



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**FINAL REPORT  
CAPACITY BUILDING TECHNICAL  
ASSISTANCE FACILITY  
(CBTAF)**

**JUNE 2007  
TO  
AUGUST 2012**

**Submitted to:  
Canadian International Development Agency (CIDA)**

**Submitted by:  
The Head of the  
Technical Assistance Unit (TAU),  
National Treasury**

**30 November 2012**

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## **FILE REFERENCE**

*I:\BR\_Public Finance\1. CD\_TAU\6 PSC MEETINGS\6.2 CBTAFFNovember 2012\Report drafts*

**LIST OF ACRONYMS**

ARC	Agricultural Research Council
BA	Business Administration (Directorate of TAU)
BMIS	Business Management Information System
CLRP	Community Libraries Recapitalisation Project
CoP(s)	Community of Practice(s)
CSS	Customer Satisfaction Survey
DPSA	Department of Public Service and Administration
EMC	Executive Management Committee
ENE	Estimates of National Expenditure
FMPPI	Framework for Managing Programme Performance Information
GTAC	Government Technical Advisory Centre
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
KM	Knowledge Management
KZN	KwaZulu-Natal
LN	Learning Networks
LTA(s)	Long Term Technical Advisors
MTSF	Medium-Term Strategic Framework
MTR	Mid-Term Review
NMOS	National Macro-Organisation of the State
NT	National Treasury
PALAMA	Public Administration Leadership and Management Academy
PICC	Presidential Infrastructure Co-ordinating Committee
PLN	Provincial Learning Network

PMF	Performance Management Framework
PMIG	Project Management Interest Group
PMO	Project Management Office
PPM	Programme and Project Management
PSAC	Project Selection and Allocation Committee
PTA(s)	Principal Technical Advisors
QTCO	Quality Council for Trades & Occupations
RBM	Results Based Management
SANBI	South African National Biodiversity Institute
SETA	Sector Education and Training Authority
SCM	Supply Chain Management
STA(s)	Senior Technical Advisor(s)
TASS	Technical and Advisory Support Services
TA(s)	Technical Advisor(s)
TAU	Technical Assistance Unit

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DATE: 30/11/2012

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## 1. EXECUTIVE SUMMARY

This is the final report of the Capacity Building Technical Assistance Facility (CBTAF programme) spanning 5 years from June 2007 to August 2012 with an initial value of R65.246m. An additional R22.026m was received in 2010. The total project funding allocation was thus R87.272m. of which 100% was spent over the reporting period. A total of R2.591m interest accrued was utilised with a 74% spending and R686.000 remaining. Approximately 80% of the budget was dedicated to technical assistance projects and 20% was earmarked for the Technical Assistance Unit's (TAU) institutional development.

TAU embarked on a two-fold journey with CIDA. On the one hand the quality of the support and the engagements with CIDA in South Africa and Headquarters in Ottawa led to a strategic partnership in the spirit of the Paris Declaration. On the other hand the programme enabled TAU to develop its institutional framework and invest in its people, processes and technology all of which makes TAU what it is today. The additional funding was an indicator that the Technical Assistance Unit was effective enough for CIDA to consider expanding the partnership. Evidence of clients talking about the changes which were effected and experienced by themselves and in their environment confirmed the relevance of the Technical Assistance Unit support. The Mid-term Review, carried out in 2009/10, illustrated the success of the support programme in general:

*"The TAU is a highly effective, professional, and innovative internal consulting arm of government, which has developed a unique core of specialised methodologies and competencies and specific sector expertise. (...) The TAU National Treasury principals, their donor, (...) CIDA and other stakeholders should be complimented for this accomplishment." (MTR 2010)*

The following planned outcomes guided the activities of the CBTAF programme:

- Improved capability of national, provincial and local governments to deliver services;
- Increased capacity of government and civil society organisations to design and implement programmes and projects that reflect the priorities and interest of both women and men; and
- Improved capacity of TAU to deliver on its mandate to disseminate public sector knowledge and promote service delivery innovation.

Over the past 5 years, 213 of 295 requests for assistance translated into projects. TAU has about 44% repeat clients. The results of the Client Satisfaction Surveys and other surveys show that about 80% of clients were satisfied with TAU's service.

TAU developed and implemented a Gender Strategy and Toolkit and integrated the learning into its programme and project management toolkit which was enabled by its Canadian Partner, the Project Management Centre of Excellence in the Ontario Public Service.

The introduction of the National Treasury's Framework for Managing Programme Performance Information, the Strategic Planning Guidelines for National Government, Programme Budget Structure guideline, the government's Outcomes Approach and the Presidency's Management Performance Assessment Tool (MPAT) were reforms to which TAU has also been able to contribute to in varying degrees.

The CBTAF programme has achieved its outcomes and produced outputs as formulated in the logic model to a large extent. TAU has been efficient, built its institutional capacity to respond to ever-increasing demand and dealt with increased complexity in the government environment. The CBTAF programme enabled, through TAU, public institutional strengthening and supported technical assistance as a vehicle for capacity building and development.

The use of knowledge management services to promote learning with TAU clients built relationships. Some see TAU as a "thinking partner".

Finally, in view of the socio-economic and government **systems** challenges, TAU and its successor, the Government Technical Advisory Centre (GTAC) remains relevant, also in terms of the implementation of the National Development Plan.

## 2. INTRODUCTION

In 2007 the Project Implementation Plan (PIP) was signed between National Treasury (on behalf of Technical Assistance Unit) and CIDA to optimize the provision of technical assistance and management support services to departments. TAU is the Executing Agency of the CBTAf. The CBTAf objective is "improved service delivery for poor and vulnerable populations in South Africa in support of the Government's Programme of Action". In the main, the PIP identified three strategic focus areas over the five year period (2007 – 2012):

- TAU institutional capacity building (20%);
- Supporting technical assistance assignments requested by government departments and delivered by TAU Technical Advisors (80%); and
- Gender mainstreaming (cross-cutting).

The CBTAf programme ended on 31 August 2012. TAU has positioned itself in government to attract and support "mission critical" projects (Employment Creation Facilitation Fund, Jobs Fund, Further Education and Training sector, National Skills Fund) that relate to the five key priorities of government. These priorities are also encapsulated in the 12 outcomes of government and the corresponding thematic areas adopted by CIDA that are: health; education, crime prevention, economic development, infrastructure, public service capacity building including cross cutting themes such as simultaneous mainstreaming, covering gender, disability, children and youth, as well as the environment.

The crosswalk between the TAU logic model and the CBTAf logic framework (Annexure A) shows how the programme and organisational outcomes relate to each other. The reporting focuses on the TAU intermediate outcome supported by the CBTAf programme outcomes. The CBTAf outcomes constitute the foundation of this report.

When reporting, TAU attempts to show evidence of capacity building and illustrate change at intermediate and immediate outcome levels. The information provided against the outcomes has a clear link to the TAU intermediate outcome as it forms the basis of the project activities that result in improved management and organisational performance.

TAU has been reporting semi-annually on the implementation of the CBTAf programme. Previous reports highlighted progress made against the indicators of both the TAU logframe and the PIP agreement. These reports also provided evidence of the effect of TAU support on the clients with project stories. This report will cover programme performance (outcomes 1, 2, and 3), institutional development and sustainability.

### 3. PROGRAMME PERFORMANCE

#### ***OUTCOME 1: Improved capability of national, provincial and local governments to deliver services***

It is always rather challenging to demonstrate a direct link between the TAU support and service delivery to the public, since the change mainly resides in the client environment, which is responsible for the service delivery.

TAU has a more direct effect on service delivery when it supports clients from front line service areas, such as the Education cluster departments. By enabling these departments to fulfil their mandates, TAU is indirectly contributing to better service delivery. Most of the support to delivery departments is dedicated to increasing their capacity to deliver services.

TAU supports projects within six thematic areas. These thematic areas reflect the key priorities of government as well as CIDA's priorities. They are used in this report to group the information under the outcomes.

The table below indicates the number of TAU projects supported during the programme in the thematic areas. Most projects address public service capacity and capability and Outcome 12 (see graph below for the project distribution per outcome). This confirms TAU's role as an enabler, to enhance public service capacity, for it, in turn, to deliver services.

#### NATIONAL SPHERE

*"...in our unit a very high level of capacity was built as a result of some of the methodologies and approach... we are applying the methodology" - Aah Sekhesa (General Manager, M&E, Department of Local Government and Traditional Affairs, KZN) (CSS, 2011)*

#### PROVINCIAL SPHERE

*"...we are now able to manage the project on our own... You can't see the benefits immediately but when people go back and they have to perform their work they actually realise that they have learnt a lot..." - Phuleng Kekana (senior manager in the Department of Arts and Culture - DAC)*

#### LOCAL SPHERE

*The Johannesburg Social Housing Company (JOSHCO) project focuses on social housing. It involved strategic and operational support. JOSHCO was nominated for the UN Habitat Scroll of Honour Award. The motivation for the nomination gives recognition to TAU for the role it played in the success of the project, as well as the impact, sustainability, transferability and innovation related to the project*



Implementation and the 'how' is a challenge for government despite various improvements and sound policies, which is why TAU has effected shifts in various areas of its strategy, operations, and service delivery model. The graph below indicates that more than half of the total projects selected were aimed at contributing towards an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

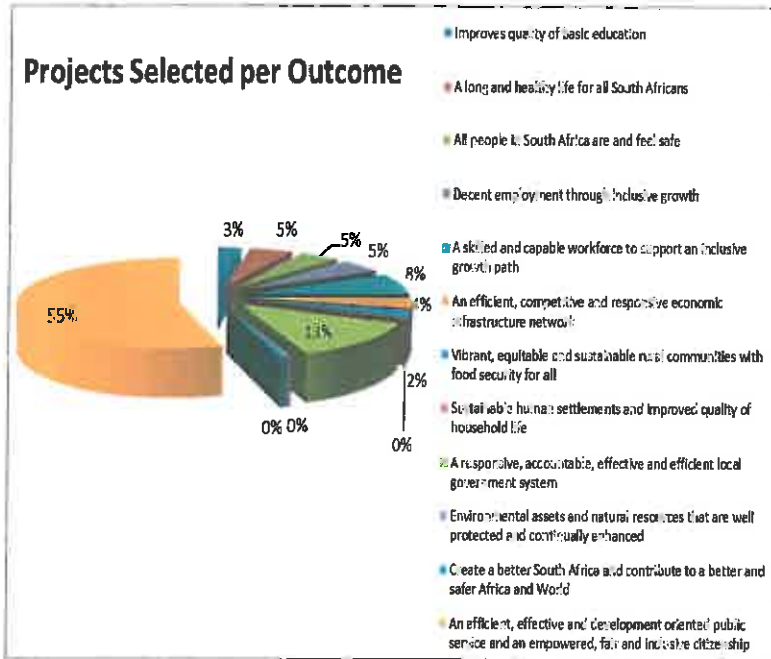
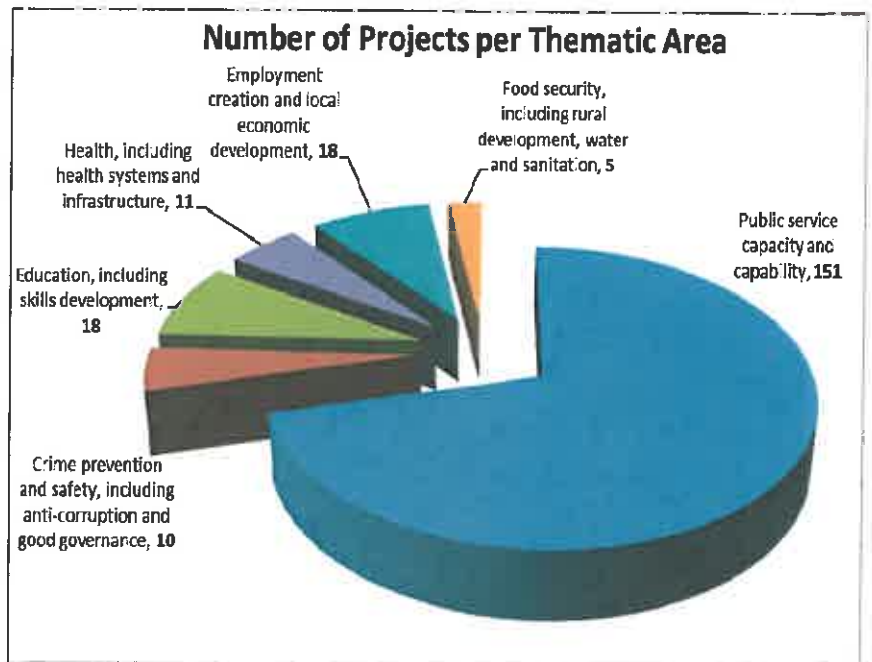


Figure 1: Projects Selected per Outcome and Thematic Area



During the programme period, TAU supported 213 projects. Of these projects, 76% were in the national sphere, 13% in the local sphere and 11% in the provincial sphere of government.

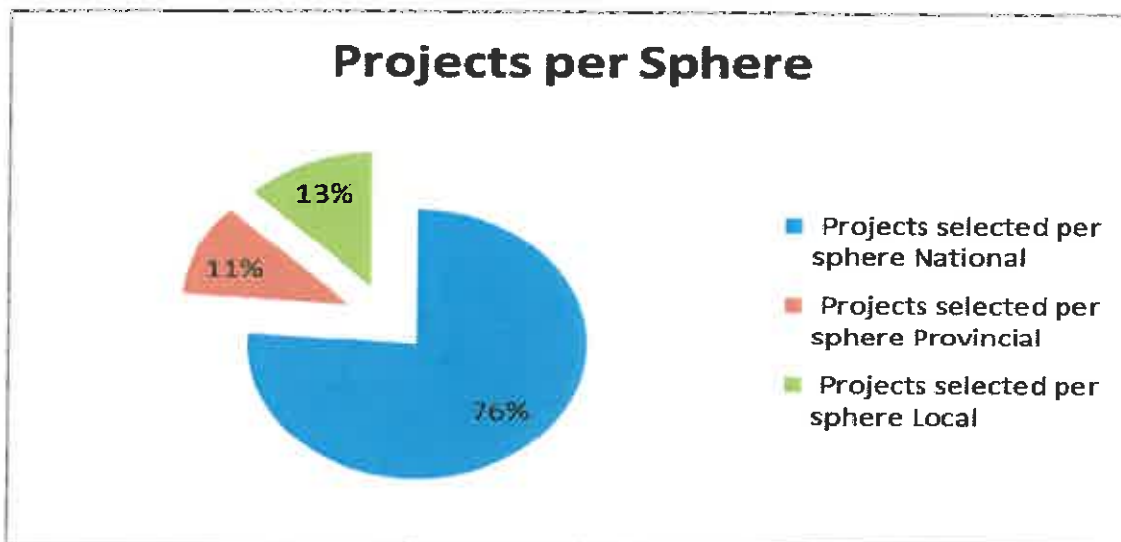


Figure 1: Projects per Sphere of Government

The spread across portfolios evens out over the period of the programme, although spikes were observed in different portfolios from time to time. The picture of the IRD portfolio presence is slightly misleading because this is a portfolio through which TAU supports the roll out of National Treasury’s Infrastructure Development Improvement Programme (IDIP). Two constant factors however: the Governance and Administration portfolio assisting the centre of government departments and the Social Services portfolio whose clients are the key delivery departments have consistently been receiving the highest demand.

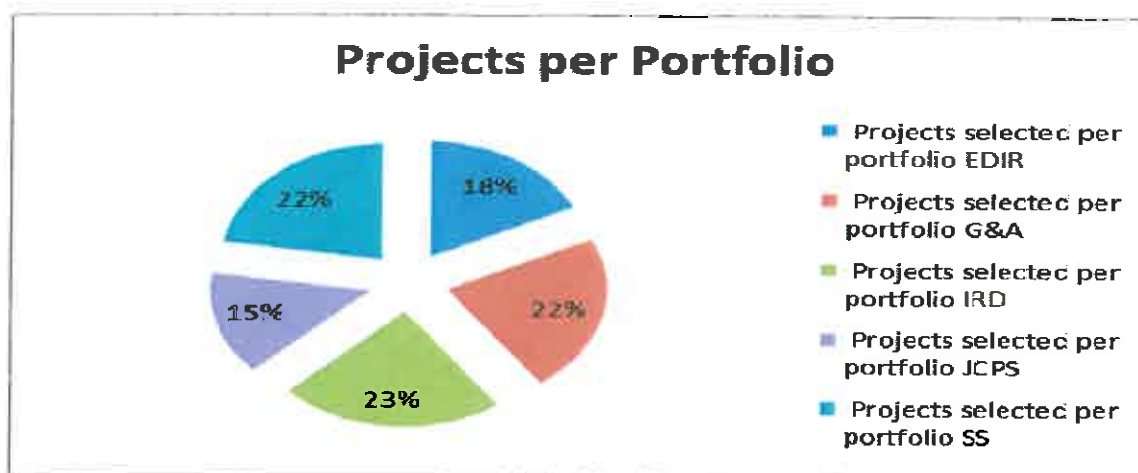


Figure 2: Projects per Portfolio

The type of services provided to achieve this outcome is reflected in the nature of the support. Over the period under review, 36% projects benefitted from programme and project management support, 30% from organisational development support, and 16% received fa-

cilitation support. Strategic and operational planning, diagnostics, ICT and SCM form the balance of support. As TAU matures, its nature of support expands or is re-thought along with trends revealing shifts in government policy and regulations.

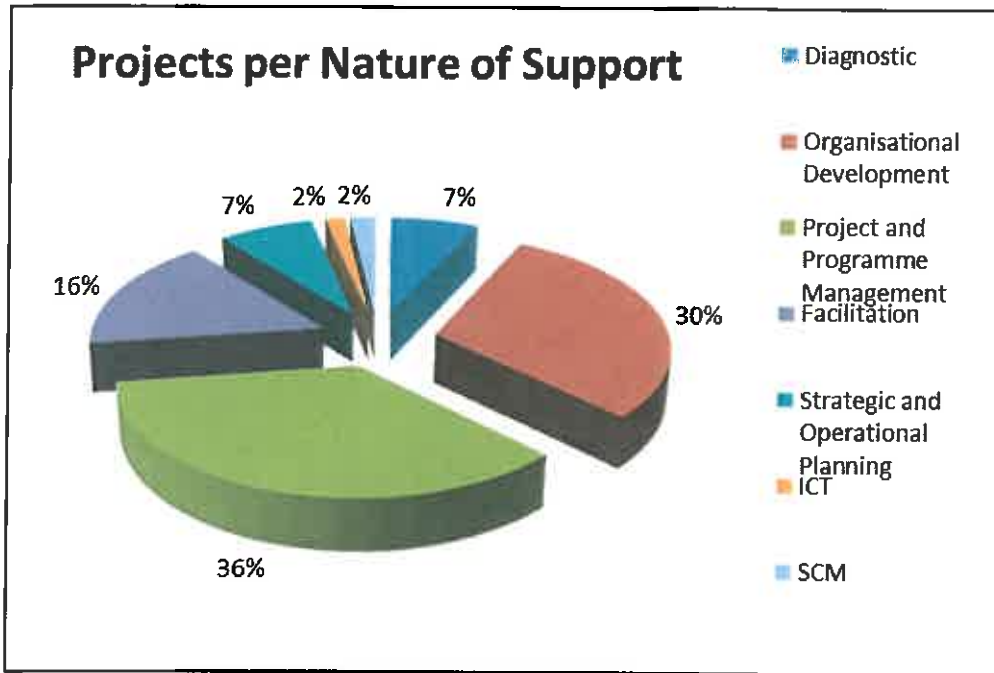


Figure 3: Projects Per Nature Of Support

The demand for TAU support has been increasing. The number of requests for support ranged from 21 to 77 per year. During the 2010/11 period a 50% increase in the demand for TAU services was evident. The table below reflects the spread of the 295 requests for assistance received over the years of the CBTAF programme.

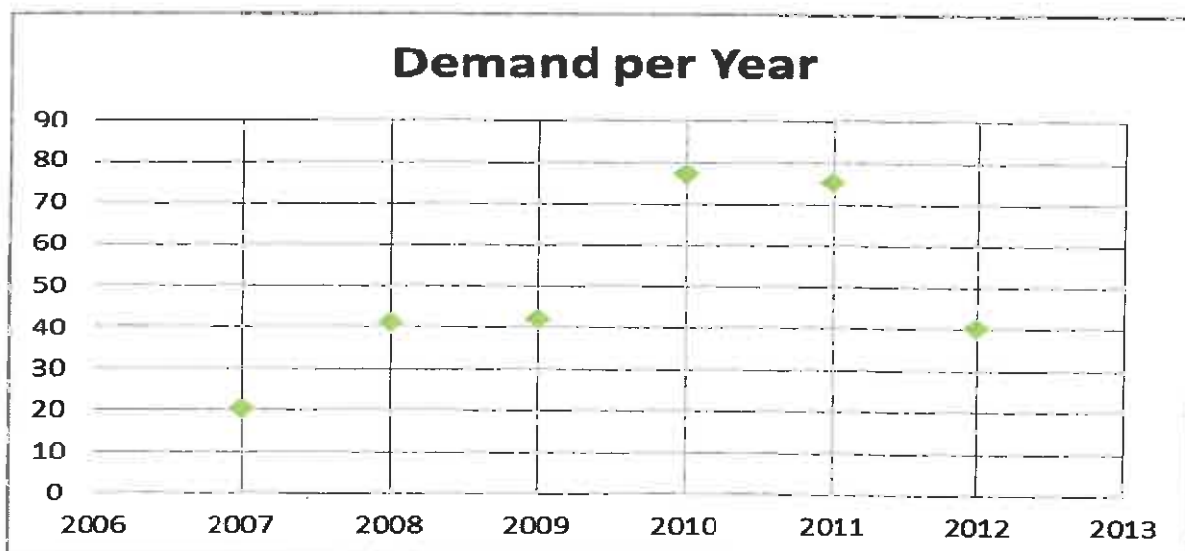


Figure 4: Demand per Year From 2007 until 2012

Approximately half (44%) of TAU clients are repeat clients. This means that TAU supported the client more than once. Over the years, TAU has established itself as an important enabler and its repeat client base is testimony to the fact that relationships develop over time and through projects with certain departments. The trust they place in TAU allows for much more meaningful impact on the client environment.

A narrative on projects per outcome in Annexures B, C and D focuses specifically on the TAU support in the thematic areas of health and education and employment creation. Please see Annexure B for a brief description of projects that contributed to this outcome. These documents highlight some of the projects that focussed specifically on service delivery to the public. These departments have service delivery to the public in their mandate and the TAU support enhanced their capability to perform. Support to these departments addressed some of the key priority areas: Public service capacity, health, employment creation, infrastructure delivery, rural development and food security, and crime prevention.

Strategic Planning / RBM / Performance Measurement / Performance Reporting support has been the most important cluster of areas of support. The development of RBM thinking in the South African context has progressed significantly over the past five years and TAU has been actively supporting the development of the RBM understanding and practice. There are, however, challenges in this field, not the least of which is the fact that multiple government departments hold guidance responsibilities in this area and there is much work still needed to harmonise the overall guidance and prescriptions that the departments and entities are responding to. The Presidency is driving the Outcomes of government approach, National Treasury is responsible for budget related strategic planning, the Auditor General is using the FMPPI guidelines for audit purposes. The Departments of Public Service and Administration and of Cooperative Governance are responsible for the guidance on planning. TAU continues to see what role it can play in supporting the systems thinking as well as to support the individual client department and entities.

***OUTCOME 2: Increased capacity of government and civil society organisations to design and implement programmes and projects that reflect the priorities and interests of both women and men***

TAU's operating model includes two key components namely a) the need to diagnose the challenges in the client department in order to guide appropriate responses to root causes and b) the critical need for counterpart capacity in the client department in order for the TAU developmental and capacity-building mandate to be realised. The majority of TAU support to clients falls under this outcome. TAU is not only requested to provide support on programme and project management but also on supporting organisational changes and governance issues. The performance on this outcome is mainly reflected in the actual support given and the link to increased capacity is made based on the completion of support and changes in the departments. Client feedback is also used to gauge the capacity building ability of TAU support.

*"...project management ... to work with someone who is an expert in the field... and you see how they do it and how they articulate it... they sort of bring it alive, and you see how it works... I want to study it... they don't come with that arrogance that we know... and you feel that 'I'm listened to, my inputs are taken into consideration' There is nothing more disconcerting than being with so-called consultants and they disregard everything you tell them, even though you live through it. But here it was different." - Richard Nukeri (Training Facilitator, NHBRC) (CSS, 2011)*

Capacity was built through support in programme and project management support, communities of Practice through the PMIGs and the roll-out thereof with PALAMA and Provincial Learning Networks, organisational support (*Quality Council on Trades and Occupations and Sector Education and Training Authorities Projects*) and capacity building (*South African Biodiversity Institute and Eastern Cape Office of the Premier projects on sustainable transformation and culture change*). Some of the support was provided in departments that work in crime prevention (*DNA Laboratory: planning and implementation support*), employment creation (*Employment Creation Fund and Sheltered Employment Factories*), food security (*Agricultural Research Council and Kwa-Zulu Natal (KZN) Department of Agriculture & Environmental Affairs Bilaterally Funded*), health and education (*National Department of Health: Review and update Public Financial Management Improvement Plans*). Please see Annexure C for a description of various recent projects.

***OUTCOME 3: Improved capacity of TAU to deliver on its mandate to disseminate public sector knowledge and promote service delivery innovation***

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TAU focuses on building capacity in government to create and sustain transformational changes and achieve modernisation outcomes by providing management frameworks, methodologies, tools, learning and consulting services. It sees as crucial the need to enhance capacity for project management, organisational measurement, continuous improvement, innovation and service excellence that are critical to achieving the objectives of promoting service delivery innovation.

*"... I think that personally I have learned quite a lot of skills in terms of project management, and in terms of coordinating complex projects of this nature..." - Phuleng Kekana (senior manager, DAC)*

TAU disseminates knowledge collected from its projects for internal capacity development and external support to clients. Knowledge Management (KM) is about capturing, transferring and internalising information and best practices. The TAU strategic focus in terms of KM is to tap into the knowledge generated by the TAU practitioners and to translate it into knowledge products to build TAU's capacity and that of its clients.

These initiatives included technical knowledge exchange sessions, the hosting of communities of practice, and capacity building workshops. Knowledge management deliverables include case studies, practice notes, collaboration platforms and a concise monitoring and evaluation process. Please see Annexure K for a list of the TAU publications, methodologies and toolkits. Portfolios contributed to the TAU knowledge base with certain projects. Please see Annexure D for examples of such projects.

TAU has supported projects that focussed on Gender Mainstreaming. As one of the thematic areas for both CIDA and the South African government, gender mainstreaming is an integral part of all TAU support. Please see Annexure D for examples of such projects. TAU developed a Spherescope<sup>®</sup> that may be used with the PPM material to ensure that gender is considered throughout the project cycle. This is important to drive the transformation process in dealing with equity and re-dress.

An effective way of disseminating knowledge in the public sector is through learning networks. The intention of learning networks is to create a platform for knowledge and experience sharing, collaboration, and dissemination and supporting adult learning within a gender sensitive environment. TAU has hosted, supported, created and facilitated various internal



and external learning networks during the five years, which allowed for the application of knowledge transfer within the thematic areas of relevance (Economic Development, Provincial Library Communities of Practice, Economic Regional Learning Network, Provincial Learning network (KZN) and the Project Management Interest Group). Learning networks have become an integral part of capacity building within the TAU system.

Results-Based Management is one of the methodologies that TAU drives in the public sector to promote service delivery innovation. Several projects focussed specifically on providing support in this area. (See Annexure D for examples).

Throughout its development, TAU has benefited from a number of partnerships that contributed to the growth and development of the organisation. TAU enters into partnerships to enhance its ability to respond to the demands of an ever-changing environment. It has become adept at identifying suitable partners/alliances as well as at fostering collaborative relationships. Its partnerships, strategic alliances, and other collaborative relationships have enabled TAU to build a wealth of social capital through the course of its existence.

The Public Service Project Management Landscape study indicated the need for a comprehensive and coherent approach to Project and Programme Management (PPM) in the South African Public Sector, and a thorough scan of the international public sector project management landscape brought the TAU together with the Project Management Centre for Excellence (PMCoE) of the Government of Ontario, Canada. As a result of this partnership, the TAU has been able to develop a comprehensive, customised, SA Public Service-specific Programme and Project Management (PPM) Methodology and Toolkit. TAU in partnership with PMCoE, DPSA and PALAMA have customised and provided government officials access to a coherent approach towards managing projects.

The partnerships highlighted in Annexure D take many forms. The various forms of collaboration translate the intent to achieve the highest possible impact with limited financial resources. TAU and its partners demonstrate the powerful impact of combining financial and social capital in a public sector environment.

#### **PMCOE Partnership**

*“What was very interesting throughout this relationship is that although you are thousands of miles away, your organisation is very similar to ours. You are trying to build capacity, and that is what we want to do. We are interested in how you are implementing it... We are looking at your approaches at integrating the human component, particularly around the Gestalt approach, and it gives us a different lens to look at our own material. The other piece that really helped us was that we were able to tell your story in our own organisation, increasing our own profile, and it helped us to make people aware of just how broadly these tools can be applied.”*  
(Susan Ksiezopolski - PMCoE)

### 3.1 Sectoral view

TAU operates in a matrix and currently has five portfolios through which sector knowledge is cultivated and services are rendered to various portfolios of clients on the basis of Technical Advisors' knowledge of the sectors.

#### 3.1.1 Governance and Administration Portfolio (G&A)

After the fourth democratic general elections the Cabinet was announced on 10 May 2009. This new Cabinet introduced a number of changes to the previous configuration of government. This has had a direct impact on the administrative structures in support of the adjusted functions of numerous Ministers and Deputy Ministers. The net results are amongst others, instances of nomenclature changes, introduction of new departments, either the splitting of existing departments in terms of government's mandate to deliver more efficiently or through the transfers of functions between departments. In some cases the functional content of departments had to change to give effect to the new ministerial portfolios, mainly by transferring functions between departments. In other cases the functional content of departments remains unchanged.

The National Macro-Organisation of the State (NMOS) process that government instituted to respond to these major macro organisational restructuring exposed government's lack of planning, administrative tools and capacity to support these changes, tense relations between the key centre of government departments, and a bureaucratic approach to change management driven by circulars to the affected departments and managing through committees - with limited focus on people's anxiety and the organisational instability. Frequent changes of leadership in client organisations often negate TAU capacity building and technical support. This is a challenge facing all change and improvement initiatives in government. This occurs in a culture of government (from the political executive to the administrative managers) that is characterised by urgency, constant demands, commanding and pace-setting leadership styles, and coercing people into action.

TAU has supported DPSA on a diagnostic on functional analysis and a toolkit to support managers with functional changes between departments. The diagnostic also highlighted gaps in the legal frameworks that regulate aspects of the macro-organisation of the state. Recently, DPSA has requested TAU to support the development of a protocol for the establishment, dis-establishment and merging of departments.

The G&A portfolio supports the centre of government departments, the Provincial Treasuries



and the Offices of Premiers. It strives to improve the quality of life of the people by improving the capacity and organisation of the state and its underlying systems. The portfolio's priorities derive from government's commitment to improve its service to the people. The need to strengthen public service capacity and systems to monitor implementation will keep the issue of the organisation and capacity of the state high on the portfolio's agenda.

### **3.1.2 Economic Development and International Relations Portfolio (ED&IR)**

For most of the 2000s, South Africa enjoyed relatively strong economic growth. As a result, despite the volatility of the 1990s, overall economic expansion between 1994 and 2008 approached 4%, more or less the same as other upper-middle income countries. In contrast, from the late 1970s to the early 1990s, South Africa's economic growth lagged its peers, running at just over 1% a year. The situation has been worse for young people, largely because too few jobs were created to absorb the large numbers of new entrants to the labour market. Amongst the employed, many workers were poorly remunerated, and held insecure jobs.

There is growing consensus in South Africa that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth.

Some of the key projects that TAU has supported include grant-making schemes that incentivise broad public and private sector participation such as the Jobs Fund located at the National Treasury and the Employment Creation Fund at the Department of Trade and Industry. These two programmes encourage enterprise development, innovation, skills enhancement and institutional strengthening both in the public and private sector. The ED&IR portfolio has also supported the Community Works Programme (CWP). CWP was the outcome of the Second Economy Strategy process that was commissioned by the Presidency in 2008 to review the reasons why government strategies targeting poor and economically marginalised groups were not achieving the intended impact. The review highlighted the ways in which structural inequality as well as inequality in human resource development and skill acquisition negatively impact on economic opportunities for poor people. Social as well as economic multipliers can be addressed. TAU's involvement in CWP has resulted in the current review of the workings of the programme and recommendations relating to intended expansion of the programme to reach over a million people in the next three years.

A key challenge is to improve the state's efficiency, effectiveness and responsiveness in the face of new opportunities and risks. The intention of the new growth path is to step up the integration of national, provincial and local policies and collaboration around implementation of developmental policies and programmes. The ED&IR portfolio has proactively championed the Economies of Regions Learning Network which is a collaborative network between the three large city regions and their respective provinces and National departments in the Economic Development space to address some of the vertical and horizontal challenges facing South Africa.

Economic development centred on major regions (such as the Western Cape, KwaZulu-Natal and Gauteng) plays a central role in stimulating, supporting and enhancing economic development in South Africa. Working within the strategic direction set by government's economic development and job creation agenda, regional and city-region economic development approaches and strategies need to be enhanced and strengthened. Great value can be gained for the regions themselves and for government from sharing lessons and approaches. TAU contributed towards capacity development through a partnership with the University of Cape Town, to deliver a leadership course on the Economies of Regions in which government officials and private sector representatives participated. Bringing those involved in stimulating economic development in these regions together offers a cost effective way of sharing ideas, experiences, practices and approaches.

### **3.1.3 Infrastructure and Rural Development Portfolio (IRD)**

The initial work focussed on supporting infrastructure projects within the National Treasury (2007 to 2009) as well as a number of provincial departments (North West Office of the Premier and Limpopo Treasury). Since then, work has expanded and can be categorised under the following headings: Infrastructure Delivery, Housing Delivery, Service Delivery Models, Maturity and Progression Models, Rural Development, Monitoring and Evaluation, and Strategic Facilitation.

Infrastructure and rural development are currently massive focus areas for the South African government. The 2012 State of the Nation Address referred to the issue of infrastructure in a comprehensive manner, highlighting economic and social infrastructure challenges and plans. In particular, it announced the establishment of the Presidential Infrastructure Coordinating Commission (PICC) that will oversee the implementation of a number of strategic integrated projects. In addition to these, the Minister of Finance, in his Budget Speech, allocated an amount of R8.3bn over the next three years for school infrastructure. An amount of R8bn has been allocated to specific health interventions over the period ahead, including

infrastructure allocations. It is in these areas of social infrastructure that the IRD portfolio has been active in addition to IDIP, which aims to build the capacity of provincial departments of health, education and public works in delivering health and education infrastructure. TAU's support to IDIP has been integral in understanding that improving social infrastructure delivery rests both on organisational capability of departments themselves as well as delivery in the context of an overall IDMS. Recent work by the portfolio in this area is particularly innovative and will contribute to the development and institutionalisation of an Infrastructure Progression Model for the IDIP departments with the potential for further application.

Rural development has been elevated in this electoral cycle to the status of a department. This indicates the seriousness with which the current administration sees this area. In his budget speech, the Minister announced that R19bn would be spent in the 2011/12 financial year on rural development and agriculture projects. The IRD portfolio has supported a number of projects in this area, some dealing with organisational capability and others with service delivery itself.

#### **3.1.4 Justice, Crime Prevention and Security Portfolio (JCPS)**

As is the case in most countries, this sector is complex in that the functions in the core criminal justice chain are shared across a number of departments. The success of this chain is dependent on success at each stage and so, whilst there is a need to respect the separations of roles and functions of individual departments, there is also a need for coordination and joint strategy and planning. All departments in this sector have adopted the framework for strategic planning issued by National Treasury and the Delivery and Performance Agreements that have been coordinated by the Department of Performance Monitoring and Evaluation in the Presidency. Over the past 3 years, successive editions of departmental plans have demonstrated improved output - outcome logic as well as clearer measures of performance.

Projects in this sector have specifically taken cognisance of the outcomes that need to be achieved through the outputs of this pipeline. The support to the Anti-Corruption Task Team has specifically focussed on inter-departmental role clarification in an interdepartmental team and an associated performance framework. The performance framework support to Correctional Services included clarity on rehabilitation to minimise re-entry of offenders into criminal activity. Similarly, the work with the Independent Complaints Directorate and the Office of the Chief Justice focussed on the strategic performance of the organisations in the context of the overall performance demands of the criminal justice sector and the services and performance expected by the citizenry.

Apart from servicing its portfolio clients, the Justice, Crime Prevention and Security portfolio has contributed to numerous internal TAU developmental objectives. These include the development of RBM thinking in the organisation, improved operating procedures and the development of the Business Management Information System (BMIS).

The support to the National Treasury Budget Analysts has been an important initiative. It has served to expand the reach of TAU, as all the Budget Analysts will be taking their knowledge and skills into their on-going engagements with government departments.

The JCPS Portfolio coordinated the development of the TAU Anti-Corruption Case Study. This study was performed by the Public Affairs Research Institute associated with the University of the Witwatersrand and has developed a keen understanding of the phenomenon of corruption in the public service. This study gives TAU a tool in the diagnostic processes in which it is critical for a comprehensive understanding of all aspects of public service life if sound conclusions are to be arrived at. The report funded using CBTAF interest money has been completed recently.

### 3.1.5 Social Services Portfolio (SS)

The social services sector accounts for about 47% of the national budget for 2012/13. It addresses key aspects of social transformation that are also important for sustained economic growth. These include education, health and social protection.

Although strides have been made since 1994 in terms of improving access to education, there remain significant challenges with the quality of the system. In 2011, South Africa's education system was ranked 133rd out of 142 countries in the World Economic Forum report. The system is not managing to achieve the basic standards of literacy and numeracy in grades three and six, consistently underperforming in international comparative studies in spite of South Africa spending about 6% of GDP on education, a rate that is high by international standards. This impacts negatively on skills development and is a key binding constraint to economic growth and job creation.

In health, the strides that have been made include: the reduction of mother-to-child from 10% to 3.5% between 2009 and 2011; the testing of more than 14 million people were tested for HIV in the same period and the reduction in the number of people dying from this disease. This notwithstanding, there remains major challenges with the health system, including huge inequalities as evidenced by the fact that the 14% of citizens who are on private health access more than 60% of national health expenditure. The introduction of the National Health Insurance system is an attempt at addressing this inequality. The public health sys-

tem is beset with systemic problems that place significant limits to the delivery of health services. These include crumbling infrastructure, inadequate human resource capacity, poor management of finances and failing medical equipment amongst others.

The social security system is under pressure due to the legacy of apartheid and the failure of the economy to create employment. South Africa has 15.3 million recipients of social grants. Although it is acknowledged that social grants have gone some way in alleviating poverty, there is a general concern that they cannot be sustained over a long period as they depend on a shrinking tax base.

Part of what compounds the problems in the social sector is the fact that the constitution makes most of these functions concurrent between the national and the provincial government. The lack of clear governance procedures for managing concurrent functions results in contested lines of accountability which in turn leads to delays in the delivery of services

The portfolio adopted a strategy with a focus on the parts of the social services system closest to points of service delivery. In education and health, this has seen the portfolio supporting eight Public Entities and two public hospitals. In addition, the portfolio did some work in the provinces of Limpopo and the Eastern Cape.

The SS portfolio also contributed to enhancing TAU's capacity through the development of knowledge products, including case studies, methodologies and research reports. Amongst the knowledge products the portfolio has developed are: the change management methodology/guideline and a case study, both developed through work at the South African National Biodiversity Institute; a case study on the Investing in Arts and Culture Programme of the Department of Arts and Culture which highlights lessons for the management of poverty reduction programmes and a national poverty scan research report.

## 4. FINANCIAL REPORT

### 4.1 Programme budget

The initial PIP had a budget of CAD 8.4m (R65.246m) distributed across various budget lines as indicated above. The budget allocation allowed for a split of 80:20 for technical assistance and institutional development of TAU in terms of systems, methodologies and professional development.

After a slow start on expenditure due to systems being developed and implemented, the expenditure picked up and due to accelerated spend on the programme as the demand grew, a further CAD 3m was added to the programme increasing the total budget to CAD 11.4m.

There was over-expenditure on the following consolidated budget line: Technical Assistance (local support) of R854.984, which was balanced out with under-expenditure on Technical Assistance (International) of R708.280 and System Development of R107.044.

At the programme level 100% of the budget was spent. The total interest earned on the programme as at 31 August 2012 amounted to R2,591m. A work plan was submitted as to how the interest earned would be spent and the document was approved at the Programme Steering Committee held in May 2012. Due to some projects not materialising, only R1,905m was spent as at the end of the programme in August 2012. The unspent interest will be returned to CIDA. See Annexure H. Table 2 below reflects the project budget and actual spending on the entire CBTAF programme.

### 4.2 Year on year expenditure

The period 05/06 to 06/07's increase of 189 % was due to the low base start, as well as limited funding for projects. The CBTAF programme kicked off in June 2007 and although the expenditure was initially slow, the transfer also increased from R 7,188m in 2007 to R 21,787m in 2008. This allowed TAU the opportunity to support and service more projects.

2008/09 was an internal development phase for TAU and this led to an increase of 87% in spending. This was also the year that the Trading Entity was established which enabled TAU to do Cost Recovery. 2009/10 was a consolidation year therefore there was a decrease in spending.

In 2010/11 the Infrastructure Delivery Improvement Programme in the National Treasury, was supported. The amount of R100m per year for the following three years contributed similar to CBTAF funds, to cost recovery and financial sustainability.

<b>ACTUAL EXPENDITURE VS BUDGET</b>				
<b>Budget Line items</b>	<b>Actual Project Expenditure Rand</b>	<b>Total Project Budget Rand</b>	<b>(Over) /underspend</b>	<b>Total Project Budget CAD</b>
<b>TA (Local)</b>	<b>8,910,547</b>	<b>68,095,233</b>	<b>-815,314</b>	<b>8,895,000</b>
TAU Interventions Support	68,797,108	67,942,124	-854,984	8,875,000
Cluster Research	31,293	38,277	6,984	5,000
Scoping/Cluster Department	82,146	114,832	32,686	15,000
<b>TA (International)</b>	<b>6,602,685</b>	<b>7,310,955</b>	<b>708,270</b>	<b>955,000</b>
Gov. RBM Strategy & Roll-out	1,319,012	1,531,090	212,078	200,000
TAU RBM Toolkit/Manual	3,768,398	3,827,725	59,327	500,000
Gov. PPM Strategy & Roll-out	153,808	574,159	420,351	75,000
<b>Institutional Development</b>	<b>11,758,904</b>	<b>11,865,948</b>	<b>107,044</b>	<b>1,550,000</b>
Knowledge Management	3,240,525	3,062,180	-178,344	400,000
Project management	3,691,334	3,444,953	-246,381	450,000
Workflow Systems	765,308	765,545	237	100,000
Procurement & Finance	1,377,669	1,377,981	312	180,000
Staff Development	1,199,797	1,531,090	331,293	200,000
Partnership Development	718,518	918,654	200,136	120,000
Gender Mainstreaming	765,754	765,545	-209	100,000
<b>GRAND TOTAL</b>	<b>87,272,137</b>	<b>87,272,137</b>	<b>0</b>	<b>11,400,000</b>

**Table 1: Project Budget and Actual Spending On The CBTAF Programme:**

### **4.3 Financial Management**

Since the establishment of the TAU Trading Entity in April 2008, the Unit has gone through four financial years. The TAU Trading Entity is audited by the Auditor General. To date TAU has received unqualified audit reports over those four years, with no or limited housekeeping findings. This includes audits of performance information. Financial administration, procurement and financial management are therefore sound.

## **5. TAU INSTITUTIONAL DEVELOPMENT**

In this section, reference is made to the areas which contribute to strengthening TAU as an organisation and its consulting practice.

### **5.1 Organisational Design and Evolution**

The CBTAf supported TAU to develop through various organisational and corporate forms. When the Programme started, TAU was a Chief-Directorate in National Treasury. In April 2008 TAU became a Trading Entity. In April 2012 a government component, called Government Technical Advisory Centre (GTAC), was proclaimed and as the CBTAf is ending, TAU is in the process of transitioning into its new institutional form. All these processes were supported through the CBTAf.

### **5.2 Methodologies**

The work of TAU is underpinned by two theoretical frameworks, which are Gestalt and Systems theory. As TAU developed over the years, the understanding of the “what”, had to be translated into the “how”, to conduct technical support and resulted in the development of the TAU methodologies and toolkits. The composite toolkit was made available to the TAU system and various knowledge sharing initiatives took place to facilitate the integration of the toolkits into the organisation.

The main part of the TAU toolkit consists of Programme and Project Management, Results Based Management, TAU Process Consulting – Diagnostics and Government Frameworks. The other toolkits are used as and when required depending on the demand. These were developed as a result of client needs in relation to specific TAU Projects like: Function Shifts, Conditional Grants, Infrastructure Development Improvement Programme and Gender Mainstreaming. The toolkit for cross-cutting methodologies consists of, Change Management, Capacity Building and Coaching, and Gender Mainstreaming. It is clear that the various



methodologies are interrelated and many cross-references between the respective tools illustrate this. (See Annexure F). These tools are applied with a people-centred approach to the consulting approach.

### **5.3 Professional Development Plan**

Professional Development is defined as those processes and activities designed to enhance professional knowledge, skills, behaviour and attitudes of TAU Technical Advisors, management team and support staff. A competency model for TAU was developed in 2010 and enhanced during 2012 that created a framework for Professional Development. The competency model ensures capability development, succession planning and talent management as an integral part of the Professional Development Strategy of TAU.

TAU adds value as a government consulting service through its in-depth knowledge of the public service and continuous development and improvement of methodologies as a result of action learning of consultants that work in the field. To maintain a high level of competence TAU Technical Advisors are exposed to professional development opportunities that are pertinent to promoting a people-centred consulting practice in support of the transformation agenda of government.

### **5.4 Operations Systems Improvement**

#### **5.4.1 Financial Management Improvements**

As part of the establishment of the Trading Entity, commercial bank accounts were created and effectively managed. A cost recovery system was implemented, creating a sense of accountability by client departments and indirectly increasing and improving TAU's sustainability. An accounting system was implemented that resulted in an improved approach towards TAU's internal controls and systems

#### **5.4.2 Business Process Improvement**

As per the TAU Multi-Year Operational Plan of 2007/08, the years following the build-up and optimisation phase focussed on consolidation, validation and review. The operational consolidation started in earnest after the mid-term review and culminated in the operationalisation of the findings of the project known as the 100 Day Plan, the details of which have been submitted in previous reports. The CBTAF programme has allowed TAU to take itself to the next level of maturity between 2007 and 2012, as a self-standing organisation inside National Treasury, in terms of its corporate governance and financial sustainability.

### 5.4.3 Information Management

Systems development and records management support, which include a systematic approach to records keeping as well the implementation of document security strategy implemented during 2012. The Business Management Information System (BMIS) was initiated as part of phase 1 of the CBTAF programme (2007/08) that aimed at building efficiencies in TAU operations and at optimising its technical systems. It began as an electronic repository of project governance documents and TA electronic timesheets. Today, the BMIS constitutes the e-repository for all projects and provides a platform for performance information, related documentation and allows TAU to monitor and report on its projects.

The BMIS hosts a panel of pre-qualified service providers, from which the services of technical advisors can be procured. Skilled teams can be generated through electronic searches. In addition a comprehensive and dynamic knowledge archive has been established and is regularly updated with methodologies, case studies and other knowledge products compiled by TAU or from external sources.

The BMIS has been improved to ensure more effective and efficient access and the preservation of TAU's information to build its institutional memory. Further systems development included a joint effort with the National Treasury's ICT Unit to provide off site access to the TAU systems through a Universal Access Gateway.

### 5.4.4 Financial Systems Improvement

Financial Management support was provided to the IDIP programme with regards to procurement, contracting and payment of service providers (R300m programme over 3 years). A costing model per portfolio was implemented to determine budgets and charge out rates for the core team. Value added Tax Returns are being submitted electronically on E-Filing. A financial dashboard was developed and implemented to provide a quick overview of important financial and SCM information.

### 5.4.5 Organisational Performance

The MPAT assists departments to effectively and efficiently translate the inputs into outputs through good management practices from results based management approach. TAU completed its MPAT Self-Assessment during 2012 which resulted in a baseline for TAU's organisational improvement strategy under GTAC. The results achieved within the Governance Key Performance Areas were above average for TAU. Areas for improvement will be within the Supply Chain Management Key Priority Area, which is partly dependant on the National Treasury system and outside of TAU's control.

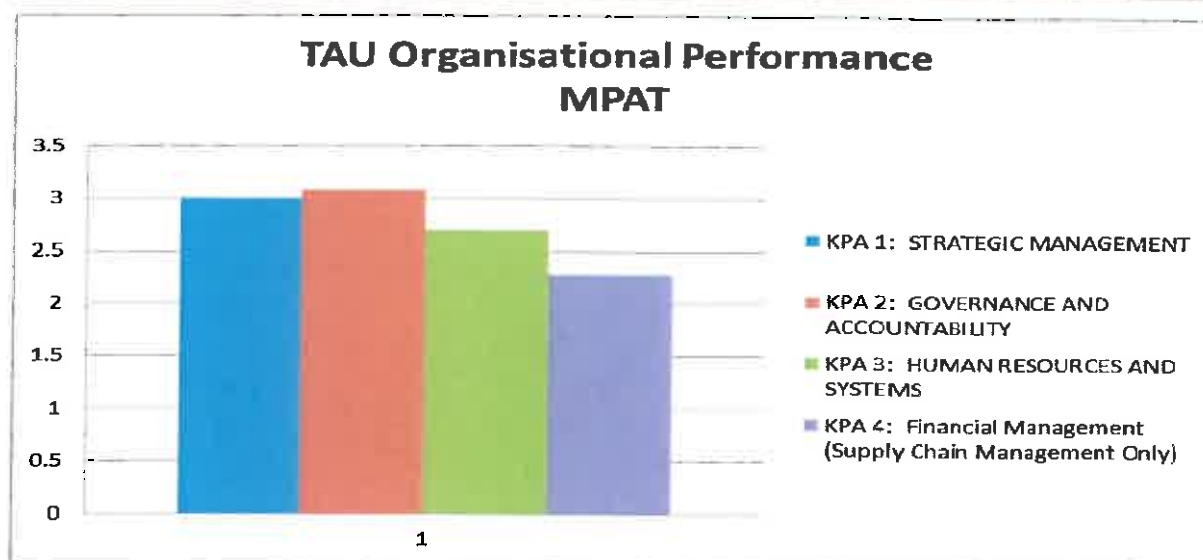


Figure 5: TAU MPAT Results

## 6. LESSONS LEARNT DURING THE PROGRAMME

### *Strategic Approach*

TAU has realised that short-term strategic support engagements with departments have serious limitations. The best successes TAU has had, such as with the Financial Intelligence Centre, have been achieved because the TAU supported a number of consecutive 'strategic planning' cycles. This allows the support to turn into a maturation process rather than an event.

The second key realisation is that, with or without improvements in strategy, the public service needs support at the operational level to improve implementation. TAU thus needs to increase the level of operational support it provides to clients. The advisability of this additional focus area is supported by the findings recorded in the TAU Anti-corruption Case Study that puts forward the view that much of the perceived corruption in the public service would be addressed through improved operational and administrative process prescription and compliance. In short, this means that TAU has come to the realisation that it needs to engage in longer projects and increase the focus on operations and implementation support.

### ***Consulting approach***

The responses from clients about the quality of services provided reinforce the need to invest into the consulting process, balancing the technical areas with the people and organisational issues. Using coaching as part of the change management approach has proven useful. This approach was piloted on two projects - SANBI and Office of the Premier, Eastern Cape – Culture Change Programmes – See Annexure C).

### ***Monitoring and Reporting on Outcome Level***

TAU has developed and improved its reporting on performance especially regarding project support. It has moved from reporting mostly on outputs to reporting on the changes being effected in the clients' systems. It has also gained an understanding of the complexity of tracking results when change is not being effected directly but via its clients.

TAU has also experienced the value of results-based reporting and will develop its competency further in future, monitoring and reporting by putting mechanisms in place to collect data from clients after the support has ended to capture intermediate outcome level results.

*"TAU acts as a sounding board for me (...) almost acts as a bit of a mentor for me...at the level of thinking strategically over organizational development issues. What I do, is I test him, ...use the experience of TAU in other departments, so that I can better understand what interventions I need to make, what interventions the FIC needs to make..."*  
*- Murray Michel ( Director, FIC) (CSS, 2011)*

## 7. SUSTAINABILITY

TAU as an internal to government consulting service has made significant contributions by developing good practice in project management, adapting effective tools, particularly within the project management and results-based management approaches, and the effectiveness of the diagnostics.

Consistent leadership and good long-term relationships with strategic partners as well as trust with clients all contribute to the sustainability of this capacity building capability in National Treasury.

*"They are sustainable because they are even transferrable...so those are principles that you can take anywhere and apply them. I mean we did this thing, it was completed last year, if not 2009, but I still have them in my system....I was talking to my colleague last week, ...these concepts, they are current, they work..." - Richard Nukeri (Training Facilitator, NHBRC) (CSS, 2011)*

Support to projects can continue in a targeted manner as TAU has institutionalised processes like portfolio/sector reviews as well as an annual review to assess whether it remains relevant.

The MPAT assessment has also confirmed TAU's sustainability especially in governance performance and strategic management. The people-centred approach has contributed to a relatively high retention rate, so the investment in the TAU human capital has paid dividends.

The financial performance of TAU balancing different funding streams under different regulatory frameworks and receiving an unqualified audit is evidence of financial and organisational sustainability. Setting business targets in a demand driven environment and the public service has proved challenging. Striving to retain the development focus has led to a balance between financial sustainability, ownership by the clients (cost recovery) and development outcomes.

The importance placed on defining, measuring and managing for results and attempting outcomes-based reporting demonstrates the level of accountability imbued into the TAU system.

Finally, the institutionalised risk management process supports the increased understanding of long-term risks facing TAU and the organisation can mitigate this.

## 8. CONCLUSION

The agreement on the CBTAF programme in 2007 signalled the start of a new relationship to support TAU to achieve its mandate. TAU aimed to improve the alignment of the CBTAF programme and the conditions of the PIP with the government's development agenda. The support was geared towards the government clusters, the key priorities of government and since 2009 the top five priorities of government, as well as the outcomes approach of the South African government.

The global economic crisis which had an effect on the fiscus and caused cuts in budgets happened during the implementation of the CBTAF programme. TAU became a Trading Entity applying cost recovery during this period. TAU was nonetheless able to utilise the CIDA funds strategically for innovative work in process consulting, investing in building new competencies and developing methodologies whilst focussing the voted funds on supporting the core business of delivering capacity building and development as well as technical services to public institutions. It was able to anchor itself as an internal to government consulting service.

TAU could grow its knowledge services to improve its capability but also promoting learning with its clients. The client satisfaction evaluations carried out after each Community of Practice or Learning Sessions and Networks demonstrate this. The Mid-term Review also implies that TAU is doing something different which is confirmed through the 44% repeat clients.

The socio-economic challenges South Africa faces such as the social protests, high unemployment especially of youth, and the challenges of the government system like the intricacies of the intergovernmental system, leadership and management capability, governance and supply chain management challenges and basic public administration capacity remain. It is thus expected that the developmental consulting services offered by a facility like TAU or its successor GTAC will remain in demand. The National Development Plan of the National Planning Commission sets the agenda for the coming years for South Africa to achieve its growth and developmental goals.

A final programme evaluation will be completed during the beginning of 2013. This report will inform the final evaluation.

**9. ANNEXURES**

**9.1 ANNEXURE A: TAU Logic Model and CBTAf Crosswalk**

**9.2 ANNEXURE B: Outcome 1**

**9.3 ANNEXURE C: Outcome 2**

**9.4 ANNEXURE D: Outcome 3**

**9.5 ANNEXURE E: List of Project Stories**

**9.6 ANNEXURE F: Publication Register**

**9.7 ANNEXURE G: Project List**

**9.8 ANNEXURE H: Interest and Project Summary**