Annual Performance Plan
2018/19

INNOVATION
FOR A BETTER FUTURE

Foreword

On behalf of the National Advisory Council on Innovation (NACI), I am honoured to present the 2018/19 Annual Performance Plan (APP). This is the last APP for the current Council whose terms ends in July 2018.

The Council is implementing its legislative mandate and functions through the 2016-2021 Strategic Plan and Annual Performance Plan. Our 2016-2021 Strategic Plan articulates a vision and identifies strategic outcome-oriented goals that seek to contribute to the realisation of the 2030 National Development Plan vision and Science, Technology and Innovation policy mix (1996 White Paper on Science and Technology and Ten-Year Innovation Plan). Recently, the Council completed the review of the 1996 White Paper on Science and Technology, including a performance analysis of the National System of Innovation (NSI) over a twenty-year period, and submitted its input into the draft new White Paper on STI.

The Council will continue to improve the quality, relevance and efficacy of its advice to the Minister of Science and Technology and through the Minister to cabinet. It generates advice proactively or at the behest of the Minister of Science and Technology. In thinking about advice, the Council recognises that it is important to focus on both the foundation (disciplines or knowledge domains, infrastructure and human resources) of STI and its role in addressing poverty, unemployment, inequality and a sluggish economy and in meeting societal challenges (such as education, health, food security and global change). The Council sees having access to good quality data, analytical capability, strong partnerships and healthy relationships with recipients of advice as critical. Some of the NACI's strengths include the ability to mobilise NSI stakeholders and access to local and international experts who complement limited resources.

NACI will build on its previous efforts to strengthen NSI planning, monitoring and evaluation capability. The Council remains committed to conduct a foresight exercise whose results will contribute towards the development of decadal plan for STI.

Working with partners, the Council will improve phase 1 and develop phase 2 of the National STI Information Portal; and develop monitoring and evaluation framework and system for the NSI. The latter will take into consideration the new White Paper on STI.

The Council values the importance of good corporate governance, communication and international engagement. In 2018, the Council will undertake both self-evaluation and external evaluation or institutional review. It will build on the successes of the third Global Forum on National Advisory Councils, which offered an opportunity to establish relations with key actors in the rest of the African Continent. Together with the Department of Science and Technology Communication Unit, NACI will work hard to to implement its communication plan.

I therefore commend our APP to South African citizens and NSI role players, in particular.

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Prof . Cheryl de la Rey
Chairperson: NACI

Official sign-off

It is hereby certified that this APP was developed by the management of NACI under the guidance of the Acting Chief Executive Officer. This APP was prepared in line with the 2016-2021 Strategic Plan of NACI. It accurately reflects the performance targets which NACI will endeavour to achieve given the resources made available in the 2018/19 budget.

Prof. Cheryl de la Rey

Chairperson (NACI)   Signature ……………………………….

Ms Pretty Makukule

Chief Financial Officer (DST)   Signature ……………………………….

Dr Mlungisi Cele

Acting Head (NACI)   Signature ……………………………….

Approved by:

Minister Naledi Pandor

Executive Authority   Signature ……………………………….

CONTENTS

Part A: Strategic Overview

The following sections present a strategic overview of NACI. It captures the vision, mission, values and the legislative mandate of the organisation, including information on performance delivery and the institutional environment.

1.   Vision

A leading advisory body for government on science, technology and innovation in a well-coordinated, responsive and functioning National System of Innovation.

2.   Mission

To produce evidence-based advice for the Minister of Science and Technology and, through the Minister, Cabinet, on science, technology and innovation matters through research expertise and engagement with stakeholders.

3.   Values

- ◆ Professionalism.
- ◆ Integrity.
- ◆ Innovation and knowledge sharing.
- ◆ Transparency and accountability.

4.   Legislative and other Mandate

The National Advisory Council on Innovation Act, 1997 (Act No. 55 of 1997), provides the mandate for NACI. The Act mandates NACI to advise the Minister for Science and Technology and, through the Minister, Cabinet, on the role and contribution of science, mathematics, innovation and technology, including indigenous technologies, in promoting and achieving national objectives, namely, to improve and sustain the quality of life of all South Africans, develop human resources for science and technology, build the economy, and strengthen the country's competitiveness in the international arena.

4.1   Constitutional Mandate

There are no specific constitutional provisions for NACI.

4.2   Relevant Court Rulings

None.

5.   Policy Context and Mandate

The 2011 National Development Plan (NDP) and 1996 White Paper on Science and Technology embrace and promote the critical role and contribution of the NSI towards creating sustainable and inclusive socio-economic development, and promote the broader and inclusive concept of innovation (social and technological, traditional and non-traditional research and development communities).

The NDP proposes two actions related to the NSI. First, creating a common overarching framework to address pressing challenges in the NSI (including higher and further education, state-owned enterprises and private industries). The NSI should function in a co-ordinated manner with objectives that are aligned to national priorities. Second, increasing the size and effectiveness of the NSI.

It recognises the NSI as the principal tool for creating new knowledge, applying knowledge in production processes, and disseminating knowledge through teaching and research collaboration. The NDP further acknowledges that advances in technological innovation and the production of new knowledge are critical to growth and development.

NACI has continuously sought to find ways in which its work could contribute (directly or indirectly) to the realisation of the NDP. Its strategic approach involves a provision of evidence-based, responsive and confidential advice (proactive and reactive); systemic monitoring; evaluation, learning and analysis; research expertise and stakeholder engagement (round-table discussions).

Examples of NACI work (past, present and planned) related to building a coordinated, coherent and effective NSI include the following:

- Annual monitoring of the NSI resulting in the STI Indicators Booklet and finalisation of the STI Scorecard.
- Contribution to the development of the NSI Monitoring, Evaluation and Learning Framework, through development of the National STI Information Portal and production of the biennial state of STI report (future).
- Review of the current and future White Paper on Science and Technology (including performance analysis of the NSI), other key STI strategies and system infrastructure.
- Hosted the third Global Forum of National Advisory Councils on Innovation in 2017. Shared and learned from different countries' experiences related to governance, planning, how to achieve an innovation ecosystem and well-coordinated, responsive and effective NSI, and so forth.
- Conduct a foresight exercise to inform the new decadal plan for STI.
- Contribute to a better understanding of the relationship between STI and the economy through analysing select areas such as technology diffusion, technology balance of payments, biomass assignment model, and uptake of locally produced technologies.
- Provide input into the expansion of the NSI and its human capital (including transformation).

6.   Organisational and Performance Environment

The 1996 White Paper on Science and Technology and the 2002 National Research and Development Strategy noted that the post-apartheid government had inherited an "ailing" science and technology system, which was fragmented and uncoordinated, and not geared to help the government realise the national imperatives of economic growth and enhanced quality of life for all citizens.

The need for greater coherence and coordination in the NSI has therefore been understood for a long time. A variety of statutory and voluntary mechanisms have been established[1] in an attempt to transform the ailing system. The idea of an NSI, introduced in the 1996 White Paper, was premised on the notion of stakeholders working together for a common purpose. The NSI concept assumes the need for the different actors across the system (in both the public and the private sector) to achieve coherence and complementarity in their functions, so that the resources invested in the various entities can make the greatest impact.

The Minister has since assigned NACI to develop and host the National STI Information Portal, and encouraged the inclusion of acting Chief Executive Officers of DST public entities. The NACI Chairperson has also been granted direct access to the Minister. These attempts are intended to improve coordination and collaboration of diverse stakeholders (such as the Centre of Excellence in Scientometrics and STI Policy (SciSTIP); the Department of Higher Education and Training; the Higher Education Management Information System; the Research Information Management System; and the Centre for Science, Technology and Innovation Indicators).

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[1] These include NACI, the Council on Higher Education and the NSTF. Government attempted to achieve coherence across departments or across priority outcomes by first introducing a cluster system and then delivery forums. There are also numerous sectoral bodies such as Universities South Africa for higher education institutions and the Committee of Heads of Organisations of Research and Technology, which is mainly for science councils. The contribution of these mechanisms to strengthening the NSI varies, but there is little doubt that much more could be achieved than is currently the case.

In addition, NACI has explored collaboration with the following local and international organisations (each collaboration has its own specific focus):

◆ Organisation for Economic Cooperation and Development – STI policy analysis, evaluation, country reviews, impact assessment, bibliometrics, data management and repository.

◆ Global Forum on National Advisory Councils on Innovation – experience and knowledge sharing and learning, improving the role and contribution of advisory councils, development of relevant advice, interaction between advisors and policymakers, capacity building and joint projects.

◆ National Research Foundation, Human Sciences Research Council, Academy of Science of South Africa, South African Council for Natural Scientific Professions, Technology Innovation Agency, Accenture, the New Partnership for Africa's Development, National Science and Technology Forum (NSTF), Science Policy Research Unit (University of Sussex), and the DST-NRF Centre of Excellence in Scientometrics and STI Policy (SciSTIP) at Stellenbosch University – strengthening of the system's monitoring, evaluation and learning capability, development and implementation of the National STI Information Portal, and development of next generation STI policy analysts.

◆ Institute for Statistical Studies and Economics of Knowledge (ISSEK) – Planning such as foresight exercise.

7. Strategic Outcome-Oriented Goals

The following approved strategic outcome-oriented goals are designed to support the NACI mandate, vision and mission (they appear in the 2016-2021 Strategic Plan):

- ◆ To learn from previous experience to improve efficacy and ensure evidence-based, informed, confidential and timely policy advice to the Minister of Science and Technology and, through the Minister, to Cabinet.

- ◆ To contribute to the building of NSI monitoring, evaluation and learning capability in order to assess the health of the NSI and its contribution to sustainable and inclusive development.

- ◆ To contribute to the building of a well-coordinated, responsive and effective NSI by exploring and proposing solutions to the long-standing STI policy questions of coordination, prioritisation, financing, size and shape, human resources, knowledge production and diffusion, and so forth.

- ◆ To transform NACI into a smart, efficient and learning organisation. This goal is intended to address current internal operational inefficiencies, enhance quality, turnaround time, knowledge management and communication, and exploit benefits of digitisation. Skills, knowledge and competency development will be critical.

Part B: NACI Advisory Programme and Work Plan

The following subsections present NACI's performance indicators, annual and quarterly targets, expenditure estimates and also the reconciliation of performance targets with the budget and Medium Term Expenditure Framework.

8. NACI Performance Indicators and Annual Targets for 2018 /19

Table 1 presents NACI's performance indicators and strategic targets, which are based on strategic goals and objectives.

Table 1: NACI's performance indicators and annual targets for the 2018/19 financial year

Strategic goal 1:		To learn from previous experience to improve efficacy, relevance and ensure evidence-based, confidential and timely policy advice to the Minister of Science and Technology and, through the Minister, to Cabinet.							
Output	Performance indicator	Strategic target	Audited/actual performance			Estimated performance	Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic objective:1		To provide evidence-based advice on science, technology and innovation matters to the Minister of Science and Technology and, through the Minister, to Cabinet, on request or at NACI's own initiative.							
STI policy advice	Number of STI policy advice documents submitted to the Minister of Science and Technology	Nine STI policy advice documents submitted to the Minister by 31 March 2021		Three rapid advisory briefs on energy, water and food security approved by the Council and submitted to the Minister by 30 March 2016	Two STI advice documents submitted to the Minister by 31 March 2017	Three STI advice documents submitted to the Minister by 31 March 2018	Three STI[2] advice documents submitted to the Minister by 31 March 2019	Three STI advice documents submitted to the Minister by 31 March 2020	Three STI advice documents submitted to the Minister by 31 March 2021

2 To be generated from, among others, the 2017 State of Innovation Report, Bioeconomy Framework and indicators to monitor the implementation of the South African Bio-economy Strategy, PhD absorption into the labour market, Mathematics and Physical Science study, technology diffusion, utilisation of technologies emanating out of publicly funded research in South Africa, and research and development investment.

| Strategic goal 2 | To contribute to the building of NSI monitoring, evaluation and learning capability in order to assess the health of the NSI and its contribution to sustainable and inclusive development. | | | | | | | | |

Output	Performance indicator	Strategic target	Audited/actual performance			Estimated performance	Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic objective:2	**To assess the performance of the NSI.**								
State of STI report	Number of State of STI reports produced	Three State of STI reports finalised by 31 March 2021	2014 South African STI Indicators booklet	2015 South African STI Indicators booklet	The NSI performance analysis and situational analysis were finalised	The State of STI report finalised by 31 March 2018	The State of STI report finalised by 31 March 2019	The State of STI report finalised by 31 March 2020	The State of STI report finalised by 31 March 2021
NSI monitoring and evaluation (M&E) reports	Number of NSI M&E reports	Six NSI M&E reports finalised by 31 March 2021			The 2016 STI Indicators report was finalised	Two NSI M&E reports finalised by 31 March 2018	Two NSI M&E reports finalised by 31 March 2019	Two NSI M&E reports finalised by 31 March 2020	Two NSI M&E reports finalised by 31 March 2021

Strategic goal 3	To contribute to the building of a well-coordinated, responsive and effective NSI.								
Output	Performance indicator	Strategic target	Audited/actual performance			Estimated performance	Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic objective:3	To develop an STI central data and information portal for publicly financed data to provide easy access to knowledge, learning resources, indicators and communities of practice on the design, implementation, and evaluation of innovation policies.								
National STI Information Portal	Successful implementation of National STI Information Portal	[3]Fully functional and effective model of National STI Information Portal by 31 March 2021	New target	National STI data and information portal framework	National STI Information Portal was developed	Documented user experience and business case developed for upscaling the National STI Information Portal by 31 March 2018	Phase 1 upscaling of National STI Information Portal by 31 March 2019	Phase 2 full-scale rollout of the National STI Information Portal by 31 March 2020	Ongoing maintenance and implementation of the National STI Information Portal by 31 March 2021

[3]The Portal has reached fourth capability maturity level and it contributes significantly to NSI planning, monitoring and evaluation. All aspects of the portal are fully developed, accessible and useful to the users.

Strategic goal 4			Transforming NACI into a smart, efficient and learning organisation.							
Output	Performance indicator	Strategic target	Audited/actual performance			Estimated performance	Medium-term targets			
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic objective:4		**To contribute towards improving NSI coordination and planning.**								
A high-level framework for an STI decadal plan	Ministerial approval secured for high-level framework for new STI decadal plan	A high-level framework for an STI decadal plan submitted to the Minister of Science and Technology by 31 November 2021	New target	One feedback report on the White Paper review process submitted to the Minister by 31 March 2016		Final report on foresight exercise produced by 31 March 2018	Finalisation of foresight exercise by 30 September 2018	No target	No target	

Output	Performance indicator	Strategic target	Audited/actual performance			Estimated performance	Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic objective: 5		To ensure efficient and effective provision of administrative, financial, technical and professional corporate services, among others, to support the discharge of the core mandate of NACI.							
Communication plan	Communication plan implemented	Communication plan implemented by 31 March 2021	New target	New target	One stakeholder engagement on the 2016 South African STI Indicators report Five collaboration and partnership meetings with STI stakeholders: (1) NSTF on 2 February 2017, (2) Centre of Excellence in SciSTIP on 9 February 2017, (3) Technology Innovation Agency on 16 February 2017, (4) Technologies Top 100 on 17 February 2017, and (5) Embassy of Switzerland on 17 February 2017	Communication plan implemented by 31 March 2018	Communication plan implemented by 31 March 2019	Communication plan implemented by 31 March 2020	Communication plan implemented by 31 March 2021

Two presentations: (1) Minister of Science and Technology on the NACI Annual Performance Plan on 27 February 2017, and (2) Cluster on the STI Indicators booklet on 1 March 2017 Two international participation events: (1) Innovation and Technology Absorption by South African Firms on 2 March 2017, and (2) Organisation for Economic Co-operation and Development Committee for Scientific and Technological Policy Global Science Forum meeting from 20 February to 4 March 2017

Internal corporate governance system	Internal corporate governance system implemented	Internal corporate governance system approved and implemented by 31 March 2021	New target	New target	Internal corporate governance system was approved and implemented by 31 March 2017	Corporate governance system implemented (such as Annual Report, Annual Performance Plans) by 31 March 2018	Corporate governance system implemented (such as Annual Report, Annual Performance Plans) by 31 March 2019 Institutional review report completed by 30 July 2018	Corporate governance implemented (Annual Report, Annual Performance Plans, Annual Council Evaluation) by 31 March 2020	Corporate governance implemented (Annual Report, Annual Performance Plans, Annual Council Evaluation) by 31 March 2021
Knowledge-manage-ment system	Knowledge-management system approved and implemented	Knowledge-management system approved and implemented by 31 March 2021	New target	New target	Draft framework for NACI knowledge management system was developed by 31 March 2017	Knowledge management system implemented by 30 March 2018	Knowledge management implemented 30 March 2019	4 Knowledge management system implemented by 31 March 2020	Knowledge management system implemented by 31 March 2021

4 Recording and transcription of minutes, Identification of key interviewees, Interviews with selected knowledge holders.

9. Quarterly Targets for 2018/19

Table 2 presents NACI's quarterly targets for the 2018/19 financial year, which are based on strategic goals and objectives.

Table 2: NACI's quarterly targets for the 2018/19 financial year.

Strategic goal 1	To learn from previous experience to improve efficacy, relevance and ensure evidence-based, confidential and timely advice to the Minister of Science and Technology and, through the Minister, to Cabinet.				
Performance indicator	**Reporting period**	**Annual target**	**Quarterly targets**			
			1st	2nd	3rd	4th
Strategic objective: 1		To provide evidence-based advice on science, technology and innovation matters to the Minister of Science and Technology and, through the Minister, to Cabinet, on request or at NACI's own initiative.				
Number of STI policy advice documents submitted to the Minister of Science and Technology	Quarterly	Three STI policy advice documents submitted to the Minister by 31 March 2019	Planning and data analysis by 30 June 2018	Data analysis, consultation and reporting 30 September 2018	One STI advice document by 20 December 2018	Two STI advice documents by 31 March 2019

Strategic goal 2 — To contribute to the building of NSI monitoring, evaluation and learning capability in order to assess the health of the NSI and its contribution to sustainable and inclusive development.

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Strategic objective: 2		To assess the performance of the NSI.				
Number of State of STI reports produced	Half-yearly	The State of STI report finalised by 31 March 2019	Launch of 2017 State of STI report by June 2018	Conceptualisation of 2018 State of STI report by 30 September 2018	Data collection and analysis as well as draft report by 30 December 2018	Final report and distilling recommendations to be submitted to the Minister by 31 March 2019
Number of NSI M&E reports	Quarterly	Two NSI M&E reports finalised by 31 March 2019	Planning and consultation with relevant stakeholders by 30 June 2018	Data collection and analysis by 30 September 2018	Drafting of the NSI M&E reports 30 December 2018	Two NSI M&E reports finalised by 31 March 2019

Strategic goal 3		To contribute to the building of a well-coordinated, responsive and effective NSI.				
Performance indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Strategic objective: 3		To develop an STI central data and information portal for publicly financed data to provide easy access to knowledge, learning resources, indicators and communities of practice on the design, implementation, and evaluation of innovation policies.				
National STI Information Portal developed	Quarterly	Phase 1 upscaling of National STI Information Portal by 31 March 2019	Documentation of user experiences by 30 June 2018	Business plan and specifications for upscaling approved by 30 September 2018	Development of additional features for National STI Information Portal by 30 December 2018	Phase 1 of National STI Information Portal upscaled by 31 March 2019

Strategic goal 4		Transforming NACI into a smart, efficient and learning organisation.				
Performance indicator	**Reporting period**	**Annual target**	**Quarterly targets**			
			1st	**2nd**	**3rd**	**4th**
Strategic objective: 4		To contribute towards improving NSI coordination and planning.				
Ministerial approval secured for high-level framework for new STI decadal plan	Quarterly	Final report on foresight exercise produced by 31 March 2018	Initiation Phase [5] and Scanning phase [6] completed by 30 June 2018	Strategic thrusts or priorities identified, consulted and finalised by 30 September 2018		

[5] Which involve initial scoping phase of the study and stakeholder mapping exercise. The methodology and plan of the study will be detailed. Focus areas will be determined with due consideration of existing capacities, national social and economic priorities, as well as value-related and ethical principles

[6] Analysis of a wide range of social, technological, economic, political and value/cultural factors that are likely to affect the STI domains. With a focus on external global/ international context, and national dynamics of South Africa, this phase will produce trends, grand challenges (that may be both opportunities and threats), 'weak signals 'emerging change as well as 'wild cards/surprises/shocks', which may create disruptive impact on existing and planned systems.

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Strategic objective: 5		**To ensure efficient and effective provision of administrative, financial, technical and professional corporate services, among others, to support the discharge of the core mandate of NACI.**				
Communication plan	Half-yearly	Communication plan implemented by 31 March 2019	Communication plan refined and implemented by 30 June 2018	Communication plan implemented by 30 September 2018	Communication plan implemented by 31 December 2018	Communication plan implemented by 31 March 2019
Corporate governance system	Quarterly	Corporate governance implemented (Annual Report, Annual Performance Plan) by 31 March 2019. Institutional review report completed by 30 June 2018	1. Annual Report Highlights submitted to the DST by 30 May 2018	1.2017/18 1st draft Annual Report submitted to the DST by 30 July 2018 2.2019/20 1st draft Annual Performance Plan submitted to the DST by 1 August 2018 3.2017/18 2nd draft Annual Report submitted to the DST by 30 August 2018 4. 2017/18 Annual Report ready for tabling in Parliament by 30 September 2018	1. 2019/20 2nd Draft Annual Performance Plan submitted to the DST by 25 November 2018	1.2019/18 Final Draft Annual Performance Plan submitted and presented to the DST by 15 January 2019
Knowledge management system implemented	Half-yearly	Knowledge management system implemented by 31 March 2019	Knowledge café to be hosted as a platform to create NACI knowledge management strategy by 30 June 2018	Iidentification of key interviewees (with NACI knowledge) to be finalised by 30 September 2018	All NACI meetings recorded and transcripts stored safely in alfresco by 30 November 2018 Interviews with selected knowledge holders recorded and stored by 30 November 2018	Knowledge management system implemented by 31 March 2019

10. Resource Consideration

10.1 Human Resource Requirements

A process will be undertaken to assess NACI's fitness for purpose on the basis of the new vision and goals set out in this APP. This process is expected to produce a new organisational structure and articulate NACI's knowledge and skills requirements.

10.2 Expenditure Estimates

Table 3 presents a summary of 2018/19 expenditure estimates for the total budget of R20 million, comprising the compensation of employees (R11 million) and goods and services (R9 million).

Table 3: NACI expenditure estimates

Programme R thousands	Audited outcomes			Adjusted appropriation	Medium expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Compensation of Employees	6 849	10 034	8 451	10 857	11 005	11 797	12 785
Goods and Services	5 643	8 223	5 798	8 649	9 142	9 654	10 185
Total	**12 503**	**18 257**	**14 249**	**19 506**	**20 147**	**21 451**	**22 970**

Part C: Linkages to other Plans

The list below includes key public policies and strategies relevant to NACI's work over the next five years:

- ◆ White Paper on Science and Technology.
- ◆ National Development Plan (Vision 2030).
- ◆ Nine-Point Plan.
- ◆ New Growth Path.
- ◆ Industrial Policy Action Plan.
- ◆ Ten-Year Innovation Plan.
- ◆ National Infrastructure Plan.
- ◆ Medium-Term Strategic Framework.

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