Innovation for a BETTER Future

# ANNUAL REPORT 2018/19

science & technology

Department:
Science and Technology
REPUBLIC OF SOUTH AFRICA

NACI
NATIONAL ADVISORY COUNCIL ON INNOVATION

# NATIONAL ADVISORY COUNCIL ON INNOVATION
# INNOVATION FOR A BETTER FUTURE
# ANNUAL REPORT 2018/19

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# THE NATIONAL COUNCIL (2018-2022)


Chairperson
Prof D. Swartz


Acting CEO
Dr M. Cele


Ms C. Busset


Dr T. Dlamini


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Dr R. Gavhi-Molefe


Ms I. Karg


Dr T. Lephoto


Ms M. Matikinca-Ngwenya


Dr S. Moephuli


Ms T. Mthethwa


Mr D. Naidoo


Dr B. Phakathi


Dr M. Qhobela


Prof H. Soodyall


Prof C. Soudien


Mr P. Steenkamp

# ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| **BAS** | Basic accounting system |
| **BERD** | Business expenditure on research and development |
| **BIS** | Business information system |
| **BNCT** | Biotechnology, Nanotechnology and Converging Technologies |
| **CeSTII** | Centre for Science, Technology and Innovation Indicators |
| **CEO** | Chief Executive Officer |
| **CSIR** | Community of practice |
| **CSTP** | Council for Scientific and Industrial Research |
| **DG** | Director General |
| **DSI** | Department of Science and Innovation |
| **DST** | Department of Science and Technology |
| **GCI** | Global Competitiveness Index |
| **GDP** | Gross domestic product |
| **GERD** | General expenditure on research and development |
| **HSRC** | Human Sciences Research Council |
| **IP** | Intellectual property |
| **KZN** | KwaZulu Natal |
| **M&E** | Monitoring and evaluation |
| **NACI** | National Advisory Council on Innovation |
| **NGO** | Non-governmental organisation |
| **NSI** | National System Of Innovation |
| **NSTIIP** | National Science, Technology and Innovation Information Portal |
| **OECD** | Organisation for Economic Cooperation and Development |
| **R&D** | Research and development |
| **SARS** | South African Revenue Service |
| **SAVCA** | Southern African Venture Capital and Private Equity Association |
| **SET** | Science, engineering and technology |
| **SIF** | Sector Innovation Fund |
| **STI** | Science Technology and Innovation |
| **TBP** | Technology balance of payments |
| **VC** | Venture capital |

# PART A: GENERAL INFORMATION

## CHAIRPERSON'S OVERVIEW

On behalf of the National Advisory Council on Innovation (NACI), I am delighted to present the 2018/2019 Annual Reprt, which marks the beginning of the term of the new Council that took office in the third quarter.

There has been a number of initiatives to which the Council and Secretariat responded at the request of the Minister of Science and Technology. The new Council held their Inaugural Meeting in November 2018, which offered an opportunity to reflect on the progress report on the Foresight Exercise process, the draft new White Paper on Science Technology and Innovation (STI) and the Institutional Review Report.

NACI endevours to advance the quality, relevance and efficacy of its advice to the Minister of Science and Technology and, through the Minister, to Cabinet. It is with great pleasure that I announce that the Council succeeded in its mandate of providing service, which entailed the advice on Bioeconomy Indicators and Biomass Use. NACI also made progress in developing the National Science, Technology and Innovation Information Portal (NSTIIP) and monitoring STI activities, all of which culminated into an Indicators Report that will be launched by the Minister in the 2019/20 Financial Year. These outcomes will doubtlessly yield positive results in the strive to address the socio-economic disparities and challenges.

One of the key strategic outcomes of the Council is to transform NACI into a smart, efficient and learning organisation. In order to achieve this strategic outcome, NACI is working towards ensuring the development and implementation of a knowledge management strategy.

NACI does comprehend the importance of international and local networking and partnerships, which has formed part of the work of the Council. These partnerships ensure knowledge sharing, skills transfer, as well as a deeper understanding of the the latest global trends in STI policy. There is a number of international experts who form part of reference groups and overseeing projects. NACI has partcipated in a number of international forums and it has contributed towards knowledge sharing.

It is in our best interest to serve the nation and to acknowledge stakeholders in the national system of innovation and we envisage that they will find the Annual Report informative.

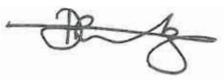
I would like to extend a special note of appreciation to the Acting CEO, Mlungisi Cele, and the Secretariat team for pulling their weight in ensuring that the work mandated to the Council is achieved.

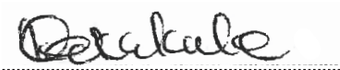
The Council acknowledges the unwavering support afforded by the Minister of Higher Education, Science and Technology, Dr BE Nzimande, in ensuring that the work mandated to NACI is successfully achieved.

**Derrick Swartz**

# OFFICIAL SIGN-OFF

It is hereby certified that this is the Council's Annual Report.

Derrick Swartz Signature  .....

Pretty Makukule
Chief Financial Officer (DSI) Signature  .....

Mlungisi Cele
Acting Head (NACI) Signature  .....

# CORPORATE OVERVIEW

## 3.1 Mandate

NACI is mandated to advise the Minister of 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 the following national objectives: 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 sphere.

## *3.2 Vision*

A leading advisory body for government on science, technology and innovation within a well-coordinated, responsive and functioning national system of innovation (NSI).

## *3.3 Mission*

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

## *3.4 Values*

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

# PART B: PERFORMANCE INFORMATION

## Activities, Performance and Outputs 2018/19 Financial Year

NACI achieved most of its predetermined objectives for the 2018/19 financial year. It generated advice on bioeconomy measurement indicators and biomass use. NACI completed the 2030 Foresight Exercise process, thereby producing a short-list of STI domains/themes and thrusts/priorities. NACI continued to develop the National Science Technology Innovation (STI) Data and Information Portal. It produced and launched a STI Indicators Booklet on national and provincial level. NACI subjected itself to both internal and external evaluations and finally, it completed the process of the Sector Innovation Fund Review.

NACI partially completed the cost and benefit analysis of imported technologies and the utilisation of technologies emanating from publicly funded research in South Africa. These initiatives should be completed during the 2019/2020 Financial Year. NACI also commenced the review of the Research and Development Strategy and the Ten-Year Innovation Plan, the outcome of which will feed into the new Decadal Plan for STI.

NACI continued to improve its knowledge and records management and communication. It also strengthened its relations with local and international partners.

### ADVICE

#### *Policy Advice on Bioeconomy Indicators*

The South African bioeconomy strategy aims at making a significant contribution to the South African gross domestic product (GDP) by 2030. Initially, the Department of Science and Technology (DST) had 5% as the target that the bioeconomy must make to the GDP. In the last financial year, NACI designed indicators for measuring, evaluating and monitoring the South African bioeconomy at both the sectoral and economy level.

These performance indicators were designed to track the following components that impact on GDP:

- Output
- Employment
- Exports
- Investment
- Innovation

The advice to the Minister of Science and Technology provided a number of potential performance indicators for each of these selected areas that may be impacted by activities emanating out of the bioeconomy. The advice detailed the data that would be utilised to construct each of these performance indicators.

#### *Policy Advice on Biomass Use*

Through an exhaustive process involving workshops and interviews with role players along the biomass value chain, NACI identified a broad list of chemicals and their potential for near-term deployment, as well as market considerations as a start. From that list, a group of 32 chemicals that serve 13 markets categories were shortlisted. Twenty eight (28) of the 32 ranked chemicals serve multiple markets, while lactate esters are the only chemicals that serve the electronics industry. Two of the chemicals in this study have specific markets, which are jet fuel and bio-syncrude that cater for the transportation industry.

NACI advised the Minister of Science and Technology to help create sizeable incentives for strategically well-considered investments in biorefineries, starting with the existing industrial base of the sugar, forestry and agricultural industries and tilt – not level – the playing field towards the identified chemicals that can be produced sustainably from biomass.

## *MONITORING AND EVALUATION*

### *The STI Data and Information Portal (NSTIIP)*

During the 2018/19 Financial Year, the main activities for the National Science, Technology and Innovation Information Portal (NSTIIP) included: (i) documentation of the user experiences; (ii) development of business plan for upscaling the NSTIIP; (iii) co-hosting of the Hackathon; (iv) consultation regarding Fourth Industrial Revolution Community of Practice (CoP); (v) preparatory work for the Directory of Experts; and (vi) partial upscaling of the NSTIIP.

The user experiences were documented through the NSTIIP access statistics and quarterly Technical Forum meetings. The Hackathon served as another useful platform to document user experiences and to collect ideas about the improvement of the NSTIIP. Some of the Hackathon outputs were used as an input into the business plan for upscaling the NSTIIP. The new features of the NSTIIP that were proposed in this business plan are the Directory of Experts and CoPs. Most of the NSTIIP upscaling work included the improvement of current features. In addition to the efforts towards the NSTIIP upscaling, the NACI Secretariat continued to maintain and update the information contained within the NSTIIP. In collaboration with DST IT, an effort was made to improve the statistics software from Pentaho to Microsoft Business Intelligence, which proved to be more affordable.

### *South African Science, Technology and Innovation Indicators Report*

On 28 June 2018, the former Minister of Science and Technology launched the 2017 South African Science, Technology and Innovation Indicators Report in the Pretoria National Botanical Garden. The Report, which presented the results of the monitoring of STI activities, identified challenges, including the constrained human capital pipeline and transformation, as well as progress in areas such as transformation.

The stakeholder representation included delegates from institutions in the public and private sectors institutions and higher education. The report findings were further disseminated on a local level through the establishment of partnerships by hosting provincial roadshows. The two roadshows, which focused on the provincial and local innovation systems, were held on 17 July 2018 in KwaZulu Natal and on 20 July 2018 in Cape Town.

The 2017 STI Indicators Report identified areas of progress, but also pointed to the lack of progress in certain areas of the NSI. Firstly, in 2017, South Africa ranked number 39 out of 127 countries in one of the business and innovation and sophistication, a sub-index of the Global Competitiveness Index (GCI). Secondly, research and development investment as a percentage of the GDP (General expenditure on research and development (GERD) increased to 0.8 in 2015/16, which was an improvement of 0.03% from 0.77% recorded in 2014/15, after remaining at 0.73% for three consecutive years, since 2011/12. However, this is still far from the 2019 target of 1.5% GERD.

Thirdly, according to the 2017 Southern African Venture Capital and Private Equity Association (SAVCA), for all the active deals invested, captive government funds were proportionally the largest (39%) source of funding, followed by the independent funds (35%). The venture capital (VC) industry plays a significant role in catalysing and growing technological entrepreneurship; particularly for new high-growth start-ups.

Fourthly, the NSI human capital pipeline remains constrained. NACI continuously monitors and comments on the percentage of Grade 12 learners obtaining 50% or more in Mathematics and Physical Science. For Mathematics, this percentage has been fluctuating for over a decade between a high of 18.1% in 2008 and a low of 11.8% in 2015.

Fifthly, there is progress in the number of female graduations for the university science, engineering and technology (SET) disciplines at university level. However, this proportion is relatively low at the doctorate level (43% in 2015). In 2015, most of these degrees were in health and related clinical sciences (58%), life sciences (58%), education (52%) and agricultural sciences (50%). There is a low supply of doctoral qualifications among females in disciplines like engineering, mathematics and statistics, and computer and information sciences. The transformation conundrum remains and requires all NSI actors to pause and ask what each should and can do to address it.

### *Design and Implementation Evaluation of the Sector Innovation Fund Programme*

The purpose of this study was to conduct a design and implementation evaluation of the DST Sector Innovation Fund (SIF) programme; particularly in the context of how the programme contributes to increasing business expenditure on research and development (BERD). The DST established SIF in 2013, so as to increase the competitiveness of the South African industrial sectors, the research and development (R&D) expenditure of the private sector, interaction with the private sector, and to stimulate or create other sectors. A mixed evaluation method was used in conducting this research. The methodology included a documentation analysis and a literature review, a quantitative survey and qualitative interviews with key actors and international and local benchmarking. In addition, a round-table discussion was held on 30 November 2018 to solicit stakeholder inputs.

### *The State of Imported Technology: Costs, Benefits and Impacts of Imported Technologies in South Africa*

This study aims at assessing impacts of imported technologies on revenue growth, productivity enhancement, employment growth, higher exports and the increased contribution to the fiscus and socio-economic development. The objectives of the study are to examine technology balance of payments (TBP); track socio-economic impacts that result from importation of technologies through an econometric analysis study; review the adequacy of local policy instruments supporting importation and diffusion of technologies; and draw lessons based on international models or practices that promote importation and diffusion of technologies.

Although the study will be completed in the 2019/20 Financial Year, it is important to report on TBP done so far. In this regard, NACI sought to understand whether the current South African TBP deficit was positive or negative for the country's economy. The prevailing view in the South African government is that the country should not import technology because of the TBP deficit. According to findings, South Africa is a middle-income country that should have a TBP deficit (importing more than exporting intellectual property), as 99% of technology receipts (for exports) flow to high income countries and only 1% collectively flow to middle and low-income countries. For instance, the importation of foreign technologies continues to be an important component of rapid economic growth for other middle and low-income countries such as Japan, Taiwan and South Korea. A recent study also established that certain South African firms that utilised imported foreign technology outperformed those that did not, in terms of productivity, employment, wages and exporting.

However, South Africa has failed to import the required foreign technologies, which makes it difficult for the country to grow its economy and to expand and develop in new directions. In terms of payments for use of intellectual property (IP) or imports, South Africa substantially lags behind its BRIC counterparts (Brazil, Russia, India and China) and the 'Asian Tigers' (Singapore, China, South Korea and Japan).

This challenge can partly be attributed to a lack of policies that explicitly incentivise the importation of technology. Meanwhile, South Africa's receipts for sale of IP (exports) exceeded those of its BRIC counterparts in the early nineties, but declined in the 2013–2015 period. The decline might have been attributed to the country's lower rates of economic growth and investment. The country's receipts have, however, risen more slowly than for comparator countries such as Brazil.

## *PLANNING AND PRIORITISATION*

### 2030 National Foresight Exercise

The 2030 National Foresight Exercise has been undertaken for the purpose of investigating in the future of science, technology and innovation (STI) and how these can serve for the improvement of quality of life and the creation of wealth, while achieving the goals for sustainable development. It has been undertaken to identify STI priorities and strategies towards 2030.

STI domains are defined as fairly broad but bounded areas, related to STI as well as to a societal need or issue. The National STI Foresight 2030 study identified nine STI domains and several thrusts associated with each domain. Thrusts are considered as STI-related priority areas that indicate what South Africa wishes to achieve with the time horizon of 2030. Throughout the Foresight process, a number of STI areas were identified. These were prioritised by using a set of criteria related to their (i) potentials for new impact; (ii) association to global and STI trends; and (iii) contribution to socio-economic development. As a result of online and offline consultations with the stakeholders of the STI system in South Africa, eight STI domains were selected first. The number was then reduced to seven, as two of the selected domains were merged. Then thrusts were determined through the following stages of the Foresight Study. Firstly, a long list of thrusts was proposed through a Foresight workshop, after which these thrusts were shortlisted by using a new set of prioritisation criteria by considering their importance and feasibility. The importance criteria included: (i) socio-economic impact; (ii) new impact; and (iii) strategic value of each thrust. The feasibility criteria included: (i) availability of required knowledge and expertise; (ii) availability of institutional capacity; (iii) availability of infrastructure; (iv) required policy and regulatory environment in place; (v) social and ethical acceptability; (vi) amount of relevant funding currently allocated and; (vii) ease of addressing barriers and obstacles.

## *Summary of NACI's Performance Against Strategic Goals and Objective*

*Table 1: Performance against the NACI 2018/19 Annual Performance Plan*

| Output | Performance indicator/s | Original annual target | Actual performance | Overall progress indicator | Reason for variance | Actions taken |
|---|---|---|---|---|---|---|
| **STI Policy Advice** | Number of STI policy advice documents submitted to the Minister of Science and Technology | Three STI advice documents submitted to the Minister by 31 March 2019 | Two advice documents generated:<br>• Assignment of Biomass within a Bio-economy<br>• Development of Indicators to Monitor Progress on the Implementation of South Africa's Bioeconomy | Partially achieved | The state of imported technology: costs, benefits and impacts of imported technologies project could not be finalised. Two aspects of the project (online survey and econometrix study of SARS's administrative record data) experienced delays related to securing approval of National Treasury and SARS and the appointment of technical service provider and finalisation of the meomorandum of understanding between NACI and the University of Johannesburg. | The Department of Science and Innovation Director General (DG) was requested to intervene and secure support of National Treasury and SARS. |
| **State of STI Report** | Number of State of STI Reports | The State of STI Report finalised by 31 March 2019 | STI Indicators Report produced in March 2019. | Achieved | Not applicable | Not applicable |

| Output | Performance indicator/s | Original annual target | Actual performance | Overall progress indicator | Reason for variance | Actions taken |
|---|---|---|---|---|---|---|
| **NSI monitoring and evaluation (M&E) reports** | Number of NSI M&E reports | Two NSI M&E reports finalised by 31 March 2019 | The design and implementation evaluation of the Sector Innovation Funf (SIF) programme was finalised. | Partially achieved | The Council amended the original terms of reference during the discussion of Phase 1 Report.<br><br>This necessaciated the need to appoint experts (with rare technical capability) to support the Secretariat in conducting extensive analysis of R&D expenditure through government's basic accounting system (BAS).<br>National Treasury approval also needed to be sought to regulate organisations that are undertaking R&D activities. | The Department of Science and Innovation Director General (DG) intervened through a letter to DG National Treasury asking for permission to allow NACI access to BAS data |
| **National STI Information** | Succesful implementation of the National STI Information Portal | Phase 1 upscaling of National STI Information Portal by 31 March 2019. | (I) Documentation of the user experiences; (ii) development of business plan for upscaling of the NSTIIP; (iii) co-hosting of the Hackathon; (iv) consultation regarding Fourth Industrial Revolution Community of Practice (CoP); (v) preparatory work for the Directory of experts and; (vi) partial upscaling of the NSTIIP | Achieved | Not applicable | Not applicable |

| Output | Performance indicator/s | Original annual target | Actual performance | Overall progress indicator | Reason for variance | Actions taken |
|---|---|---|---|---|---|---|
| **A high-level framework for STI decadal plan** | Ministerial approval secured for high level framework for a new STI decadal plan | Finalisation of the Foresight Exercise by September 2018. | The key aspects of the Foresight Exercise process were completed. The strategic STI domains and thrusts or priorities were identified. | Achieved | Not applicable | Not applicable |
| **Communication Plan** | Communication Plan implemented | Communication Plan implemented by 31 March 2019 | The national launch of the STI Indicators Report was covered in the media (including SABC 404 channel, ENCA and SABC Radio Ukhozi FM). | Achieved | Not applicable | Not applicable |
| **Internal corporate governance system** | Corporate governance system implemented (such as annual report, APP) | Internal corporate governance (e.g Annual Report, Annual Performance Plan) implemented by 31 March 2019.<br>Institutional Review Report completed by 30 July 2018. | The 2019/2020 Final Annual Performance Plan was approved by the Minister and tabled in Parliament.<br><br>The 2017/18 Annual Report was approved by the Portfolio Committee on Science and Innovation.<br><br>Institutional Review Report was produced by a panel of international and local experts, after which it was submitted to the Minister. | Achieved | Not applicable | Not applicable |
| **Knowledge management system** | Knowledge management system developed and implemented | Knowledge management system implemented by 31 March 2019 | Meetings were continuously recorded and stored in the internal document management system.<br>Printed publications were digitised. | Achieved | Not applicable | Not applicable |

# EVENTS AND STAKEHOLDER ENGAGEMENTS

## Dissemination of 2017 South African STI Indicators Report findings

In an effort to ensure wider dissemination of the findings of the 2017 South African STI Indicators Report beyond Gauteng, NACI teamed up with partner organisations to host roadshows on the report in Durban and Cape Town. The KwaZulu Natal roadshow, which was hosted in Durban on 17 July 2018 in partnership with the Human Sciences Research Council (HSRC), focused on the local innovation system of the province, with panel discussion on the topic. The roadshow in the Western Cape was hosted in Cape Town on 20 July 2018 in partnership with the Centre for Science, Technology and Innovation Indicators (CeSTII) of the HSRC. The theme of the roadshow was "Disruptive Digitalisation, Transformative Change and Inclusion: How do we design a responsive measurement agend in South Africa?"


*Figure 1: Delegates at the 2018 KwaZulu-Natal STI Indicators Report Roadshow*

### 2018 Innovation Data Hackathon

The 2018 Innovation Data Hackathon attracted approximately 90 participants from a variety of disciplines, including policy analysts, economists, data analysts, web developers and designers. Under the guidance of experienced mentors, the multi-disciplinary teams collaborated over two days on creating user journeys and identifying solutions that may potentially improve users' experience of the NSTIIP through the incorporation of BIS data. Valuable inputs were received and have been incorporated into the Business Case Upscaling of the NSTIIP.

*Figure 2: Participants at the Data Innovation Hackathon*

## 2030 National STI Foresight Exercise Stakeholder Participation

Together with the appointed service providers, NACI hosted a succesful two-day workshop on the National STI Foresight Exercise. The workshop was held on 24 to 25 July 2018 at the Saint George's Hotel, Pretoria. The aim of the workshop was to provide the participants with a platform for considering the identified and prioritised STI domains; for creatively identifying new STI domains; and for prioritising the domains.

*Figure 3: Participants of the National STI Foresight Exercise Stakeholder Participation*

## Roundtable Discussion on the South African Innovation System in the Age of Technology Emergence and Convergence

NACI held a roundtable discussion on "The South African Innovation System in the age of technology emergence and convergence". The aim of the discussion was to share research findings from the workstream and to obtain inputs for and insights into policy advice from role players within the South African national system of innovation (NSI). The event took place on 29 March 2019 and the participants included stakeholders from government, the private sector, universities, science councils and non-governmental organisations (NGOs).

*Figure 4: Participants of the Roundtable discussion on the South African Innovation System in the age of technology emergence and convergence*

### *Technology Diffusion*

A roundtable discussion was held on the 15 October 2018, which discussed the findings on the Technology Balance of Payments (TBP), the literature review on the costs and benefits of importing technology, local instruments supporting importation of technology, as well as policies that could enhance innovation in the business sector to stimulate growth and create employment. Planning is underway for the two remaining tasks (econometric study and online survey).

### *Design and Implementation Evaluation of the Sector Innovation Fund programme*

The purpose of this study was to conduct a design and implementation evaluation of the DST sector innovation fund (SIF) programme; particularly in the context of how the programme contributes to increasing business expenditure on research and development (BERD). The DST established SIF in 2013 DST to increase the competitiveness of the South African industrial sectors; private sector's research and development (R&D) expenditure; interaction with the private sector; and to stimulate or create other sectors.

A mixed evaluation method was used in conducting this research. The methodology included a documentation analysis and a literature review, a quantitative survey and qualitative interviews with key actors, data collection, and international and local benchmarking. In addition, a round-table discussion was held on 30 November 2018 to solicit stakeholder inputs.

*Table 2: NACI's participation in local events and strategic engagements*

| EVENT | LOCATION | ATTENDEE | DATE |
|---|---|---|---|
| Interview (Prof Rachel Jewkes): NACI project to investigate the uptake of locally produced technologies emanating out of publicly funded research | Pretoria | Dr Moleleki | 09 April 2018 |
| NACI Symposium: Launch of the 2017 South African STI Indicators Report | Botanical Gardens, Pretoria | NACI Stakeholders | 28 June 2018 |
| KZN Provincial Roadshow: 2017 STI Indicators | Garden Court, Marine Parade, Durban | Dr Letaba / Ms R Maila | 17 July 2018 |
| Western Cape Provincial Roadshow: 2017 STI Indicators | Philippi Village, Cape Town | Dr Letaba / Ms R Maila | 20 July 2018 |
| SA-China STI Partnerships during the state visit of President XI Jinping | CSIR Convention Centre, Pretoria | Secretariat | 24 July 2018 |
| Workshop of the National Science, Technology and Innovation Foresight 2018 | St George's Hotel, Pretoria | Dr Letaba | 24–25 July 2018 |
| Inaugural BIO Africa Convention | Durban | Dr Moleleki | 27–28 August 2018 |
| Innovation Summit: NACI Stakeholders | Cape Town | NACI Stakeholders | 11–14 September 2018 |
| 2018 Innovation Data Hackathon | Cape Town Stadium | Stakeholders | 11–13 September 2018 |
| NACI Roundtable discussion on the preliminary findings of the study on impacts of imported technologies in South Africa | CSIR International Convention Centre | Dr TR Netshiluvhi | 15 October 2018 |
| NACI Roundtable Discussion: Preliminary Findings on the Design and implementation evaluation of the DST Sector Innovation Fund Programme | Department of Science and Innovation | NACI Stakeholder | 30 November 2018 |
| NACI Council inauguration, and presentation of the final draft of the 2019/20 Annual Performance Plan to the Minister | River Manor Hotel, Pretoria | Council Members and NACI Secretariat | 22 February 2019 |

*Table 3: NACI's participation in international events*

| EVENT | LOCATION | ATTENDEE | DATE |
|---|---|---|---|
| XIX International Academic Conference on Economic and Social Development | Russia, Moscow | Dr M Cele | 10–13 April 2018 |
| Organisation for Economic Cooperation and Development (OECD) Committee for Scientific and Technological Policy (CSTP) 113th Session | Paris, France | Dr M Cele | 22–24 October 2018 |
| 8th International Academic Conference – Foresight and STI Policy | Moscos, Russia | Dr P Letaba and Dr M Cele | 14–16 November 2018 |
| 8th meeting of the working party on Biotechnology, Nanotechnology and Converging Technologies (BNCT) of the Organisation for Economic Co-operation and Development (OECD) | Paris, France | Dr N Moleleki | 10–11 December 2018 |

# PART C: GOVERNANCE INFORMATION

## GOVERNANCE REPORT

The Science and Innovation Laws Amendment Act 2011 (Act No. 16 of 2011) requires the NACI Council to meet at least once per quarter to ensure proper oversight over the Council's advisory work programme. To align with governance, the Guidelines to NACI and its Operations require the NACI Executive Committee to meet as often as is necessary to direct the work programme of the Council and to deal with important and urgent matters.

**Meetings**

*Table 4: Previous NACI Council (2014–2018) meeting attendance*

| COUNCIL MEMBER | MEETINGS ATTENDED | | | | | | |
|---|---|---|---|---|---|---|---|
| | 19/0/2018 | 16/06/2018 | 28/062018 Symposium | 24&25/07/2018 STI Foresight Workshop | 30/07/2018 | 13/09/2018 | 26/11/2018 |
| Prof C de la Rey: Chairperson | √ | √ | √ | x | √ | √ | √ |
| Dr. M Cele: Acting CEO | √ | √ | x | √ | √ | √ | x |
| Ms S Busetti | √ | √ | √ | √ | √ | √ | x |
| Prof R Diab | x | √ | x | x | √ | √ | x |
| Dr T Dlamini | √ | √ | x | x | √ | x | x |
| Prof G Gray | | x | x | x | x | x | x |
| Dr A Jammine | √ | x | x | x | x | x | x |
| Ms I Karg | √ | √ | √ | x | √ | x | x |
| Dr S Moephuli | √ | x | √ | x | x | √ | x |
| Ms Z Monnakgotla | √ | x | √ | x | x | resigned | |
| Mr D Naidoo | √ | √ | √ | x | √ | √ | x |
| Mr K Nassiep | √ | x | x | x | √ | √ | x |
| Mr S O'Carroll | | x | √ | √ | √ | √ | x |
| Dr M Qhobela | √ | x | x | x | √ | x | x |
| Prof C Soudien | √ | √ | √ | x | √ | x | √ |
| Mr P Steenkamp | √ | √ | √ | x | x | x | x |
| Prof J A Thompson | √ | √ | √ | √ | √ | √ | x |

*Table 5: Current NACI Council (2018–2022) meeting attendance*

| COUNCIL MEMBER | MEETINGS ATTENDED | | | |
|---|---|---|---|---|
| | 26/11/2018 | 22/01/2019 | 26/03/2019 | 26/04/2019 Special Council |
| Prof D Swartz: Chairperson | √ | √ | √ | √ |
| Dr. M Cele: Acting CEO | √ | √ | √ | √ |
| Ms C Busetti | √ | √ | √ | √ |
| Dr T Dlamini | X | X | √ | √ |
| Mr I Engelbrecht | √ | √ | √ | X |
| Dr R Ghavi-Molefe | X | √ | X | X |
| Ms I Karg | √ | √ | √ | X |
| Dr T Lephoto | X | √ | √ | √ |
| Ms M Matikinca-Ngwenya | √ | √ | X | √ |
| Dr S Moephuli | √ | √ | √ | √ |
| Ms T Mthethwa | √ | √ | X | X |
| Mr D Naidoo | X | √ | √ | X |
| Dr B Phakathi | √ | √ | √ | √ |
| Dr M Qhobela | √ | √ | √ | X |
| Prof H Soodyall | X | √ | √ | X |
| Prof C Soudien | √ | √ | √ | √ |
| Mr P Steenkamp | √ | X | √ | X |

*Table 6: Previous Exco (2014–2018 Council Members) meeting attendance*

| EXCO MEMBER | MEETINGS ATTENDED | |
|---|---|---|
| | 08/05/2018 | 25/07/2018 |
| Prof C de la Rey: Chairperson | √ | √ |
| Dr. M Cele: Acting CEO | √ | √ |
| Ms I Karg | √ | √ |
| Mr D Naidoo | √ | √ |
| Prof J Thomson | √ | √ |

*Table 7: Current Exco (2018–2022 Council Members) meeting attendance*

| EXCO MEMBER | MEETINGS ATTENDED |
|---|---|
| | 11/03/2019 |
| Prof D Swart | √ |
| Dr. M Cele: Acting CEO | √ |
| Mr I Engelbrecht | √ |
| Ms I Karg | √ |
| Ms M Matikinca-Ngwenya | √ |

# PART D: HUMAN RESOURCES MANAGEMENT

## HUMAN RESOURCES

To implement its advisory work programme, the NACI Council is supported by the Secretariat. The Secretariat is comprised of a small team of 12 people including the Acting CEO. There were three people employed on fixed term contracts in the current reporting period, to assist the team with the workload.

The operational structure of the NACI Secretariat is illustrated in Figure 5.

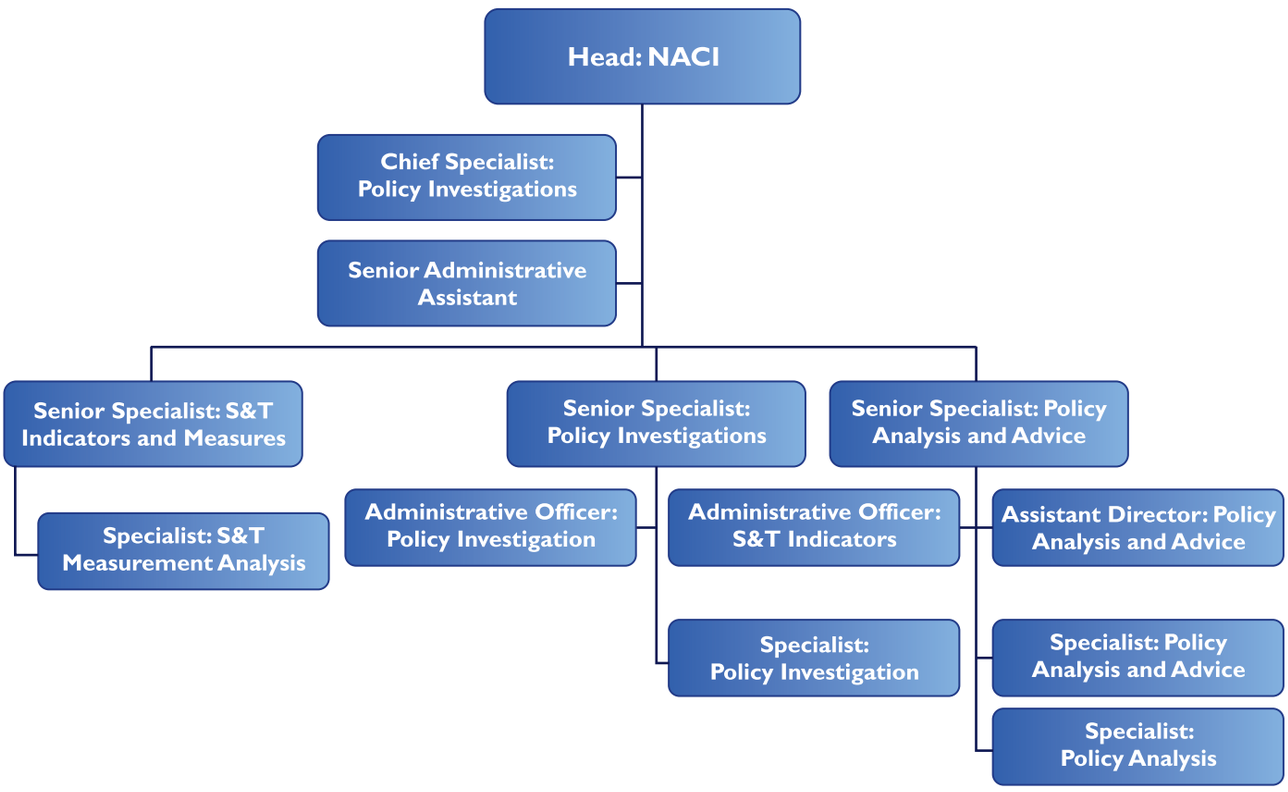



*Figure 5: The operational structure of the NACI Secretariat*

# PART E: FINANCIAL INFORMATION

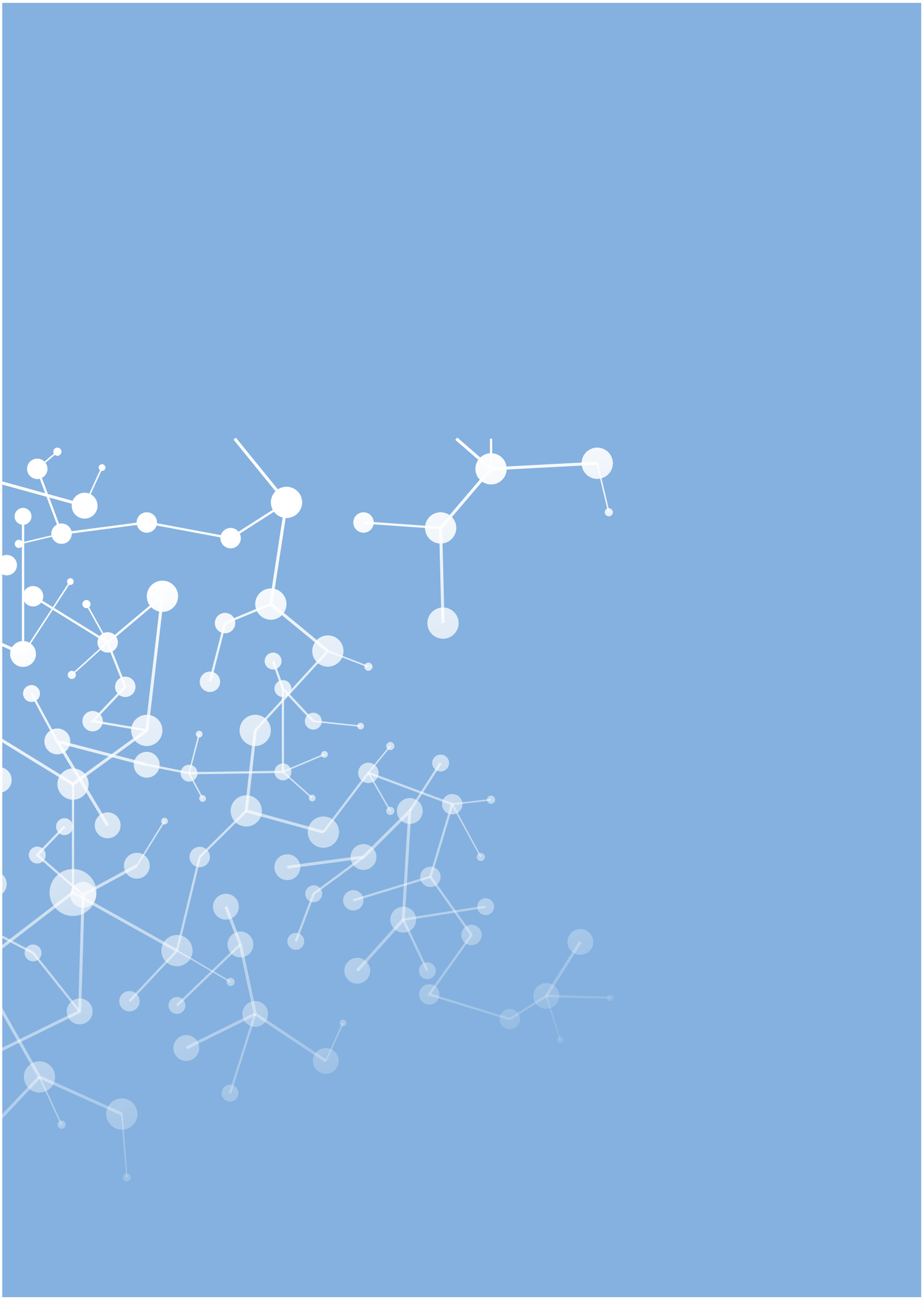
## FINANCIAL RESOURCES

The NACI allocated budget for 2018/19 was R20,665 million, including compensation of employees. The expenditure on goods and services from the annual budget was R11,528 million. Accumulated savings in respect of compensation of employees occurred as a result of three people employed on fixed term contracts in the current reporting period.

*Table 8: NACI budget 2018/19*

| DESCRIPTION | EXPENSES | COMMITMENTS | ALLOCATED BUDGET | AVAILABLE FUNDS |
|---|---|---|---|---|
| | (R'000) | (R'000) | (R'000) | (R'000) |
| **Compensation of employees** | 6 883 | 0 | 9 137 | 2 254 |
| **Goods and services** | 9 401 | 344 | 10 929 | 1 185 |
| **Payment of capital assets** | | 0 | | |
| **Transfers and subsidies** | | 0 | | - |
| **Total** | 16 284 | 344 | 20 066 | 3 437 |

# NOTES



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