

NATIONAL ADVISORY COUNCIL ON INNOVATION

CORPORATE BUSINESS PLAN

2003

Approved for implementation

.....
Dr Rob Adam
DG: DST and CEO: NACI

.....
Date

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2003

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INNOVATION FOR A BETTER FUTURE

FOREWORD
NATIONAL ADVISORY COUNCIL ON INNOVATION:
A PRODUCTIVE AND ACCOUNTABLE BODY

Successes of 2002 as starting point for 2003

This is the second corporate business plan of the *National Advisory Council on Innovation* (NACI). The 2002 plan was really a combination of, on the one hand, a very concise strategic plan and, on the other, a corporate business plan. Since it turned out to be a successful formula, it was decided to keep to that format.

As mentioned elsewhere in this corporate business plan, the previous year proved to be quite a successful one in the sense that we achieved practically all our goals – even exceeding some. And this was done within the budgetary parameters approved by Council in February 2002. This success was undoubtedly, at least partially, attributable to the planning structure provided by that corporate business plan. That document also enabled Council significant monitoring leverage, since monthly feedback could be provided on progress in the execution of a fairly complex programme.

Scope and functions of the 2003-2004 plan

This new corporate business plan retains essentially the same structure and format than the first one. We have, however, incorporated lessons learnt last year and advice obtained from various sources, including feedback provided by the review panel that assessed our performance over the previous three and a half years. This document will be supported by a series of project-specific documents, such as project business plans, project terms of references, contracts with service providers, progress reports, etc. In short, this corporate plan operationalises the Council's strategic plan – i.e. a governance plan -, but does not specify the ground plans of individual projects and initiatives – i.e. management plans.

I anticipate that the new four year term of office of Council will see members significantly more intimately involved in projects, albeit at the level of ensuring accountability and facilitating the generation of evidence-based policy advice. In this regard, this new corporate business plan should prove an indispensable set of coordinates for charting the way forward.

Referring to the new council requires a note on the time frame of this document. The new council will take office towards the middle of 2003. It was consequently decided to have this new corporate business plan be moderated by the outgoing executive committee (ExCo) and formally approved by the new one.

Corporate business plan as public document

A number of considerations led us to define this document as one accessible to the rest of the members of the NSI. Firstly, as I have already stated, this corporate business plan contains the key elements of our strategic plan and the latter dimension clearly necessitates it be open to public scrutiny. Secondly, NACI is a government entity that relies heavily on the cooperation of all stakeholders in the national innovation endeavour. To optimise the outcomes of these multiple interfaces requires that the other parties must know what NACI does – in this regard this document should serve a useful information function. Thirdly, where the intermediary layer in the innovation space is relatively densely populated by statutory and other bodies and individuals this document should help clarifying role definitions.

Conclusion

While I am convinced that this new corporate business plan is a sound document, albeit perhaps innovative in its conceptualisation, the fact remains that any planning document can only be as successful as the effective execution of the intentions contained in it. I therefore hope that this document will prove to be the stimulus for another productive and effective year for NACI.

Chairperson

CHAPTER 1

STATUS AND STRUCTURE OF AND INPUTS TO THIS CORPORATE BUSINESS PLAN

This corporate business plan is intended as an overarching document that

- Summarises NACI's medium term strategic plan as background to this year's activities
- Profiles and motivates NACI's programme for the year
- Sets out a set of corporate objectives, programmes and activities as well as a time frame for achieving same
- Identifies and briefly motivates the resources required for the attainment of the key objectives
- Highlights the climate it will endeavour to foster for its work

It is generally 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 stimulated by 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 with both these criteria in mind.

Each programme and project will be managed in terms of a business plan drafted for that specific programme or project.

Structure of this document

This document consists of four divisions, the contents and rationale of which are the following:

- The next chapter offers a background to the immediate past record of NACI
- Chapters 3-5 offer a very concise overview of what could be described as a strategic plan
- The core of the corporate business plan is summarised in Chapters 6-10
- Chapter 11 presents a model – and commitment – for the evaluation of the success of the implementation of all the plans enunciated in this document
- The final chapter represents a short and powerful commitment of Council to its statutory mandate.

Inputs to this corporate business plan

This document is primarily based on

- The 2002 *Corporate Business Plan* and subsequent experience in implementing it in the course of the previous year
- Feedback on NACI's performance contained in the review of NACI conducted in 2002
- A comparative analysis of corporate strategies and business plans of peer organisations overseas

- The current and anticipated programme of NACI
- Discussions with and suggestions by the Chair, Dr Roy Marcus, and the CEO, Dr Rob Adam
- Inputs made by councillors

The draft plan was moderated by the executive committee of NACI in June 2003.

CHAPTER 2

CONTEXT

This corporate business plan represents a formal strategic operationalisation of the NACI Act (Act 55 of 1997) and serves as a guide to the work of the Council till March 2004. This plan will serve as a set of coordinates for a new council that will take office in the course of the year. The first corporate business plan was approved at the beginning of 2002 and steered last year's programme. It may be useful briefly to take stock of the performance of NACI during its first four years in general and the past year in particular and to use those lessons as point of departure for the first year of the second four year term of NACI.

NACI: 1998-2002

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. Looking back over the first four years, it would be fair to conclude that the first period 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
- Establish a portfolio of studies as core of its business
- Develop a corporate business plan for guiding its business
- Steadily increase its advice to the Minister

Review of NACI

In 2002 the Council commissioned a review of NACI's performance since its inception in 1998. The review panel (Prof Gevers, Dr Bad at, Mr Mullin and Mr Hunt) commented very favourably on the development of NACI over the previous three and a half years. It commended the programme and the approach to its core functions. In view of that positive conclusion of the review panel NACI in principle decided that it would in 2003 continue on the course it had set in the previous year or two.

The review panel did make a number of cautionary comments. In the current context the two most relevant ones are on the imbalance between the programme and the resources at the disposal of NACI and on the need for NACI not to be perceived as being a mere extension of a government department.

The way NACI proposes to approach its business in 2003 will capitalise on the strengths and address the vulnerabilities identified in the report of the review panel.

From 1998 to 2007

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 further improve on its past performance. In this regard the following assumptions are important:

- 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

BUSINESS DEFINITION

The National Advisory Council on Innovation

The National Advisory Council on Innovation (NACI) is a statutory organisation established by act of Parliament, through *Act 55 of 1997*, to advise the Minister of Arts, Culture, Science and Technology, and through him the government of South Africa, 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 concept of innovation

Innovation is defined in the NACI Act (1997: Section 1(vi)) as “the process of transforming an idea, generally generated through research and development, into a new or improved product, process or approach which relates to the real needs of society and which involves scientific, technological, organisational, or commercial activities”.

The above definition clearly shows that the concept - and hence NACI’s mandate – covers the entire innovation chain and not only the subset of S&T activities, as is often thought.

Statutory mandate

The mandate of NACI is to generate advice directed at, among others, the:

- 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 translates into the following mission:

NACI will strive to become a relevant, prominent, credible, proactive 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 innovation policy 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
- Financial accountability

Strategic objectives

The strategic objectives of NACI are to continuously monitor and review the National System of Innovation in order to generate informed advice aimed at:

- Positioning Science, Technology and Innovation as the key driver for economic growth and improving the quality of life of all South Africans.
- Using innovation to improve the country's international competitiveness.
- Aligning national R&D priorities with key national priorities
- Optimising the National System of Innovation

Distinctive competency

The following three key areas of competency are prerequisites for NACI to establish itself and maintain a status of a key advisory council in the domain of innovation:

- **Networking capabilities:** NACI should be in a position to canvas support from all stakeholders in the NSI both locally and internationally.
- **Technical excellence:** It is important for NACI to have the policy analysis acumen to allow it to:
 - Identify outstanding policy issues for further investigations
 - Analyse these issues for relevance in the South African context
 - Identify service providers capable of delivering
 - Analyse the outputs of the service providers to ensure quality delivery
 - Convert any research output into relevant policy advice
- **Project management capabilities:** NACI needs project management skills and systems which will allow efficient management of all projects ensuring that all project are delivered within brief and time schedule

How does NACI operate?

NACI gives effect to its statutory mandate by

- Canvassing views of relevant stakeholders and constituencies
- Soliciting views of experts
- Commissioning research-for-policy
- Submissions to the Minister
- Briefing of specific interest groups
- Disseminating information through publications, conferences and seminars
- Promoting dialogue among interest groups

Types and levels of advice

Not all requests for advice or self-initiated advice follow similar routes of development, i.e. different methodologies have to be followed. NACI differentiates between different categories of advice as indicated in the table below.

Table 3.1: Typology of Advice

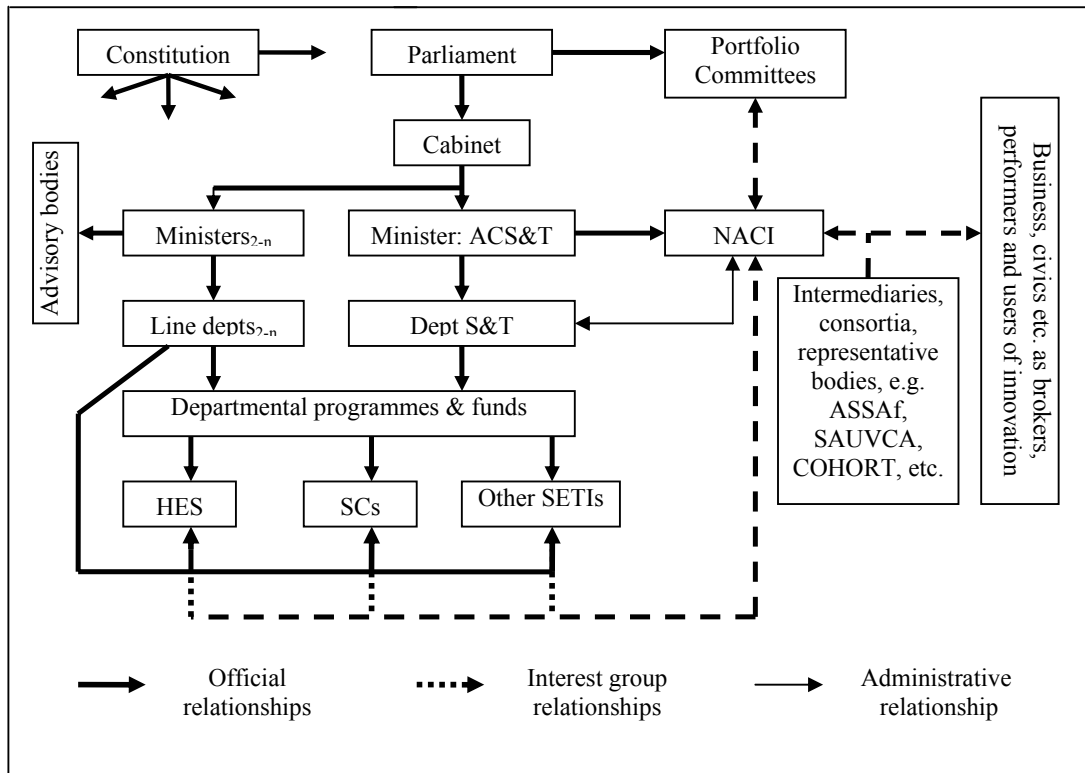
Category of advice	Typical issue	Time frame	Methodology
<i>Quick response advice</i>	Unexpected events	Immediate to very short term	1. Expertise of members 2. Expertise within NACI networks 3. Internet etc.
<i>Researched advice</i>	Issues in S&T system & structure	±3-6 months	Commissioned research
<i>'AWACS'¹ 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>Briefings</i>	Salient issues in NSI	Two per year	Evidenced-based advice to portfolio committees and other forums
<i>Mixed forms of advice</i>	Variable	±One month	Information sources

Note: ¹ AWACS: Airborne Warning and Control System

Partial representation of the NSI

The position of NACI in the national system of innovation is mapped in the following figure (Note that the relationships of intermediaries and the business sector with other components of the system are not shown.)

Figure 3.1: NACI's position in the NSI



CHAPTER 4

CURRENT PORTFOLIO OF PROJECTS

Research-for-policy is mentioned several times in this Plan as being one of the important bases for developing advice. The arrangement is that the staff of the Secretariat would undertake the small studies but comprehensive projects would be contracted out. In the latter case, internal staff would still be allocated to projects to coordinate (financial aspects, time schedule, reporting to Council, etc.) them.

In 2002 NACI initiated no fewer than 20 studies. Six of those were completed in the course of 2002, while four were completed early in 2003. The others are scheduled to be completed during the course of this year. 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).

Table 4.1: Portfolio of projects

Advisory projects

Short title	Project code PRO:NACI/	Strategic focus	Advice type (cf ch 3)	Target date
Utilisation	02/07	Extent and dynamics of the utilisation of research findings; outcomes of R&D and strategies to improve cost-benefit ratio	RA	06/03
Mobility	02/08	Extent, nature and implications of R&D worker mobility; strategies for productive steering	RA	06/03
Databases	02/11	Identification, location and quality of relevant innovation databases in SA; access to info over short term	RA	08/03
Competitiveness measures	02/06	Assessment of development sensitive competitiveness measurement; supplement to Int. Compet'ness Report	RA	09/03
Tax incentives	02/13	Stimulating investment in R&D in the business sector; reconsideration of policy	RA	12/03
Petrochemical construction industry	03/26	Current skills shortage in construction industry impacting on major capital engineering projects	QRA	08/03
Innovation: Facts and figures:	03/27	Innovation indicators for NSI promotion	RA	07/03
Funding of black researchers	03/28	Assessment of equity in capacity building in R&D	QRA	08/03

Innovation promotion projects

Short title	Project code PRO:NACI/	Strategic focus	Target dates
Regional visits	02/18	Community awareness of NACI	Sept & Oct
Newsletter	02/19	Regular information dissemination	June, Aug, Oct, & Feb'03
Conferences		Dissemination & validation of info; networking	Sept & Feb'03
Postgraduate Innovation Award	02/24	Recognition of innovation by postgraduate researchers	October

CHAPTER 5

KEY CORPORATE GOALS 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 on very salient issues 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***

NACI's portfolio of projects complies with the following criteria:

- A national priority
- A ministerial request
- A need for new policy inputs
- Part of the mandate of NACI
- Available resources

The general project design requires that the particular reference groups will convert the research report to a meaningful input to the Minister. In the course of 2003 a **minimum of six** research-based inputs will be made to the Minister.

- ***AWACS advice***

It will be recalled (cf. Chapter C) 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***

Two conferences are being planned for the year, namely

- Appropriate innovation systems for developing countries
- The utilisation of research findings.

In addition, **three** NACI seminars will be hosted; the themes are still to be finalised.

- ***International liaison***

A wealth of experience has been accumulated on form and content of the work of advisory bodies similar to NACI. In 2002 NACI started to access the international network to facilitate the proactive exchange of information and sharing of best practices. This process should be accelerated in 2003, especially with a new council in office.

Two 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.

- North Africa
- Central and South America

• **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 take two forms, 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 2003.

At least five specific media releases are planned.

• **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.

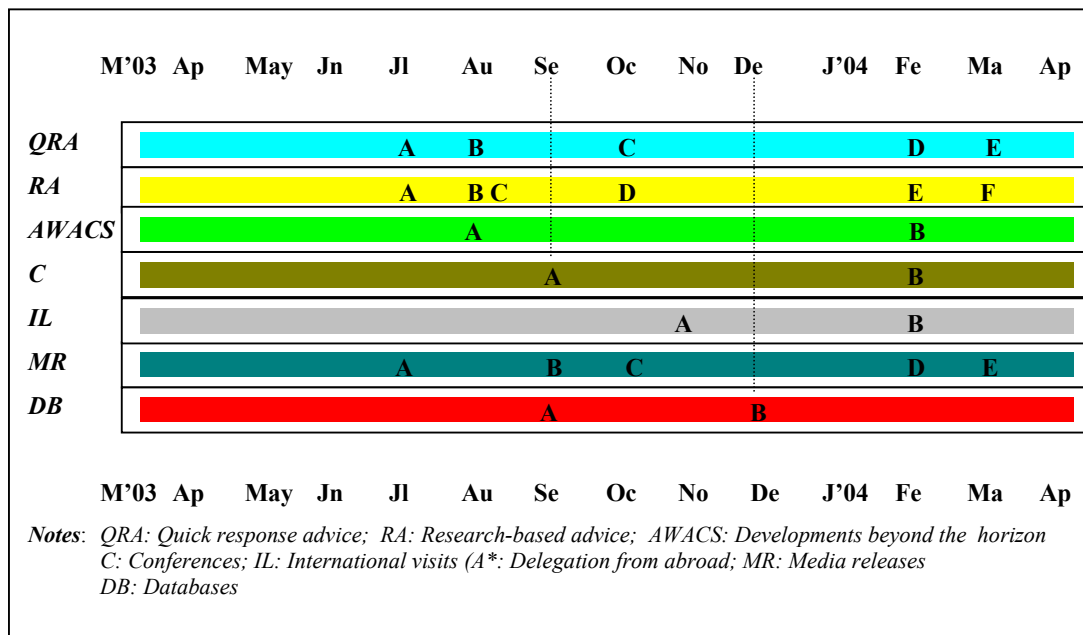
• **Data bases**

The effective functioning of NACI requires direct access to reliable databases. A data base of South African contacts has been completed and will gradually be updated. With the meta-database of data bases on S&T indicators about to be completed in the latter half of 2003, a database of individuals and institutions involved in S&T policy work across the world will be the priority for 2003.

Scheduling objectives

Figure 5.1 offers an overview of the target dates for the completion of the tasks identified above.

Figure 5.1: Schedule of Corporate Goals



CHAPTER 6

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 enter to an agreement with the Minister on their expected contribution to the work of the Council
- Members will be allocated specific sectors (business, higher education and government) to concentrate on
- 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 an advisory council. However, meetings could be prohibitively expensive, if calculated in terms of the hectic schedules of the members. The following guidelines - partly established practice, partly modifications of practices, and innovations – will be followed:

- The current arrangement of four plenary 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, where possible, be scheduled to coincide with plenary meetings in order to minimise additional trips by members.
- Teleconferencing will be utilised when feasible.
- 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 are summarised in the following table:

Table 6.1: Project Management Functions

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 (design, ToR)	Secretariat	
Resourcing	ExCo	
Recruiting service providers	Secretariat	
Appointment of service provider	Reference group/ExCo	
Project execution	Secretariat/service provider	
Project guidance	Reference group	
Approval of reports	Reference group	
Conversion of report into advice document	Secretariat	
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

CHAPTER 7

RESOURCES: GENERAL CONSIDERATIONS

The next four chapters offer a specification of the key 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 government 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 is premised on the understanding that the members' experience and expertise will indeed be 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 ExCo 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.

Standard procedures

The facilitation of standard administrative and other activities requires that NACI has access to documented, accountable and approved standard administrative procedures. A manual of procedures should be completed by the third quarter of 2003.

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

The effective and efficient execution of this plan requires that NACI operates with the optimum management autonomy, while observing official rules contained in policy and procedures such as the King Commission, the PMFA, GAAP, etc. A set of delegations of functions from the CEO to the Head: secretariat should be ready in July 2003.

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 this ideal requires, among other things, openness, fairness and accountability in obtaining services from outside agencies - perceptions of any conflict of interest should be avoided under all circumstances.

CHAPTER 8

HUMAN RESOURCES

This chapter first offers points of departure, 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.

Points of departure

The following points of departure guide the staff structure of the Secretariat:

- The permanent staff complement should be as small as is functionally possible
- The Secretariat will rely on project specific contract appointments and secondments to address additional needs that will arise from time to time
- The structure should allow for flexibility and adjustment to changing circumstances, resource sharing, and be a sufficiently flat one
- The staff should be appropriately qualified and skilled, but provision will be made for capacity development
- The staff structure (see organogram below) should be established in the course of 2003

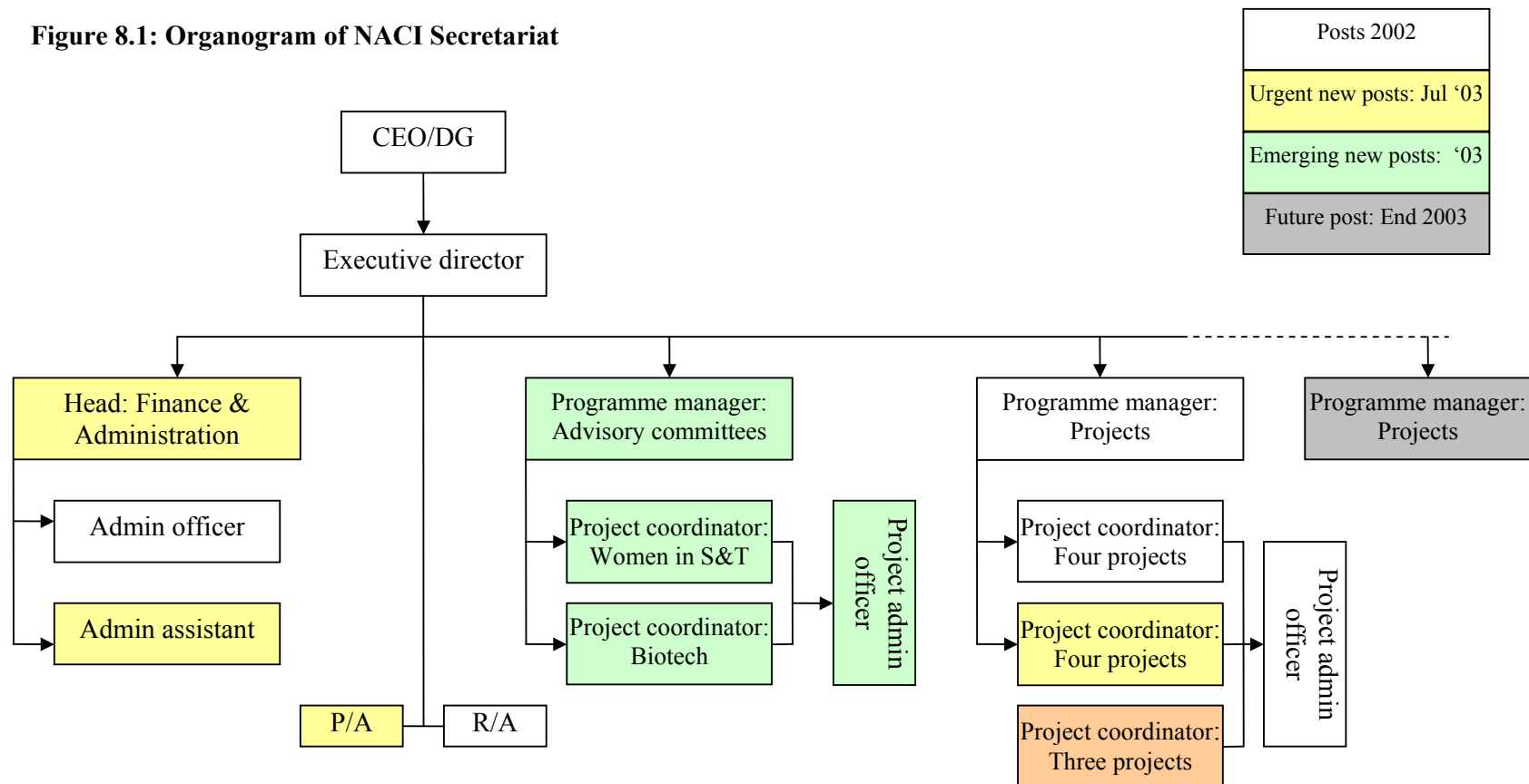
Functions and requirements

Key posts, their job descriptions, and person requirements are reflected in the following table.

Table 8.1: KPAs of Key Posts

Post	Key functions	Person requirements
Executive director	Professional executive service to Council & strategic and intellectual support to the Chair	Managerial experience in R&D environment & understanding of S&T policy domain
Programme manager	Initiation of all aspects of projects (Conceptualisation, ToR, design, appointment of service providers, etc); conversion of reports into advice	Postgraduate degree; relevant experience in research & policy environment; committed to quality
Project coordinator	Coordination and administration of projects, incl financial control & monitoring of progress, etc.	Relevant HE qualification; experience of project admin & organisational skills
Head: Fin & admin	Oversee all financial and admin functions; external communications	Relevant HE qualification; proven experience
Project admin officer	Administrative support for programme managers; secretariat for reference groups	Communication and organisational skills; academic background; ICT skills
Personal assistant	Secretarial support for executive director and senior staff	Organisational, communication & ICT skills
Research. assistant	Support of executive officer with locating info, drafting of reports, etc	Interdisciplinary sensitivity; writing skills; critical thinking; academic relevant qualification

Figure 8.1: Organogram of NACI Secretariat



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***

NACI's ICT has not been optimal during 2002 and this will require concerted attention during 2003. Apart from the standard equipment one has come to expect, such as fast data lines, the following is scheduled to receive urgent attention:

- Reliable and fast electronic systems
- Easy access to tele- and audio-visual conferencing facilities
- Software such as MS Office Premium, including *Access* and *Front Page*; project management software, e.g. *MS Project*; and a pdf writer

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

In the course of 2002 the NACI web site received approximately 67 500 hits. This is planned to increase significantly in the course of 2003. In addition, the commitments listed in Chapters 5 and 6 will put increasing pressure on the nature and quality of the NACI web site. The site will be redesigned and new content categories will be included to provide information to a wider audience to accommodate these pressures. In this regard, the innovation portal will receive priority attention. Web technology will further be used to increase the e-profile of NACI through the availability of key information online such as an online newsletter and e-mail subscription lists, which will be actively managed.

- ***Administrative facilities and processes***

By definition NACI cannot afford to be subject to non-optimal 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***

In June 2002 the Secretariat of NACI moved to its current premises, namely the Didacta Building. Being housed in a consolidate suit of offices has facilitated team work and contributed in no small way to raising the visibility and identity of the council. The premises satisfy most of the current needs to the extent that the building also houses other members of the NSI community and offers conference facilities, although visitors' parking could become a problem in future.

CHAPTER 10

FINANCES

Background

- That NACI budget is an allocation made by DST and till 2002 used to be administered as part of one of the programmes of the department. 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 ExCo at its 23rd meeting on 4 October 2001 approved the principle that Council should in future take charge of all facets of its budget and that the ExCo should also be informed on a monthly basis of the year-to-date financial situation of NACI. This arrangement has been applied during 2002.
- In February 2003, DST indicated that the NACI allocation would in future be transferred to a NACI account and treated in a way similar to other transfer entities, e.g. science councils.
- The total expenditure of NACI in 2002/2003 was R5,4 million.

Budget: 2003-2004

The detailed budget for the financial year 2003-2004 represents a separate document, but the following paragraphs offer a summary of the key features.

- The budget has been drafted on the understanding that all the costs of NACI should be reflected, since DST would no longer, as in the past, treat items like remuneration as part of its budget.
- The amounts earmarked by DST for NACI are as follows :
 - Projects: R4mill
 - SAGR: R1mill
 - Other (Council, remuneration, etc.) R2,,61 mill
 - Total allocation (as of March '03) R7,61mill
- Summary of the budget:

Table 10.1: Budget 2003

Item category	Budget '02 ('000)	Expen '02 ('000)	Budget '03 ('000)	Notes
NACI approved				
DST grant: Projects			5 000	
DST grant: HR			2 610	
A. Remuneration			2 365	Incl per diem of Councillors, packages of Secretariat staff, contract workers
B. Accommodation			250	Contract with FEST/NRF
C. Mission support services			1 640	Publications, conferences, regional seminars, overseas visits, etc.
D. Projects - current			3 000	Incl R1mill for SAGR
E. Projects - new			105	
Result			000	

CHAPTER 11

PERFORMANCE EVALUATION

In terms of NACI’s mission (Chapter 3) it strives to be recognised as the primary reference point on innovation policy in the country. We are further committed to be effective in the execution of our statutory mandate. These commitments give rise to the challenge of identifying an approach to the assessment of NACI’s annual performance.

Finding an approach suitable to a statutory **advisory** council is not as simple a task as it may initially appear. After considering critically various formats, it was decided to use a dynamic performance monitoring system rather than an approach that primarily focuses on quasi- and real quantification of inputs and outputs and neglect the interactions between the different components of the business process. This approach has been adapted from Rip’s comprehensive evaluation cycle approach. This approach consists of four perspectives, viz. strategic, operational and outcome perspectives. These are summarised in the following table.

Table 11.1: Dynamic Performance Monitoring System

Perspective	Key questions	Action	Performance area	Reference
Strategic	Has NACI done the right things?	Prioritisation	1. Alignment with principal’s agenda 2. Alignment: Other government bodies 3. Alignment: NSI priorities	Government
Tactical	Has NACI done the right things right	Implementation	1. Best practice 2. Overhead efficiency	Peers & networks
Results	Were the effects functional?	Execution	1. Fulfilment of statutory functions 2. Outcomes and impact of advice	NACI Act Strategic plan
Strategic	Any changes required?	Prioritisation	Outcomes-target differentials	Strategic plan Networks

The evaluation will be done on an annual basis and the resultant report will be a set item on the agenda of the February meeting of Council in years 1, 2 and 3. A suitably experienced person will be commissioned to moderate the report.

An expert panel will be commissioned to undertake fully fledged evaluation of NACI’s performance during its four-year term of office in the fourth year.

CHAPTER 12

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 stagnant economies from growing ones 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 the benefits of 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, such as the improvement of the quality of life of all South Africans and sustainable economic growth.

Thus, NACI unconditionally commits 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.

Appendix 1
Members of Council: 2003-2007