

National Advisory Council on Innovation

ANNUAL PERFORMANCE PLAN

2015 - 2016



science
& technology

Department:
Science and Technology
REPUBLIC OF SOUTH AFRICA

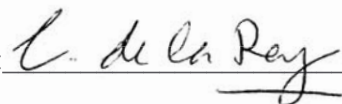
NACi
NATIONAL ADVISORY COUNCIL ON INNOVATION



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LIST OF ACRONYMS

ARC	Agriculture Research Council
ASSAF	Academy of Science for South Africa
CEO	Chief Executive Officer
COHORT	Committee of Heads for Organisations of Research and Technology
CSIR	Centre for Scientific and Industrial Research
DST	Department of Science and Technology
the dti	Department of Trade and Industry
ExCo	Executive Committee
HSRC	Human Sciences Research Council
MRC	Ministerial Review Committee on Science, Technology and Innovation Policy
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NACI	National Advisory Council on Innovation
NRF	National Research Foundation
NSI	National System of Innovation
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act
R&D	Research and Development
S&T	Science and Technology
STI	Science, Technology and Innovation
UCT	University of Cape Town
UP	University of Pretoria



EXECUTIVE SUMMARY

The Annual Performance Plan of the National Advisory Council on Innovation (NACI) for the financial year 2015/16 is directed by NACI's mandate as outlined in the NACI Act (Act No. 55 of 1997) as amended by the Science and Technology Laws Amendment Act (Act No. 16 of 2011) ("the Act"); the findings/recommendations of the Ministerial Review Committee report on Science, Technology and Innovation Policy Landscape 2012 (the Ministerial Review Committee report); the Terms of Reference for NACI (2013) and the Council's interpretation of the policy context within which it functions.

The Ministerial Review Committee report addresses amongst other issues, the overall efficacy of NACI and its oversight responsibilities within the National System of Innovation (NSI). The Council intends to implement over the next three years the high level recommendations of the Ministerial Review Committee report that are relevant to its mandate in terms of section 4 of the NACI Act.

The Council's work is also informed by the Terms of Reference for NACI which were crafted at the request of the Minister for Science and Technology in 2013. These require the Council to:

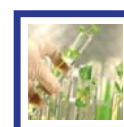
- display an understanding of government priorities and policies in relation to the NSI;
- advise on priorities and agenda setting for STI in consultation with the Minister for Science and Technology;
- undertake special assignments, including requests for rapid advice; and
- from time to time provide a progress review on the state of innovation in the country.

In view of the above-mentioned, NACI identified four strategic outcome oriented goals in its 2015-2020 Strategic Plan, i.e. to:

- facilitate agenda setting for prioritisation of science, technology and innovation in order to achieve coordination and stimulate the NSI;
- advise on conducive framework conditions for STI in order to contribute to economic growth
- monitor and evaluate the contribution of STI to South Africa's economic growth and competitiveness; and
- establish NACI as the premier institution for providing rapid response STI advice.

In keeping with the above goals, the main activities of NACI during the financial year 2015/16 are to:

- develop a high level framework for long to medium term STI priorities - a decadal plan for science, technology and innovation which includes the inputs of the business sector;
- take further the work of the previous Council on the draft National Innovation Framework that



aims to set framework conditions for successful innovation intensity;

- initiate a process of reviewing the White Paper on Science and Technology, and associated strategies;
- develop a “State of National Innovation Report”, based on a locally relevant scorecard;
- advise on the development of a data portal relevant to science, technology and innovation; and
- devise and implement an efficient rapid response advisory system.

The NACI 2015/16 Annual Performance Plan builds on the past activities, but by focussing anew, it aspires to be entrenched as a valuable advisor to the STI system.



PART A: STRATEGIC OVERVIEW

1. NACI VISION, MISSION AND VALUES

VISION

NACI's vision is a well coordinated NSI in which science, technology and innovation are recognised as primary drivers of economic and social development which enables South Africa to participate in the global knowledge economy.

MISSION

NACI's mission is to be the premier advisory body to the Minister for Science and Technology and government on all science, technology and innovation policy matters including:

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

This mission statement finds expression in the NACI motto:

"Innovation for a better future"

VALUES

NACI's mission is driven by a core set of values, which are:

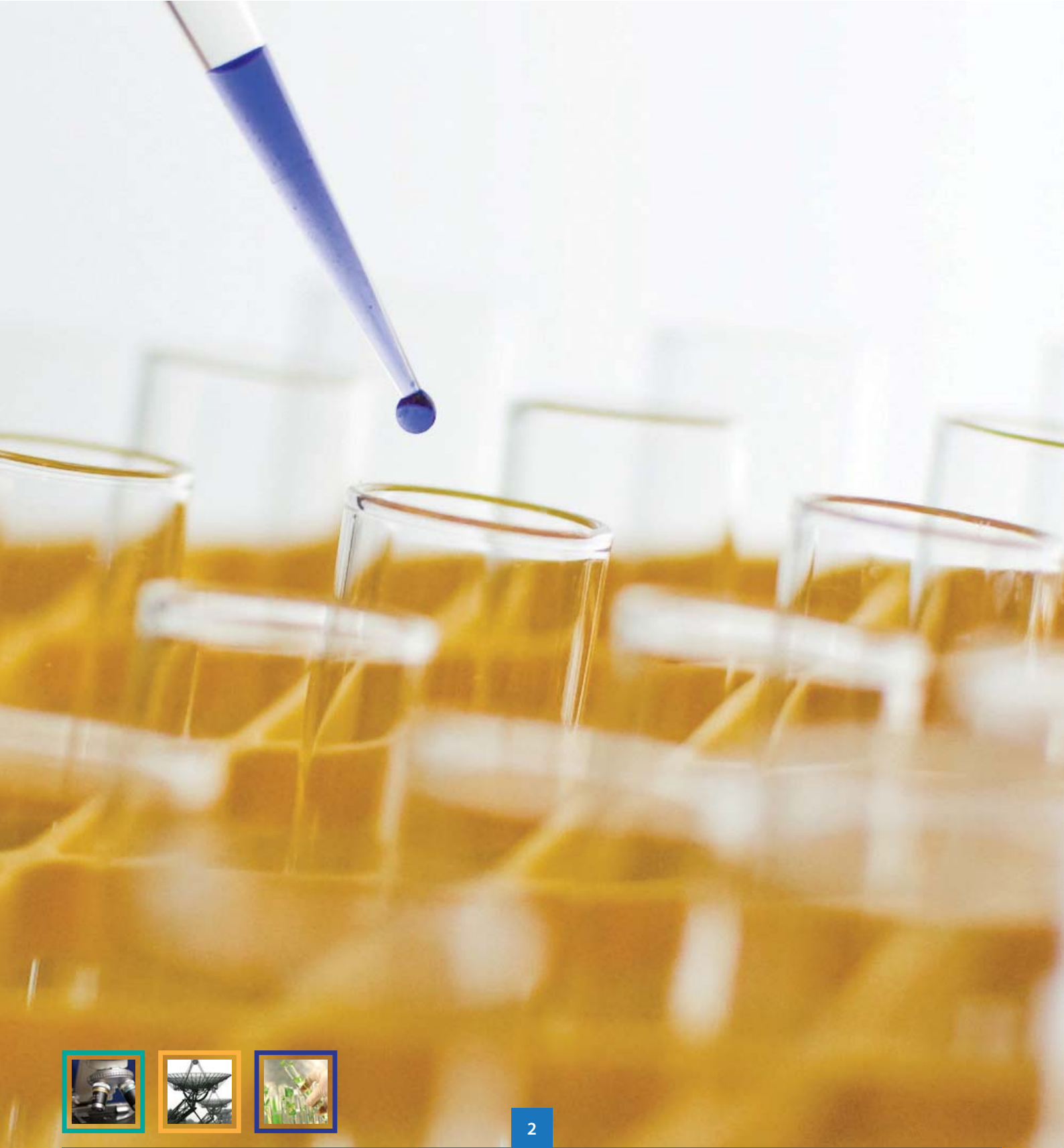
- excellence of service
- professionalism
- integrity
- respect and people-centredness
- transparency and accountability.

The Annual Performance Plan of the National Advisory Council on Innovation (NACI) for the financial



year 2015/16 is directed by the NACI legislative framework, its mandate and in particular by the NACI Strategic Plan 2015-2020.

The Council, having taken office in August 2014, will review the vision, mission and values within the context of the recent extension of the responsibilities given by the Minister, its terms of reference and commitment to developing new modes of advice development and delivery.



2. NACI ACT AND MANDATE

The mandate of the NACI is outlined in the NACI Act (Act No. 55 of 1997) and the Science and Technology Laws Amendment Act (Act No. 16 of 2011). NACI's core mandate is reflected in section 3 of the NACI Act, which is 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".

National objectives include, amongst others, the quality of life for all South Africans, the development of human resources for science and technology, building the economy and strengthening the country's international competitiveness. The breadth of the NACI mandate is outlined in section 4 of the Act. However, in terms of the NACI Act, the Council's advisory services in the 2015/16 financial year are focussed on the following functions:

- the coordination and stimulation of the national system of innovation;
- the coordination of science and technology policy and strategies with policies and strategies in other sectors;
- the establishment and maintenance of information systems to support science, technology and innovation policy; and
- investigating developments in the fields of science, technology and innovation which might require new legislation.



3. POLICY ENVIRONMENT

3.1 THE POLICY LANDSCAPE

Due to the position of NACI in the NSI, its advisory services need to be informed by a broad policy environment. Since its inception in 1997, NACI has been subjected to a number of reviews (local and international) which have assisted the organisation to continually reflect on its role and impact in the NSI. The most notable reviews are: the international review of the NSI conducted by the Organisation for Economic Co-operation and Development (OECD) in 2008; and the Science, Technology and Innovation landscape review conducted by the Ministerial Review Committee in 2012.

Furthermore, in 2012 the Cabinet adopted the NDP to serve as a blueprint to achieve socio-economic development and growth. The NDP charts a path to address the government's triple challenge of **poverty, inequality** and **unemployment**. As part of the implementation of the NDP, Cabinet released the Medium Term Strategic Framework (MTSF 2014-2019), outlining government's main priorities to underpin the direction of government in the next five years. The MTSF, drawn largely from the NDP, outlines the fourteen priority outcomes of government in the next five years. Consequently, and as discussed with the Minister for Science and Technology in July 2014, the Council's advisory strategy is focused on implementing government's priorities with regard to growing the economy, and addressing unemployment, inequality and poverty.

Figure 1 illustrates the priority outcomes of government, which NACI's advisory services will respond to:



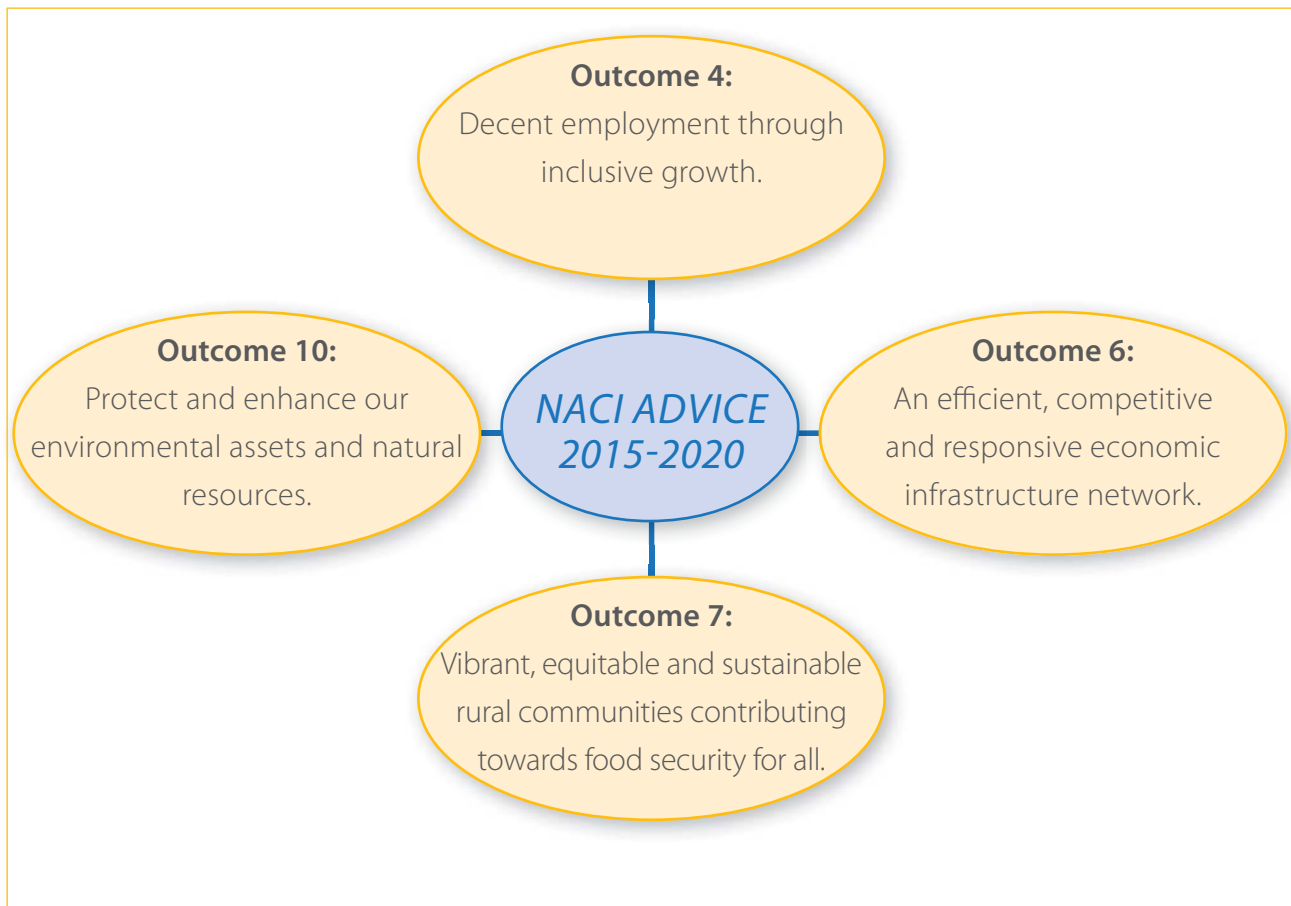


Figure 1: Advisory role in support of the NDP

Priority outcome 4 requires the government to find a balance between creating a stable and supportive environment for growth and investment while at the same time addressing structural changes in the economy and society. NACI's strategic goals of advising on the creation of conducive framework conditions for science, technology and innovation to contribute to economic growth as well as facilitating agenda setting for prioritisation of science, technology and innovation in order to achieve coordination and stimulate the NSI will respond to outcome 4.

The Council will further respond to priority outcomes 6, 7 and 10 through its rapid response advisory system. Priority 6 requires government to build an efficient, competitive and responsive economic infrastructure network. The NDP proposes an expansion of South Africa's economic infrastructure network. The National Infrastructure Plan, consisting of eighteen (18) strategic infrastructure projects (SIPs) covering investments in four (4) broad areas: energy, social, economic and ICT is a response to this call. Government plans are therefore underway to expand energy, water, transport and communication.

Priority outcome 7 requires the government to create vibrant, equitable, sustainable rural communities contributing towards food security for all. This priority outcome calls for government leadership in sustainable land reform, including communal tenure security, financial and technical support to



farmers as well as the provision of social and physical infrastructure to aid sustainable land reforms. Priority outcome 10 requires the government to protect and enhance our environmental assets and natural resources. This priority outcome calls for South Africa's transition to an environmentally sustainable, climate change resilient, low carbon economy and a just society by 2030. In this regard, the Council will deliver relevant science, technology and innovation advice to address issues such as energy, water, food security, innovation, entrepreneurship and job creation. This may include advice on tradeoffs between environmental protection and economic objectives, the regulatory environment, e.g. carbon taxes and resource limitations to economic activity e.g. water shortages.

3.2 *IMPORTANT ECONOMIC POLICIES*

In order to develop advice that also impacts on the business sector, NACI needs to pay special attention to relevant economic policies. The Council regards the NGP as a holistic strategy designed to shift the country's development trajectory over the medium term and set the economy on a sustainable, inclusive and production-led growth path in order to drastically reduce the high levels of unemployment by 2020. Relevant to NACI's science, technology and innovation agenda are the six priority areas outlined in the NGP to drive job creation, namely infrastructure development, the main economic sectors (manufacturing, mining and agriculture), the green economy and knowledge-intensive sectors, investment in social capital and public services, spatial development and regional economic integration.

NACI will contribute to the priority sectors of the NGP, which are designed to drive job creation as illustrated in **Figure 2**. The water-energy-food security nexus impacts on the economy, specifically the green economy and the main economic sectors such as agriculture and manufacturing. Ultimately, it impacts on the quality of life of the people of South Africa



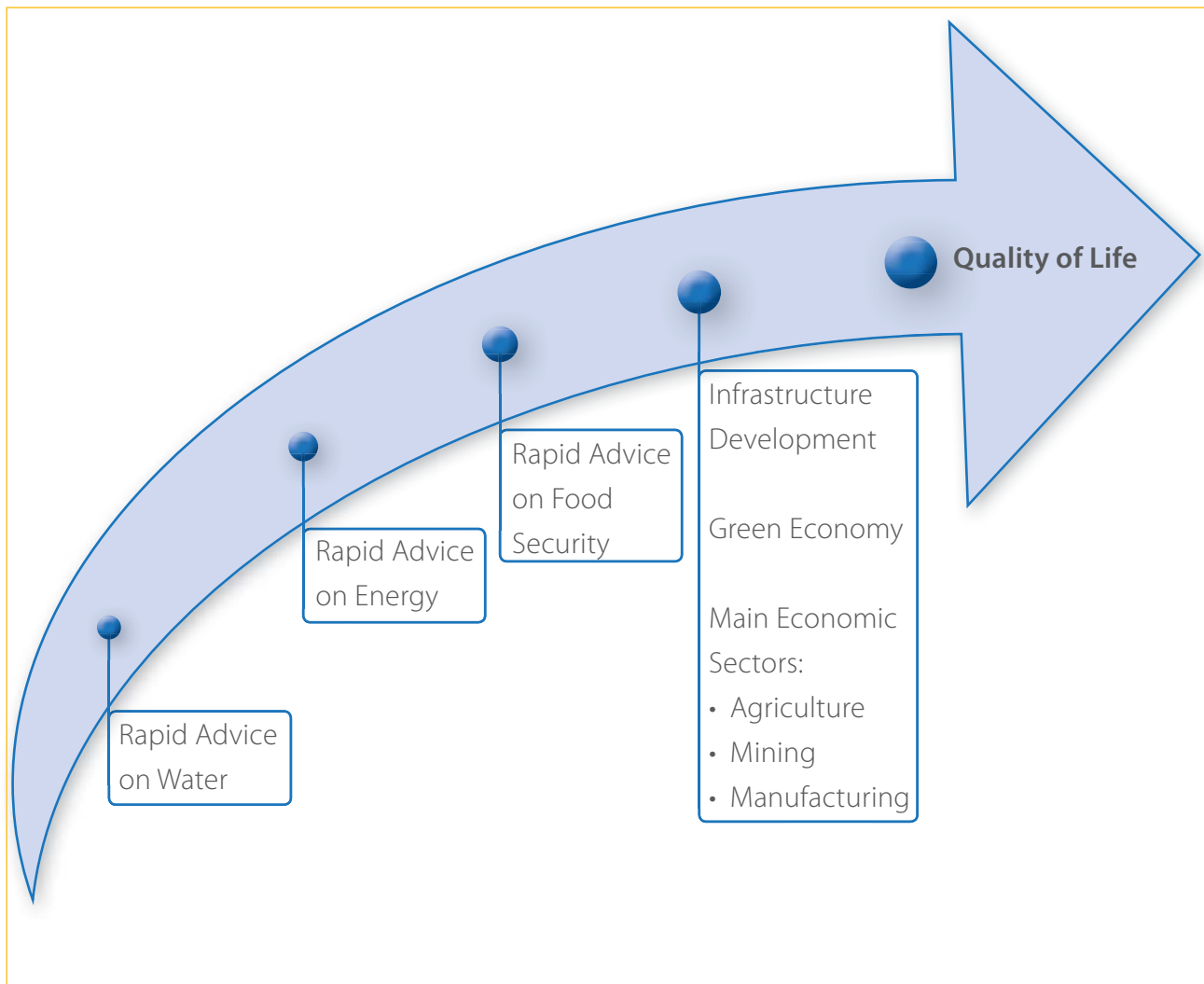


Figure 2: Relevance of NACI advice to the NGP

Equally relevant to NACI's mandate is IPAP's sector-specific programmes designed to guide the re-industrialisation of the South African economy. IPAP aims to bring about structural change in the economy through retaining, growing and diversifying the industrial base.



4. STRATEGIC INPUTS INTO NACI APPROACH

4.1 MINISTERIAL REVIEW REPORT

Apart from the governing legislative framework, the Council also took note of the findings and recommendations of the Ministerial Review Committee report on Science, Technology and Innovation Policy Landscape 2012 (the Ministerial Review Committee report). The Ministerial Review Committee report addresses amongst other issues, the overall efficacy of NACI and its oversight responsibilities within the National System of Innovation (NSI). The Council intends to focus its attention on the findings of the Review that are relevant to its mandate in terms of Section 4 of the Act. In line with the NACI Strategic Plan 2015-2020 the Council will respond to the findings of the Ministerial Review Committee report by addressing the issues below:

- entrenching in key policies and strategies a conception of the NSI that was envisaged in the 1996 White Paper on Science and Technology. In other words, an understanding of the NSI as wider than traditional research and development activities;
- providing effective oversight in monitoring the evolution of the NSI, its outcomes and developmental impacts by means of an innovation scorecard to be developed in the short term;
- providing an effective and central NSI policy advisory platform fostering coordination, joint planning and participatory policy making, including the business and the not for profit sector; and
- providing policy direction on a centralised facility to serve as a repository of STI information.

NACI's strategic plan 2015-2020 identifies four strategic outcome oriented goals, which are:

- to facilitate agenda setting for prioritisation of science, technology and innovation in order to achieve coordination and stimulate the NSI;
- to advise on conducive framework conditions for STI in order to contribute to economic growth;
- to monitor and evaluate the contribution of STI to South Africa's economic growth and competitiveness; and
- to establish NACI as the premier institution for providing rapid response STI advice.

4.2 NACI TERMS OF REFERENCE 2013

The approach to the Council's work is further guided by the Terms of Reference for NACI which were crafted at the request of the Minister for Science and Technology in 2013. These require the Council to:



- display an understanding of government priorities and policies in relation to the NSI;
- advise on priorities and agenda setting for science, technology and innovation in consultation with the Minister for Science and Technology;
- undertake special assignments, including requests for rapid advice; and
- from time to time provide a progress review on the state of innovation in the country.



5. APPROACH TO NACI OPERATIONS: 2015/16

5.1 SUPPORT FOR CONDITIONS CONDUCIVE TO AN IMPROVED NSI

Recent reviews identified a number of conditions for an improved NSI. The Council intends to fulfil its mandate by promoting the following:

- **Support:** Explore appropriate government support (or incentives) for technology transfer in specific sectors that were identified for re-industrialisation. One of the major challenges South Africa faces, is its lack of a risk mentality and the scarcity of risk capital to commercialise new ideas in general. In that regard, the role of development finance institutions needs to be explored further.
- **Changing mind-set:** The 2008 OECD review identified the need for a change in the understanding of innovation systems and their operations toward becoming more inclusive of all dimensions of innovation e.g., technical, economic and social.
- **Cooperation:** Fostering greater collaboration (formation of innovation networks) within the triple helix: universities, science councils and the industry, to accelerate the pace of converting R&D outputs into commercialisable outputs and fast-tracking technology transfer. Strong and established networks will most likely anchor South Africa as an innovation and technology destination.
- **Education and training:** The revision of education policy towards a comprehensive technical, vocational education and training system (TVET) is a step in the right direction as it will foster more practice-based education within both the post-school system and the higher education system ensuring that education is geared towards market needs. There is also a need to retain high quality R&D staff.

5.2 BUILDING ON THE WORK OF THE PREVIOUS COUNCILS: THE DRAFT NATIONAL INNOVATION FRAMEWORK

The 2015/16 Annual Performance Plan builds on NACI's notable outputs of the past. The previous Council in its 2014/15 Annual Performance Plan responded to the aspirations of the *National Development Plan - Vision 2030*, which calls for an overarching innovation framework to address pressing challenges in the NSI, by submitting a draft National Innovation Framework to the Minister for Science and Technology, as a discussion document.

The draft National Innovation Framework seeks to initiate dialogue with the innovation community regarding the appropriate framework conditions for innovation intensity. Successful innovation



intensity in South Africa will move the country towards an innovation-driven economy. Balanced policy approaches need to be pursued, having due regard to the country's re-industrialisation drive. The draft National Innovation Framework therefore proposes nine pillars for a refocused NSI namely: *skills, venture capital, innovation infrastructure, inclusivity, flagship projects, champions and role models, measures and indicators, credible advice* and *strategic direction*.

5.3 NEW MODE OF OPERATION

NACI as an organisation seeks to improve on its mode of operation. In order to make appropriate and timeous strategic inputs, the new Council will hold rapid response roundtable discussions, as and when necessary. This will enable the Council to respond more effectively to a rapidly changing innovation environment and be more responsive to the changing political environment.

At the inaugural meeting of the new Council on 30 September 2014, the members noted that in the past NACI's advisory work programme had been dominated by a range of research projects. Henceforth, the new Council seeks to:

- focus the work programme on priorities in the NSI and national government objectives;
- focus work undertaken by NACI on key issues identified in consultation with the Minister for Science and Technology and through the Minister, issues identified by Cabinet.

The Council seeks to achieve this by increasing the Secretariat's access to the research capacity of the Committee of Heads of Organisations for Research and Technology (COHORT) thereby limiting the use of consultants. NACI has confidence that the approach outlined above will result in credible advice to the Minister and Cabinet.



6. STRATEGIC PRIORITIES

The Ministerial Review Committee established that the science, technology and innovation space in South Africa lacks coherence (vertical and horizontal integration) between role players, is characterised by poor planning, dominated by a narrow view of innovation and has virtually no industry involvement. The Ministerial Review Report also concluded that NACI had not been effective in the past in driving the science, technology and innovation agenda and prioritisation in the NSI. In order to respond to the challenges presented by the Ministerial Review Committee report, the Council will focus its efforts on the following priorities:

- facilitating agenda setting for prioritisation of Science, Technology and Innovation (STI) in order to achieve coordination and stimulate the NSI;
- advising on conducive framework conditions for STI in order to contribute to economic growth;
- monitoring and evaluating the contribution of STI to South Africa's economic growth and competitiveness; and
- establishing NACI as a premier institution for providing rapid response STI advice.

Figure 3 illustrates linkages between NACI functions and its strategic goals.



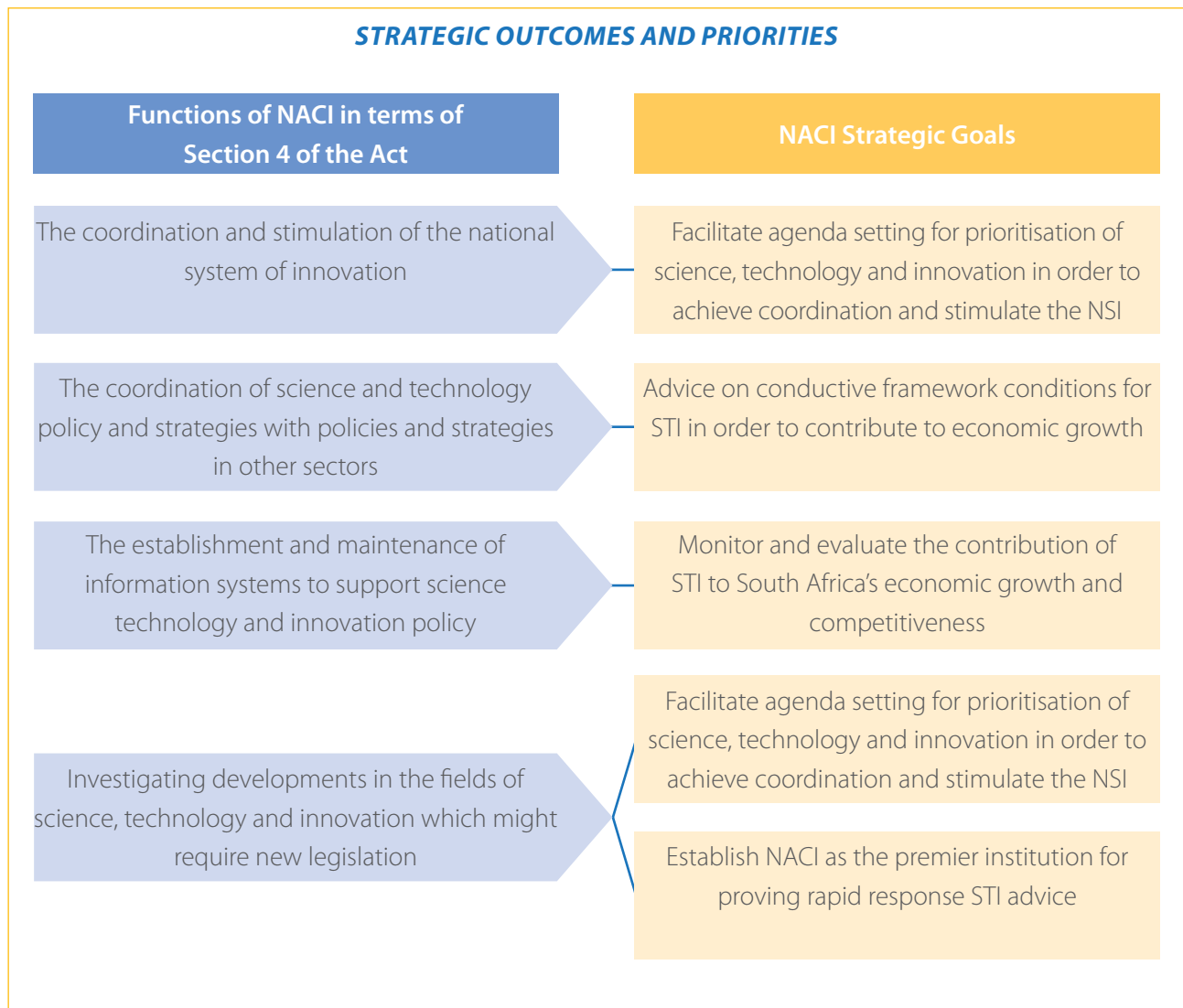


Figure 3: The relationship between the NACI mandate and its priorities

The medium term priorities of NACI as outlined above translate into the following strategic objectives, respectively:

- to provide high quality advice¹ to the Minister for Science and Technology and Cabinet on medium to long term priorities;
- to review the White Paper on Science and Technology and associated strategies;
- to develop a State of Innovation Report at regular intervals; and
- to develop and implement a rapid response advisory system.

NACI intends to engage extensively on these issues, as well as in addressing the structural and capacity constraints that limit optimal results.

¹ High quality in respect of advice, as used in this document, refers to relevant, responsive to government priorities, timely and based on sound information and insight of Council.



PART B: NACI WORKPLAN

7. NACI PROGRAMME AND OUTPUTS

The strategic objectives outlined in chapter 6 above have been translated into programmes and key supporting activities for the financial year 2015/16. The focused programmes were identified through consultation between the Minister and Council on 30 September 2014, and subsequently approved by the Council on 17 November 2014. This interaction between the Council and the Minister on these programmes forms a basis for NACI's suggested advisory programme. The Council's advice programme also translates into the following outputs for the 2015/16 financial year:

- a high-level framework for a decadal plan on science, technology and innovation;
- a report on the White Paper on Science and Technology;
- a framework for a data repository to manage science, technology and innovation information;
- an innovation scorecard to be a barometer of innovation performance in the economy; and
- advice on energy, water and food security.

It is envisaged that through the commitment of members of the Council, the NACI experts and the Secretariat, this Annual Performance Plan will translate into a valuable advice work programme, the outcome of which will validate NACI's existence as a national advisor on science, technology and innovation.

Table 1 contains the strategic objective, targets and performance indicators for the MTEF period 2015-2019, while **Table 2** contains the quarterly targets for 2015/16.



Table 1: Annual work plan

STRATEGIC GOAL 1: SETTING THE AGENDA FOR PRIORITISATION OF SCIENCE, TECHNOLOGY AND INNOVATION TO ACHIEVE COORDINATION AND STIMULATION OF THE NSI								
OUTPUT	PERFORMANCE INDICATOR(S)	STRATEGIC TARGET	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS	
			2012/13	2013/14	2014/15		2016/17	2017/18
STRATEGIC OBJECTIVE: To provide advice to the Minister for Science and Technology and Cabinet on medium to long term priorities for STI								
A high-level framework for a Decadal Plan on STI	A high level framework for a decadal plan approved by the Council and submitted to the Minister	X1 high-level framework for an STI Decadal Plan approved by the Council and submitted to the Minister by 30 March 2016	-	-	-	A high-level framework for an STI Decadal Plan approved by the Council and submitted to the Minister by 30 March 2016	-	-
	No. of stakeholder consultation events on the proposed aspects of a decadal plan							



STRATEGIC GOAL 2: ADVICING ON CONDUCTIVE FRAMEWORK CONDITIONS FOR STI IN ORDER TO CONTRIBUTE TO ECONOMIC GROWTH							
OUTPUT	PERFORMANCE INDICATOR	STRATEGIC TARGET	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS	
			2012/13	2013/14		2014/15	2016/17
STRATEGIC OBJECTIVE: To review the White Paper on Science and Technology and associated strategies							
A feedback report on the White Paper review process	A feedback report on the review process of the White Paper process approved by the Council and submitted to the Minister.	A feedback report on the review process of the White Paper process approved by the Council and submitted to the Minister by 30 November 2015	-	-	-	-	-



STRATEGIC GOAL 3: MONITORING AND EVALUATING THE CONTRIBUTION OF STI TO SOUTH AFRICA'S ECONOMIC GROWTH AND COMPETITIVENESS									
OUTPUT	PERFORMANCE INDICATOR	STRATEGIC TARGET	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
STRATEGIC OBJECTIVE: To develop the “State of Innovation Report” at appropriate intervals									
An innovation scorecard	An innovation scorecard approved by the Council and submitted to the Minister.	An innovation scorecard approved by the Council by 30 November 2015 Scorecard submitted to Minister by 30 March 2016	-	-	-	Innovation scorecard approved by the Council by November 2015 and shared with Minister by 30 March 2016	-		-
A framework for a data repository to manage STI information	A framework for a data repository to manage STI information developed and approved by the Council and submitted to the Minister	A framework for a data repository to manage STI information approved by the Council by 30 November 2015 and submitted to Minister by 30 March 2016	-	-	-	A framework for a data repository approved by the Council by November 2015 and shared with Minister by 30 March 2016	-	-	-



STRATEGIC GOAL 4: ESTABLISHING NACI AS PREMIER INSTITUTION TO DELIVER RAPID RESPONSE STI ADVICE								
OUTPUT	PERFORMANCE INDICATOR	STRATEGIC TARGET	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2012/13	2013/14		2014/15	2016/17	2017/18
STRATEGIC OBJECTIVE: To implement a rapid response advisory system								
Rapid advice on energy, water and food security	Number of rapid advice on energy, water and food security approved by the Council and submitted to the Minister	3 rapid advisory briefs on energy, water and food security approved by the Council and submitted to Minister by 30 March 2016	-	-	-	3 rapid advisory briefs on energy, water and food security approved by the Council and submitted to Minister by 30 March 2016	-	-

International liaison: The NACI Secretariat participates in various international meetings and conferences, allowing for direct learning from international initiatives and programmes on science, technology and innovation policy. International engagements boost NACI's network of expertise enabling organisational access to the latest developments relevant to its priorities. NACI will continue to be an active participant in workshops, meetings and working committees of bodies with a track record in science, technology and innovation policy, such as the Organisation for Economic Co-operation and Development (OECD).



Table 2: Quarterly targets for 2015/16

STRATEGIC GOAL 1: SETTING THE AGENDA FOR PRIORITISATION OF SCIENCE, TECHNOLOGY AND INNOVATION TO ACHIEVE COORDINATION AND STIMULATION OF THE NSI						
PERFORMANCE INDICATOR(S)	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1 st	2 nd	3 rd	4 th
STRATEGIC OBJECTIVE: To provide advice to the Minister for Science and Technology and Cabinet on medium to long term priorities for STI						
An approved high level frameworks for a decadal plan on STI	Quarterly	A high-level framework for a decadal plan on STI approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016	Set up NACI planning committee	Committee ToR finalised by ExCo	A draft high level framework developed and approved by the Council by 30 November 2015	A high-level framework for a decadal plan on STI approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016

STRATEGIC GOAL 2: ADVISING ON CONDUCTIVE FRAMEWORK CONDITIONS FOR STI IN ORDER TO CONTRIBUTE TO ECONOMIC GROWTH						
PERFORMANCE INDICATOR(S)	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1 st	2 nd	3 rd	4 th
STRATEGIC OBJECTIVE: To review the White Paper on Science and Technology and associated strategies						
An approved feedback report on the White Paper policy review process	Quarterly	A feedback report on the White Paper review process approved by the Council and submitted to the Minister by 30 November 2015	Initiate the review process	Set up a NACI Task Team on the White Paper Review Process	Finalise terms of reference and methodology	A feedback report on the White Paper review process approved by the Council and submitted to the Minister by 30 November 2015



STRATEGIC GOAL 3: MONITORING AND EVALUATING THE CONTRIBUTION OF STI TO SOUTH AFRICA'S ECONOMIC GROWTH AND COMPETITIVENESS						
PERFORMANCE INDICATOR(S)	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1 st	2 nd	3 rd	4 th
STRATEGIC OBJECTIVE: To develop the “State of Innovation Report” at appropriate intervals						
An innovation scorecard for assessing the state of innovation in the country	Quarterly	An innovation scorecard approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016	Expert meeting and agreement on a framework	Expert meeting and agreement on innovation indicators and data sources	Scorecard report approved by the Council by 30 November 2015	An innovation scorecard approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016
STRATEGIC OBJECTIVE: To advise on a data repository framework for innovation						
A framework for a data repository to manage STI information	Quarterly	A framework for a data repository to manage STI information approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016	Draft framework for a data repository to manage STI information approved by EXCO by 30 June 2015	Revisions of the framework and consultation with relevant stakeholders	A framework for a data repository to manage STI information approved by the Council by 30 November 2015	A framework for a data repository to manage STI information approved by the Council by 30 November 2015 and submitted to the Minister by 30 March 2016



STRATEGIC GOAL 4: ESTABLISHING NACI AS PREMIER INSTITUTION TO DELIVER RAPID RESPONSE STI ADVICE						
PERFORMANCE INDICATOR(S)	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1 st	2 nd	3 rd	4 th
STRATEGIC OBJECTIVE: To implement a rapid response advisory system						
Rapid advice on energy, water and food security	Quarterly	3 rapid advisory briefs on energy, water and food security approved by the Council and submitted to Minister by 30 March 2016	1 brief advice on food security	1 brief advice on water	1 brief advice on energy	-

International liaison: The NACI Secretariat participates in various international meetings and conferences, allowing for direct learning from international initiatives and programmes on science, technology and innovation policy. International engagements boost NACI's network of expertise enabling organisational access to the latest developments relevant to its priorities. NACI will continue to be an active participant in workshops, meetings and working committees of bodies with a track record in science, technology and innovation policy, such as the Organisation for Economic Co-operation and Development (OECD).



8. RESOURCE ALLOCATION AND BUDGET

8.1 THE ESTIMATED BUDGET

NACI has at its disposal financial, human and infrastructure resources to realise the performance targets set out in the 2015/16 annual work plan. Funding for NACI's policy programme and logistics is allocated as part of the Programme 1 (Administration) budget of the DST. **Table 3** presents a summary of the NACI's Medium Term Expenditure Estimates, while **Table 4** shows the breakdown for the MTEF allocation:

Table 3: Summary of medium term expenditure estimates

	2015/16	2016/17	2017/18
NACI Budget MTEF (R'000)	18,742	18,967	20,046
Compensation of employees	10,308	10,432	11,025
Goods and services	8,434	8,535	9,021

Table 4: Breakdown of the MTEF allocation, together with a further two year projection

	2015/16	2016/17	2017/18	2018/19	2019/20
NACI Budget MTEF (R'000)	18,742	18,967	20,046	21,108	22,227
COMPENSATION OF EMPLOYEES	10,308	10,432	11,025	11,610	12,225
GOODS AND SERVICES	8,434	8,535	9,021	9,499	10,002
Quality Policy Advice Development	5,079	5,552	4,825	5,053	5,268
High-level Framing of the Decadal Plan	3,079	-	-	-	-
Drafting of the discussion document	1,150	-	-	-	-
Consultation process	1,929	-	-	-	-
A review of the White Paper on Science and Technology	-	2,674	-	-	-
Developing the policy review document	-	950	-	-	-
Consultation process	-	1,724	-	-	-
An innovation Scorecard	450	578	901	950	700
Framework (model) for an Innovation Portal	150	150	1,674	1,740	2,100
State of Innovation Report	-	750	850	963	1,068
Rapid Response Advisory System	1,400	1,400	1,400	1,400	1,400
Operational Expenses	3,355	2,983	4,196	4,445	4,734
Honorarium for the Council and Experts	1,850	1,439	2,000	2,062	2,113
Lease and Maintenance Services	1,505	1,544	2,196	2,383	2,621



	2015/16	2016/17	2017/18	2018/19	2019/20
NACI Budget MTEF (R'000)	18,742	18,967	20,046	21,108	22,227
Total NACI Allocation	18,742	18,967	20,046	21,108	22,227

8.2 HUMAN RESOURCES

The human resources to implement the Annual Performance Plan comprises of members of the NACI Council, the NACI Executive Committee and experts appointed for specific tasks. The Council continues to be served by a Secretariat consisting of the Chief Executive Officer, and policy specialists all appointed on a full-time basis. The Secretariat provides, research, analytical and administrative support to both the Council and the Executive Committee. **Figure 4** is a diagrammatic representation of the Secretariat.

8.3 INFRASTRUCTURE

With regard to infrastructure requirements, the NACI Secretariat is physically located outside the DST building with its own independent lock-up offices which provides an optimal environment for the preservation of confidential documents. NACI also has at its disposal an audio-visual conferencing facility, but proper management of the hardware is a challenge and NACI does not have readily available IT support during meetings.



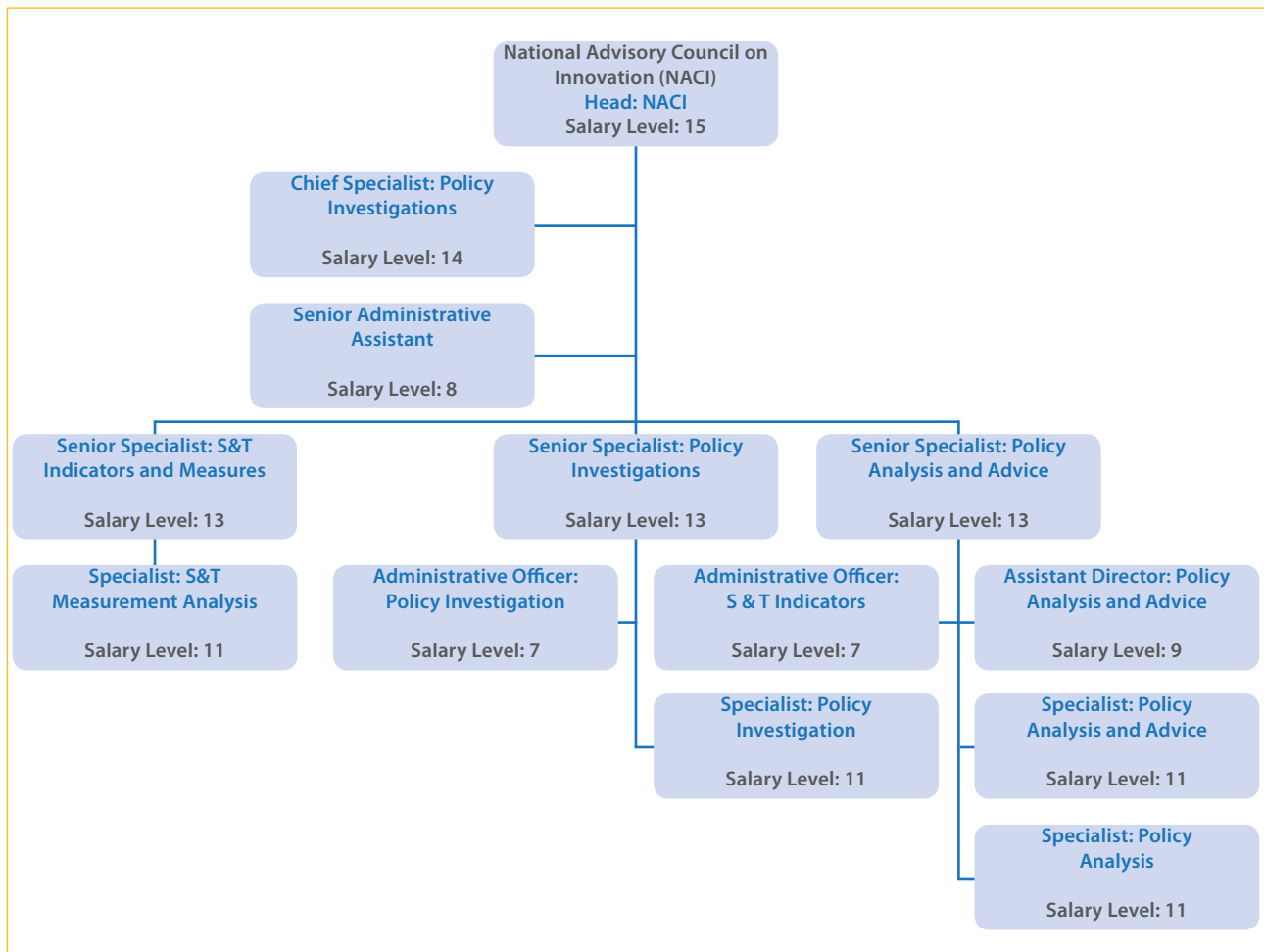


Figure 4: Human resources organogram



9. PERFORMANCE MONITORING AND EVALUATION

As a reference point on the efficacy of science, technology and innovation policy in South Africa, it is crucial that the impact of NACI's work is continuously assessed. At present, the Council makes use of an impact assessment survey to monitor the relevance, quality and effectiveness of advice. Below are some lessons learnt that the Council will take forward in its operational strategy:

- misalignment between advice given and government needs (DST);
- policy advice that is unbalanced in its analysis and clearly shows sectoral interest, e.g. academic interest;
- an approach to policy analysis that is too issue based and fails to deal with system concerns; and
- lack of resources to implement the recommendations by the government.

The Council's work has therefore found significance only in the work of one Department thus far, namely: the Department of Science and Technology. In that regard NACI policy advice in the recent past has informed:

- the development of the Bio-economy Strategy;
- the development of the Research, Innovation and Scholarship Human Capital Development Strategy;
- DST's work on Race and Gender Transformation; and
- DST's internal review of the Science and Technology for Social Impact programme.

Overall and for the reasons advanced above, the uptake of NACI advice has been minimal, something the newly appointed Council seeks to rectify. Henceforth, NACI's policy work will advance beyond the domain of DST programmes. Council will focus on creating internal avenues within central government e.g. through policy units to facilitate both interaction and dissemination of policy views. Council will also conclude agreements with institutions in the NSI to gain access to key, up to date and credible data to ensure that policy recommendations are underpinned by evidence, are well argued and respond to specific policy issues in contrast to general issues.



10. CRITICAL RISKS, PROBLEMS AND ASSUMPTIONS

Council is well aware that to successfully deliver on its operational strategy, it needs to constantly monitor and manage risks entailed in the operational environment. The risks that NACI has identified include the following:

- the vacancy for an experienced and suitably qualified chief executive officer at the Secretariat;
- lack of previous experience at NACI in framing a high level STI agenda;
- lack of previous experience in developing an innovation scorecard and the possible lack of readily available expertise for this exercise; and
- lack of prior experience in implementing a rapid response policy advisory system.

Table 5 contains the NACI Risk Management Plan.



Table 5: Risk management plan

RELATED STRATEGIC OBJECTIVE	RISK IDENTIFICATION		CONSEQUENCE OR IMPACT	CURRENT CONTROLS	OPPORTUNITIES TO ENHANCE CURRENT CONTROLS
	Risk Event	Risk Cause			
SO.1: A high level framing of a "decadal plan"	The framing of a "decadal plan " not finalised in the current financial year	Lack of previous experience at NACI in framing a high level STI agenda	Failure to set the agenda for STI	Map the process and critical timelines. Secure relevant expertise timeously. Make adequate use of human resources at the Secretariat.	Consider leveraging international expertise and local business sector expertise
SO.3: Developing an innovation scorecard	Inability to develop an innovation scorecard relevant to the South African economy	Lack of previous experience at NACI in developing an innovation scorecard	Failure to appraise Cabinet of the State of Innovation in the country timeously.	Secure relevant expertise timeously.	Consider leveraging international expertise
SO.2: Implementing the rapid response policy advisory system	Inability to respond timeously to urgent policy questions	Lack of previous experience with rapid response mechanisms and processes	Miss opportunities for Just-In-Time influence on STI policy	Set up mechanisms for policy dialogue within NACI; Provide training in the development of rapid policy advice	Continuous review and improvement of the rapid response system



11. CONCLUSION

This Annual Performance Plan represents a commitment by NACI to provide high quality advice to the Minister for Science and Technology and Cabinet on all matters pertinent to science, technology and innovation. The Council will ensure that its outputs are driven by national objectives and its consultative processes will be underpinned by the triple-bottom-line principle of social value, economic value and sustainability.

This Annual Performance Plan articulates a considerable departure from the current project approach to policy advice towards an approach that will see NACI becoming firmly entrenched as a system advisor, whose primary focus will be on key issues aligned to national policy strategies such as the NDP, NGP and IPAP. This will ensure that NACI makes a greater impact on social and economic development. NACI's work expands in the financial year 2015/16 onwards; both in terms of volume and depth, its impact will therefore be greater. To fully service this depth, NACI will require a fully-fledged resource center to improve its in-house analytical functions. A resource centre will undoubtedly come with resources and budget implications, as estimated in **Table 4** (framework for an innovation portal).

To effectively and efficiently implement this plan and upon the appointment of a permanent chief executive officer, NACI may review the financial and human resources at its disposal. Given the new scope of work, NACI human and financial resources seem modest. The values of ***Service Excellence***, ***Integrity***, ***People-Centeredness***, ***Transparency*** and ***Accountability*** will continue to underpin everything the Council does.



APPENDIX A:

MEMBERS OF THE NACI COUNCIL

FULL NAME	ORGANISATION
Prof Cheryl de la Rey	University of Pretoria (UP)
Prof Anton Eberhard	University of Cape Town (UCT)
Adv. Louisa Zondo	Bertha Gxowa Foundation
Dr Azar Jammie	Econometrix
Dr Shadrack Moephuli	Agricultural Research Council (ARC)
Dr Andile Ngcaba	Convergence Partners
Prof Olive Shisana	Human Sciences Research Council (HSRC)
Dr Sibusiso Sibisi	Council for Scientific and Industrial Research (CSIR)
The President/ CEO	National Research Foundation (NRF)
Mr Dhesigen Naidoo	Water Research Commission (WRC)
Mr Kevin Nassiep	South African National Energy Development Institute (SANEDI)
Mr Garth Strachan	Department of Trade and Industry (the dti)
Mr Sim Tshabalala	Standard Bank Group
Ms Claire Busetti	SiMODiSA
Ms Zanele Monnakgotla	Industrial Development Corporation (IDC)
Ms Nonkululeko Nyembezi- Heita	IchorCoal N.V
Prof Roseanne Diab	Academy of Science of South Africa (ASSAf)
Dr Glenda Gray	Chris Hani Baragwanath Hospital
Prof Jennifer Thomson	University of Cape Town (UCT)



APPENDIX B:

MEMBERS OF THE NACI EXECUTIVE COMMITTEE

FULL NAME	ORGANISATION
Prof Cheryl de la Rey	University of Pretoria (UP)
Mr Dhesigen Naidoo	Water Research Commission (WRC)
Mr Garth Strachan	Department of Trade and Industry (the dti) (ex officio)
Prof Jennifer Thomson	University of Cape Town (UCT)
Chief Executive Officer	NACI (ex officio)





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