



SUBMISSION TO THE STANDING COMMITTEE ON APPROPRIATIONS:

PARLIAMENT OF SOUTH AFRICA ON THE 2016 MEDIUM TERM BUDGET POLICY STATEMENT (MTBPS)

November 2016

This submission was compiled by The Public Service Accountability Monitor (PSAM); a civil society organisation based in the Eastern Cape.

This submission focusses primarily on school infrastructure delivery, infrastructure expenditure; investment in infrastructure maintenance and the status of key socio-economic interventions within the education sector such as the school nutrition programme. Key concerns pertaining to the early childhood development sector are also raised.

Amongst the major concerns highlighted are those relating to the expenditure management of the Education Infrastructure Grant (EIG). This report provides a brief analysis of the planning environment in which budget decisions relating to these key programme areas of the Eastern Cape Department of Education (ECDoE) are made as well as a brief analysis of budget allocation and expenditure trends within the same programmes.

The PSAM values this opportunity afforded it to present this report and thereby potentially contribute positively to improving accountability, public participation and performance within the public education sector in the Eastern Cape in particular and South Africa in general.

The primary purpose of this submission is to highlight areas within the selected programmes that are in need of concerted interventions in relation to budgeting, planning or policy as well as to comment on current budget appropriations and outcomes of the 2015/16 budget. The current interventions by the Eastern Cape Treasury and Office of the Premier represent fundamental efforts in the struggle to improve education in the province. In recognition of the important role of a multi-stakeholder approach in supporting such interventions, the PSAM is dedicated to promoting and supporting effective planning and budgeting in addressing provincial education priorities through improved public participation and accountability.



GENERAL FINDINGS, RECOMMENDATIONS AND QUESTIONS

REDUCTION OF EARLY CHILDHOOD DEVELOPMENT BUDGET

Finding : The Early Childhood Development Grant will commence in 2017/18 which is very welcome news and an important step towards the realisation of universal early childhood education in South Africa.

However, the budget for the Grant in 2017/18 is set to be reduced by R 4.2 million and by R 4.3 million in 2018/19. These funds will be allocated towards the monitoring and evaluation of this new grant.

Recommendation: The Department of Basic Education and National Treasury are urged to avoid future budget cuts to this grant given its already delayed establishment in terms of overarching national priorities. Instead, resources to strengthen strategic planning, monitoring and evaluation for this grant should be sought from other sources without reducing the existing budget. The relevant role-players within the National Interdepartmental Committee on Early Childhood Development should follow the prescripts of the newly approved Early Childhood Development Policy. National Treasury is urged to explain where and how future resources towards vital monitoring and evaluation of the grant will be sourced.

Question: What mechanisms are currently in place to ensure that not only is funding for ECD protected and adequate but that plans to rationalise and merge schools to which Grade R/ECD facilities are attached do not have adverse impacts for the achievement of universal ECD access for all children in the country?

THE NATIONAL SCHOOL NUTRITION PROGRAMME MODEL, BUDGET AND FOOD PRODUCTION

Finding I: Over the 2016/17 Medium Term, the National School Nutrition Programme (NSNP) will receive budget increases of R 120 million, R 130 million and R 140 million respectively. This is a welcome recognition of the increased risks under which learners from food insecure households are placed as a result of rising food prices and severe drought conditions.

Recommendation I(i): The process of de-linking this conditional grant from the quintile system as a means of identifying eligible learners to benefit from daily hot meals at school must be expedited. A more progressive model that does not risk inadvertently punishing learners from food insecure households attending quintile 4 and 5 schools and schools in 'wealthy' areas must be identified and implemented given that the NSNP as a conditional grant will not be discontinued any time soon.

Recommendation I(ii): It is also imperative that the current monitoring and evaluation mechanisms used to maintain oversight of this substantial conditional grant are strengthened. Increased investment in the NSNP must be met with increased capacity for provincial departments to undertake regular, rigorous monitoring of the programme at school and district level regardless of the model type. In cases where there is inadequate in-house monitoring capacity, the role of School



Governing Bodies and school nutrition committees can be enhanced through their training and involvement in monitoring and evaluation processes.

Finding II: Reports in the Eastern Cape indicate the possibility of the National School Nutrition Programme reverting back to the former centralised model of delivery.

Recommendation II: In the absence of rigorous evidence to support such a change, the PSAM recommends a thorough review of the current decentralised model prior to any changes to a different model. In order to ensure that changes are in the best interests of schools, learners and the communities they serve, clear evidence of one model's superiority to another is necessary.

Finding III: The NSNP, being a conditional grant, has a limited timeframe. The Department of Basic Education- and related government departments' failure to set clear, comprehensive targets to enhance sustainable, local food production to supplement the SNP decreases the chances of schools becoming independent of the grant. This is a lost opportunity for job creation within the green economy.

Recommendation III: In consideration of the importance of food security and sustainable production, it is imperative that the national and provincial departments set out targets to link to local food production or small scale food gardens in schools and communities. It is important to enhance sustainability as a means of decreasing dependence on the school nutrition conditional grants. It is recommended that the Department of Basic Education foster national and provincial integration between key government departments where the Integrated Food Security Programme is concerned. This includes the support of local small scale farmers and specifically operational engagement of the Departments of Agriculture and Social Development amongst others in order to create and resource viable food channels.

REPRIORITISATION OF THE SCHOOL INFRASTRUCTURE BACKLOG GRANT (SIBG)

Finding: In 2016/17, the Education Infrastructure Grant (EIG) and Schools Infrastructure Backlogs Grant (SIBG) were merged. The Medium Term Budget Policy Statement has outlined that the SIBG will be extended by a year and the R 2.6 billion will be redirected from the EIG owing to incomplete infrastructure projects.

Recommendation: Given the recurring slow infrastructure expenditure patterns in the Eastern Cape in addition to incomplete rationalisation processes – the conversion of the SIBG into a direct grant must be accompanied by radical changes in the Eastern Cape policy environment. National Treasury and provincial counterparts must prioritise the completion of the rationalisation process to avoid wasteful expenditure on new infrastructure.

Question: When will the rationalisation process be complete? What policy document is informing the process and to what are the planned timeframes for stakeholder engagement?

While the process is most pertinent in the Eastern Cape- it is incumbent on the DBE and National Treasury (who have also lead on national interventions in the province) to account for robust strategic planning in collaboration with the Eastern Cape Department of Education. Fundamentally - where are the plans?

UNDERSPENDING ON THE EASTERN CAPE EDUCATION INFRASTRUCTURE GRANT (2015/16)

Finding: The Eastern Cape Department of Education (ECDoE) underspent its 2015/16 budget allocation of R 1.2 billion by an estimated R 574 million. This underspending is representative of the dire lack of capacity on the side of both the ECDoE and the implementing agents with which the ECDoE works to deliver school infrastructure. Underspending, in part, resulted in the ECDoE building only three of the twenty-four schools it had planned to build.¹

Recommendation: To meet all school infrastructure projections for 2016/17, the ECDoE must follow through on all commitments made within the financial year² and subsequently made via media statements by the ECDoE spokesperson. The ECDoE must in particular take urgent steps to;

- i. Remedy this budget mismanagement through critical appointments as quickly and efficiently as possible to fill gaps in capacity
- ii. Provide additional support and oversight to contractors, especially in rural areas
- iii. Strengthen oversight of implementing agents servicing the department
- iv. Ensure timely preventive and/or correction action following from the above

POOR PRIORITISATION OF CAPITAL EXPENDITURE AND MAINTENANCE

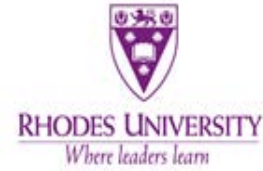
Finding: Infrastructure maintenance does not appear to be a planning or resource allocation priority within the Eastern Cape Department of Education. Brief scrutiny of preceding years' allocation and present medium term trends indicate that the problem of low investment is not a new one, nor is it a problem that the department plans to solve in the upcoming financial years.

Recommendation: The Eastern Cape Treasury, the Portfolio Committee on Education, the Portfolio Committee on Provincial Finance and Expenditure as well as the relevant Standing Committees on Appropriations and Public Accounts are urged to reinforce their oversight and corrective mechanisms in this regard

Recommendation: In addition to publishing the requisite infrastructure plans, the ECDoE must clearly indicate if, where and how the recommendations emanating from Treasury, Portfolio Committees and civil society are being taken into account.

¹ <http://www.dispatchlive.co.za/ecs-school-upgrade-snails-pace/>

² Key commitments were made by the MEC in his 2016/17 Budget and Policy Statement on Wednesday 6th April 2016 at the Eastern Cape Provincial Legislature.



VI. BUDGET DATA GAPS AND OPEN GOVERNMENT PARTNERSHIP COMMITMENTS

Finding: On the 26th October 2016, the Minister of Finance announced the launch of the Municipal Money data portal; a significant step forward in opening up public budgets. Worryingly, however, overarching OGP commitments in South Africa remain without a dedicated budget.

Accurate, transparent government planning and budget data is increasingly being acknowledged as a fundamental tool in ensuring adequate responsiveness to citizens' socio-economic needs. Many governments, South Africa included, are signatories to agreements such as the Open Government Partnership (OGP) that makes open, transparent government data core to tackling poverty and inequality. Access to budget and planning data at the provincial level that is disaggregated by district, school and or project is often a significant challenge even for relatively well-resourced organisations. Such data is either unavailable, provided in inaccessible formats, inaccurate or simply not produced.

Recommendation I: The Department of Public Service and Administration (DPSA), the Department of Policy, Monitoring and Evaluation (DPME) and National Treasury must be urged to identify funding opportunities either through international partnerships or through strategic mobilisation of existing funds to ensure that OGP commitments are carefully targeted, planned and funded.

Recommendation II: National Treasury and Provincial Treasury must take concerted steps, aligned with the OGP National Action Plan Commitment 2, to make data openly available in accessible formats.

Recommendation II: National and Provincial Treasury must convene stakeholder dialogues with concerned members of the public and civil society organisations to determine budget data needs in order to collaboratively address the needs of the people and ensure accountability for delivery against the right to education.³

³ These recommendations equally apply across all the rights as envisioned in the South African Bill of Rights (health, housing, education, the right to a clean, healthy environment, food etc).



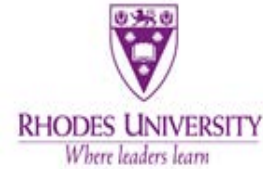
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THE PUBLIC SERVICE ACCOUNTABILITY MONITOR

The Public Service Accountability Monitor (PSAM) is a civil society organisation that aims to improve the provision of public services essential to the reduction of poverty by strengthening social accountability initiatives. The PSAM is specifically concerned with improving governance and public resource management in South Africa and sub-Saharan Africa.⁴ This is achieved through the activities of three interrelated programmes: the Monitoring and Advocacy Programme (MAP), the Regional Learning Programme (RLP) and the Advocacy Impact Programme (AIP). The PSAM was established in 1999 and is based at Rhodes University within the School of Journalism and Media Studies in the Eastern Cape. The Monitoring and Advocacy Programme of the PSAM seeks to contribute to the progressive realisation of the rights to housing, health and education. The programme also focusses on strengthening public accountability mechanisms in the areas of environmental governance and local government.

⁴ The PSAM currently has partnerships and country programmes in Zambia, Zimbabwe, Tanzania and Mozambique.



“Our (Eastern Cape Department of Education) biggest challenge in the 2015/16 financial year was expenditure on the provision of school infrastructure”.

-MEC for Education, Budget and Policy Speech, 2016, p.19

INTRODUCTION:

The South African education sector accounts for the largest share of provincial budget allocations and approximately 40% of jobs within the public sector.⁵ According to National Treasury, in 2015/16 78% (R 153.4 billion) of the total allocation to provincial budgets went to compensation of employees. Given that education is a personnel-intensive sector this might be expected. However, the efficiency of educator personnel distribution across the system continues to be an issue of serious concern – impacting on various areas. Where conditional Grants are concerned – infrastructure and nutrition account for the largest allocations.

This report primarily focusses on the education sector and schools within the Eastern Cape Province where the largest proportion of unsafe and inappropriate school infrastructure exists. Second only to KwaZulu-Natal, the province is also home to a substantial establishment of public schools and learners.

The Eastern Cape Provincial Government has acknowledged significant under performance in the overall delivery of infrastructure in the province across various departments. In 2015/16, the province spent only 70.3% of its total infrastructure allocation of R 7.6 billion as at the end of January 2016.⁶

The Division of Revenue Amendment Bill 2016 and 2015/16 Budget Outcomes

Over the past three financial years, the ECDoE has progressed away from its history of adverse audit opinions and disclaimers, as pronounced annually by the Auditor-General (AG). Most recently, the Department was awarded a qualified audit opinion by the AG.⁷ There are several reasons that are likely to have contributed to an ostensibly positive shift in the ECDoE’s financial management environment. These include the oversight, monitoring and evaluation performed by legislature and relevant Chapter 9 institutions as well administrative interventions by provincial and national government –some of which are ongoing. It is therefore important that the momentum of such interventions is sustained in the case of regular statutory bodies or processes (e.g. portfolio committees) and that the supplementary capacity provided by extraordinary provincial and national interventions is institutionalised within the ECDoE (e.g. Section 100(1)(b) intervention).

⁵ National Treasury, *2016 Medium Term Budget Policy Statement*, P.39.

⁶ Eastern Cape Provincial Treasury *Estimates of Provincial Revenue and Expenditure 2015/16*, p. 38.

⁷The objective of an audit by the AG is to determine the degree to which a department’s financial statements form an accurate reflection of the entities financial position and performance at the end of a given fiscal year. In the case of a ‘qualified’ audit opinion- this is an indication that the financial statements contain material misstatements in specific amounts, or there is insufficient evidence for the AG to conclude that specific amounts included in the financial statements are not materially misstated.

According to Section 12 of the Money Bills Amendment Procedures and Related Matters Act, the Minister of Finance is required to table a Division of Revenue Amendment Bill alongside the revised fiscal framework with budget adjustments to the Division of Revenue Act. Sections 30 (2)(B) and 31(2)(b) of the Public Finance Management Act also place responsibilities with provincial Members of the Executive Councils (MECs). For instance, where a national adjustments budget allocates funds to a province, the relevant provincial treasury is obliged to table an adjustments budget within 30 days of the tabling of the national adjustments budget. Accounting Officers also have the onus of motivating accordingly for adjusted budgets.⁸ It is especially with this in mind that the PSAM seeks to understand the efforts made to date by the ECDoE to motivate for the protection of key budget lines and motivate for relevant institutional support where required. It is encouraging to note the explicit commitment by National Treasury to avoid cutting essential service conditional grants despite the reduction to provincial grants of R 2.1 billion (see adjacent excerpt from 2016 Budget Review).

EARLY CHILDHOOD DEVELOPMENT: ONE STEP FORWARD, TWO STEPS BACK

8.4 A national coordinated funding framework and accountability for expenditure

The Inter-Ministerial Committee on Early Childhood Development, acting through the various line departments, will assume responsibility for securing sufficient funds to implement this policy. To fulfil this obligation, the Committee will increase the allocation of public funds through Treasury. In addition, it will mobilise and coordinate funding from reputable other sources. Government will engage in advocacy to mobilise resources from development partners and the corporate social investment sector in South Africa.

In addition, the Committee will ensure the proper use of resources mobilised in implementing national early childhood development policy goals and objectives through the development of a national early childhood development funding framework. The framework, once developed, will regulate, coordinate and support the mobilisation and coordination of funds towards the attainment of national early childhood development priorities. All responsible role players will be held to account for the timely and efficient expenditure of allocated early childhood development funds.

Extract above from National Integrated Early Childhood Development Policy (as approved by Cabinet on 9 December 2015), p.86⁹

The first one thousand days of a child's life are understood to be the most important in terms of development stimulation and interventions that will have a direct bearing on their later years. This relates to variety of interventions; food, education and healthcare. International agreements such as the World Declaration on the Protection and Development of Children and other United Nations charters guide South Africa's prioritisation of early childhood education. Section 28 of the South African Constitution is also integral. Additionally, the Education White Paper 5 (2001) on Early Childhood Development highlights the importance of establishing a national system for the provision of a reception year for all 5-year old children. It must be emphasised that the investments made at this level have an impact on the investments needed at primary, secondary and tertiary levels of

⁸ Treasury Regulation as per Public Finance Management Act No. 1 of 1999

⁹ (Limited release version)



education. It is therefore highly encouraging that as of December 2015 – such a policy is finally in existence in South Africa.

Chapter 6 subsections 91 to 103 of the South African Children’s Act addresses ECD. The Act states that the MEC for Social Development “...*may, from money appropriated by the relevant provincial legislature, provide and fund early childhood development programmes for that province*”.¹⁰ The fact that that Act says that the MEC *may* fund ECD programmes means, however, that the MEC is at liberty to fund ECD only in part or not at all. In addition to this, the Act envisages that the MEC for Social Development must “...*provide for a provincial strategy aimed at a properly resourced, co-ordinated and managed early childhood development system*.”¹¹ Each of these considerations are significant in making strides to address ECD needs in South Africa. Prior to December 2015 - two fundamental problems related to the inherent lack of streamlined and/or adequate funding as well as poor co-ordination of government ECD programmes. The introduction of the new ECD policy and the related National Interdepartmental Committee on Early Childhood Development is significant milestone in terms improving governance and accountability for ECD.

Having noted this, however, the adjusted budget indicates that the ECD grant will be reduced by R 4.2 million in 2017/18 and by R 4.3 million in 2018/19.¹² These funds will be allocated towards the monitoring and evaluation of this new grant as it comes into effect in 2017/18. While the rolling out of the grant itself is undoubtedly welcome news, the question of the rigour of strategic planning towards it arises. What compromises will need to be made as a result of the budget shifts? What institutional programmes are in place to ensure that ECD grant monitoring can be sustained?

The Department of Basic Education and National Treasury are urged to avoid future budget cuts to this grant given its already delayed establishment in terms of overarching national priorities. Instead, resources to strengthen strategic planning, monitoring and evaluation for this grant should be sought from other sources without reducing the existing budget. The relevant role-players within the National Interdepartmental Committee on Early Childhood Development should follow the prescripts of the newly approved Early Childhood Development Policy. National Treasury is urged to explain where and how future resources towards vital monitoring and evaluation of the grant will be sourced.

With specific reference to the Eastern Cape and provinces where school mergers and rationalisation are being undertaken– the PSAM recommends that the Department of Basic Education and provincial departments of education review the process of rationalising public schools that also have the unintended consequences of also reducing the availability of ECD facilities particularly in historically under-served rural communities. Scholar transport over long distances for learners younger than 5 years of age is not a viable option in the same way that provisioning of school hostels is not an applicable solution.

What mechanisms are currently in place to ensure that not only is funding for ECD protected and adequate but that plans to rationalise and merge schools to which Grade R/ECD facilities are attached do not have adverse impacts for the achievement of universal ECD access for all children in the country?

¹⁰ *Children’s Act 38 of 2005*, Chapter 6, Sub Section 93 (1).

¹¹ *Children’s Act 38 of 2005*, Chapter 6, Sub Section 92 (2) (b)

¹² MTBPS, 2016, P.71

“... A weaker-than-expected economic and fiscal environment has meant that the **budget needs to be reprioritised to fund new and changing government priorities.** In 2016/17, provincial baselines are reduced by R 3.6 billion compared to indicative figures published in the 2015 *Medium Term Budget Policy Statement*. To protect basic services funded by the provincial equitable share, such as health and Education, only 40 per cent (R 1.5 billion) of this reduction was taken from the equitable share, despite its accounting for more than 80 per cent of transfers to provinces. The remaining 60 per cent (R 2.1 billion) of this reduction comes from provincial conditional grants. **Several grants funding essential services, such as the national school nutrition programme grant, the land care grant, and the provincial roads maintenance grant, were not reduced.** In spite of these reductions to the baseline, the provincial equitable share grows at an average annual rate of 6.7 percent over the MTEF period, while conditional grant allocations grow by 8.2 per cent per year. **Where possible, baseline reductions have been weighted towards grants that have a history of underspending or grants involving infrastructure implementation that can be deferred...**”

-National Treasury Budget Review
2016, p.12

NATIONAL SCHOOL NUTRITION PROGRAMME

Second only to the Child Support Grant, The National School Nutrition Programme (NSNP) is amongst the largest investments that the South African government makes towards alleviating the impacts of poverty on children’s development. This public school feeding intervention is funded through a conditional grant that is transferred to provincial education departments. Recent estimates indicate that the programme feeds approximately nine million learners across 19 800 public schools annually.¹³ The NSNP is currently limited to learners in quintile 1 to 3 schools. The grant unquestionably constitutes a significant intervention for children from food insecure households. An observation made previously by the PSAM is that deserving learners in quintiles 4 and 5 are still excluded from benefitting from the NSNP.¹⁴ The programme also caters for identified special schools over an average of 135 school days, according to DBE estimates.

In a report submitted to the Standing Committee on Appropriations in November 2014, the PSAM made the following recommendations relating to the National School Nutrition Programme (NSNP):

i. The Department of Basic of Education must be cautioned against reductions made to the budget pertaining to monitoring and oversight of the programme as this has the potential to reverse gains made in the effective implementation of the NSNP

ii. The DBE must elicit clear data from provinces relating to the number of all learners that are eligible to benefit from the NSNP; particularly those in quintiles 4 and 5, all special school as well as learners in ECD facilities

iii. The DBE must critically consider the inclusion of all eligible learners that are not currently supported on the NSNP and request accurate reports from provincial education departments given the stated aims of the programme in providing nutrition to support learners’ academic performance

The process of de-linking this conditional grant from the quintile system as a means of identifying eligible learners to benefit from daily hot meals at school must be expedited. A more progressive model that does not risk inadvertently punishing learners from food insecure households attending quintile 4 and 5 schools and schools in ‘wealthy’ areas must be identified and implemented given that the NSNP as a conditional grant will not be discontinued any time soon.

In the 2016 MTBPS, Minister Gordhan tabled increases to the NSNP

¹³ National Treasury of the Republic of South Africa. *Estimates of National Expenditure 2016*, Vote 14: Basic Education, p.224.

¹⁴ Submission by the Public Service Accountability Monitor and Equal Education to the Standing Committee on Appropriations, November 2014.

budget as a means of offsetting the impact of rising food prices. Over the medium term these increases are set at R 120 million, R 130 million and R 140 million respectively.

The Financial and Fiscal Commission (FFC) emphasises the importance of ensuring the continuation of socio-economic interventions such as the NSNP that improve people's livelihoods and enhance education outcomes.¹⁵ The PSAM supports this stance and further seeks to interrogate the extent to which the current model(s) of the programme allow the effective and efficient utilisation of resources to the optimum benefit of targeted learners.

In a March 2016 presentation before the Portfolio Committee on Basic Education, the Minister of Basic Education outlined ongoing challenges in two provincial education departments; Limpopo and the Eastern Cape. Minister Motshekga stated that not only would the Section 100(1)(a) of the Constitution would continue in the latter province, but that Eastern Cape Treasury would continue with their responsibility for ensuring that directives pertaining to Section 18 of the Public Finance Management Act (PFMA) are complied with.¹⁶ According to the Minister;

"The Eastern Cape situation is graver than the Limpopo one. The intervention in terms of section 100(1)(b) of the Constitution and the PFMA section 18 are running concurrently. I must remind this house that the challenges and management lapses in the Eastern Cape Education Department were in the main lapses on financial accounting, administration and management."

Amongst the problems listed by the Minister were the following;

- *Inappropriate and unsafe school infrastructure, in some cases accompanied by inadequate water and sanitation. Exacerbating infrastructure challenges, are small educationally and economically unviable schools that must be rationalised;*
- *Claims of fraudulent and corrupt financial practices in our schools, particularly the irregular use of funds transferred to schools in terms of the Funding Norms and Standards, and **irregular tendering practices of the school nutrition programme;***
- *Claims on teacher shortages, especially for gateway subjects, exacerbated by **ineffective rationalisation¹⁷ and redeployment processes, ...;***
- *Failure to provide scholar transport to deserving and vulnerable learners...and an **inconsistent serving of quality school nutrition in schools;***

In the Eastern Cape, unconfirmed anecdotal reports indicate that the provincial department of education is considering reverting to a centralised procurement models for the NSNP.¹⁸ Several

¹⁵ Financial and Fiscal Commission 2016/17 Recommendations on Public Productivity, 19 August 2016. Available Online: <http://www.ffc.co.za/component/k2/item/198-2016-2017-with-respect-to-measures-to-improve-public-sector-productivity-the-commission-recommends-that>

¹⁶ Section 18 of the PFMA pertains to regulations on the preparation and submitting of monthly and annual reports

¹⁷ It is worth noting here that while on the one hand there exists the problem of "unviable schools that must be rationalised" on the other hand the Minister highlights that the process of rationalisation is ineffective and, in itself, exacerbating problems of poor resourcing at schools. This underscores the severe strategic planning deficiencies which are undeniably at the core of the above-mentioned financial management and accounting failures. Amongst the recommendations that the PSAM has routinely made with specific reference to the Eastern Cape has been the need for oversight entities to ensure closer interrogation of departmental strategic plans and annual performance plans.

¹⁸ Mkosi, N. October 2016. *Eastern Cape Department of Education – Vote 6 : Annual Report Analysis 2015/2016 for Submission to the Portfolio Committee on Education*, Eastern Cape Provincial Legislature Research Unit, Bhisho Eastern Cape

models of delivery of the NSNP have been implemented in the Eastern Cape and different models are used across the nine provinces. Since 2004, for example, changes between models included the;

- i. Centralised Model (implemented entirely by the ECDoE),
- ii. the Cooperative Model (implemented by schools and communities) and the
- iii. Decentralised Model (implemented by the district and schools)

The PSAM recommends a thorough review of the current model (decentralised) prior to any changes to a different model. In order to ensure that changes are in the best interests of schools, learners and the communities they serve, clear evidence of one model's superiority to another is necessary. The decentralised model, for example, has been touted by stakeholders and researchers as a positive change in the following ways;

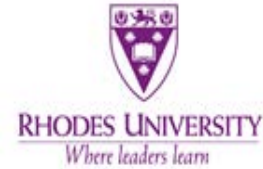
- Schools are able to ensure that meals are cooked and served on time as they have more direct control of procurement
- Schools are better able to influence procurement of fresh produce from local suppliers
- Procurement of produce locally supports local economic development and support local small and medium enterprise and farmers
- Involvement of school governing bodies and local business owners has the potential benefit of fostering programme ownership which in turn has the potential of promoting accountability in the running of school feeding programmes

While the decentralised model has itself been the source of reports of corrupt and fraudulent activities – the centralised model in was beset with problems such as mismanagement of funds, late (or non) delivery of food, late (or non) payment of food handler stipends and delivery of poor quality food.

It is also important to acknowledge that the NSNP is not the only programme introduced by the South African government to address the consequences of poverty and food insecurity. The Integrated Food Security Strategy (IFSS) was launched in 2000. The strategy, lead by Ministry of Agriculture and Land Affairs, had the aim of creating a comprehensive, multisectoral approach (government and civil society), towards addressing food insecurity in South Africa. The IFSS was designed for integration across various government departments to focus on public spending on enhancing food security of historically disadvantaged populations.¹⁹

In 2013, a National Policy on Food and Nutrition Security was created following a review of the IFSS. This revised policy identifies key dimensions of food security; adequate availability of food; physical, social and economic accessibility of food; utilisation, quality and safety of food, and stability of food supply (DAFF and DSD, 2013). Also outlined are key 'pillars' of food and nutrition security amongst which are effective food assistance networks which "could include an expanded and enhanced school nutrition programme". In August 2014, the Department of Agriculture, Forestry and Fisheries (DAFF) gazetted the 'National Policy on Food and Nutrition Security for the Republic of South Africa'. The policy is intended to deliver against the objectives of the National Development Plan (NDP).

¹⁹ Department of Agriculture (DoA), Republic of South Africa. (2002). *The Integrated Food Security Strategy for South Africa*. 17th July 2002. Pretoria, South Africa



South Africa has alarming statistics on self-reported hunger and food insecure households. It is therefore significant to note that “*South Africa has enough food for its people*”.²⁰

Despite the fact that an objective of the National School Nutrition Programme is to promote sustainable food production; neither the Department of Basic Education nor the Eastern Cape Department of Education have, within their Annual Performance Plans, outlined specific targets relating to this objective. The NSNP, being a conditional grant, has a limited timeframe and the Departments’ failure to set targets to enhance sustainable, local food production to supplement the SNP decreases the chances of schools becoming independent of the grant.

It is in light of this context that the Public Service Accountability recommends that the National Treasury commission a comprehensive, independent evaluation of the NSNP in its entirety. It is also recommended that a comparative review of the various models of the programme is undertaken to determine which model works best under what circumstances and whether in fact provinces are currently using the best-fit model. Matapuri *et al.* (2015)²¹, for instance, conclude that in the case of the Limpopo province, the best model would be one that;

- Involves commercial food producers that show commitment to mentoring small local businesses
- Involves emerging small , medium and micro-sized enterprises that are based within the same district as the schools they intend to service
- Community-based cooperatives with a legal status and comprised of members of local communities

Currently- there are several studies that have been undertaken that have focussed on specific provinces and/or on specific aspects of the programme.²² While there is undoubtedly value in the accumulating body of knowledge, the PSAM recommends that a comprehensive impact evaluation of such a significant conditional grant is undertaken which;

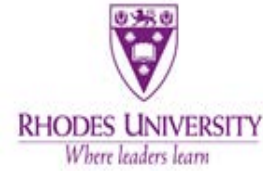
- a. Takes province-specific factors into account (these include issues such as the propensity for connecting NSNP programmes to sustainable local agriculture programmes, varying impacts of drought and food price hikes between rural and urban areas)
- b. Takes key stakeholders’ perspectives into account in the process of evaluating effectiveness and local participation (this includes learners and their families)
- c. Assesses the sustainability and viability of food security and local economic development interventions as outlined in the NSNP concept outlined by the Department of Basic Education

²⁰ Brand, D. (2009). Between Availability and Entitlement: The Constitution, Grootboom and the Right to Food. *Law, Democracy and Development*. 1-26. Cognitive Neuroscience, Cambridge, MA: MIT Press; 1999. p 491-504

²¹ Matapuri, O., Kekana, L. and Thabethe, N. 2015. Developing a new Procurement Model for the National School Nutrition Programme in Limpopo, South Africa. *Loyola Journal of Social Science* Vol. XXIX:2 Jul-Dec 2015

²² A study by Graham *et al.* (2015), for example is said by the authors to be the first of its kind to evaluate the anthropometric impact of school nutrition interventions. Even this study, however, is restricted to two districts of the Eastern Cape Province. The study, entitled *Evaluation study of the National School Nutrition Programme and the Tiger Brands Foundation In-School Breakfast Feeding Programme in the Lady Frere and Qumbu Districts of the Eastern Cape* is available [here](#).

This constitutes an important value-for-money assessment given the significant investment that this conditional grant constitutes.



- d. Allows for a rigorous expenditure tracking process across the various tiers at which resources are dispensed right down to the level of the individual school

Where feasible – funding to undertake such research can be sourced from savings made on the NSNP across various provinces. Secondly, the PSAM recommends that the South African government ensures better alignment with other food security initiatives of the South African government as identified in the NDP. An improved intersectoral programme linking the National Policy on Food and Nutrition Security to a reviewed, sustainable NSNP model must be considered along with other strategic policy reviews.

Thirdly - in consideration of the importance of food security and sustainable production, it is imperative that the national and provincial departments set out targets to link to local food production or small scale food gardens in schools and communities. It is important to enhance sustainability as a means of decreasing dependence on the school nutrition conditional grants. It is recommended that the Department of Basic Education foster national and provincial integration between key government departments where the Integrated Food Security Programme is concerned. This includes the support of local small scale farmers and specifically operational engagement of the Departments of Agriculture and Social Development amongst others in order to create and resource viable food channels.

EDUCATION INFRASTRUCTURE: NATIONAL AND PROVINCIAL BUDGET ALLOCATION TRENDS

In 2016/17, the Education Infrastructure Grant (EIG) and Schools Infrastructure Backlogs Grant (SIBG) were merged. The Medium Term Budget Policy Statement has outlined that the SIBG will be extended by a year and the R 2.6 billion will be redirected from the EIG owing to incomplete infrastructure projects. Under Programme 4 of the DBE (Planning, Information and Assessment), a total of R 142, 792 million has been re-allocated in 2016/17 to provinces on the form of conversion of the SIBG from an indirect grant to a direct grant.²³

Given the recurring slow infrastructure expenditure patterns in the Eastern Cape in addition to incomplete rationalisation processes – the conversion of the SIBG into a direct grant must be accompanied by radical changes in the Eastern Cape policy environment. National Treasury and provincial counterparts must prioritise the completion of the rationalisation process to avoid wasteful expenditure on new infrastructure. When will the rationalisation process be complete? What policy document is informing the process and to what are the planned timeframes for stakeholder engagement?

While the process is most pertinent in the Eastern Cape- it is incumbent on the DBE and National Treasury (who have also lead on national interventions in the province) to account for robust strategic planning in collaboration with the Eastern Cape Department of Education. Fundamentally - where are the plans?

²³ MTBPS 2016, p. 102.

Figure 1: National Allocations to infrastructure (Social Cluster: 2016/17)

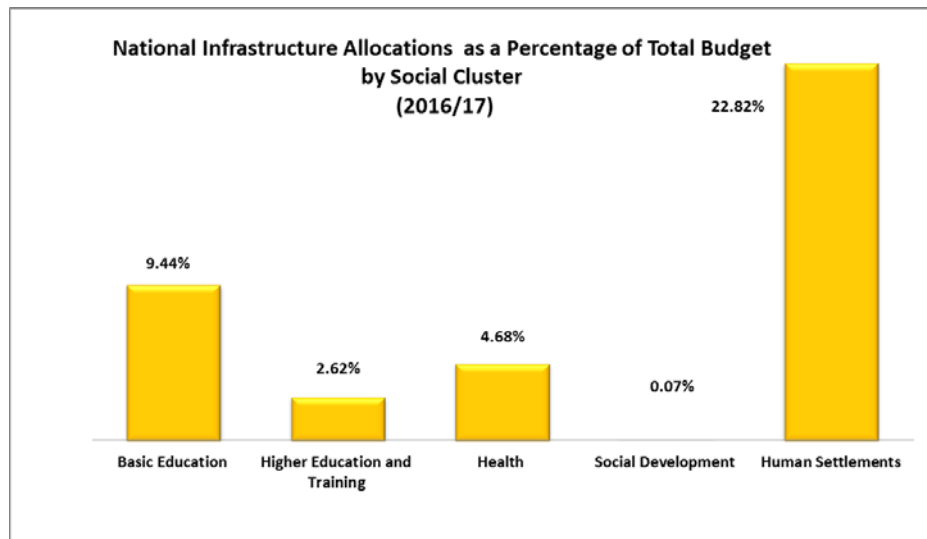


Figure 1 above is an illustration of national infrastructure allocations according to social cluster and seeks merely to provide an overview of the trends at the national level. This also presents a useful lens through which to understand the many competing interests within the national budget and, therefore, to emphasise the need for fiscal prudence and efficiency at all levels.

a) Low investment in Infrastructure Maintenance (underfunding, underspending and poor prioritisation)

Infrastructure maintenance does not appear to be a planning or resource allocation priority in many education departments including the Eastern Cape Department of Education. Brief scrutiny of preceding years' allocation and present medium term trends indicate that the problem of low investment is not a new one, nor is it a problem that the department plans to solve in the upcoming financial years.

In 2011, a report by the South African Institute of Civil Engineers (SAICE) found that;

“In general, maintenance of education infrastructure in South Africa has been limited, resulting in conditions deteriorating across all provinces. However, there is some variation in school infrastructure condition, with urban and ex-Model C schools being generally better maintained than rural schools. Degradation over time means that many schools now need urgent maintenance to ensure environments are suitable for teaching and learning, and to avoid expensive unplanned repairs.”

This finding emphasises the notion that poor investment in the general upkeep of schools often proves overwhelmingly difficult to redress in the medium to long-term. It also implies that the current trends in maintenance may well serve to deepen inequality as far as the school

infrastructure quality is concerned with better-resourced, wealthier schools being better maintained than rural schools. There is no shortage of schools across the provinces that are examples of the severe deterioration that results from inadequate building maintenance. Without improved spending on maintenance, this burden can only worsen. This is particularly pertinent in provinces where substantial new school infrastructure investments are planned.

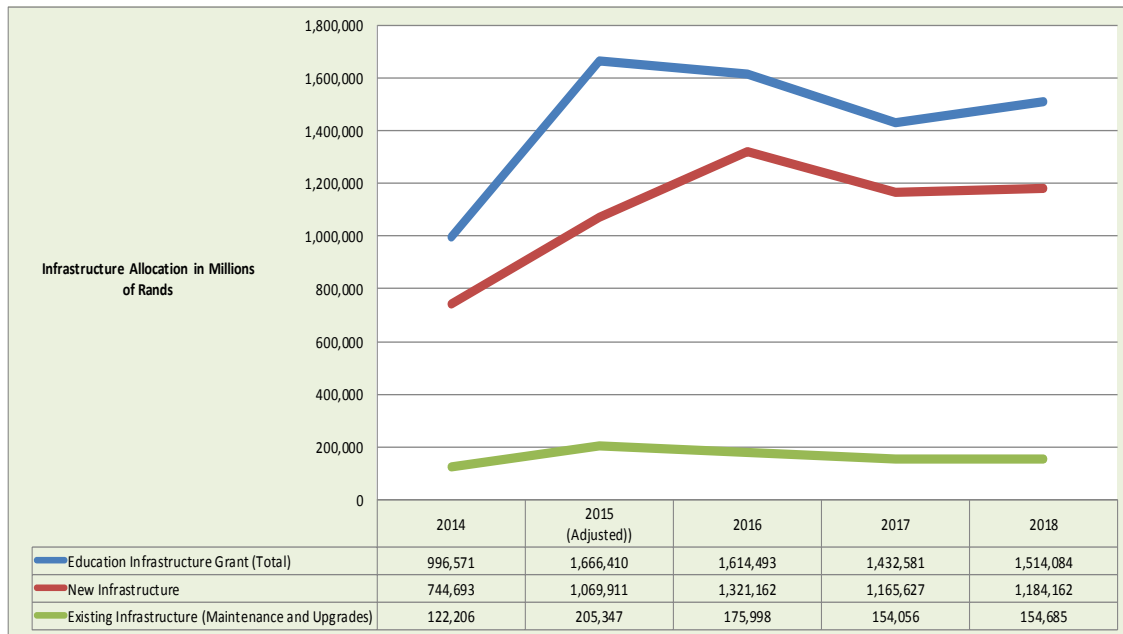
The Minister of Basic Education emphasised this point stating that amongst the problems in Limpopo and the Eastern Cape in particular are departments' failures to transfer funds to schools in alignment with national funding norms. This presents significant obstacles within an already resource constrained school contexts to meet obligations to pay for basic municipal services and effect minor building maintenance.²⁴ Funding below national norms also has the effect of leaving schools without any options of temporary remedial solutions in the face of emergency situations while they await provincial interventions from relevant disaster response programmes. This is especially worrying on remote areas that are prone to natural disasters. Proper maintenance also often proves more cost-effective in the long run. Modest maintenance investments today could translate to saving money in the future for replacement. Failing to spend money on infrastructure now not only shifts the cost burden to the future, but effectively increases it.

An important consideration, of course, is the ongoing need to address school infrastructure backlogs which are most extreme in school districts with the worst maintenance backlogs (SAICE, 2011). It is imperative that plans to build new schools are accompanied by carefully costed, strategic maintenance plans that accommodate under-resourced schools whose annual budgets do not adequately cover maintenance costs.

Figure 1 below reflects the expenditure and allocation trends between 2014/15 and the 2016/17 Medium Term Expenditure Framework (MTEF). While both the Education Infrastructure Grant and the specific budget for new infrastructure exhibit general increasing trends over the period, the maintenance budget does not. Remaining below R 200 million (with the exception of the 2015/16 Adjusted Appropriation, the maintenance budget decreases between 2015/16 and 2016/17 by approximately 14.29% (see Figure 2).

²⁴ Minister Angie Motshekga, 22 March 2016, Presentation at the Strategic Workshop of the Portfolio Committee on Basic Education, Available Online: <http://www.gov.za/speeches/minister-angie-motshekga-strategic-workshop-portfolio-committee-basic-education-22-mar-2016>

Figure 2: Eastern Cape Infrastructure Budget Trends (2014/15 – 2018/19 (projected))



A further decrease within the MTEF is projected from an estimate of R 176 million in 2016/17 to R 154 million in 2017/18. The projected nominal increase between 2017/18 and 2018/19 is a meagre R 629 000.00 to an estimated R 154.5 million. It is important to note that the costed maintenance budget accounts for existing infrastructure only and not new infrastructure built over the same period. Additionally, there is a need to scrutinise budget and expenditure trends to determine the proportion of these funds that are allocated exclusively to schools as opposed to education infrastructure in general.²⁵

It is also worth noting that across all three infrastructure programmes listed in Figure 2 there is a projected decrease in budget allocations which is not clearly explained in the 2016/17 provincial estimates of expenditure and revenue. However, as provincial infrastructure plans and budgets must be carefully aligned to meet sectoral priorities, an analysis of the department’s strategic plans alongside budget priorities should easily yield this information.²⁶

²⁵ There is a definite need for citizens to be able to access school budgets within their communities not only for infrastructure-specific information but in order to identify mechanisms by which they can exercise their civil right to social accountability as a means of enhancing the delivery of key education services including provisioning of meals within the School Nutrition Programme (SNP) and other programmes for which budgets are implemented at the district school level

²⁶ The PSAM publishes annual Strategic Plan Evaluations that seek to determine the extent to which government department plans effectively plan to utilise public resources to deliver against ‘SMART’ objectives. These documents-focussing on a variety of sector including health, housing, local government and the environment are available on www.psam.org.za and www.ru.ac.za/psam

b) Provincial Dependence on Conditional Grants for Education Infrastructure

The Eastern Cape Province allocates only 6% (R 100 million) from the Education equitable share towards education infrastructure (Table 1). The rest is accommodated within the national, centrally controlled conditional grant. The 2016/17 the conditional grant allocation for education infrastructure was R 1.6 billion of a total infrastructure budget of R 1.7 billion. This is the third highest infrastructure allocation to the province, rivalled only by Human Settlements (just under R 2 billion) and the Department of Roads and Public Works (R 2.2 billion). The entire Human Settlements allocation allocation is accommodated within the conditional grant, while for Public Works 36% of the allocation is from within the province (Table 1). Several provincial departments with infrastructure budgets ranging from R 9.1 million to R 526.6 million fund their infrastructure entirely from the equitable share. Namely, Social Development, the Office of the Premier, Transport, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs.

While not explicitly identified as a rural development programme in national policy, the eradication of infrastructure backlogs has a direct bearing on the delivery of social programmes in rural areas. To this extent - the heavy leaning on nationally controlled conditional grant should raise questions of effectiveness as well of the extent of responsiveness of such grants to heterogeneous, highly dynamic, rural contexts such as the Eastern Cape.

Table 1: Equitable Share vs Conditional Grant Infrastructure Allocations by Department (2016/17 Division of Revenue)²⁷

DEPARTMENT	TOTAL INFRASTRUCTURE BUDGET (2016/17) R MILLION	CONDITIONAL GRANT ALLOCATION R MILLION	EQUITABLE SHARE ALLOCATION R MILLION	CONTRIBUTION FROM EQUITABLE SHARE AS A % OF TOTAL INFRA. BUDGET
Education	1,714,493	1,614,493	100,000	6%
Health	1,402,776	622,867	779,909	56%
Human Settlements	1,991,457	1,991,457	0	0%
Social Development	55,517	0	55,517	100%
The Office of the Premier	4,600	0	4,600	100%
Transport	9,100	0	9,100	100%
Provincial Treasury	526,600	0	526,600	100%
Sports, Recreation, Arts and Culture	43,200	24,450	18,750	43%
Cooperative Governance and Traditional Affairs	10,004	0	10,004	100%
Rural Development and Agrarian Reform	196,695	108,195	88,500	45%
Roads and Public Works	2,159,713	1,373,677	786,036	36%

²⁷ Eastern Cape Provincial Treasury. 2016. *Eastern Cape Estimates of Provincial Revenue and Expenditure 2016/17*. 772 pp. [NOTE: The Departments of Safety and Liaison, Provincial Legislature and Economic Development, Environmental Affairs and Tourism have been omitted from this table given negligible infrastructure budgets]

While acknowledging that there are both national and provincial deliberations between various role-players that occur as part of budget prioritisation and decision-making, the roles of provincial Treasury, Legislature and the ECDoE are complementary and as such it is worthwhile for citizens to understand which role-players to engage and at what stage. For this reason, key questions posed in this submission elaborate specific portfolio committees.

In addition to allocating higher infrastructure conditional grants to rural provinces; what other measures need to be taken to ensure that budgets respond effectively and efficiently to identified needs? For instance;

- Are allocations primarily based on the number of projects identified or are there other considerations that are taken into account such as topographical, spatial, geological and social conditions that influence allocations?²⁸
- What measures are in place to ensure not only the optimal use of available resources but also the accurate alignment of infrastructure needs to resources at the provincial level?
- How is the sustainability of current funding mechanisms for education infrastructure determined? Can conditional grants be expected to continue indefinitely alongside ever-changing target timeframes?
- What corrective action has been taken to improve capital expenditure within the ECDoE following the 4th quarter financial outcomes?
- What mechanisms are currently in place to ensure that conditional grant allocations effectively address the needs for which they have been designed?
- What additional support, if any, has been provided to key infrastructure planning and budgeting units.
 - At levels of government administration have this been provided?
 - Within which units of what departments and/or public entities have this been provided?

The Financial and Fiscal Commission (2016:100) argues that provincial health and education allocations from the conditional grants - while exhibiting a rural bias - do not easily demonstrate the extent to which these investments in public infrastructure have contributed to eradicating the rural infrastructure backlogs that they are intended to address.

²⁸ A recent circular dated 8th June 2016 and issued by the National Treasury's Office of the Chief Procurement Officer (entitled "*Cost Model for the Establishment of Control Budgets for Primary and Secondary Schools*") explicitly identifies characteristics such as topography and climatic variation in relation to 'extraordinary development conditions' that might necessitate changes to standard school building classifications- and possibly their costing. It is not evident, however, whether this model has previously been utilised in relevant provincial contexts in the interest of optimising infrastructure expenditure.

Figure 3: Percentage (Nominal) Change in Education Infrastructure Allocations between 2015/16 and 2016/17²⁹

The Education Infrastructure Grant (EIG) is the primary conditional grant through which the national government disbursed funds targeted specifically towards the building of schools. The decrease noted in Figure 3 of 14.3% towards maintenance of existing infrastructure is partially explained by the Eastern Cape Treasury as being due to;

“... prioritisation of new infrastructure assets as a result of rationalisation of small schools, realignment of schools and the provision of water, electricity, and sanitations (sic) to schools that do not have these basic services...”³⁰

While these are clearly important projects- careful strategic planning should ensure that both infrastructure priorities and planned future projects are better accommodated without the need to abruptly decrease expenditure on something as critical as maintenance. There can be little justification of, in effect, allowing further deterioration of existing infrastructure in favour of new assets which may well also have a compromised lifecycle as a result of under-prioritisation of maintenance. Additionally, rationalisation suggests that there will be fewer new school openings and more wear on existing infrastructure due to mergers and higher density learner populations.

c) Underspending on Capital Expenditure for Education

According to National Treasury (2016), the South African government has sought to limit expenditure on the consumption (such as wages and goods and services) and move towards improved capital expenditure.³¹ Underspending on capital assets as reflected in Figure 3 below is especially noteworthy in predominantly rural provinces. Across the 9 provinces the Eastern Cape exhibits the lowest capital expenditure for Education and is the sole province with an expenditure

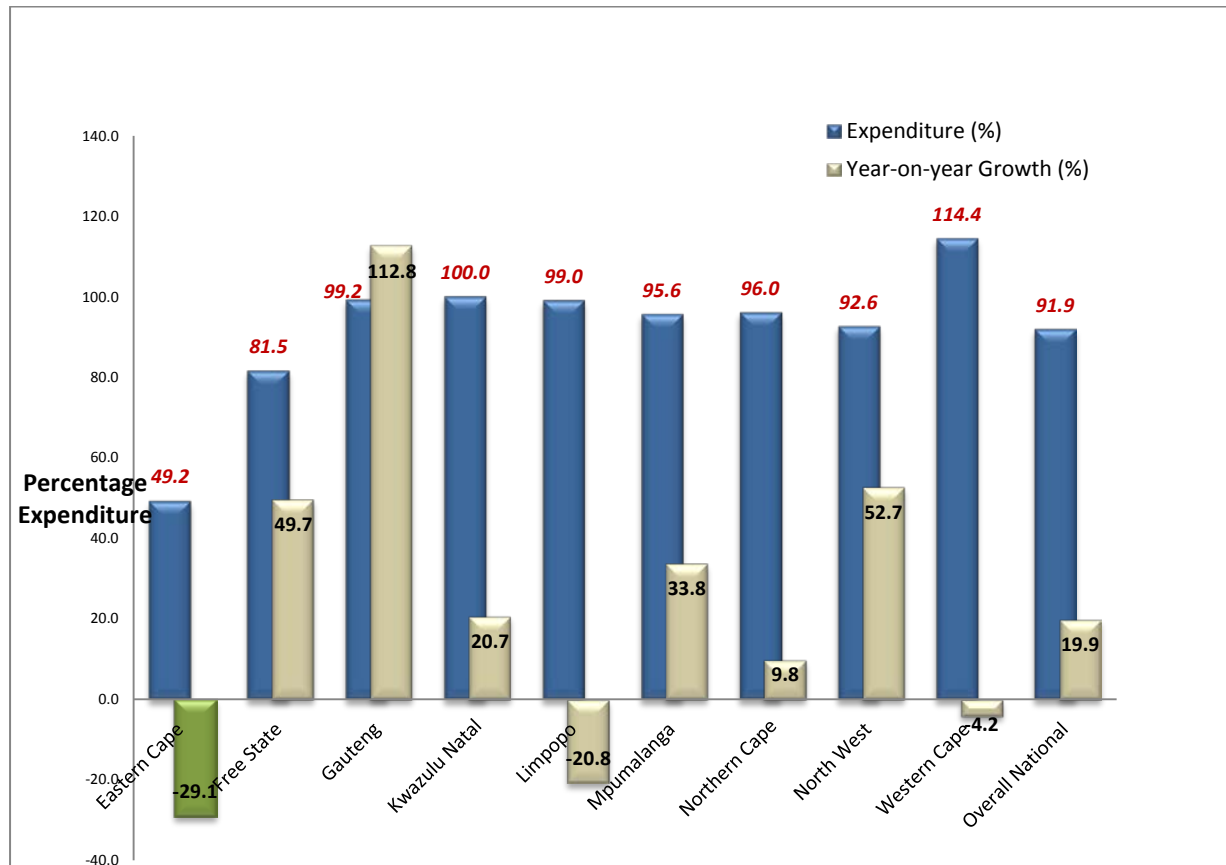
²⁹ Eastern Cape Provincial Treasury. 2016. *Eastern Cape Estimates of Provincial Revenue and Expenditure 2016/17*. 772 pp.

³⁰ Eastern Cape Provincial Treasury. 2016. *Eastern Cape Estimates of Provincial Revenue and Expenditure 2016/17: Vote 6: Education*. P. 294.

³¹ National Treasury of the Republic of South Africa 2016. *Process and Structures for the 2016 Budget*. Available Online: <http://www.treasury.gov.za/publications/guidelines/Process%20and%20structures%20for%20the%202016%20Budget.pdf>

outcome below 50%. Secondly, a comparative glance at the year-on-year growth figures (Figure 4) shows that the province is one of only three that have seen a reduction in spending from 2014/15 at 29.1% followed by Limpopo at 20.8% and the Western Cape at 4.2%.

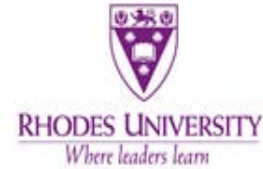
Figure 4: illustration of 2015/16 Provincial Capital Expenditure and Year-on-Year changes (2014/15 to 2015/16) Adapted from National Treasury Outcomes Bulletin, May 2016



What implications does this have for the delivery of public education services? The Financial and Fiscal Commission outlines that underspending at the municipal level, for example, means that municipalities fail to adequately prioritise pressing infrastructure needs such as maintenance, implying ineffective and inefficient resource use and “*forgone or postponed investments*”.³²

There is therefore an undeniable need not only to arrest these trends in the immediate term but also to ensure that continuous monitoring and evaluation of capital expenditure projects is undertaken on a regular and rigorous basis, in order to stop this trend in future. Both the National and Provincial Treasury must create and publicise clear accountability and oversight mechanisms through which departments such as the ECDoE can be supported and held to account for education service delivery failures.

³² Financial and Fiscal Commission (FFC). 2016. Submission for the Division of Revenue 2017/18, May 2016.



OPEN BUDGETS; IMPROVE ACCOUNTABILITY

Along with tabling of the 2016 MTBPS, the Minister of Finance announced the official launch of the Municipal Money Data Portal.³³ This is a significant step forward towards the fulfilment of the country's commitment to fiscal transparency, accountability and good governance. In addition – this is important improvement in public participation processes in which a fair amount of collaboration and consultation of civil society was sought.

The South African government is a founding member of the Open Government Partnership (OGP). South Africa accepted the role of Support Chair on the OGP Steering Committee in October 2014 and in October 2015 took on position of the Lead Government Chair. The alignment between the tenets of OGP and the government's obligations are highlighted best in the Constitution and National Development Plan. Section 195 (1), Chapter 10 of the South African Constitution, for example outlines key principles of operation within the public service. Amongst these are i) a high standard of professional ethics, b) an accountable public administration, c) a public administration that is development-oriented and d) the fostering of transparency by providing the public with timely, accessible and accurate information.

The National Planning Commission developed a vision statement and a country plan for 2030. Leading up to the consequent Diagnostic report, public participation was sought through national dialogues. A wide range of stakeholders were engaged and from this obstacles to the strengthening of a democratic state were highlighted including corruption, weak accountability and lack of transparency. Within this context, the South African government committed to engaging within the Open Government Partnership in order to *"increase public integrity by improving public services, creating safer communities, effectively managing public resources and increasing accountability"*.

In the most recent OGP National Action Plan for South Africa, the National Treasury is responsible for the country's commitment to 'Open Budgeting' through the Expenditure Planning Directorate. This commitment involves improving the Open Budgeting process by making information publicly available in an accessible platform allowing citizens to track government spending in relation to its commitment and obligations. Interestingly (though not explicitly linked to budgets), the Department of Public Service and Administration is responsible for addressing specific commitments related to transparency of government information. One example is the development of a national pilot open data portal.

2) Current efforts on fiscal transparency

In his address at the OGP Summit in Mexico in 2015, President Cyril Ramaphosa stated the following intention relating to the South African government's commitment towards the OGP Declaration *"...to continue fostering and promoting the culture of open government that empowers its citizens and puts them at the centre of sustainable development."*

³³ In consultation with various members of civil society, National Treasury developed the budget portal available here: <https://municipalmoney.gov.za/>

Some key recent government efforts on fiscal transparency;

1. In response to requests from CSOs- National Treasury currently publishes some budget data in Excel format in addition to traditional pdf content- allowing for greater accessibility and manipulation for analysis purposes
2. An ongoing review of the existing supply chain management (SCM) legislative framework in South Africa. In addition to fully establishing the Office of the Chief Procurement Officer, the Procurement Bill will ensure that the SCM system is “*fair, equitable, transparent, competitive, and cost-effective in line with section 217 of the Constitution*” (National Treasury SCM Review).

This will culminate in a single public procurement legislation addressing all the legislative and regulatory inefficiency in the system.

Since the establishment of the Office of the Chief Procurement Officer (OCPO) in 2013- there has been progress in relation to supply chain management with some plans to take effect in 2016;

- a. Central Supplier Database: The OCPO introduced the Central Supplier Database on 1 September 2015 accessible online: www.csd.gov.za. The system allows for verification and validation of information with entities such as the South Africa Revenue Service (SARS), the Department of Home Affairs and Companies and Intellectual Property Commission (CIPC). As from 1 April 2016, it will be compulsory for all suppliers to national and provincial government entities.
- b. eTenders Portal: Suppliers who meet all compliance requirements can access opportunities on www.eTenders.gov.za The portal enables suppliers to have access to tenders published on the platform from 1 April 2015 – 21 February 2016 that are worth approximately R30 billion.
- c. In the Gauteng province- an open tender procurement systems that seeks to curb corruption and increase transparency in the awarding of multi-million rand state deals has been launched along with a provincial e-procurement system

National Treasury has also maintained ongoing engagement and ‘outreach’ in relation to public budget information.

It is also notable that in a statement responding to the 2015 Open Budget Index Survey in September 2015, National Treasury highlighted the intention to continue with “*..support to civil society in their preparation of citizen-friendly publications about national budgets*” and- critically “*..possible collaboration with civil society organisations that includes looking into creating a data portal in the near future will be looked into, to provide data in a user friendly format and create a social dialogue on budget issues*”.

Recent Civil Society efforts in promoting the principles of public participation and advocacy for budget transparency

- i) Ongoing publication of Citizens-friendly budget information in collaboration with National Treasury; the Citizens Adjusted Budget. <http://www.internationalbudget.org/wp-content/uploads/South-Africa-Citizens-Adjusted-Budget-2014-15.pdf>

- ii) Publicity around the positive results of the 2015 Open Budget Index and- perhaps more importantly- interrogating and advocating for enhanced budget transparency in South Africa. Particular CSO efforts in South Africa have also sought to encourage National Treasury and government departments to take critical steps to make budgets not only accessible but detailed and transparent.
- iii) In previous years, South African CSOs have interrogated issues of fiscal transparency through engagement through the Budget and Expenditure Monitoring Forum
- iv) In 2016, various CSOs contributed to an online initiative that culminated in a submission to the Standing Committee on Appropriations in Parliament. The International Budget Partnership (IBP) and Code4SA developed an online tool to provide South Africans the opportunity to engage Parliament on the 2016/17 national budget. A wide range of online, social and national media platforms were used both to publicise the tool as well as to garner public and CSO input.

In many respects- this is reflective of the fundamental tenets of the OGP- meaningful engagement between the government and citizens. In addition to the legislative reviews and regulatory reform- the informal and formal platforms for engagement between civil society organizations and the South African government (National Treasury in particular) present significant opportunities to enhance fiscal transparency. However, the lead department for national implementation of the OGP, the Department of Public Service and Administration (DPSA), needs to be better capacitated to fulfil its overarching mandate.

The Open Democracy Advice Centre (ODAC) laments the fact that the South African government does not have a dedicated budget for the implementation of OGP commitments.³⁴ Not only does this present an obstacle in terms of the DPSA's capacity to ensure intergovernmental cooperation in its coordination role – but it also means that other departments with OGP responsibilities are limited in the extent to which they can create programmes beyond existing government initiatives.³⁵ At the core of OGP principles are principles of partnerships between governments and civil society. While financial considerations are not the most important element for such partnerships to work – they are certainly integral.

Another element identified as a weakness with South Africa's implementation of the Open Government Partnership is the lack of functional, regular platforms for dialogue between government departments and civil society. This presents a serious obstacle to meaningful engagement and partnership towards ensuring that the shared goals of openness, transparency and accountable government are met. There is thus a need to create strong multi-stakeholder forums as recommended by the OGP in the form of a permanent dialogue mechanism (PDM).³⁶

Ultimately– the objectives include enhancing relations between the South African government and its people, promoting responsiveness and accountability of government departments and

³⁴ Razzano, G. 2016. *Connecting the Dots: The Coordination Challenge for the Open Government Partnership in SA*. Open Democracy Advice Centre (ODAC).

³⁵ Ibid

³⁶ Razzano, G. 2016. *Connecting the Dots: The Coordination Challenge for the Open Government Partnership in SA*. Open Democracy Advice Centre (ODAC).



(particularly in the case of fiscal transparency initiatives) contribute to the effective management of public resources.

The PSAM is but one example of a civil society organisation for whom such openness relating to public budget data is key to ensure progress towards promoting – amongst others – the right to education. Accurate, transparent planning and budget data is increasingly being acknowledged as a fundamental tool in ensuring adequate responsiveness to citizens' socio-economic needs. Many governments, including South Africa, are signatories to international good governance frameworks such as the OGP that make open, transparent government data core to tackling poverty and inequality. Access to budget and planning data particularly at the provincial level that is disaggregated by district, school and or project is often a significant challenge even for relatively well-resourced organisations. Such data are either unavailable, provided in inaccessible formats, inaccurate or simply not produced. The OGP and open budget projects are therefore important mechanisms to close these gaps.

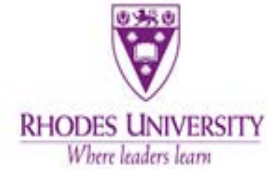
The PSAM urges the Committee to encourage the DPSA, the Department of Policy, Monitoring and Evaluation and National Treasury to identify funding opportunities either through international partnerships or through strategic mobilisation of existing budgets to ensure that OGP commitments are carefully targeted, planned and funded. This must extend beyond the coordination function played by the DPSA to the broader OGP objectives across all commitments.

CONCLUSION

It is evident that many of the challenges pertaining to infrastructure delivery, filling of critical vacancies and budget expenditure are neither exclusive to the ECDoE nor recent. As this submission has indicated, many of these problems have plagued the provincial administration over several years despite numerous high-level administrative interventions and ongoing oversight initiatives from legislative and non-governmental entities alike. What is left is to interrogate the underlying causes of sub-standard and/or delayed service delivery as well as poor public resource management. What questions have not been asked and solutions considered?

In presenting the findings and recommendations in this submission, we hope not only to bring these to the attention of relevant legislative Committees at provincial and national levels, but also to initiate constructive conversation within civil society and across the communities in which we work, live and engage.

Ultimately, these are challenges that place significant pressure on communities, schools, teachers and learners, placing many schools in a state of emergency. At the centre of these issues lies the effective rollout of school infrastructure as well as the effective distribution of personnel across the province. Given the PSAM's experience within the education sector, we are at pains to underscore the complexity of the problems facing the education sector not only in the Eastern Cape, but nationally. It is clear that there is a multiplier effect at play –persistent failure to effectively address



one problem has a direct bearing on others, especially where infrastructure budgeting and planning are concerned. The budget and planning data needs outlined above are one part of this picture.

We hope to continue a discussion with both National and Provincial Treasuries pertaining to the genuine inclusion of civil society and citizen voices. This includes within interactions with learners, teachers, parents and SGBs for whom credible, up to date information is the difference between addressing education needs now or recurring unfulfilled promises.

It is with these issues in mind that we hope the overall findings and recommendations contained in this report will be of use to relevant committees and decision-makers within the provincial and national realms of legislature and government.

ENDS

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