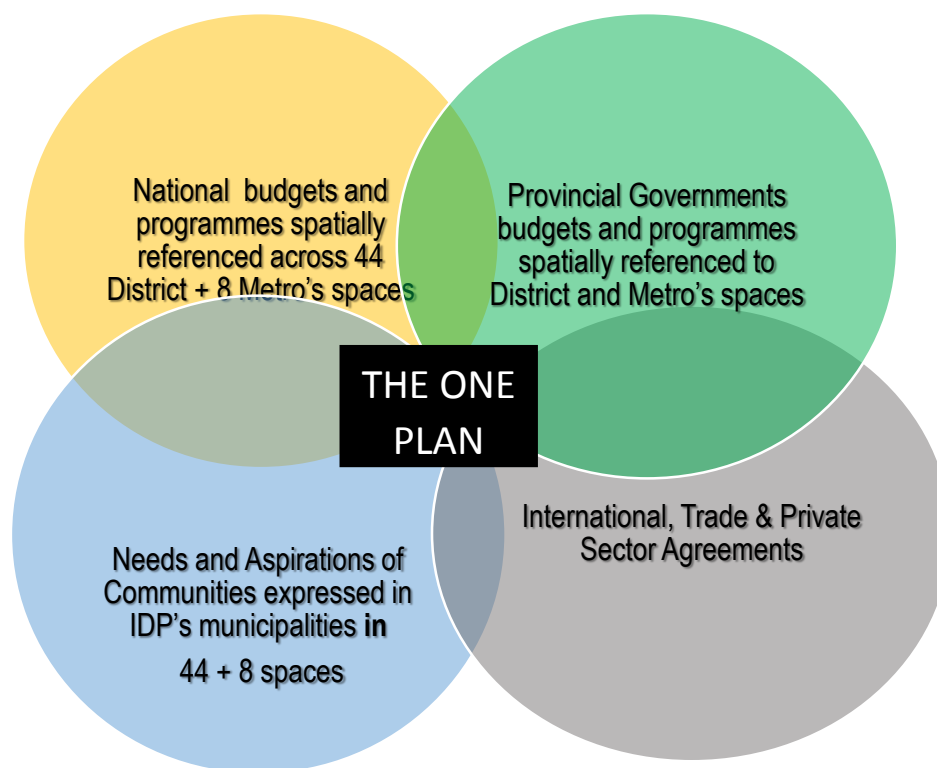
- 1) *Economic transformation and job creation*
- 2) *Education, skills and health*
- 3) *Consolidating the social wage through reliable and quality basic services*
- 4) *Spatial integration, human settlements and local government*
- 5) *Social cohesion and safe communities*
- 6) *A capable, ethical and developmental state*
- 7) *A better Africa and World*

*All our programmes and policies across all departments and agencies will be directed in pursuit of these overarching tasks.”*

Work is under way to translate these priorities into implementable programmes of government using the new MTSF. Central to the new approach is the establishment of partnerships across society and the use of the District Development Model to ensure service delivery and investment at community level. This is a mammoth task given the challenges of lack of economic growth, growing government debt, and persistent socio economic challenges of unemployment, poverty and inequality.

Priority 6 calls for building a capable, ethical and developmental state in line with the NDP chapters 13 and 14. This priority is seen as an important enabler in order to grow the economy, create jobs, and accelerate delivery of infrastructure and social services. On building a capable state, the important task is to capacitate public servants via the National School of Government and other training providers, strengthen intergovernmental relations and capabilities, and implement specific actions aimed at empowering youth, women and persons with disabilities. The anti-corruption drive and ethics are central to reverse the problem of ‘state capture’ and rampant unethical practices within the public sector, business and civil society.

The District Development Model is viewed an implementation model that will bring government closer to the people.



**Figure 4: About the new District Development Model**

The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan municipalities together by all three spheres of government resulting in a single strategically focused joined-up plan<sup>3</sup>(One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country. It was initially launched at Lusikisiki on the 17<sup>th</sup> of September 2019. It is being piloted at OR Tambo District Municipality in the Eastern Cape Province, EtheKwini Metropolitan Municipality in KwaZulu-Natal Province and Waterberg District Municipality in Limpopo Province.

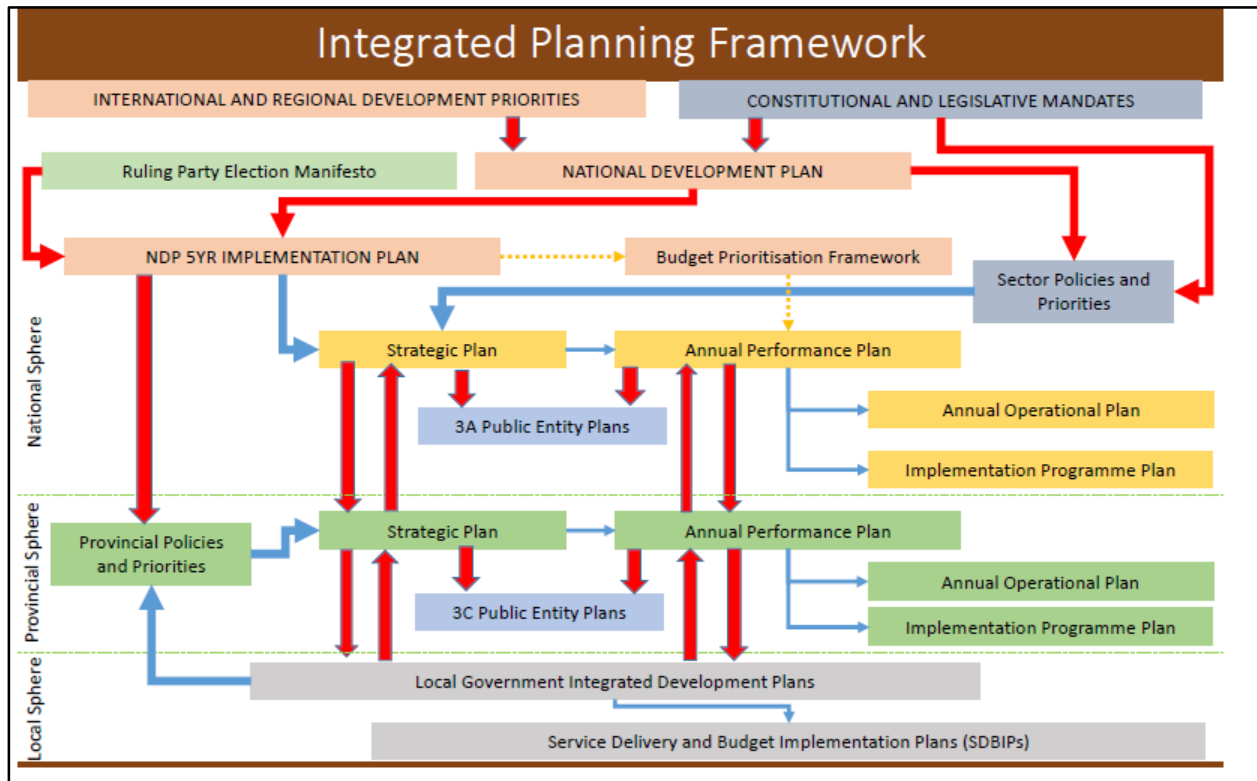
#### **4. The key elements of development planning system of the South African government**

South Africa's development planning system has evolved over the past century. The Apartheid State had a strong vision of segregationist policies, laws and spatial plans. The democratic state uses the constitution as the core instrument of transformation to reverse Apartheid space economy. Chapter 8 of the NDP makes proposals for improving space economy and recommends the development of a 'national spatial development framework', which is now legislated by the Spatial Planning and Land Use Management Act of 16 of 2013 (SPLUMA). Work is underway to implement a new Spatial Development Framework for South Africa as a collaborative exercise among various key national departments, including DPME.

South Africa implements its international commitments such as the United Nation's Sustainable Development Goals (SDGs) and the 'Africa Agenda 2063: the Africa we want'. The NDP is well-aligned to

<sup>3</sup> Department of Cooperative Governance (2019).

the SDGs and Agenda 2063. The integrated planning framework has many elements across all spheres of government (as depicted in the diagram below).



**Figure 5: Integrated planning framework for the government of South Africa**

Planning in South Africa is highly fragmented. Besides SPLUMA, there is currently no overarching legislation that regulates planning. Each sector, provinces and municipalities have their own planning instruments and regulations – which are not necessarily aligned. Work is underway to develop an Integrated Planning Framework Bill that seeks to ensure better integration of various planning systems across all three spheres of government. Lack of integrated planning is the main contributor to poor implementation of good policies that has been developed since the dawn of democracy.

### 5. The departmental strategic plans and annual performance plans

The departmental planning system is very important for the effective implementation of the macro policies and plans since it is under the direct control of the departments themselves and is linked to budget allocation. The annual performance plans and regular accountability reports are audited by the Auditor General of South Africa. These are also submitted to parliament and published on departmental websites for transparency and accountability. DPME assesses draft departmental plans for alignment to the NDP and MTSF priorities. It is this planning system that auditors and risk management practitioners are mostly familiar with. DPME has developed a revised framework for strategic plans and annual performance plans that serves to strengthen development-orientation of departmental plans. The system is regulated through the National Treasury. It also provides for substantive linkages with other plans of government such as infrastructure plans, corporate plans of public entities and business plans for conditional grants.

The strategic plans and annual performance plans have proved to be beneficial in terms of institutionalising the NDP within government bodies, raising awareness about key priorities, ensuring direct alignment of budgets to priorities, and most importantly, public accountability. The audit outcomes are a vital barometer of institutional health from both financial and non-financial perspectives.

Challenges are that the system has grown to be too compliance-focused, thereby resulting in malicious compliance and the unintended consequence of gaming the system via setting low targets that are easy to achieve. The drive to produce auditable evidence against performance information has led to mere focus on tangibles such as number of reports and meetings attended rather the developmental impact that government bodies should be making to society. This is an important technical issue for planners and auditors to engage with. There is vast literature about the perverse incentives that arise due to target-setting and related accountability and performance monitoring and evaluation systems. In 2014 DPME publish a policy document on 'Principles of Performance Monitoring and Evaluation' that sought to guide public bodies on how to use M&E more carefully and effectively to achieve the desired results. Integrity, ethical leadership and professional conduct are very important as preventive measures for these malicious practices.

## **6. The NDP call for ethical and transformational leadership in society**

Ethical and transformational leadership are central for building a capable, ethical and developmental state. The NDP notes that:

*“community leaders and public figures should demonstrate leadership qualities that include:*

- *The ability to lead by example and to follow rules that apply to everyone,*
- *Honesty, integrity and trustworthiness. Leaders are able to combine the ability to hold fast to a core set of values as enshrined in the constitution while embracing change and agitating for transformation;*
- *The capacity to innovate, manage change, build enough support to drive an 'essential' and not necessarily popular agenda, communicating with people, keeping them interested and informed.*
- *The ability to listen, especially to those with a different opinion, perspective and or priorities. Leaders should be able to create conditions that allow everyone to communicate in an open dialogue...*
- *Ability to promote meaningful inclusion, helping to overcome barriers associated with class, ethnicity, gender, disability and other factors of exclusion. Leaders must seek to empower the otherwise powerless, building bridges to other sectors of society, including business, civil society, and faith-based communities, as well as to all levels of government.*
- *This is all-encompassing leadership that empowers people and places them at the centre of development. It is visionary leadership required to take the country to its goals of 2030. It can act as a catalyst for change...” (NDP, 2012, p475).*

These key elements of ethical and transformational leadership are more relevant than ever before in order to take our country to a new trajectory. This challenge applies to elected leaders and professional communities alike, including public servants and self-employed entrepreneurs. Multi-disciplinary teams and multi-stakeholder partnerships are crucial for planning and development, including planners, project managers, financial managers, risk managers, subject matter experts and auditors, as well as monitoring and evaluation experts.



## 7. Concluding remarks

The NDP serves as the first integrated long-term plan and vision 2030 for South Africa. Its development process and content incorporated inputs from various sections of the South African society. The second NPC serves as a multi-stakeholder body to advance and advocate for the implementation of the NDP and provide advice to the President. South Africa has not yet recovered from the social and economic challenges that are attributable to local problems and the impact of the global financial crisis that started in 2008. The implementation of the NDP requires strong partnerships among all stakeholders in South Africa and beyond.

South Africa has no shortage of planning systems and instruments. The challenge is their persistent lack of integration. This fragmentation results in missed opportunities in relation to implementation. The new efforts by DPME to integrate planning via the Integrated Planning Framework Bill will go a long way to mitigate the risks of poor planning and implementation.

Government needs to play a leadership role in terms of galvanising stakeholders across all sectors of society to play their leadership roles as co-partners in planning and development, using the NDP as the main catalyst for change. Integration of systems and tools of planning with budgeting, monitoring, auditing and implementation is crucial. This should be balanced with empowered and active citizens that will determine their own freedom and development.

I conclude by citing the NDP on the pre-conditions for a capable developmental state (I quote):

*“A developmental state needs to be capable, but a capable state does not materialise by decree, nor can it be legislated or waved into existence by declarations. It has to be built brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules” (NDP, 2010, P54).*

As professionals we have a major contribution to make in this regard through initiating and sustaining integrative and multidisciplinary planning and development approaches for our beloved South Africa.