



GUIDELINES TO NACI AND ITS OPERATIONS

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THE NACI LOGO

The logo of the National Advisory Council on Innovation (NACI) depicts a balance between formality and creativity. The capitals “NA” symbolise the formality, astuteness and acumen embodied in Council’s work. The brush stroke of “C” represents the creativity and innovation principles espoused for, from the work of Council. The form of the logo is designed to foster complementarities between acumen and creativity to achieve competitiveness.

THE MISSION STATEMENT

NACI’s mission is to remain the premier advisory body to the Minister for Science and Technology and Cabinet on all innovation policy matters, including:

- the contribution of innovation to economic competitiveness;
- the contribution of innovation to economic development and social upliftment; and
- coordination and coherence in the national system of innovation, thereby contributing to the achievement of national objectives.

NACI gives effect to its mission by utilising evidence-based approaches to enquiry, and making the best use of available resources.

MOTTO

NACI’s mission finds expression in the motto:

“innovation for a better future”

Contents

1. BACKGROUND.....	6
1.1 Objectives of NACI.....	6
1.2 Functions of NACI.....	7
2. OFFICE AND ROLE OF NACI COUNCILLORS.....	8
2.1 Membership.....	8
2.2 Term of office of Councillors.....	9
2.3 Confidentiality and Disclosure.....	9
2.4 Roles and Responsibilities of Councillors.....	9
3. ADVISORY STRUCTURE.....	10
3.1 The Policy Advisory Structure.....	10
3.2 The Chief Executive Officer (CEO).....	10
3.3 Executive Committee.....	10
3.4 Committees.....	11
4. THE SECRETARIAT.....	12
4.1 Duties.....	12
5. PROCEDURES FOR MEETINGS.....	12
5.1 Council and ExCo meetings.....	12
5.2 Document Packs for Meetings.....	13
6. STRATEGIC FOCUS.....	13
7. REPORTS AND PUBLICATONS.....	14
7.1 Points of departure.....	14
7.2 Types of reports.....	14
7.3 Procedures for the release of reports.....	14
7.4 Confidentiality of reports.....	15



NATIONAL ADVISORY COUNCIL ON INNOVATION

7.5	Journal publications from NACI funded research	15
8.	POLICY ADVICE	15
8.1	Principles	15
8.2	Structure and Form of Policy Advice	16
8.2.1	Cover Letter	16
8.2.2	The Evidence Base.....	16
9.	BUDGET AND FINANCIAL PLANNING	17
10.	REMUNERATION AND EXPENSES OF COUNCILLORS.....	17
10.1	Honoraria.....	17
10.2	Rules for the payment of honoraria	17
10.3	Travel and subsistence for NACI assignments.....	18
11.	CONCLUSION	18
	LIST OF ACRONYMS.....	19

1. BACKGROUND

The National Advisory Council on Innovation (NACI) is a statutory advisory council ¹ established through the enactment of the National Advisory Council on Innovation Act (No.55 of 1997) in response to the recommendations of the *White Paper on Science and Technology: Preparing for the 21st Century (1996)*; to support the stimulation of a national system of innovation (NSI) in order to build the economy and strengthen the country's competitiveness in the international sphere.

The term Council refers to both the *structure* and the *competency*, which places an onerous responsibility on the shoulders of Council members. This guide is a summary of the administrative and technical procedures according to which NACI operates. In guiding the operations of NACI, it is imperative that the following principles are consistently adhered to:

- The specific needs of NACI based on its uniqueness as an advisory board on science, technology and innovation.
- Procedures and processes followed should generally be compatible with standard civil service procedures.
- For purposes of administrative auditing; decisions of Council must be recorded, kept and traceable.
- Ease of administration is a must.
- Due to the nature of the entity as an advisory body, documents produced by NACI must be reader friendly.

Members of the first Council were appointed at the end of 1998, a year after the passing into law of the NACI Act (Act No. 55 of 1997). Its predecessor, the Science Advisory Council, had been abolished in 1994, leaving a vacuum in top-level advice to Cabinet on matters of science and technology. The first official meeting of Council took place in 1999.

1.1 Objectives of NACI

Council is appointed by the Minister for Science and Technology, with the concurrence of Cabinet, to advise the Minister and Cabinet on the role and contribution of science, mathematics, innovation and technology in promoting and achieving national objectives. National objectives include:

¹ A statutory council is established in terms of legislation to perform functions that typically involve the rendering of advice on policy matters or policy implementation or to consider or adjudicate on appeals as an independent tribunal. Secretariat or professional support is rendered and funded by the parent Department (DPSA- Handbook for the Appointment of Persons to Boards of State and State controlled Institutions, 2009).

- Improving and sustaining the quality of life of all South Africans
- Developing human resources for science and technology
- Building the economy
- Strengthening South Africa's international competitiveness standing

1.2 Functions of NACI

In accordance with the Act, NACI provides policy advice on the following:

- the coordination and stimulation of the NSI;
- the promotion of cooperation within the NSI;
- the development and maintenance of human resources for innovation, through selective support for education, training, research and development, in the higher education sector, science councils, science and technology institutions and private institutions;
- strategies for the promotion, development, acquisition, transfer and implementation of technology innovation in all sectors;
- international liaison and cooperation in the fields of science, technology and innovation;
- the coordination of science and technology policy and strategy with policy and strategies in other environments;
- the structuring, governance and coordination of the science and technology system;
- the identification of research and development priorities in consultation with provincial departments and interested parties and the incorporation of such priorities in the process of government funding of research and development;
- the funding of the science and technology system in respect of its contribution to innovation;
- the establishment, phasing out, rationalisation and management of science councils, national facilities for research, national research and development programmes conducted by science councils; and science and technology institutions within the national system of innovation;
- the promotion of mathematics, the natural sciences and technology in the education sector, in consultation with the Minister(s) for Education and the Minister for Labour;
- strategies for the dissemination and accessibility of scientific knowledge and technology as well as the promotion of public understanding of science and technology and its supportive role in innovation for development;
- the establishment and maintenance of information systems to support the monitoring and evaluation of the science and technology system and the national system of innovation; as well as the revision of science and technology policy to address changing and new circumstances;
- developments in the fields of science, technology and innovation which might require new legislation;

- any other matter relating to science, mathematics, innovation and technology –including indigenous technologies- which the Minister may refer to NACI or in respect of which NACI may deem it necessary to advise the Minister.

2. OFFICE AND ROLE OF NACI COUNCILLORS

2.1 Membership

The Council comprises of:

- a chairperson appointed by the Minister.
- the chief executive officer, an officer of the Department of Trade and Industry (the dti) appointed by the Minister for Science and Technology and agreed to by the Minister for Trade and Industry.
- between 16 and 20 Councillors appointed by the Minister for Science and Technology after submission to Cabinet for notification.

Councillors, other than the CEO and the officer of the Department of Trade and Industry, serve part-time and are appointed in their personal capacity on the strength of:

- being distinguished in any field of science, technology and innovation;
- possessing special knowledge or experience in relation to the management of science, technology and innovation;
- possess special insight into the role of innovation in achieving national objectives; and
- possessing a special knowledge and experience on the functioning of the national system of innovation within which the science and technology system operates, or any other aspect within NACI's domain of responsibility.

The membership of Council is broadly representative of all sectors and is constituted so as to ensure a spread of expertise and experience regarding:

- national and provincial interests
- scientific and technological disciplines
- innovation
- needs and opportunities in different socio-economic fields

- research and development in all sectors

The Chairperson of NACI has direct access to the Minister to submit and discuss any NACI report, the minutes of any NACI meeting, or any other matter relating to the functioning of NACI.

2.2 Term of office of Councillors

Councillors, with the exception of the CEO and the officer of the Department of Trade and Industry, hold office for a period determined by the Minister at the time of their appointment, which is a maximum of four years. Councillors may be reappointed after their tenure has expired, but may not serve more than two consecutive terms.

A position may become vacant if a Councillor resigns or the Minister terminates membership on the grounds of lack of participation, misconduct, incapacity or incompetence. The Minister may then appoint a person to serve for the remainder of that term of office.

2.3 Confidentiality and Disclosure

All the work of NACI is by definition confidential.

Councillors shall not divulge any unpublished information of NACI to an outside person or agency without the prior written consent of the chairperson and/or the CEO. Advice given to Ministers and or Cabinet is not to be disclosed until released by Cabinet or a Cabinet member for public consumption. Breach of confidentiality will be considered as misconduct and may lead to a termination of membership or an subject to an investigation.

It is expected of Councillors to disclose any conflict of interest or potential conflict of interests in relation to any role, responsibility or task assigned to them by Council.

2.4 Roles and Responsibilities of Councillors

The responsibilities and roles of Councillors are to:

- initiate and approve the work programme to be undertaken by NACI;
- approve all internal policies of NACI, giving due consideration to alignment with policies of government;
- approve the budget, control expenditure and ensure the quality of the work of NACI;
- attend Council meetings and project meetings in order to make informed and useful input;
- prepare thoroughly for meetings;
- diligently attend ExCo meetings;

- participate in or provide leadership to structures of Council;
- provide expertise and leadership on pertinent issues;
- participate in or provide leadership in events organised by NACi;
- report to the Minister, Cabinet and/or Parliament as assigned by the Chairperson

If under reasonable circumstances, a Councillor is unable to participate in meetings a written expert opinion or input on the relevant issue must be submitted to the NACi Secretariat.

3. ADVISORY STRUCTURE

3.1 The Policy Advisory Structure

The policy advisory structure of NACi includes approvals at the following levels:

- Cabinet
- Minister for Science and Technology
- Council
- Executive Committee
- CEO

3.2 The Chief Executive Officer (CEO)

The NACi Act makes reference to the role of the CEO as follows:

- The CEO is a full member of Council [Section 5], *as amended*
- The CEO's membership of Council is not restricted to a four-year term of office [Section 7], *as amended*.
- The CEO is a member of the Executive Committee [Section 8(3) (b)].
- The Minister must appoint a suitably qualified person as a chief executive officer of NACi [Section 11], *as amended*
- The CEO and appointed Secretariat staff are responsible for executing the work programme of NACi [Section 11].

3.3 Executive Committee

The Executive Committee comprises five (5) people, including the CEO, the Chairperson and the officer of the Department of Trade and Industry. The remaining two members are elected by the

full Council. The purpose of the Executive Committee is to deal with all operational matters including:

- matters referred to it by Council
- urgent matters
- routine matters that do not need to be referred to the full Council
- preparations for Council meetings and NACI events
- ensuring that work that is mandated by Council is carried out

The Executive Committee will request a meeting with the Minister as and when necessary to provide a briefing on NACI activities and solicit from the Minister, priorities and issues pertinent in the Cabinet agenda. Any urgent advice or report submitted to the Minister by the Executive Committee should be accompanied by a statement that the matter is presented by the Executive Committee, rather than the full Council.

Any such advice or report should be ratified at the next Council meeting.

Special meetings of Council may be called by the Minister or the Chairperson.

Meetings may be held by teleconferencing, a record of such shall be kept by the Secretariat. Any matters dealt with by electronic mail or teleconferencing should be ratified at the next meeting.

3.4 Committees

The NACI Act provides for Council to establish committees of experts to execute designated functions.

[Section 8(4)(a)]

Notwithstanding that NACI may commission certain research projects, the Act enables Council to appoint dedicated experts to assist it to carry out its functions. The work carried out by experts is subject to Council approval. The following *principles* apply in the appointment of experts:

- Experts are appointed for a period linked to the lifespan of a project.
- The NACI Council approves all work to be undertaken by experts.
- Experts work closely with the Secretariat to support the priorities in the NACI Strategic Plan and Annual Performance Plans.
- A Council member must provide leadership oversight over any work assigned to experts.

4. THE SECRETARIAT

4.1 Duties

Since NACI is a statutory council as defined in the DPSA Handbook for Boards and State controlled Institutions, its professional support or Secretariat is provided by the parent Department- the Department of Science and Technology. Staff in the Secretariat is appointed in terms of the Public Service Act, 1994 (as amended).

The duties of the Secretariat include:

- providing professional and specialist policy and research support to Council
- effectively managing the administration of NACI's resources and assets (human, financial, capital)
- facilitating communication with the Minister and Cabinet
- bringing pertinent information to the attention of ExCo and Council
- establishing platforms of engagement with stakeholders and interest groups (including maintaining network databases)
- optimising the use of NACI's corporate identity

5. PROCEDURES FOR MEETINGS

5.1 Council and ExCo meetings

Subject to [section 9] as amended through the Science and Technology Laws Amendment Act, 2011

- At least, four Council meetings should occur in a given financial year, which translates to one meeting per quarter.
- The chairperson shall convene an executive committee meeting as and when necessary to facilitate decision making and the smooth operation of NACI.
- With the exception of the CEO, members of Council and members of ExCo are expected to attend meetings in person and may not send a representative.
- A quorum of a Council meeting and an executive committee meeting constitutes fifty (50) per cent of the membership present at a meeting.
- The chairperson may decide to invite a non- executive committee member of Council to an ExCo meeting if it is clear before the meeting that a quorum will not be present. In such

circumstances, the non-executive committee member of Council has full voting rights at such a meeting.

- If the chairperson is not present at a meeting, the meeting will appoint one of its members present to direct the meeting. Alternatively if it was clear before the meeting that the chairperson will not be at the meeting, the chairperson may nominate one of the members to direct the meeting.
- Decisions may be taken by consensus; however, in the event that sufficient consensus cannot be reached, the decision of the majority of Councillors present at the meeting will be taken as the decision of Council.
- The chairperson of the meeting has a deliberative and a casting vote. In the event of a tie, the chairperson may only exercise the casting vote, if he or she has already exercised the deliberative vote.
- Any matter may be put to vote at the insistence of a Council member.

All meeting discussions are recorded and confidential.

5.2 Document Packs for Meetings

- The agenda and the Council document pack must reach Councillors at least a week before a meeting.
- Minutes must be circulated within seven working days of a meeting, indicating decisions, conclusions, action points and the person(s) responsible for carrying out the actions. Councillors have three to five working days to respond to matters requiring interim and/or urgent feedback.
- A summary of salient decisions may be submitted to the Minister after a meeting.
- All documentation distributed in support of meetings is to be treated with the strictest confidentiality.

6. STRATEGIC FOCUS

To set a strategic agenda for government policy planning in science, technology and innovation matters, NACi Council shall develop a strategic plan linked to the government planning cycle outlining priorities for the term of its office. The strategic priorities must be concluded after consultation with the Minister for Science and Technology, and where necessary with other relevant government institutions.

7. REPORTS AND PUBLICATONS

7.1 Points of departure

- All NACI reports are deemed confidential until declassified by a relevant authority for release into the public domain e.g. Council, Minister, Cabinet or .
- NACI retains ownership and copyright of all its information (data bases, reports, etc.), with the exception of advice provided to government or a government organ.
- NACI uses its reports to optimise debate before advice is given to government.
- NACI is committed to make its reports (with the exception of ministerial advices) public as soon as possible after an advice has been rendered to the Minister.
- NACI will always observe ethics of public communication.

7.2 Types of reports

NACI produces various types of reports:

- Internal reports intended to serve as a basis for decision-making by Council, but are not intended for circulation outside NACI or public consumption.
- Final reports have been approved by Council for limited public release (with the concurrence of the Minister in cases of sensitive matters that are not yet concluded at a strategic level) and would generally deal with salient issues of interest to well-defined interest groups. The release of these reports is intended to promote discussion on the topic, to inform the relevant stakeholders and to sensitise the community.
- Publications are approved by Council for general public release.
- Official presentations (e.g. to the Minister, government departments, other interest groups) are made by the NACI Chairperson; the CEO or any other relevant person nominated by Council or the Chairperson.
- Journal articles based on NACI reports (see #7.5 below)

7.3 Procedures for the release of reports

- Council delegates its responsibility for release of reports to its Executive Committee (ExCo).
- Upon considering a draft report the ExCo should decide whether the report should be released, the form it would take, for what purpose (e.g. for public debate before advice is concluded) and with what conditions applying to such release (e.g. time restriction before

finalisation). Appropriate provisos, disclaimers and related riders must accompany the release of such document.

- The decision by ExCo to release a report must be explicitly recorded.

7.4 Confidentiality of reports

- NACI reports are confidential until published or released by ExCo.
- All policy advice remains confidential and it is the prerogative of the Minister or Cabinet to release policy advice in whatever form deemed appropriate.

7.5 Journal publications from NACI funded research

NACI supports academic journal publications that are based on research projects funded by NACI, subject to the following:

- The article content must be approved by the NACI Council, which retains the right to refuse publication in certain circumstances.
- The NACI report on which the article is based must have been publicly released by Council.
- The relationship of the article to the original NACI project must be acknowledged.
- The article must contain significant value-add by the author(s), and will thus not be considered as 'republishing' by reviewers.

8. POLICY ADVICE

The core function of NACI is to advise the Minister and Cabinet on the role and contribution of science, innovation and technology in promoting and achieving national objectives. Policy advice comprises a document submitted to the Minister or Cabinet with specific recommendations on issue(s) within the ambit of NACI in terms of the Act.

8.1 Principles

Policy Advice should:

- Add significant value
- Be based on reliable and credible evidence
- Include politically and financially implementable recommendations
- Be approved by Council

- Be communicated directly to the Minister by the Chairperson
- Be communicated directly to Cabinet or another Minister by the Minister for Science and Technology
- Be treated as confidential

8.2 Structure and Form of Policy Advice

Policy advice consists of two distinct parts, namely:

- a cover letter addressed to the recipient e.g. Minister;
- a Cabinet memorandum;
- an accompanying information memorandum

8.2.1 Cover Letter

The cover letter for policy advice is a short document of not more than 60 words, signed by the Chairperson of Council and the CEO, covering the following aspects:

- a statement of the problem/issue;
- Context in respect of national objectives e.g. why the advice is essential;
- a summary of the evidence base;
- the main recommendations;
- expected impact if recommendations were implemented and the effects if nothing is done.

8.2.2 The Evidence Base

Evidence base serves to provide credibility of information on the policy advice, it may include:

- the reports relied upon; or
- an information memorandum covering the process to the policy advice if no new research was initiated. The memorandum may include the position of the issue on the national agenda, the process of consultations followed etc. The memorandum must be concise and brief (2500 words).

9. BUDGET AND FINANCIAL PLANNING

- All expenditure pertaining to the performance of the functions of NACI is defrayed from money voted by Parliament as part of the Departmental appropriation. Since NACI is located inside the Department of Science and Technology, no corporate services functions are provided for in the Act in respect of the functions of the Secretariat, the Director-General of the Department provides Accounting Authority oversight over financial matters. Thus, financial planning and management, - with the exception of day to day operations - is managed through the office of the Chief Financial Officer (CFO) in the Department.
- NACI has a separate account in the Department's voted funds through which to carry out its functions.
- The NACI account must contain all the line items necessary for Council to fulfill its statutory mandate.
- Upon submission by the Department of the NACI allocated funds to the Council for the financial year, the NACI CEO must submit a cash flow breakdown for expenditure control and tracking.
- The Departmental CFO effects and monitors all payment transfers on behalf of NACI.

10. REMUNERATION AND EXPENSES OF COUNCILLORS

10.1 Honoraria

Councillors who are not employed full-time by the State are remunerated in the form of an honorarium, as determined by the Minister, with the approval of the Minister of Finance.

10.2 Rules for the payment of honoraria

- NACI Councillors and Committee members designated in terms of section 8(4) as members of a committee are remunerated for services rendered in connection with the functions of NACI.
- The payment of honoraria to Council members and members of NACI committees is in terms of the National Treasury Rates/Levels as re-issued from year to year.
- In accordance with section 10 of the Act, Treasury approved the remuneration levels for NACI Council members and members of NACI committees as Category A, sub-category A1. This categorisation took into account the NACI decision making powers, the complexity of the field, the levels of skill and expertise required and the anticipated impact of the work of NACI in the country.

- An honorarium (payable in daily or hourly rates and taxable) covers meeting attendance, attendance of NACI events, and preparatory work such as written input or research work. Through the NACI budget, NACI pays for out of pocket expenses incidental to NACI work such as kilometers travelled to and from meeting venues, workshops, conferences and accommodation.
- The Chairperson of NACI approves the number of hours/days committed in relation to the volume of written input submitted by a Council member or a member of a NACI committee by signing off on the invoiced hours/days.
- The NACI CEO submits a request to the Directorate: Finance at the Department to effect the payment of honoraria.

Government officials do not qualify to receive an honorarium for their services to NACI unless they can prove that they are serving in their personal capacity, and an agreement is reached with their employer.

10.3 Travel and subsistence for NACI assignments

- Travel and subsistence is in accordance with Departmental policy.
- Councillors and committee experts qualify for reimbursement for travel, subsistence and other expenses that are incurred while undertaking work for NACI.
- Councillors and committee experts can undertake official trips in their private vehicles. Departmental guidelines as applicable to public servants, apply when Councillors and committee experts make use of private vehicles to undertake NACI work.
- Councillors and committee experts qualify for a business class ticket when travelling within South Africa and abroad on NACI business.
- Councillors who attend events on behalf of NACI and whose travelling costs are catered for by NACI are expected to submit to the Council a report back on the strategic outcomes relevant to NACI business.
- The Secretariat will make necessary logistical arrangements pertaining to travel and accommodation whenever a Councillor or a committee expert undertakes work on behalf of NACI.

11. CONCLUSION

Appointment to NACI Council and to serve as a member of a committee of experts is an honour and a privilege, since Councillors and members of committees are chosen on the basis of their prominence in South Africa and reputation in a particular field. It is hoped that these guidelines will

make it easier for all to contribute to the all-important challenge of enhancing the contribution of science, technology and innovation (STI) to economic growth, competitiveness and an improved quality of life of all South Africans.

LIST OF ACRONYMS

CEO	Chief executive officer
DST	Department of Science and Technology
dti	Department of Trade and Industry
ExCo	Executive committee
NACI	National Advisory Council on Innovation
NSI	National System of Innovation
R&D	Research and development
S&T	Science and technology
STI	Science, Technology and Innovation