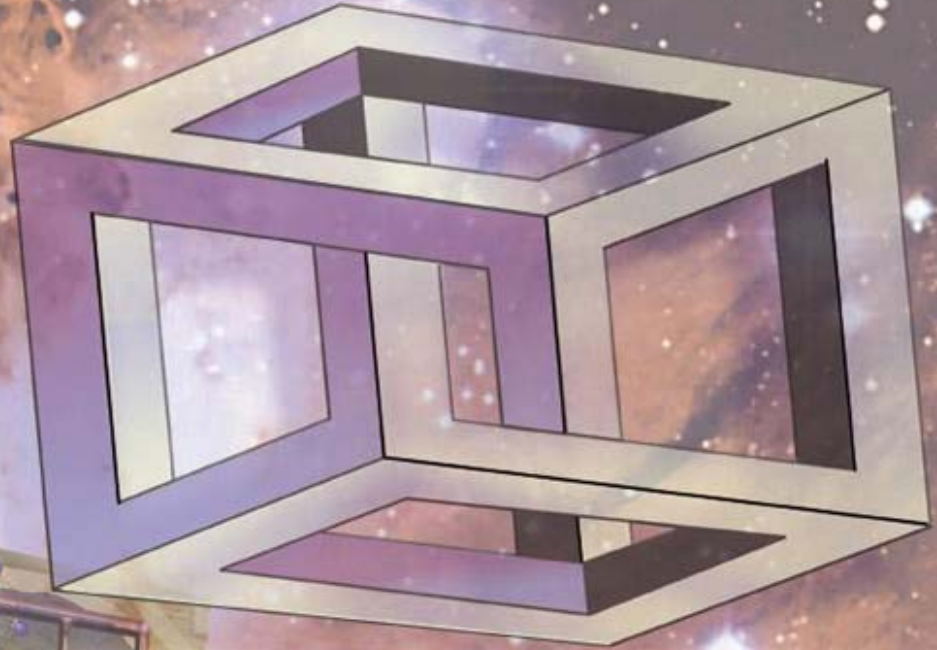


NATIONAL ADVISORY COUNCIL ON INNOVATION

NACi



**OUTLINE OF
CORPORATE BUSINESS PLAN
2002 - 2003**



innovation
for a better future

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Foreword by Chairman (still to be drafted)

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CHAPTER 1

STATUS OF AND INPUTS TO THIS CORPORATE BUSINESS PLAN

This corporate business plan is intended as an overarching document that

- Helps formulate NACI's mission and vision
- Highlights the climate it will endeavour to foster for its work
- Sets out a corporate set of objectives and time frame for achieving same
- Identifies and briefly motivates the resources required for the attainment of the key objectives.

The key elements were presented at a strategic planning session of the Council (21-22 February 2002) and it was accepted in principle that the Secretariat would circulate on the NACI web site a more comprehensive edition for consideration by all the members. The draft was subsequently posted on the web site for two weeks with the request that members should comment on it. All the feedback has been incorporated in the present document which submitted for final approval by the Executive Committee of NACI at its meeting on 14 March 2002.

It is accepted that a corporate business plan should be both a dynamic and guiding document. This means, firstly, that allowance should be made for modification in the light of unforeseen changes in the environment in which NACI operates. NACI should, as statutory advisory body, have the latitude to address new requests emanating from a rapidly changing environment. The counterpoint to its dynamism is, of course, that a corporate business plan – indeed any business plan – does represent a commitment by the organisation to attain pre-specified objectives with the instruments and resources at its disposal. The present corporate business plan has been drafted in a way that would accommodate both these criteria in mind.

Inputs to this corporate business plan

A wide range of manifest and latent inputs has led to the form and content of this document. The following represent most- if not all- of those inputs:

- Discussions with Roy Marcus, chairperson of NACI
- Earlier discussions with Sibusiso Sibisi, former chairperson of NACI
- Discussions with Rob Adam, CEO of NACI, and Adi Paterson, member of the ExCom
- Proceedings of Plenary and ExCom meetings
- Proceedings of the February 2002 strategic planning exercise of NACI
- Internal analyses and planning over the past four months
- Consultation of the literature on peer organisations overseas and on science policy in general

Not included in this document

Three additional sections will in due course be added to this document. First, a summary of NACI's relationship with government departments and other bodies is required to locate NACI in the policy landscape; second, a section on performance indicators of NACI's success would help in assessing the attainment of corporate goals; and third, an appendix with the names and institutional association of all the NACI members.

CHAPTER 2

POINTS OF DEPARTURE

Once adopted by Council this corporate business plan will represent the first formal strategic operationalisation of the NACI Act and serve as a guide to the work of the Council. This observation has helped to determine the specific format and content of the present document and it is consequently necessary to briefly attempt to characterise NACI's activities over the past three years.

NACI's first three years

The current Council came into operation in 1998 in what could be described as an "advisory vacuum", due to the fact that its predecessor, the Science Advisory Council, had been abolished in 1994. NACI was consequently faced with the challenge of re-establishing itself as a ministerial advisory council. The following selective list of activities consumed a major proportion of NACI's energy:

- Establishing synergy among members - many of whom did not know one another
- Defining the position and role of NACI's vis-à-vis the Minister, the relatively new Department of Arts, Culture, Science and Technology and institutions within the National System of Innovation
- Orientating itself with regard to the new innovation policy and its challenges
- Developing a list (implicitly and explicitly) of priorities, approaches and practices
- Commissioning the first research projects and publishing the first reports, e.g. *Growth and Innovation*, two annual reports, etc.
- Adjusting to a severely understaffed – and consequently mostly reactive – support service. In addition, the Council was confronted by the apparent anomaly of being a statutory council itself but being serviced by a secretariat that formed part of a government department and sometimes tending to behave as a function of the department rather than an autonomous council.

In summary, it would be fair to say that the first years since the establishment of NACI were primarily used to

- Mobilise the expertise available among its members and to create sufficient synergy among them to realise this potential
- Find proper foci and approaches for the formulation of advice.

Towards the end of 2001 NACI was able to capitalise on its experience by appointing a dedicated secretariat, albeit on a contract basis, and approving a portfolio of projects that would form the basis of advice to the Minister in the course of 2002. The beginning of 2002 also saw the completion of two projects that would form the basis of advice on salient issues.

NACI at the start of 2002

Past and present can become inhibiting or facilitating factors in planning for the future, depending on the motivation of the members of Council, the amenability of the Minister to advice and the constantly changing context in which NACI has to operate. This corporate business plan reflects the conviction that NACI is ready to increase significantly the execution of its statutory mandate, i.e. advising the Minister. The following assumptions underlie this document:

- Effective execution of its mandate requires that NACI's programme should be properly planned and managed
- NACI should be accountable in terms of outputs and expenditure

CHAPTER 3

MISSION AND VISION

Statutory mandate

The *National Advisory Council on Innovation Act, Act 55 of 1997* mandates NACI to advise the Minister of Arts, Culture, Science and Technology, and through him the Cabinet, on the role and contribution of innovation (including science and technology) in promoting and achieving national objectives. These national objectives include the improvement of the quality of life of South Africans, the promotion of sustainable economic growth and international competitiveness. The advice should be directed at, among others:

- Co-ordination and stimulation of the National System of Innovation (NSI)
- Promotion of co-operation within the NSI
- Structuring, governance and co-ordination of the S&T system
- Revision of the innovation policy
- Strategies for the promotion of all aspects of technological innovation
- Identification of R&D priorities
- Funding of the S&T system

Mission

The above statutory mandate has been converted into the following strategic mission statement:

NACI will strive to become a relevant, prominent, credible and responsive advisory body to the Minister on national matters concerning innovation, including science and technology, thereby contributing to the achievement of the national objectives of South Africa. NACI will give effect to its mission by utilising accountable scientific approaches and the best available resources. NACI's ideal is to be seen as the premier source of advice.

This mission statement finds expression in the **motto** of NACI:

Innovation for a better future

Vision

NACI has committed itself to the following vision:

NACI, as the key source of science and technology advice to government, will successfully promote S&T as the primary driver behind South Africa's economic and social development.

Values

The following values underlie all activities of NACI:

- Innovation directedness and relevance to South Africa
- South Africa first
- Consultation with and involvement of all members in the activities of NACI
- Proactive rather than reactive actions to give effect to its statutory mandate
- Fast delivery of advice and related services
- Meeting of deadlines and increasing outputs significantly
- Relevance, high quality and integrity of information produced
- Integrity and credibility of NACI

CHAPTER 4

OPTIMISING THE EFFECTIVENESS OF NACI

In the previous section the NACI act was operationalised in terms of a mission statement and the core values associated with that mission. In this section the focus moves to operational mechanisms that should increase the effectiveness of NACI. A distinction between four facets of NACI's mode of operating would be useful here, viz. members, meetings, project management and types/levels of advice.

Members

The strength of a council such as NACI is clearly its members – as indicated in section C of the Act. It follows that the expertise represented in members should be tapped to the fullest possible extent and the following mechanisms are expected to optimise the utilisation of members and their expertise:

- Members will be allocated specific sectors to concentrate on
- Members will enter into an understanding with the Chair with regard to their functions and specific roles
- Opportunities will be created for members to participate in NACI's activities directly as well as indirectly and all inputs shall have equal weighting
- Members may periodically be requested to assist with specific tasks, i.e. accessing information, providing contacts, etc. (within reasonable limits)
- Each member shall serve on at least one project reference group (a reference group is a subcommittee of Council mandated to oversee a particular project)

Meetings

Meetings normally represent the major mode of operation of a council. However, meetings could be prohibitively expensive, if calculated in terms of the hectic schedules of its members. The following guidelines - partly established practice, partly modifications of practices, and innovations – will be followed in future:

- The current arrangement of four plenaries and ten ExCom meetings per year will be continued.
- Length of plenaries: Two of one day duration each and two of one and a half day duration each; the latter will be structured in such a way that it would provide for interaction with relevant interest groups, e.g. SAUVCA.
- Meetings of reference groups will also be scheduled so as to coincide with plenary meetings in order to minimise, as far as possible, additional trips by members.
- The Secretariat will investigate the feasibility of teleconferencing.
- The Minister will be invited to address at least one plenary during the course of the year.

The respective roles, functions and procedures of NACI itself and its subcommittees can be found in relevant internal policy documents.

Project management

The organisational philosophy underlying this corporate business plan is that of optimum participation in the business of NACI by all the Council members (refer to the vision in Chapter 3). One potentially powerful way of giving effect to this philosophy is involving members of Councils in the steering of projects through appointing them on reference groups (see policy document POL:NACI 01/01 on the web site). The main features of the way projects will be managed in future are summarised in the following table:

Function	Responsible organ of NACI	Support
Determining priorities for the year	Council	Administrative support provided by the secretariat
Approval of projects	ExCom	
Appointment of reference groups ¹ for projects	Council	
Operationalisation of projects	Secretariat	
Resourcing	ExCom	
Project execution	Secretariat/service provider	
Project guidance	Reference group	
Approval of reports	Reference group	
Conversion of report into advice	Reference group	
Implementation, i.e. submission to the Minister	Council	

Note: ¹ The functions of reference groups are set out in NACI policy document POL:NACI 01/01

Types and levels of advice

Experience of an advisory council would seem to indicate that not all requests for advice or self-initiated advice follow similar routes of development, i.e. different methodologies have to be followed. It would consequently be useful to differentiate between different categories of advice. NACI will in future use the classification of categories of advice summarised in the table below.

Category of advice	Typical issue	Time frame	Methodology
<i>Quick response advice</i>	Unexpected events	Immediate to very short term	1. Expertise of members 2. Expertise within NACI networks 3. Internet etc.
<i>Researched advice</i>	Issues in S&T system & structure	±3-6 months	Commissioned research
<i>'AWACS'¹ advice</i>	Look beyond the horizon; anticipation of future developments	One year +	Think-tank; futures studies, etc
<i>Annual advice</i>	Annual overview of state of science and technology in SA	As programmed	Combination
<i>Mixed forms of advice</i>	Variable	±One month	Information sources

Note: ¹ AWACS: Airborne Warning and Control System

Most of the NACI's current projects are of the researched-based or medium term type, while two projects would qualify as examples of the quick response type, as the next section will indicate.

NACI has not embarked on the AWACS type of advice, but commits itself to launch the first one shortly.

CHAPTER 5

CURRENT PORTFOLIO OF PROJECTS

As indicated earlier in this document, NACI has approved a range of studies at the end of 2001 and they are all expected to be completed before the end November 2002. The following table offers an overview of current projects (terms of reference of most of these projects can be found on the NACI web site).

Short title	Project code PRO:NACI	Strategic focus	Advice type¹	R&D policy²	Target date
Open source	02/01	Assessment of the feasibility of Open Source Software for South Africa; policy of government and large corporations	QRA		03/02
NEPAD	02/02	Identifying the conditions for the engagement of S&T in NEPAD; systemic level; adjustment of policy	RA		06/02
NSI audit	02/03	Assessment of the implementation of the White Paper on S&T; possibility of second white paper	RA		07/02
NACI audit	02/04	Assessment of the performance of NACI during its first term of office; auditing the auditor; adjustments to nature and role?	RA		08/02
SETI reviews	02/05	Assessment of the implementation of the recommendations of the 1997 reviews; relevance of current arrangements	RA		09/02
Competitiveness measures	02/06	Assessment of development sensitive competitiveness measurement; supplement to Int. Competitiveness Report	RA		09/02
Utilisation	02/07	Extent and dynamics of the utilisation of research findings; outcomes of R&D and strategies to improve cost-benefit ratio	RA		11/02
Mobility	02/08	Extent, nature and implications of R&D worker mobility; strategies for productive steering	RA		11/02
R&D in ICT	02/09	Nature, extent, and effects of R&D and innovation in ICT; supply and demand re training and national priorities	RA		05/02
Innovation: ICT	02/10		RA		05/02
Databases	02/11	Identification, location and quality of relevant innovation databases in SA; access to info over short term	RA		06/02
Effects of Sept 11 on S&T system	02/12	Impact of international disaster on S&T; preparedness of SA S&T system	QRA		03/02
Tax incentives	02/13	Stimulating investment in R&D in the business sector; reconsideration of policy	RA		07/02

Notes: ¹ Category of advice (see previous section) QRA: Quick response advice
RA: Researched advice

² Draft R&D strategy (see Adam)

CHAPTER 6

KEY CORPORATE OBJECTIVES AND TIME FRAME

A core set of corporate objectives is listed in this section. These objectives have been generated against the background of the parameters identified in earlier sections of this document, especially the mechanisms to optimise the effectiveness of NACI and the portfolio of current projects. The objectives are first listed and briefly outlined before a time frame is superimposed upon them to yield the essence of the programme for the year.

Corporate objectives

- ***Quick response advice***

These inputs to the Minister will typically be information/advice that the Minister would request over the very short term or that NACI provides on its own initiative. While it is not possible to be certain of the number of requests to expect, NACI nevertheless prepares itself to respond to however many requests it might receive.

Provision is made for a **minimum of five** such quick response inputs.

- ***Researched advice***

The portfolio of projects to be completed before the end of September 2002 have been selected in view of their potential strategic implications. The general design is such that the reference groups will convert the research reports to meaningful inputs to the Minister.

In the course of the year a **minimum of eight** research-based inputs will be made to the Minister.

- ***AWACS advice***

It will be recalled that this category of input deals with anticipated events and or developments that lie beyond the time horizon. Different methodologies are available for generating this category of input, but they can all be subsumed under the futures study label. It should be noted that these projects would involve the top visionaries and thinkers in the country.

Two AWACS advices will be submitted in the course of the year.

- ***Conferences***

Three conferences are being planned for the year, one in the form of a business briefing, one an African conference on the conditions for optimising the role of S&T in the NEPAD initiative and the third one on a theme still to be formulated but at any rate scheduled to coincide with the end of the term of office of the present council.

- ***International liaison***

A wealth of experience has been accumulated on form and content of the work of advisory bodies similar to NACI. Thus far NACI has not really accessed that network and it has become clear that it should become involved in the international network of innovation advisory bodies. This would facilitate the proactive exchange of information and sharing of best practices. Such participation can, of course, take place through electronic means, but it should be equally clear that there remains a need to interact face - to - face with overseas counterparts.

Three NACI delegations are planned for this year while it is also anticipated that at least **one** overseas delegation should be hosted by NACI in South Africa.

- Europe and North Africa
- Americas, especially Central and South America
- Far East, especially countries such as India, China, Korea and Australia.

- ***Media communication***

NACI could play an important role in the mainstreaming of science, ‘technologising’ of society and raising of public awareness of S&T. Such a role could be twofold, namely stimulating media coverage of S&T in general and publicising its own work in particular. NACI commits itself to doing both in an accountable way during the course of 2002/2003.

At least **six** specific media releases will be arranged.

- ***Network management***

NACI is committed to establish, maintain and strengthen its network with South African bodies involved in innovation policy. Such bodies include the NSTF, ASSAF, SAUVCA, CTP, etc. This will be an ongoing action.

- ***Data bases***

The effective functioning of NACI requires direct access to reliable databases. **Two** priorities in this regard are, first, a database of individuals and institutions involved in S&T policy work across the world and, secondly, a meta-database of data bases on S&T indicators.

Scheduling objectives

The figure on the next page offers an overview of the target dates for the completion of the tasks identified above.

This is for at least three reasons of great importance:

- It shows the spread of the work of the Secretariat throughout the year. Due to reasons listed earlier in this document, the final year of the term of office of the current Council will be characterised by a significant increase in the productivity of the Secretariat and that is clearly reflected in Figure 1 (see also human resources further down).
- The figure also indicates that members of Council will be called upon to become engaged throughout the year (see Chapter 4) i.e. other than attendance at plenary meetings

	F'02	Mr	Ap	My	Jn	Jl	Au	Se	Oc	No	De	J'03
QRA	AB C D E											
RA	A B C D E F G											
AWACS	A B											
C	A B C											
IL	AB C A*											
MR	A B C D											
DB	A B											

	F'02	Mr	Ap	Ma	Jn	Jl	Au	Se	Oc	No	De	J'03
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Notes: *QRA: Quick response advice*
RA: Research-based advice
AWACS: Advice on developments beyond the time horizon
C: Conferences
IL: International visits (A: Delegation from abroad)*
MR: Media releases
DB: Databases

CHAPTER 7

RESOURCES: GENERAL CONSIDERATIONS

The next three chapters offer a specification of the following three resource requirements to make NACI work efficiently and effectively: Human resource requirements, infrastructure and financial resources. The availability of resources for an advisory council such as NACI is a necessary, but not sufficient, condition for the attainment of corporate objectives. To take the methodological paradigm somewhat further: Various moderator variables have to be in place to facilitate the attainment of those objectives. This chapter offers a listing of the more important ones internal to NACI itself and as such addresses all components of NACI.

Belief in self

Probably the primary moderator of success in an organisation such as NACI is the belief in the meaningfulness of its own existence, that it can make a difference, that it can add value to the NSI, that it is indeed involved in a function that is not or cannot, or even: should not be performed by other departmental structures.

Involvement of all members

In terms of the NACI act the Council was appointed on the basis of the expectation that each individual member would make a unique contribution to the execution of the statutory mandate. NACI does represent a unique configuration of professional experience and expertise. This corporate business plan has been drafted on the assumption that that experience and expertise will indeed be made available to the programme in the course of the year.

Open communication channels within NACI

Involvement of all members presupposes open communication channels and informed, communication between the Minister and NACI, between the ExCom and Council, between the Chair and the CEO, etc. The key in the above incomplete list of relationships is “**between**” i.e. the flow must be in both directions.

Co-operation between the Chair and the Secretariat

The Chair is by definition expected to be an initiator. The Secretariat represents the executive arm of Council and is often expected to initiate submissions for Council

Optimum managerial autonomy

A close reading of the NACI Act and the environment in which NACI has to function make it clear that NACI should have the flexibility and versatility often to respond over the short term to requests it may receive or to initiatives it may launch. The programme contained in this business plan captures this imperative, and will require that NACI operates with the optimum of management autonomy, while observing official rules contained in policy and procedures such as the King Commission, the PMFA, GAAP, etc.

Core professional staff

This business plan requires a competent executive arm and it is therefore essential that it be staffed by professional, committed and experienced staff – as would be appropriate for a ministerial advisory council.

Separation of interests

NACI should ensure that it is seen as an autonomous advisory body and that requires, among other things, openness and accountability in obtaining services from outside agencies, perceptions of any conflict of interest should be avoided under all circumstances, etc.

CHAPTER 8

HUMAN RESOURCES

This chapter first offers a description of the types of functions the staff will have to perform (main elements of job descriptions), the person qualities required, followed by a provisional organogram showing the structure of the Secretariat.

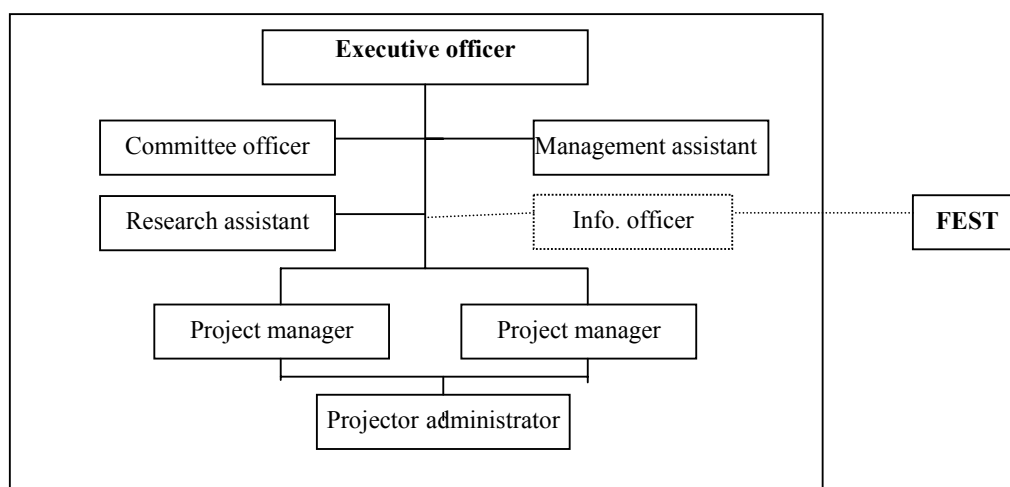
Functions and requirements

The posts, number, job description, person requirements and other information are reflected in the following table.

Post	N	Functions	Person requirements
Executive director	1	Professional executive service to Council & strategic and intellectual support to the Chair	Managerial experience in R&D environment & understanding of S&T policy domain
Project manager	2	Coordination and management of projects, incl negotiations and monitoring of service providers.	Experience of project management & organisational skills; postgraduate degree
Project admin	1	Administrative support for project managers; secretariat for reference groups	Communication and organisational skills; academic background
Management asst.	1	Secretarial support for executive director and senior posts in the Secretariat	Organisational skills, tactful, ICT skills
Committee officer	1	Organisation and record keeping of all meetings	Organisational & communication skills
Info. officer	1	Locating, accessing, and value-adding to info sources	Info management skills and experience; interdisciplinary background
Research. assistant	½	Support of executive officer with locating info, drafting of reports, etc	Interdisciplinary sensitivity; writing skills; critical thinking
Occasional asst.	½	Assistance with administrative overloads	Perseverance and sense for detail

Structure of Secretariat

The following figure shows how the above posts are arranged.



CHAPTER 9

RESOURCES: INFRASTRUCTURE

Normally we need not dwell on the infrastructural resources that an organisation such as NACI needs – simple multiplication of the number of staff by a unit of the particular equipment or infrastructure, corrected by available money should provide the answer. It may, however, be worth considering the unique mission of NACI, namely to advise the Minister on matters related to innovation. It is here suggested that NACI should reflect its involvement in the field of innovation.

Specific requirements

- ***ICT***

Apart from the standard equipment one has come to expect, such as fast PCs and laptop computers, the following is scheduled to receive urgent attention:

- Easy access to teleconferencing facilities
- Direct access to audio-visual conference facilities, e.g. a digital projector
- Software such as MS Office Premium

- ***Dynamic web site and support***

For NACI a properly constructed and dynamic web site has become so important that it is worth dealing with it separately, rather than as an item under *ICT*. The commitments listed in Chapter 6 will put increasing pressure on the quality of the NACI web site. This includes sufficient resources to feed new information onto the web site, competent web editing, administration and promotion.

- ***Administrative facilities and processes***

By definition NACI cannot afford to be subject to ‘traditional’ and cumbersome administrative processes. These processes should be marked by short turn-around times and quality service, albeit fully accountable in terms of financial and related controls.

- ***Accommodation***

The basic requirements for which the budget provides are the following:

- Ten offices
- Direct access to a council chamber
- Store room

The ideal location would be one that would be perceived as not being an integral part of DACST, but that would nevertheless be within easy reach from DACST. The other side of this argument is that the venue should be associated with innovation and be easy to associate with NACI.

- ***Other***

- Sufficient and accessible parking
- Access to an efficient information centre/library

CHAPTER 10

FINANCES

Background

- That NACI budget of R4 million has so far been administered as part of the S&T programme of DACST. As such, only expenditure on projects (contracts and transfers to science councils) has been debited against the above NACI allocation. Other expenditure, such as accommodation, travelling, etc. has been and is debited in the appropriate categories of the central DACST administration budget.
- A detailed budget has consequently never been submitted for approval by Council, nor has financial statements been published in the annual report.
- The above arrangement worked well enough during the time that NACI was getting established. However, the original arrangement can clearly no longer work. There is a fully-fledged secretariat in office, a portfolio of projects is being managed and the business of Council has increased significantly.
- Against this background the ExCom at its 23rd meeting on 4 October 2001 approved the principle that Council should in future approve the budget and that the ExCom should also be informed on a monthly basis of the year-to-date financial situation of NACI.

Budget: 2002-2003

The budget recommended by the ExCom and approved at the plenary meeting of 22 February 2002 is attached.

▪ ***Explanatory notes***

- The budget has been drafted on the understanding that all the costs of NACI should be reflected, irrespective where it is actually accounted for in the DACST administrative system.
- R4 million has been earmarked in the S&T budget of DACST for NACI.
- *Grant - FEST*: This is part of a transfer payment for future services/projects not budgeted for elsewhere, e.g. production of communication media, joint publications and information accessing.
- *Grant-in-aid*: These funds would be available for supporting requests received from outside. It is conceivable that some of the future requests might overlap with one or more of the approved or new projects.
- No explicit provision has been made for new projects.
- In general, the estimated project budgets are rational but conservative.
- Project commitment: The total budget for the particular project over its total life cycle.
- The shortfall in budget will be compensated for by a combination of the following: The grant-in-aid, an additional allocation by DACST and donor grants.

CHAPTER 11

COMMITMENT

The National Advisory Council on Innovation believes that Science, Technology and Innovation are not only the backbone of the nation, but also indispensable sources of national advancement. National investment in Science, Technology and Innovation and an effective and efficient utilisation of the resultant new knowledge separates big nations from small nations and weak nations from powerful nations and losers from winners – in short: successful from unsuccessful nations.

With the interest of South Africa at heart, NACI, believing in itself, and trusting in Science, Technology, and Innovation accepts the challenge laid out in the *National Advisory Council on Innovation Act, Act 55 of 1997* and dedicates itself, through this corporate business plan, to the accomplishment of national objectives.

Thus, NACI shall unconditionally commit itself to the search for the most appropriate advice for the Minister of Arts, Culture, Science and Technology. Using the available expertise and resources NACI shall pursue its mission by utilising accountable scientific approaches and the best available resources in the national interest.

This task can only be accomplished through the dedication, loyalty, and commitment of NACI and all other stakeholders.