



**PERFORMANCE AGREEMENT**

**BETWEEN**

**THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA**

**AND**

**THE MINISTER OF FINANCE**

**PERIOD OF AGREEMENT**

**AUGUST 2021 TO APRIL 2024**

## CONSTITUTION AND LEGISLATION

***The Constitution of the Republic of South Africa, 1996***, stipulates in section 91 (2) that the President appoints the Deputy President and Ministers, assigns their powers and functions, and may dismiss them.

***The Constitution of the Republic of South Africa, 1996***, stipulates in section 92 (1) that the Deputy President and Ministers are responsible for the powers and functions of the executive assigned to them by the President.

***Executive Members' Ethics Act (No. 82 of 1998)*** state that members of the Cabinet must act according to a code of ethics, created by the President pursuant to the principles and framework established by the Executive Members' Ethics Act of 1998.

***The principles of natural justice apply.***

### MINISTERIAL KEY RESPONSIBILITY AREAS

The constitutional imperatives and obligations contained in Chapter 5 of the Constitutions including but not limited to sections 92, 93, 96, 97, 98, 99, are applicable.

The contents of this agreement set out the powers and functions assigned to you by the President in accordance with Section 91(2).

## KEY RESPONSIBILITY AREA 1: POLITICAL LEADERSHIP CONTRIBUTING TO THE COUNTRY'S TRIPLE CHALLENGES, NDP PRIORITIES AND MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) 2019 – 2024

As Minister in the Cabinet you will contribute **individually and collectively** to addressing the triple challenges of poverty, inequality and unemployment and the MTSF 2019 - 2024.

### Priority 1: Building a capable, ethical and developmental state

**Target: Public value and trust; active citizenry and partnerships in society**

**Relevant outcomes; Improved leadership, governance and accountability; Functional, efficient and integrated government**

Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Enable leadership in national and provincial departments to build capacity and also intervene to resolve blockages in government bodies and administrations	Develop a programme by national and provincial departments to capacitate and intervene in state institutions with challenges	2014- 2019 interventions	Programme by national and provincial departments to capacitate and intervene in state institutions with challenges developed by 2022	Oversee work of NT in terms of capacity building and support interventions across the state
Improve financial management capability in the public sector	Strengthen Municipal Financial System	Budget funding assessment tool to align to mSCOA reporting update and system demonstrated	Strengthen Municipal Financial System by 2023	Provide political oversight to strengthen functional municipal financial system
	Implement the Integrated Financial Management System (IFMS) in the public sector	Execution of Common Design and the procurement of support service providers (2020)	Integrated Financial Management System (IFMS) rolling out in National Departments and Provinces by 2024	Oversee the rollout of the Integrated Financial Management System (IFMS) in departments and provinces by 2024

Interventions	Indicators	Baseline	Targets	Minister's Responsibility
	Develop a programme to strengthen a supply chain management and procurement system in the public sector	2018 Baseline	Programme to strengthen a supply chain management and procurement system in the public sector institutionalised by 2023	Oversee work of NT in terms of SCM and procurement system improvement
	Develop a programme to strengthen asset management in the public sector	2018 Baseline	Programme developed by 2024	Oversee the development of a programme to strengthen asset management and reporting in the public sector by 2024
Implement measures to support procurement reform and fiscal sustainability	Level of development of Public Procurement Bill	Draft Public Procurement Bill issued for public comment	Finalisation of the Public Procurement Bill	Direct the tabling of the Public Procurement Bill to Parliament
	Strategy for fiscal sustainability and stability	New Indicator	Stabilisation of debt-to-GDP ratio by 2025/26	Ensure development of a strategy for fiscal sustainability and stability
Measures taken to eliminate wasteful, fruitless and irregular expenditure in the public sector	Reduction of wasteful and fruitless expenditure in public sector institutions	New Indicator	Develop a programme to strengthen awareness, internal controls, reporting and consequence management with regard to wasteful and fruitless expenditure in the public sector by 2022	Oversee the development of a programme to strengthen awareness, internal controls, reporting and consequence management with regard to wasteful and fruitless expenditure in the public sector by 2022
	Reduction of irregular expenditure in public sector institutions	New Indicator	Develop a programme to strengthen awareness, internal controls, reporting and consequence management with regard to irregular	Ensure development of a programme to strengthen awareness, internal controls, reporting and consequence management with regard to irregular expenditure in the public sector by 2022.

Interventions	Indicators	Baseline	Targets	Minister's Responsibility
			expenditure in the public sector by 2022	
	Reduction of qualified audits in the public sector	New Indicator	Development of intervention and/or support strategies to address common causes for qualifications in the public sector by 2023	Oversee the development of intervention and support strategies to address common causes for qualifications in the public sector by 2023

## Priority 2: Economic transformation and job creation

**Target: Unemployment reduced to 20-24% with 2 million new jobs especially for youth; economic growth of 2-3% and growth in levels of investment to 23% of GDP**

Outcome	INVESTING IN ACCELERATED INCLUSIVE GROWTH			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Ensure the macroeconomic policy alignment and coherence	Macroeconomic policy reviewed to support growth	Fiscal consolidation, inflation targeting 3-6%	Macroeconomic policy framework reviewed by 2022	Oversee the review of the macroeconomic policy to support growth
Create an enabling environment to crowd in private investment through Public Private Partnerships (PPPs)	Regulations of Public Private Partnerships (PPPs)	Current National Treasury regulations	Review regulations for PPPs by 2024 to facilitate an increased private investment	Ensure that regulations for PPPs are reviewed to facilitate an increased private investment
Review the financial sector code to support transformation in the sector; feasibility of a state bank and sovereign wealth fund assessed	Financial sector code reviewed and feasibility study for sovereign wealth fund and state bank completed	Financial sector code	Financial sector code reviewed and implemented by end of 2021/22. Report on the feasibility study for the establishment of the sovereign wealth fund and the state bank	Facilitate the review and implementation of the financial sector code, establishing of the state bank, and complete the feasibility study for the sovereign wealth fund

Outcome	INVESTING IN ACCELERATED INCLUSIVE GROWTH			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Reduce illicit financial flows and misuse of tax havens	National policy and approach to reduction in illicit financial flows	New Indicator	National policy and approach developed by 2022	Ensure that the national policy approach to combat, track, stop illicit financial flows and recovering and repatriating assets is developed by 2022
Reducing the illicit economy activities	Capacitate SARS through the establishment of the illicit economy unit	New Indicator	Illicit economy unit established and fully functional	Ensure that the illicit economy unit is established and fully functional

Outcome	RE-INDUSTRIALISATION OF THE ECONOMY AND EMERGENCE OF GLOBALLY COMPETITIVE SECTORS - National priority sectors grow contribution to GDP growth of 3% and exports increase by 4%			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Support localisation and industrialisation through government procurement	Compliance of government spend on designated products and services	New Indicator	100% compliance	Ensure implementation of the public procurement legislation

Outcome	COMPETITIVE AND ACCESSIBLE MARKETS THROUGH REDUCED SHARE OF DOMINANT FIRMS IN PRIORITY SECTORS AND EXPANDED SMALL BUSINESS			
Interventions	Indicators	Baseline	Targets	Minister's responsibility
Explore the introduction of measures (such as tax breaks) to support the establishment of new, youth owned start-ups	Number of youth start-ups	New Indicator	100 000 youth start-up businesses per annum	As part of the work on the systematic review of tax incentives, the Minister must explore measures to support the establishment of new, youth owned start-ups

**Target: Investment to reach 23% of GDP by 2024 with the public sector contributing 8% of GDP and the private sector contributing 15% of GDP.**

Outcome	QUALITY AND QUANTUM OF INVESTMENT TO SUPPORT GROWTH AND JOB CREATION IMPROVED			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Improve the quality and rate of infrastructure investment	Infrastructure Fund established and operationalised	New Indicator	R100 billion Infrastructure Fund established and operationalised with R5 billion leveraged by 2020.	Ensure that the R100 billion Infrastructure Fund is constituted and operationalised, and R10 billion committed over the 2020 MTEF is maintained
	Infrastructure expenditure	New Indicator	R1 trillion invested by 2024	Oversee monitoring and reporting on infrastructure expenditure

**Target: Transformed, representative and inclusive economy which prioritises women, youth and persons with disabilities**

Outcome	INCREASED ECONOMIC PARTICIPATION, OWNERSHIP, ACCESS TO RESOURCES, OPPORTUNITIES AND WAGE EQUALITY FOR WOMEN, YOUTH AND PERSONS WITH DISABILITIES			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Expand government spend on women, youth and persons with disabilities through preferential procurement	Percentage of preferential procurement spend by sex/gender, age and disability	Black Women owned – 11.49% (2017/18)	Minimum 40% target for Women, 30% for Youth and 7% for persons with disabilities	Oversee the development of procurement legislation that supports government spend on businesses owned by women, youth and persons with disabilities.
		Black Persons with Disabilities (R239 million in 2017/18)		

## Priority 5: Spatial Integration, Human Settlements and Local Government

**Target: Institutionalise spatial / territorial integration to fast track transformation and resilience of sub-national regions**

Outcome				
INTEGRATED SERVICE DELIVERY, SETTLEMENT TRANSFORMATION AND INCLUSIVE GROWTH IN URBAN AND RURAL PLACES				
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Implementation Agreements and joined-up government plans in all the districts and metros in the country and develop the spatial planning, coordination and implementation capability and capacity in all the districts in the country	Number of capital investment frameworks/ BEPPS in place	New Indicator	Capital investment frameworks /BEPPS in 12 municipalities (Metro/ICM)	The Minister is expected to support DCOG in its efforts to ensure that all 8 metropolitan municipalities and 4 intermediate cities have capital investment frameworks/ BEPPS in place
Support enterprise development in townships through financial incentives and other non-financial forms of support, and remove inhibiting regulations, to ensure the integration of township economies into the mainstream local economic development landscape	Township economies investment and support strategy compiled and implemented	New Indicator	Five townships in five metros with Township Economic Development Strategies that are resourced and integrated in the strategic plans and budgets of the metros and other spheres of government including SOEs and that have successfully leveraged private sector investment	Ensure that the township economy's investment and support strategy is compiled and implemented by March 2022



**Priority 7: A better Africa and world**

**Target: Increased foreign direct investment into South Africa**

<b>Outcome</b>	<b>A BETTER SOUTH AFRICA</b>			
<b>Interventions</b>	<b>Indicators</b>	<b>Baseline</b>	<b>Targets</b>	<b>Minister's Responsibility</b>
Source investment for the identified sectors in the South African economy	Increased FDI into South Africa	New indicator	Provide support for the take up by SA projects of financing from Multilateral Development Banks to achieve the R1.2 trillion overall investment commitment over the 5-year period, which should include an FDI component	Create an enabling environment to support financing of investment

## KEY RESPONSIBILITY AREA 2: PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

This MTSF priority has a few transversal interventions that apply to all Ministers as per the table below:

**Targeted impact: Public value and trust; Active citizenry and partnerships in society**

Outcome	FUNCTIONAL, EFFICIENT AND INTEGRATED GOVERNMENT			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Improve financial management capability in the Public Sector	Strengthen Municipal Financial System	2018 Baseline	Strengthen Municipal Financial System by 2023	Ensure an improved and functional Municipal Financial System
Measures taken to eliminate wasteful, fruitless and irregular expenditure in the public sector	% elimination of wasteful and fruitless expenditure in public sector institutions	2018 Baseline	100% elimination of wasteful and fruitless expenditure in incrementally from baseline of 2019 by 2024	Ensure elimination of wasteful and fruitless expenditure
	% reduction of irregular expenditure in public sector institutions	2018 Baseline	75% reduction of irregular expenditure incrementally from baseline 2019 by 2024	Ensure irregular expenditure is reduced and where it occurs make sure action is taken
	% reduction of qualified audits in the public sector	2018 Baseline	75% reduction of qualified audits incrementally from baseline 2019 by 2024	Oversee that an unqualified audit opinion in the department is achieved
Programme to prevent and fight corruption in government	% resolution of reported incidents of corruption in the government	Trends from the Anti-corruption Hotline and Crime Statistics	95% resolution of reported incidents of corruption by 2024 via disciplinary and criminal interventions	Enforce consequences for corruption and misconduct
	Ensure functionality of ethics structures and adequate capacity	New Indicator	Establish ethics committees and adhere to terms of reference	Oversee the implementation of the ethics structures
Develop and implement Integrated One-Plan at District/Metro level	% of Integrated One Plan	New Indicator	100% Integrated One Plan	Contribute to the alignment of the Integrated One Plan to MTSF and their responsiveness to long term development trends stated in the NDP and NSDF. Monitor

Outcome	FUNCTIONAL, EFFICIENT AND INTEGRATED GOVERNMENT			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
				implementation of Integrated One Plan in all 44 Districts and 8 Metros.

### KEY RESPONSIBILITY AREA 3: INSTITUTIONAL OVERSIGHT OF THE HOD AND DEPARTMENT

Management Area	Key activities	Performance indicators	Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24
Executive Authority oversight over the Deputy Minister							
Executive Authority oversight over the Deputy Minister	Delegation of powers and functions to the Deputy Minister	Annual updated delegations	Updated delegations	Updated delegations	Updated delegations	Updated delegations	Updated delegations
Executive Authority oversight over the Accounting Officer							
Executive Authority oversight over the Accounting Officer	Management of the performance of the Director General	Implementation of Head of Department Performance Management and Development System	Conclusion of the Performance Agreement, Implementations of the midterm review and Annual Assessment of the DG	Conclusion of the Performance Agreement, Implementations of the midterm review and Annual Assessment of the DG	Conclusion of the Performance Agreement, Implementations of the midterm review and Annual Assessment of the DG	Conclusion of the Performance Agreement, Implementations of the midterm review and Annual Assessment of the DG	Conclusion of the Performance Agreement, Implementations of the midterm review and Annual Assessment of the DG
	Delegation of Public Service Act powers of the Minister to DG	Annual updated delegations	Updated delegation register	Updated delegation register	Updated delegation register	Updated delegation register	Updated delegation register

Management Area	Key activities	Performance indicators	Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24
	Monitor compliance to 30-day payments requirement	Monitoring report with corrective measures where applicable	Annual 30-day payment report with corrective measures implemented where applicable	Annual 30-day payment report with corrective measures implemented where applicable	Annual 30-day payment report with corrective measures implemented where applicable	Annual 30-day payment report with corrective measures implemented where applicable	Annual 30-day payment report with corrective measures implemented where applicable
The oversight and achievement of departmental strategic goals and annual performance plans and budget							
Political oversight on strategic planning and reporting	Oversee the development of departmental Strategic and Annual Performance Plans and monitor the implementation thereof.	Approval of Strategic Plan, Annual Performance Plans	Approved Strategic Plan and Annual Performance Plan	Approved Annual Performance Plan	Approved Annual Performance Plan	Approved Annual Performance Plan	Approved Annual Performance Plan
		Consideration and approval of Quarterly Performance Reports and Annual report	4 Quarterly reports and Annual report approved	4 Quarterly reports and Annual report approved	4 Quarterly reports and Annual report approved	4 Quarterly reports and Annual report approved	4 Quarterly reports and Annual report approved
The oversight and achievement of gender responsive departmental strategic goals and annual performance plans and budget as per the Gender responsive planning, budgeting, monitoring, evaluation and auditing framework							
Political oversight on gender responsive strategic planning and reporting	Oversee the development of gender responsive departmental Strategic and Annual Performance Plans and	Approval of gender responsive Strategic Plan, Annual Performance Plans	Approved gender responsive Strategic Plan and Annual Performance Plan	Approved Annual gender responsive Performance Plan	Approved Annual gender responsive Performance Plan	Approved gender responsive Annual Performance Plan	Approved Annual gender responsive Performance Plan

Management Area	Key activities	Performance indicators	Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24
	monitor the implementation thereof.	Consideration and approval of gender responsive Quarterly Performance Reports and Annual report	4 Quarterly and Annual gender responsive report(s) approved	4 Quarterly and Annual gender responsive report(s) approved	4 Quarterly and Annual gender responsive report(s) approved	4 Quarterly and Annual gender responsive report(s) approved	4 Quarterly and Annual gender responsive report(s) approved
<b><i>National Department facilitates public involvement, participation and service delivery improvement initiatives</i></b>							
Support good governance through leading participatory governance and social compacts with stakeholders	Ensure optimal functioning of sectoral participatory governance mechanisms	Development and implementation of Public/Stakeholder Participatory Strategies and Plan	80% implementation of Public/Stakeholder Participatory Plan	80% implementation of Public/Stakeholder Participatory Plan	80% implementation of Public/Stakeholder Participatory Plan	80% implementation of Public/Stakeholder Participatory Plan	80% implementation of Public/Stakeholder Participatory Plan
<b><i>National Departments' and entities' involvement and contribution to the District Development Model</i></b>							
Involvement and contribution to the District Development Model (DDM)	Participation in the DDM where applicable	Contribute to the development of the "One Plan" and monitor the implementation against the plan	80% achievement of own commitments in the "One Plan"	80% achievement of own commitments in the "One Plan"	80% achievement of own commitments in the "One Plan"	80% achievement of own commitments in the "One Plan"	80% achievement of own commitments in the "One Plan"

## KEY RESPONSIBILITY AREA 4: POLITICAL LEADERSHIP AND OVERSIGHT

Management Area	Key activities	Performance indicators	Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24
Government structures							
Active participation in Inter-Ministerial Committees, MINMEC's, Cabinet Clusters and other Executive Structures	Attendance of Executive structure meeting and performing the tasks related to the structures	Participation in Executive Structures	Attend and implement 80% of tasks associated to member	Attend and implement 80% of tasks associated to member	Attend and implement 80% of tasks associated to member	Attend and implement 80% of tasks associated to member	Attend and implement 80% of tasks associated to member
Parliamentary Accountability							
Accountability to the Parliament	Responding to Parliamentary Questions and ensuring accountability of own departments and entities to Parliament	Timely response to Parliamentary Questions and tabling of Plans, Budget and Reports	100% accountability to the Parliament	100% accountability to the Parliament	100% accountability to the Parliament	100% accountability to the Parliament	100% accountability to the Parliament
Oversight on State Owned Companies and Public Entities/Agencies							
Oversight over Public Entities	Perform oversight over the governance and performance of entities	Enter into shareholder compacts and oversee the development of Annual Plans and regular governance and performance of the Entities	Shareholder compact updated, plans approved and performance monitored	Shareholder compact updated, plans approved and performance monitored	Shareholder compact updated, plans approved and performance monitored	Shareholder compact updated, plans approved and performance monitored	Shareholder compact updated, plans approved and performance monitored

## SIGNATURES

I Enoch Godongwana hereby declare that the information provided in this performance agreement has been agreed upon by myself and the President of South Africa. This is a legal and binding performance agreement that will be used for assessment purposes.



Hon. Mr Enoch Godongwana,

Minister of Finance.

29 July 2022



His Excellency Mr MC Ramaphosa

President of the Republic of South Africa

30 July 2022

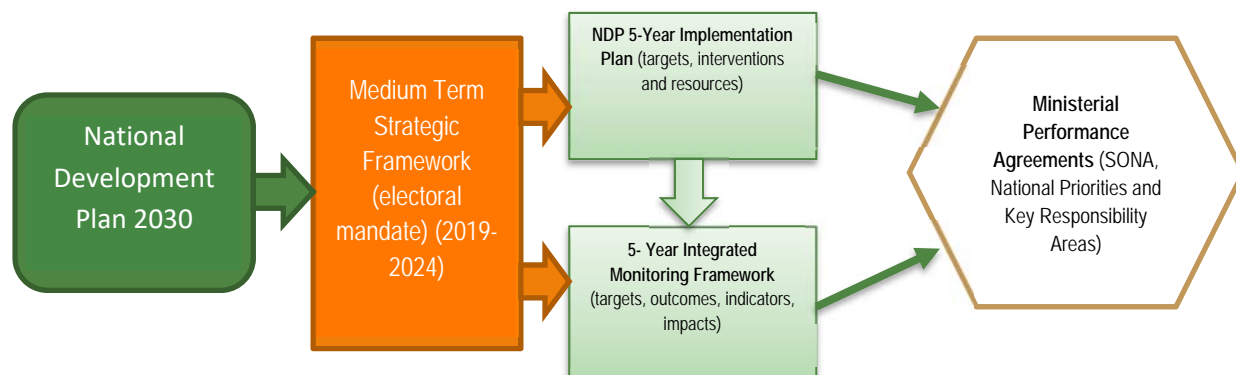
## ANNEXURE 1: EXPLANATORY GUIDELINE

### 1. CONSTITUTION AND LEGISLATION

This aspect highlights constitutional imperatives, obligations, powers and functions of the President relating to the implementation of Ministerial Performance Agreements. It also points out key legislation in this regard.

### 2. BACKGROUND AND CONTEXT

In October 2019, Cabinet considered and approved the 2019 – 2024 Medium-Term Strategic Framework (MTSF). The MTSF translates the electoral mandate and the National Development Plan into a 5-year programme of government and comprises the 5-Year Implementation Plan and the Integrated Monitoring Framework, containing clear targets, interventions, resource implications and impacts.



In his State of the Nation Address (SONA) on 20 June 2019, the President confirmed the 7 national priorities, based on the electoral mandate, as follows:

- 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 his reply during the SONA debate, the President further elaborated on why the above 7 priorities are important and demonstrated that government has a clear plan for the road ahead. The key task is speedy and effective implementation. The new Cabinet has a central role in ensuring that the commitments made in the SONA are implemented with the necessary urgency and vigour.



To this end the Ministerial Performance Agreements (MPAs) will be based on the commitments in the State of the Nation Address and selected priority actions from the 2019 - 24 MTSF. Each annual MPA contains a set of specific targets backed by measurable performance indicators to be achieved over the 5- year electoral period, the purpose of which is to put the country on a positive path towards our national development goals and objectives.

As you are aware, upon the announcement of the new Cabinet, the President made the following undertaking to the people of South Africa:

*The people who I am appointing today must realise that the expectations of the South African people have never been greater and that they will shoulder a great responsibility. Their performance – individually and collectively – will be closely monitored against specific outcomes. Where implementation is unsatisfactory, action will be taken*

It is the aim of this Performance Agreement to give effect to this undertaking.

## **2. KEY RESPONSIBILITY AREA 1: POLITICAL LEADERSHIP CONTRIBUTING TO THE COUNTRY'S TRIPLE CHALLENGES, NDP PRIORITIES AND MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) 2019 – 2024**

This aspect draws directly from the content of the MTSF and SONA and highlights specific responsibilities of the Minister in relation to a particular priority, indicator and target. This will help focus the work of the Minister concerned to the strategic agenda of government. As Minister in the Cabinet you will contribute **individually and collectively** to addressing the triple challenges of poverty, inequality and unemployment and the MTSF 2019 - 2024.

- **Priority:** indicates which of the 7 priorities are directly applicable to the Minister concerned. The Minister is still expected to contribute to the rest of the MTSF as part of the National Executive collective.
- **Target:** provides context to the medium to long-term impact we are seeking to achieve e.g. economic growth.
- **Outcome:** highlights the broad result area we want to make a difference within a year up to 5 years.
- **Indicators, baselines and targets:** are measures that are directly taken from the MTSF.
- **Minister's responsibility:** this column emphasizes the specific contribution that the Minister must make towards delivery of the intervention in the short to medium term. Where a Minister is mentioned as a lead, he or she must take responsibility to convene other relevant stakeholders towards the implementation of a particular intervention. Where a Minister is mentioned as contributing department, it indicates a need for the Minister to take initiatives towards working with Cabinet colleagues and stakeholders to deliver on the specific intervention. The Cluster system will help with further clarification of these roles and responsibilities.

### 3. KEY RESPONSIBILITY AREA 2: PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

This MTSF priority has a few transversal interventions that apply to all Ministers, hence it must be included in all Ministerial Performance Agreements. Its content also ties in closely with the next key responsibility areas.

### 4. KEY RESPONSIBILITY AREA 3: INSTITUTIONAL OVERSIGHT OF THE HOD AND DEPARTMENT

Shows how you will **provide strategic leadership, direction and oversight** to own departments through the DG in the following areas:

- Show how you will manage the performance of Heads of Department and Department.
- Describe how in executing your role and responsibility you will provide oversight in performing the functions below.

### 5. KEY RESPONSIBILITY AREA 4: POLITICAL LEADERSHIP AND OVERSIGHT

- Describe how in executing your role and responsibility you will provide oversight in performing the functions below.
- Show how you will actively participate and contribute to the different governance structures, for example, the Cluster/Committee/s system; to Inter-Ministerial Committees and MinMecs.
- Show how you will provide leadership and oversight to State Owned Entities/Agencies that you are responsible for.
- The oversight and achievement of departmental strategic goals and annual performance plans and budget.
- National Department facilitates public involvement, participation and Service Delivery Improvement Initiatives.
- National Department involvement, participation in the District Planning Model.

### 6. IMPLEMENTATION

To improve the likelihood of achieving the targets above, you are advised to ensure that senior managers in your department translate the priority actions and targets in this agreement into a delivery plan with the following elements:

- Formulating the aspiration: A clear statement of goals, outcomes and targets to be achieved for each priority arising out of a rigorous problem analysis, needs assessment and diagnosis;
- A coherent theory of change – articulating the best way to achieve the aspiration based on relevant theoretical literature and research on local and international cases as well an assessment of current policies and whether they are enablers or constraints. If the latter, then they should be revised and amended accordingly. To note is that in many instances policy development is not a problem, implementation is. However, in some cases revisions to policies may be required and in rare situations new policies may be required to enable the achievement of the priority;

- Setting specific milestones to be reached with leading indicators.
- Interventions (addressing inhibitors/constraints and identifying drivers of performance). Agreeing on who is involved and how those involved will go about contributing to the priority and
- A delivery trajectory mapping out the points from current performance (base line) and showing how implementation of initiatives will shift performance towards the set outcome and target. Points along the delivery trajectory will be used to conduct rapid impact assessments to establish whether real improvement is happening on the ground.

The delivery plan therefore essentially specifies what will be achieved (impact, outcome, target), where it will be achieved, who is involved and how those involved will go about achieving the priority.

Where cooperation from and or coordination with other parties (provincial MECs, National Ministers, Executive Mayors) is required to achieve the priority actions and targets, it is your responsibility to seek out this cooperation and bind the other party/parties to the commitments necessary to achieve the targets. In the event that cooperation was not forthcoming, details to this effect as well as how the non-cooperation and coordination failure affected the achievement of the target should be reported on at the bi-annual meeting with President.

Senior officials in your department/s are required to reflect the priority actions and targets in the Strategic Plans and Annual Performance Plans of the Department to ensure they are planned for and properly resourced. Moreover, I also expect that you will enter into a performance agreement with your Director-General that will reflect the priority actions and targets contained in this agreement, in addition to the other key performance areas of the Department.

I expect that you will formally delegate specific areas of responsibility to your Deputy Minister(s) to provide some support to you regarding the priority actions and targets in this agreement, in addition to the other key performance areas of the Department.

## 7. PERFORMANCE MONITORING AND REVIEW

The process of performance monitoring, evaluation and reporting against the targets will be as follows:

- i. The DPME will prepare a report card on progress with the targets in the respective agreements for the benefit of the President
- ii. In preparation of the scorecard, DPME will obtain initial progress reports with supporting evidence from your department.
- iii. The progress report should provide a succinct summary of progress, current and emerging issues, key actions required or key actions taken, early warning of risks as well as decisions or recommendations to be taken forward and any other comment on progress.
- iv. The report and data will be analysed and validated and a draft scorecard will be produced by DPME. This will be discussed with your department to resolve queries before finalisation. Validation will also include random onsite visits by DPME to verify if delivery took place and within the specifications as set out in the agreement.

The DPME will prepare the scorecard which includes key issues affecting delivery, early warning risks and emerging policy issues for the President a copy of which will be sent to you prior.

In the instance where performance is sub-optimal, a meeting between the President and Minister will be convened. The outcome of the dialogue will be an agreement between the President and Minister on areas of improvement (the remedial actions). These will be incorporated in the performance score-card of the next performance review. It is only in the case of under-performance that the President may take any action he deems necessary.

Over and above this Cabinet will closely monitor the overall implementation of the 2019 - 24 MTSF. In this regard you are expected to table bi-annual progress reports to Cabinet on progress with regards to your commitments in the MTSF. It will not be sufficient to state in these reports that a particular action has been implemented. What must also be reported on is what the implementation of the action led to in terms of a result or the likely value it would create for society.

Your officials will need to collect administrative data that will allow oversight on progress and make these available to DPME when requested. DPME will triangulate this data with budget expenditure data and output level indicators, where available, and provide its own progress reports to Cabinet. The bi-annual progress reports will also form the basis of the meetings between the President and Ministers to identify and tackle obstacles to implementation.

## **8. POLITICAL OVERSIGHT OF THE DEPARTMENT**

Beyond the priority actions and targets that you will be responsible for (which is the subject of this agreement), your Ministerial responsibilities also extend to:

1. Ensuring an optimal political – administrative interface;
2. Political leadership and oversight: providing strategic leadership to the department for the implementation of the relevant aspects of the electoral mandate/ oversee implementation of MTSF priorities relevant to the sector;
3. Support international and regional integration programmes and commitments (where applicable); and
4. Support good governance in the department by providing institutional oversight of the HOD and Department.

## **9. SPIRIT AND INTENT**

There is no question that given the prevailing social, political and economic dynamics and environment, our actions require greater urgency and focus. While (and as I have stated before) there are no short-cuts and quick fixes, it is within our grasp to do the important things, to do them well and to do them without delay.

We have a duty to follow-through on our policy promises to the nation and make greater advances in terms of closing the gap between our development vision and the realities on the ground. The spirit and intent of the MPAs is to keep us focused on achieving our important targets.

## 10. PROFESSIONAL DEVELOPMENT

While the MPAs seek to promote results-oriented performance and accountability, the aim of the performance agreements is also to facilitate the professional development of all Ministers as leaders in government tasked with driving the development agenda of the country. In this regard, you are encouraged to pursue programmes and initiatives that will provide you with the necessary competencies and tools to carry out your tasks and responsibilities. The Presidency and DPME will endeavour to provide Ministers with support and technical advice should the need exist.