



GOVERNMENT TECHNICAL ADVISORY CENTRE (GTAC)

ANNUAL PERFORMANCE PLAN 2018/19

The GTAC Annual Performance Plan for 2018/19 has been compiled with the latest information available from departmental and other sources. Some of this information is unaudited or subject to revision.

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Official Sign-off

It is hereby certified that this Annual Performance Plan (APP) prepared by the management of GTAC under the guidance of Honourable Minister Malusi Gigaba, in line with the current Strategic Plan for GTAC. This APP accurately reflects the performance targets which GTAC will endeavour to achieve given the resources made available in the budget for 2018/19.

Shahid Khan
Acting Head: GTAC



Foreword by the Accounting Officer

I am pleased to submit the Government Technical Advisory Centre's (GTAC) Annual Performance Plan for the 2018/19 Financial Year. To accord with the National Development Plan and Government's Medium-Term Strategic Framework, GTAC's primary contribution lies in building a capable state that helps in promoting socio-economic transformation and unity. Whilst Government's objective is focused on building a resilient economy and to channel resources equitably to where it is needed most, GTAC will through this Annual Performance Plan contribute to support an inclusive growth agenda that stimulates employment and income-generating opportunities. Through our interventions, GTAC will continue to support private sector participation in infrastructure investment and development financing. In promoting sound public administration, GTAC will contribute to strengthened financial management to achieve value for money, through its support for strong institutional governance, planning and resource management. In the coming year, GTAC will build on its reputation as an effective stakeholder in supporting local governments to deliver on their service delivery mandate; strengthening access to affordable and quality education; enhancing access to social services and promoting inclusive economic development. Through our knowledge products and partnerships, GTAC will continue to advance policy analysis, public economics and evidence-based public finance advice to help meet the needs of the National Treasury and Government and to promote broader public understanding.

SHAHID KHAN

Acting Head and Accounting Officer: GTAC



PART A



Strategic Overview

1 VISION

To serve as a creative centre of excellence for shared learning and quality advisory support in public policy, fiscal and financial analysis and management.

2 MISSION

The Government Technical Advisory Centre (GTAC) promotes transparency and the effective management of public finances by assisting organs of state in building capacity for efficient, effective and transparent financial management. Its operating model provides technical consulting services, specialised procurement support, infrastructure project advice, and associated knowledge management and shared learning opportunities to build public sector capacity. These functions are undertaken through active partnerships with development agencies, universities, research centres and others in the non-state sector. GTAC seeks to stimulate debate and promote public discourse and understanding of policy, public economics and public financial management through a range of communication methodologies. It also draws on a programme for young graduates to build and sustain capability within the organisation.

3 VALUES

Several guiding values underpin the organisation's approach to its programmes and activities:

- Ⓐ Accountability
- Ⓐ Transparency
- Ⓐ Integrity
- Ⓐ Partnership
- Ⓐ Inclusive, broad-based growth and development

GTAC promotes evidence-based learning and policy advice, and supports sound and effective procurement and programme management processes. Partnerships form the basis of its development methodology, within government and with the private sector, the academic and research community, and civil society stakeholders.

Its approach to providing support and advisory services draws on three broad principles:

- Ⓐ **Activities are client-focused and demand-driven:** Advisory and technical support responds to client needs and respects the ownership and accountability for services of responsible organs of state.
- Ⓐ **Diagnostic and management tools are adapted to public sector needs:** GTAC advisors and staff are well-versed in South Africa's legal and institutional frameworks and in methodologies and procedures designed to strengthen public sector governance and service delivery.
- Ⓐ **Capacity building is based on partnerships and learning by doing:** Better public finance management rests on pragmatic and problem-solving methods, learning through innovation, and transferring skills through collaboration and partnerships.



4 LEGISLATIVE AND OTHER MANDATES

4.1 Legislative Mandate

GTAC draws its mandate from the responsibility of the National Treasury to promote transparency and the effective management of public finances and to assist organs of state in building their capacity for efficient, effective and transparent financial management, as set out in section 6 of the Public Finance Management Act.

4.2 GTAC Proclamation

The formal establishment of GTAC was gazetted on 30 March 2012¹. The Government Notice states that its object is 'to assist Organs of State in building their capacity for efficient, effective and transparent financial management'. It lists GTAC's functions as:

- ▲ To render technical consulting services to centre-of-government departments and organs of state;²
- ▲ To provide specialised procurement support for high-impact government initiatives;
- ▲ To render advice on the feasibility of infrastructure projects;
- ▲ To provide knowledge management for projects undertaken; and
- ▲ Anything ancillary to the functions listed³.

4.3 Ministerial Guidance and Instructions⁴

In the context of the National Development Plan (NDP) and government's Medium-Term Strategic Framework (MTSF), GTAC's primary contribution lies in building a capable state. According to the National Treasury's 2016 Annual Performance Plan, the National Development Plan 'charts a growth trajectory to reduce poverty and inequality, and envisages a country in which citizens have the capabilities to access available opportunities equitably. These capabilities include education and skills, decent accommodation, nutrition, safe communities, social security and transport, facilitated by a capable state and a growing, resilient economy'. The 2014–2019 MTSF 'directs government to invest in infrastructure development, create jobs, transform South Africa to a low-carbon economy and bring about social transformation and unity. In the current constrained fiscal environment, the National Treasury will continue to channel resources towards the critical outcomes of the NDP and the MTSF. The global economic crisis has caused a deceleration in economic growth, and South Africa's low growth continues to place the fiscus under considerable pressure. This compels the National Treasury to be vigilant in managing competing demands on public funds.'

In developing its strategic plan over the medium term, GTAC takes its direction from the Minister of Finance, in keeping with the provisions of its founding Notice.

GTAC coordinates the reporting requirements for National Treasury's Programme 8: Technical Support and Development Finance. A discussion is underway with National Treasury to consider whether this responsibility should remain with GTAC or whether another institutional option is required.

¹ Government Notice 261, 30 March 2012.

² Centre-of-government departments are the National Treasury and the departments of Planning, Monitoring and Evaluation; Public Service and Administration; and Cooperative Governance.

³ Government Notice 261, 30 March 2012.

⁴ Government Gazette, no. 25 of 2012, and GTAC Business Case, 2011.



5 SITUATION ANALYSIS

5.1 Rationale for the Establishment of GTAC

5.1.1 Background

The macro economic challenges facing the public sector require a radical shift in terms of ensuring fiscal discipline and improved state competence. As such, GTAC remains well placed to contribute to improved performance of the public sector given its mandate, model of delivery and emphasis on value for money. The focus on institutionalising effective knowledge management and shared learning platforms is an important contributory factor to delivering on GTAC's value proposition of becoming a customer-centric, valued partner for organs of state.

The rationale for the establishment of GTAC is comprehensively detailed in the GTAC business case⁵. In summary, it argues for the consolidation of advisory and support activities from the National Treasury within a dedicated centre providing skilled expertise. The centre provides a resource and knowledge base able to respond flexibly and professionally to service delivery constraints in the public sector, by deploying the necessary technical and advisory expertise to address these challenges.

The table below provides a reminder of the benefits of the establishment of a separate component of the Treasury, primarily tasked with providing technical and management advisory expertise.

Table 1: Advantages of the central coordination of advisory functions⁶

Improved governance	The advisory and support functions are separated from the regulatory functions of the National Treasury
Improved service delivery through a single entry point	A broader and more diverse range of services can be offered, drawing on synergies between complementary advisory and support activities and building on GTAC's convening and coordination capabilities
Enhanced quality of services	Better services and value for money are obtained through consolidation and effective coordination to leverage economies of scale and strengthen quality assurance
Optimised performance	Improved performance is achieved through partnership with international development agencies, research and academic institutions and the private sector to innovate, learn lessons and upscale interventions in government

The business case refers to three phases of development to fully constitute the organisation. These are briefly described in 5.1.2 below.

5.1.2 GTAC Strategic Trajectory

The **first** phase focused on consolidating existing programmes and activities incorporated into GTAC, while consulting and reflecting on the key strategic priorities of driving inclusive growth and economic transformation.

The **second phase** is focused on expanding services and leveraging on the complementarities across GTAC's business offerings. This requires that GTAC:

- Ⓐ Reorganises its administrative management and corporate support functions to develop the systems needed to implement its business effectively. This includes the development of a professional procurement service to meet business needs while remaining compliant; the development of a quality assurance and performance reporting model able to assess its value for money proposition;
- Ⓐ Strengthens strategic partnerships (with development agencies, research and academic institutions and others in the non-government sector), to secure resources, leverage innovative solutions and build credible relationships in responding to its mandate.
- Ⓐ Regularly refreshes its panel with necessary capacity to respond to new business needs, for instance in actuarial and financial analysis and public policy support; and

⁵GTAC Business Case, 2011.

⁶GTAC Business Case, 2011.



The **third phase** will focus on recruitment and staff development to strengthen internal professional capacity. The intent is to systematise knowledge management and shared learning by building and consolidating learning experiences to create long term institutional stability and sustainability.

This APP will prioritise delivery of the second phase of this strategic trajectory by consolidating the operational and institutional model of the organisation, while remaining cognisant of the need for continued delivery of its services.

5.1.3 Current Context

At an institutional level, the process of consolidating a 'single GTAC' is underway. The organisation is establishing its governance processes, systems and procedures to ensure that it complies with requirements of the PFMA, while responding to its service delivery model.

With a year having passed since GTAC completed its first strategic plan, the timing is appropriate for a review of its progress. As a key advisory arm of government, GTAC needs to be guided by a strategic intelligence which is constantly mapping its actions and interventions against a changing environment and responding creatively and strategically to new pressures and opportunities. Reflection and review are therefore not just a matter of compliance or good management but fundamental to the GTAC culture. A GTAC strategic planning workshop has recommended a mid-term review, which management has prioritised.

Current uncertainties in the political economy provide added urgency for GTAC's institutional consolidation. In the year ahead, it is safe to assume that there will be a heightened expectation, from the highest levels of government, that GTAC will play its part in helping to build a strong and capable developmental state. The corollary to this is that there will be a heightened scrutiny of both GTAC's ability to make a difference and its value proposition, hence the urgency for the organisation to refine its systems and processes to make a clear case for its unique role in state capacity building.

The challenge facing GTAC therefore, is to determine how to build on progress made since the organisation's inception, while critically examining areas of weakness. For GTAC to become the indispensable partner for organs of state seeking advice and technical assistance, these reflections must necessarily include how to achieve greater operational efficiency and effectiveness across the business. However, they must also extend to how the diverse experiences and competencies within the organisation might be better leveraged (against an enabling institutional infrastructure), to make GTAC more than just the sum of its parts.

The diverse service offerings require that GTAC consider the value of a federated model which recognises the diversity of business offerings, but which nonetheless institutionally establishes rules of the game which are consistently applied. Establishing institutional governance frameworks, (including enabling human capital management, procurement systems and financial management systems), which are fit for purpose and responsive to business needs is therefore an urgent priority.



5.2 Performance Environment

The Public Finance Management Act obliges all accounting officers to exercise effective, efficient, economical and transparent use of public resources (section 38(1)(b)).

Chapter 2 of the Constitution sets out the state's responsibility to promote equality, human dignity and the progressive realisation of social and economic rights. Against a backdrop of limited resources and slow growth, this responsibility requires the state to prioritise sound financial management, transparency and value for money in the delivery of public services.

GTAC operates within the general guidance provided by the Minister of Finance. The Minister may, subject to applicable legislation, instruct it to:

- Ⓐ Provide services regarding financial planning for and the costing of policies that are being developed.
- Ⓐ Provide economic analysis and actuarial advice on programmes and projects.
- Ⓐ Perform other functions that are complementary or additional to the functions listed.

Subject to the National Treasury's agreement and authority under law, GTAC may perform functions outside the Republic. The founding Notice further prohibits GTAC from providing services in competition with the private sector or from participating in tender or supply chain operations open to private sector service providers. Notwithstanding the fact that GTAC was established as a government component, the Minister of Finance has determined that GTAC may prepare its financial statements in keeping with Generally Recognised Accounting Principles (GRAP).

5.3 Operating Framework

5.3.1 Technical and Advisory Business

GTAC's technical and project management activities are organised into the following business units:

- Ⓐ *Transaction Advisory Services*, which includes support for PPPs;
- Ⓐ *Capital Projects Appraisal*, which focuses mainly on the appraisal of long term infrastructure investment plans. These may include for instance the appraisal of energy and transport investment plans;
- Ⓐ *Technical Consulting Services*, which includes a focus on both general project management support as well as sector specific expertise (social services, economic development, infrastructure support and human settlements);
- Ⓐ *Public Economics and Policy Analysis*, which includes public economics capacity building and managing performance and expenditure reviews;
- Ⓐ *The Jobs Fund Project Management Unit*; and
- Ⓐ *The Municipal Finance Improvement Programme Project Management Unit*.

Based on requests for support from Provinces, GTAC has a presence in the Western and Eastern Cape. The discussion about support to other provinces is being considered, dependent on their financial viability and work requirements in these centres.



5.3.2 Establishing a Technical Advisory Committee

In keeping with provisions of the Public Service Act, GTAC's founding Notice allows for a Technical Advisory Committee to be appointed, and for its membership to include representatives of the centre-of-government departments. It is envisaged that this committee will be established in the new financial year.

5.3.3 Administrative Model

In addition to the Office of the Head of GTAC, the organisation's administrative and management functions are structured as follows:

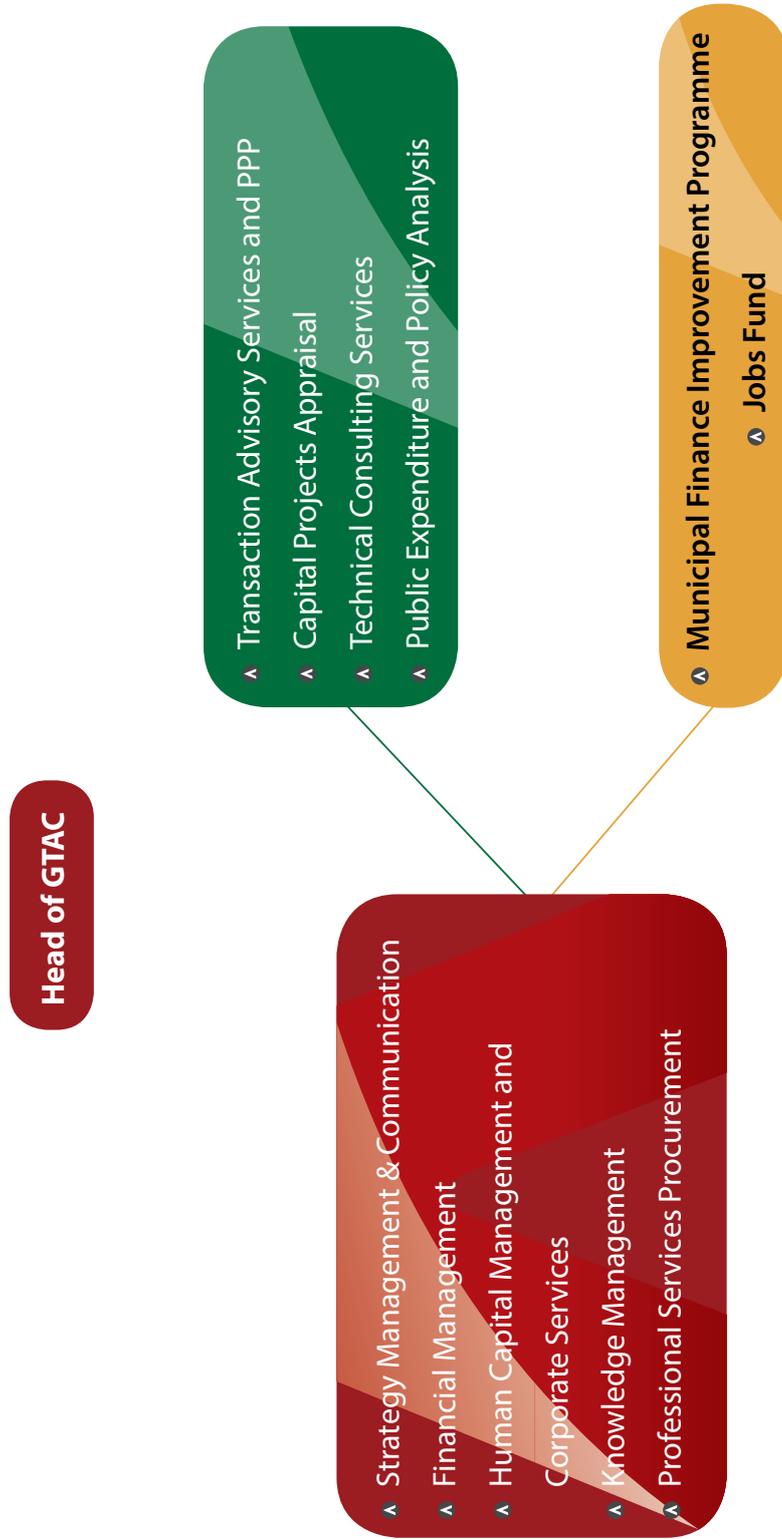
- ▲ *Strategy, Management and Communication*: which comprise of governance and compliance, planning, reporting, partnerships, knowledge management, publications and other communication activities.
- ▲ *Financial Management*; and
- ▲ *Human Capital Management and Corporate Services*: which comprise of human resource management, facilities administration and information systems.

The proposed organisational structure is being finalised based on a comprehensive review being undertaken by the Human Capital Management unit. Based on this review, GTAC's organogram will be finalised. The current view is that the organisation will focus on consolidating its enabling capability (which includes all of the management support services), and ensure that the financing model responds clearly to plans to support the business (see Table 2 below).

Given the financial constraints facing all of government, GTAC's funding model will have to consider creative opportunities for partnership which will include financial as well as non-financial options. An important focus of this reporting period will thus include clear and proactive engagements with development partners, foundations as well as research institutions with a view to leveraging needed support.



Table 2: GTAC's organisational structure to be confirmed



LEGEND

Programme 1: Management and Support Services

Programme 2: Transaction and Advisory Services

Programme 3: Programme Management Units (PMUs)

5.4 Budget Programmes and Accounts

As noted, GTAC is established as a government component as defined in Section 1 of the Public Service Act, and its staff are appointed under the PSA. Notwithstanding this status, the Minister of Finance has determined that GTAC should prepare its financial statements in keeping with Generally Recognised Accounting Principles (GRAP) standards.

GTAC is funded from:

- Ⓐ Appropriated funds from National Treasury
- Ⓐ Revenue recovered from organs of state for which GTAC has rendered services
- Ⓐ Donor funding
- Ⓐ Interest earned from GTAC's bank account

An agreement between the National Treasury and GTAC provides for shared corporate service functions, service levels, the transfer of assets and employees, financial arrangements and other matters necessary for the effective and efficient functioning of GTAC. The parties jointly review this agreement every year to confirm the stage that GTAC is at in order for it to fully take over its operational function.

The budget is separated into three programmes. Programmes 1 and 2 are financed through the appropriated funds, cost recovery, donor funds and interest earned. Programme 3 is funded through Programme 8 of National Treasury. GTAC provides the administration function to the PMUs on behalf of NT and recovers the full expenditure incurred from NT, including an administration fee.

Table 3: GTAC Expenditure Estimates

Government Technical Advisory Centre	Audited outcome	Audited outcome	Revised estimates	Planned Estimates	Medium-term estimate		
					R thousand	2015/16	2016/17
Management and Support Services	37,384	40,583	87,751	93,795	100,857	113,081	41%
Transaction and Advisory Services	104,080	131,749	129,320	135,651	132,586	127,120	-1%
Programme Management Services (Jobs Fund, MFIP)	126,141	243,733	210,527	224,188	236,410	249,361	1%
Total expense	267,605	416,065	427,598	453,633	469,853	489,562	6%



Table 4: Statement of comprehensive income over the MTEF period

Statement of comprehensive income	Audited Outcome	Audited Outcome	Revised estimate	Medium-term estimate			% growth
	R thousand	2015/16	2016/17	2017/18	2018/19	2019/20	
Revenue							
Tax revenue	-	-	-	-	-	-	
Non-tax revenue	232,498	296,276	306,408	325,616	338,865	352,978	6%
Sale of goods and services other than capital assets of which	232,498	296,276	306,408	325,616	338,865	352,978	6%
Administrative fees	156,437	230,928	211,421	224,188	236,410	249,361	3%
Sales by market establishment	75,619	65,138	93,934	100,768	101,795	102,957	16%
Other sales	442	210	1,053	660	660	660	46%
Other non-tax revenue	165,318	154,075	126,845	128,018	130,988	136,583	-4%
Interest, dividends and rent on land	24,832	28,361	8,000	27,400	29,500	29,500	1%
Transfers received	87,632	109,859	90,818	76,858	81,490	86,333	-8%
Donor funds received	52,853	15,855	28,027	23,760	19,998	20,750	9%
Total revenue	397,816	450,351	433,253	453,634	469,853	489,561	3%
Expenses							0%
Current expenses	329,335	413,458	423,137	447,036	465,969	485,535	6%
Compensation of employees	62,861	90,554	121,474	123,540	130,455	137,764	15%
Goods and services	266,474	322,904	301,663	323,496	335,514	347,771	3%
Depreciation	257	2,157	2,672	2,452	684	721	-31%
Transfers and subsidies	-	450	90	95	100	106	-38%
CAPEX	5,504	1,053	5,171	4,050	3,100	3,200	45%
Total expenses	329,592	416,065	425,898	449,584	466,753	486,361	5%
Surplus/(Deficit)	68,224	34,286	7,355	4,050	3,100	3,200	-55%

Table 4 above shows the audited outcomes and 2018 MTEF budget.



GTAC's comprehensive income for the period 2014 to 2020 is summarised in Table 5 below.

Table 5: Statement of comprehensive income over the MTEF period

Statement of Comprehensive Income	Audited outcome	Audited outcome	Revised estimate	Medium-term estimate			% growth
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
R thousand							
Revenue							
Tax revenue	-	-	-	-	-	-	
Non-tax revenue	574 333	83 429	131 441	71 685	79 595	94 107	4%
Sale of goods and services other than capital assets of which:	574 333	83 429	131 441	71 685	79 595	94 107	4%
Administrative fees	574 333	79 726	131 441	71 685	79 595	94 107	6%
Sales by market establishment	-	3 703	-				-100%
Other sales	-	-	-	-	-	-	
Other non-tax revenue	211 891	376 319	396 862	381 785	399 072	414 416	3%
Interest, dividends and rent on land	37 948	64 839	29 068	8 000	10 000	12 000	-43%
Transfers received	139 499	258 627	326 856	345 758	359 745	379 242	14%
Donor funds received	34 444	52 853	40 938	28 027	29 327	23 174	-24%
Total revenue	786 224	459 748	528 303	453 470	478 667	508 523	3%
Expenses							0%
Current expenses	565 501	830 727	463 458	450 720	476 128	507 749	-15%
Compensation of employees	35 060	62 861	100 469	112 001	119 841	128 230	27%
Goods and services	530 441	767 867	362 989	338 719	356 287	379 519	-21%
Depreciation	25	257	477	2 660	2 444	674	38%
Transfers and subsidies	-	-	-	90	95	100	0%
Total expenses	565 526	830 985	463 935	453 470	478 667	508 523	-15%
Surplus/(Deficit)	220 698	(371 237)	64 368	-	-	-	-100%



PART B



6 STRATEGIC OUTCOME-ORIENTED GOALS

6.1 PROGRAMME 1: Management and Support Services

Strategic support functions managed within Programme 1 include the establishment and ongoing strategic management of partnerships with other centres of excellence; research and academic organisations and international development partners. The Public Economics Capacity Building Initiative, (which includes the hosting of an annual winter school on public economics and a graduate bursary programme), is an important flagship initiative through which GTAC proactively identifies capacity strengthening opportunities for building state capability. The intention is to create a pipeline of young economists who will be interested in building capability within the public sector. This programme is funded by Global Affairs Canada and managed in close collaboration with the National Treasury.

The management of partnerships is also prioritised by GTAC's business units, where these are identified to optimise business priorities. The strategy unit works closely business units and provides an important interface between them and the external partners. The intention is to leverage opportunities for collaboration across business areas and identify terms of mutual benefit. A critical element of these partnerships remains clarifying a financing model which will allow GTAC to consider how and when these might be financed.

The GTAC knowledge management and communications team is responsible for planning the pipeline of knowledge products to be generated. This includes responsibility for systems planning, communications management (this includes a substantial publications portfolio) and innovative learning opportunities through which GTAC builds its profile as a centre of excellence.

6.2 PROGRAMME 2: Transaction and Advisory Services

GTAC's Transaction and Advisory Services programme is the core business of the organisation. It supports the National Treasury's strategic requirements and undertakes initiatives on request from other organs of state. It provides the following support functions:

- ▲ Transaction advisory services and PPPs
- ▲ Capital Projects Appraisal
- ▲ Technical consulting services
- ▲ Public expenditure and policy analysis

The portfolios of advisory and technical consulting projects draw on both long-term advisors and project-specific professional service contractors to supplement internal capacity.

Outcome Statement 2	Advisory and technical support services are rendered for improved public sector governance, analyses and capacity building
Outcome indicator	Number of requests for support are sustained (cumulative)
Baseline	A total of 120 advisory and technical support projects requests registered
Justification	Requests for project support in building a capable state are sustained over the MTEF period, indicating the value of advisory projects for recipient organs of state



6.3 PROGRAMME 3: Programme Management Services

On behalf of National Treasury, GTAC established a project management unit for the Employment Creation Facilitation Programme (the Jobs Fund), which was initiated in 2011 as a multi-year, R9 billion partnership programme to support innovative employment initiatives. While the unit was initially set up at the DBSA, GTAC has managed it since August 2014.

Administration costs for management of the PMUs is reflected in GTAC's accounts and recovered from the National Treasury. The unit manages disbursements to Jobs Fund partners and maintains a disbursement account through which these payments are administered on behalf of the National Treasury. The Jobs Fund unit also supports and oversees the Research Project on Employment, Income Distribution and Inclusive Growth (REDI), based at the South African Labour and Development Research Unit at the University of Cape Town, and the associated www.econ3x3.org website.

On behalf of the Office of the Accountant-General, GTAC has established a Project Management Unit for the Municipal Finance Improvement Programme, and contracts advisors to municipalities and the national and provincial treasuries as part of this initiative. The programme supports reforms in municipal financial reporting and the implementation of sound financial management in municipalities. The programme reports to a Steering Committee chaired by the Accountant-General. GTAC recovers administrative costs the Office of the Accountant General for the disbursement support provided.

Outcome Statement 3	GTAC enables efficient functioning of PMUs
Outcome indicator	PMUs able to deliver efficient programme and project management services
Baseline	Administrative support currently provided to the Jobs Fund and MFIP PMUs
Justification	GTAC's model allows for the flexible procurement of the resources required for the effective functioning of the PMUs

6.4 Resource Considerations

The 2018 MTEF period indicates limited resources, as a result of a R10 million budget cut on the appropriated funds from National Treasury. In the interim, other revenue streams such as improved cost recovery and interest earned will be used to supplement the projected short fall. Finally, GTAC is applying efficiency and cost containment measures to its operations to minimise the impact of these resource constraints.

These cost containment measures include the freezing of all new vacancies and delaying the proposal to acquire new office space. In addition, GTAC will review its costing model to consider options to allow for 100% cost recovery of project costs from departments (as opposed to the current recovery rate of 80%).

The compensation of employees shows a percentage growth of 19% from 2017/18 to 2020/21. However, this growth results from the increase in the establishment on support functions as GTAC becomes a fully functioning entity and migrates from NT. This plan is consistent with the strategy of the organisation. The CAPEX budget is primarily as a result of new computer equipment purchased for staff in GTAC and for the two PMUs.

In the broader context, GTAC is acutely aware that similar fiscal constraints face its clients. As such, it is imperative that GTAC review its resourcing framework, including its cost recovery model. These fiscal risks will be closely monitored and appropriate strategies developed to best manage them.

A priority action for the 2018/19 period will be a review of GTAC's funding model. Table 6 below, provides the outcomes of the Advisory and Programme Management Services for the period 2015/16 and 2016/17 and its projected revenue and expenditure for the planning period.

The 2018 medium-term planning period is subject to considerable uncertainty, as it depends on the demand for services and the availability of resources, among other considerations.



Where the financial performance projections reflect an overall deficit outcome, this is covered by funds carried forward from previous years.

Table 6: Statement of Financial Performance

Statement of Financial Performance	Audited outcome		Adjusted estimates	Medium-term expenditure			Average growth
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
R thousand							
Revenue from non-exchange transactions (GTAC)	367,520	463,156	432,359	453,634	469,853	489,561	4%
Appropriated Funds - Programme 8	83,609	88,006	80,818	71,858	76,490	81,333	0%
Appropriated Funds - ECFE Projects/PDF	4,023	21,853	10,000	5,000	5,000	5,000	-21%
Cost Recovery from Departments	75,619	65,138	93,934	100,768	101,795	102,957	3%
Cost Recovery from PMUs	126,141	243,733	210,527	224,188	236,410	249,361	6%
Donor Funding	52,853	15,855	28,027	23,760	19,998	20,750	-10%
Interest received	24,832	28,361	8,000	27,400	29,500	29,500	54%
Royalties & Admin Fees	442	210	1,053	660	660	660	-14%
Total Revenue	367,520	463,156	432,359	453,634	469,853	489,561	4%
Programme 1: Management and Support Services							4%
Office of the Head	-	4,619	4,662	3,548	3,719	3,927	-6%
Management, Strategy and Communication	-	12,830	41,549	39,863	42,938	46,072	4%
Financial Management	37,384	14,716	8,155	10,033	10,586	11,177	11%
Corporate Services	-	8,418	33,385	30,805	33,520	41,256	7%
Procurement Professional Services	-	-	-	9,546	10,095	10,648	0%
Expenditure	37,384	40,583	87,751	93,795	100,857	113,081	9%
Programme 2: Transaction Advisory Services							
Transaction Advisory Services	104,080	23,294	20,700	17,181	18,255	19,492	-2%
Capital Projects Appraisal	-	6,727	8,145	7,815	8,240	8,700	2%
Technical Consulting Services	-	90,068	81,005	77,136	75,735	68,615	-5%
Public Expenditure & Policy Analysis	-	11,660	19,471	33,520	30,356	30,314	16%
Procurement Professional Services	-	-	-	9,546	10,095	10,648	0%
Expenditure	104,080	131,749	129,320	135,651	132,586	127,120	-1%
Programme 3: Programme Management Services							
Jobs Fund Management Unit	26,221	85,490	85,026	83,456	87,997	92,786	3%
Municipal Finance Improvement Programme	99,920	158,243	125,501	140,732	148,413	156,575	8%
Expenditure	126,141	243,733	210,527	224,188	236,410	249,361	6%
Total Revenue	367,520	463,156	432,359	453,634	469,853	489,561	4%
Total Expenditure	267,605	416,065	427,598	453,633	469,853	489,562	5%
Total Surplus (before interest)	99,915	47,091	4,761	0	(0)	(0)	-104%
Interest revenue	24,832	28,361	8,000	27,400	29,500	29,500	54%
Surplus (deficit)	124,747	75,452	12,761	27,400	29,500	29,500	32%
Net Assets (end of period)	181,218	215,503	228,264	255,664	285,164	314,663	11%
Memo: Cash and cash equivalents (end of period)	872,582	554,517	221,921	243,358	253,712	215,312	-1%



PART C



Strategic Objectives

7 PROGRAMME 1: MANAGEMENT AND SUPPORT SERVICES

7.1 Purpose

Provide strategic leadership, management and support services to GTAC and support strategic partnerships to influence the quality and reach of public policy advocacy efforts delivered through GTAC. This encompasses a focus on proactively identifying, monitoring and reporting on standards set to ensure alignment with compliance requirements and best practice. In addition, providing leadership to develop strategic partnerships through which to deliver on GTAC's mandate, including generating external publications, improving communications, and strengthening other knowledge management initiatives across the business to optimise shared learning. The value of shared learning across government improves systemic efficiencies as well as opportunities for better intergovernmental collaboration.

7.2 Outcome Statement

This strategic priority will ensure improved management of diversity and employment equity targets by working closely with the HR and Corporate services division. Recruitment efforts will emphasise the entry level to support the internal progression of skills within GTAC. Employment equity targets will prioritise the elevation of women, especially Africans, to top management echelons. In addition, GTAC will strengthen its management and mitigation of strategic risks to address identified operational gaps and inefficiencies to deliver a clean audit outcome.

The strategy and management unit will prioritise the strengthening of *partnerships with other organisations and centres of excellence*, including universities, research institutions and development agencies, to expand, optimise and improve the quality and reach of research and policy insights. These will contribute to the growing repository of knowledge products so that GTAC achieves its vision of being a centre of excellence in the public policy space.

A flagship initiative in this regard is GTAC's public economics capacity building programme. This programme is implemented in collaboration with the Treasury, universities and research centres in order to influence the public policy component of academic programmes. It aims to bridge the gap between conceptual learning and informed analysis of policies and development programmes, for improved quality and depth of decision-making in public institutions. The strategic outcome being pursued is to address the longer-term institutional capacity needs in the public economics space by stimulating the interest of young economics graduates in a career in the public sector. It also promotes research in public economics to improve public policy analysis.

7.3 Strategic Objectives

Strategic objective 1.1	Strengthen partnerships to influence the quality and rigour of public policy advocacy efforts delivered through GTAC
Objective statement	Develop guidelines and implement the delivery of key partnerships to improve the visibility and reach of GTAC's work
Baseline	Series of inherited partnerships which have been historically established
Justification	Partnerships have been unevenly managed to deliver strategic business priorities. There is therefore a need to ensure that these Partnerships are fit for purpose and reflect strategic priorities
Links	National Development Plan, National Treasury Strategic Plan, Public Service Act, PFMA, Treasury Regulation and Public Service Regulation



8 PROGRAMME 2: TRANSACTION AND ADVISORY SERVICES

8.1 Purpose

To contribute to identified organisational and advisory needs in government to address the broader challenges of public sector governance, analyses and capacity building.

8.2 Overview

GTAC's advisory and technical support activities are organised as follows:

- Ⓐ Transaction advisory services and PPPs
- Ⓐ Capital projects appraisal
- Ⓐ Technical consulting services
- Ⓐ Performance expenditure and policy analysis.

These areas of work are supported by internal professional and administrative staff, long-term advisors and technical expertise contracted for specific assignments. Strategic partnerships with research institutions and other centres of expertise inform advisory and support interventions and contribute to the systematic management of knowledge and publications.

8.2.1 Strategic Programme Plan

The strategic programme for technical and advisory services is to provide rigorous, targeted and informed advice, tools and methodologies to support centre-of-government departments and organs of state in improving delivery on government priorities. Specifically, this includes improved decision-making capability in pursuit of an inclusive growth agenda, with the requisite skills and capacity to conceptualise, plan and deliver successfully on mandates. The programme delivers long- and short-term support, utilising a mix of internal professional staff, long-term advisors and specialised technical expertise as needed. It includes four strategic priorities for providing analysis and insights with a view to improving the cost-effectiveness of government expenditure, with a focus on improving value for money and efficiency in the system.

8.2.2 Strategic Objectives

Sub-programme 1	Provide advisory services to organs of state to plan, contract and execute PPPs in large or complex infrastructure transactions (SO 2.1)
Sub-programme 2	Assist the National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies (SO 2.2)
Sub-programme 3	Provide advice and support to centre-of-government departments and organs of state to strengthen capacity (SO 2.3)
Sub-programme 4	Provide analysis and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes (SO 2.4)

8.3 Sub-Programme: Transaction Advisory Services and PPPs

8.3.1 Purpose

To support organs of state, on a demand driven basis, with advisory services in the planning, contracting and execution of PPPs and other large or complex infrastructure or public service transactions.

8.3.2 Overview

Transaction support services include advice on regulatory requirements and good practice on a wide range of national, provincial and local government transactions, including precinct development and government accommodation projects, the implementation of alternative energy technologies, IT services, special economic zones and hospital services. Other elements are monitoring and advice on project implementation and contract management of existing PPPs.



GTAC also seeks to improve arrangements for infrastructure financing, to enhance the role of the private sector in social and economic investment, and to assist in training and capacity building in the development and implementation of PPPs.

To increase the PPP project pipeline, the National Treasury is considering ways to streamline the implementation of such partnerships and at the same time, reduce the time it takes to complete project planning. This would include finding ways of easing the regulatory regime so that it is not cumbersome for both the private sector and government; and levelling the playing field. In addition, the National Treasury has partnered with local and international development finance institutions to explore the development of alternative infrastructure funding while diversifying sources of funding to encourage private-sector participation. This would increase the pool of funds available and could help lower project costs. This business unit will work closely with the Treasury to strengthen the delivery of this agenda.

8.3.3 Strategic Programme Plan

The strategic plan for this sub-programme comprises the following initiatives:

Deal flow: The aim is to increase the number of transaction advisory projects that reach financial close in the execution of a contract. The Transaction Advisory Services Unit has adopted a programmatic and sector based approach to contribute to more cost-effective, targeted and sustainable support for regional and national infrastructure development. The principal sectors of transaction support are:

- Ⓐ **Power:** Diversification of electricity generation and combined electricity, heating and related services in public facilities;
- Ⓐ **Water:** Potable water supply and wastewater treatment;
- Ⓐ **Public real estate:** Unlocking the value of unused or underutilised local, provincial and national land and buildings, including consolidating dispersed government office accommodation; and
- Ⓐ **Transport:** Development and implementation of integrated provincial and municipal transportation systems.

In collaboration with the national and provincial treasuries and the relevant sectoral departments (Water and Sanitation, Environmental Affairs, Energy and Transport), the unit contributes to government's infrastructure development programme to promote value for money and sustainable and affordable services, and leverages private sector capacity.

Diversify sources of infrastructure funding: Work is underway on the possible terms and design of project bonds as a financing vehicle, in cooperation with the financial regulating arm of the National Treasury, the South African financial community and the Johannesburg Stock Exchange. In addition to support for the Treasury's reform of infrastructure budgeting and financing arrangements, future work could include tax increment financing, among other measures.

Capacity building and training: GTAC will continue its capacity building and training activities on PPP legislation, regulations and guidance documents. Regular training sessions on PPPs under the Public and Municipal Finance Management Acts and the Municipal Systems Act continue to attract significant attendance and will be expanded alongside other training efforts. The unit also contributes to training and capacity building internationally, with a focus on the African continent.

Oversight and ongoing contracts management: The unit will continue to oversee the implementation and contract management of existing infrastructure PPPs. This commonly includes revisions of or adjustments to PPP agreements to accommodate changing needs, sometimes with significant financial consequences. GTAC assists in making the required changes efficiently and in accordance with Treasury Regulation 16. It currently supports the Gautrain Management Authority on its additional rolling stock requirements and the possible expansion of the Gautrain system.



8.3.4 Strategic Objectives

Sub-programme 1	Provide advisory services to organs of state to plan, contract and execute PPPs in large or complex infrastructure transactions (SO 2.1)
Objective statement	Provide advisory services and support to departments, municipalities and state-owned enterprises in planning, procuring and executing high impact and large infrastructure and PPP projects in line with policy frameworks and best practice
Baseline	The PPP Unit and later GTAC have provided such services since the inception of the PPP process
Justification	Most client departments will implement only one or a few large, complex PPP and infrastructure projects, which implies that few have the required experience and expertise. GTAC augments their capabilities and facilitates compliance and the development and sharing of best practice to ensure the successful planning, procurement and execution of such projects
Links	National Development Plan, National Treasury Strategic Plan, Public Service Act, PFMA, Treasury Regulations and Public Service Regulations

8.4 Sub-Programme: Capital Projects Appraisal

8.4.1 Purpose

The purpose of this sub-programme is to assist the National Treasury in its *review and assessment of infrastructure investment proposals and feasibility studies*, to ensure value for money, affordability and efficiency in infrastructure expenditure and the development of network industry sectors.

8.4.2 Overview

The main activities of this unit are the assessment and appraisal of the economic and financial viability of proposed large infrastructure investment projects, and related economic analyses. Its aim is to provide a deep understanding of the value for money prospects of investments, their strategic fit with the National Development Plan and South Africa's socio-economic objectives, the appropriateness of the timing and extent of the service to be provided, the cost-effectiveness and wider economic benefits to be delivered, the affordability of providing the service, the case for requiring the fiscus to provide funding, and the likely achievability of implementation plans. In addition, the analysis of infrastructure programmes aims to provide advice on the impact of project plans on the financial sustainability of public utilities, cost comparisons of alternatives, the appropriateness of proposed funding options, and considerations of a sectoral or systemic nature that might need to be resolved to ensure success in project delivery.

8.2.3 Strategic Programme Plan

The strategic plan for this sub-programme comprises the following initiatives:

Appraisal of large infrastructure projects: The sub-programme provides analytical and advisory capacity to facilitate the appraisal of large and complex projects in the energy, transport and water sectors. In addition to the growing number of projects it assesses on behalf of the Budget Office and the Public Finance division of the National Treasury, GTAC will continue to assist the Assets and Liabilities Management division in its oversight of state-owned companies. It will also support the Office of the Chief Procurement Officer, which is expected to review procurement plans and processes for major infrastructure projects.

Promotion of good practice in project appraisal: The unit will continue to publish and support good practice and appropriate methodologies for assessing the costs, benefits and value-for-money prospects of infrastructure investment projects. It studies and contributes to appropriate, practical approaches to infrastructure project appraisal in the South African context. In working with the Budget Office to advance good practice, it helps to develop guiding principles and strengthen capacity across government to undertake project appraisals.



Support for capital budgeting and financing reform: The Budget Office requires better processes for regulating and supporting social and economic infrastructure investment, particularly where capital projects rely on multi-year budget allocations. The unit will assist in the design of the capacity required in the Treasury, the system through which internal requests are coordinated, the introduction of revised regulatory processes, and the preparation of materials to help improve project appraisal processes.

Research and advice on private sector participation in public infrastructure delivery: The unit works with financial institutions and other stakeholders in exploring options for the effective mobilisation of private finance in infrastructure delivery. It provides advice on public and private financing options and the role of development finance institutions, benchmarked against evidence-based learning locally and internationally.

8.4.4 Strategic Objectives

Sub-programme 2	Assist National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies (SO 2.2)
Objective statement	Appraisal and assessment of infrastructure investment proposals and feasibility studies
Baseline	Capital appraisals in network industries
Justification	To assess value for money prospects, affordability, and efficiency to inform decision-making in infrastructure investments and the development of major capital projects
Links	National Development Plan, National Treasury Strategic Plan, Public Service Act, PFMA, Treasury Regulations and Public Service Regulations

8.5 Sub-Programme: Technical Consulting Services

8.5.1 Purpose

The purpose of this sub-programme is to advise and support centre-of-government departments and organs of state in building their capacity for better financial management to deliver inclusive growth. This includes strengthening their skills and capacity to conceptualise, plan and deliver successfully on their mandates. Activities are clustered in two broad areas:

- Ⓐ Education, health and social development services
- Ⓐ Economic development, infrastructure development, municipal support and human settlements

8.5.2 Overview

The sub-programme supports results based approaches to programme and project management, organisational development, strategic planning and performance management, in response to requests from organs of state. The support is adapted to meet their specific requirements and build institutional capacity and accountability.

The methodologies include support for strategic planning processes, facilitation, institutional strengthening, and the mapping of implementation modalities against government planning and policy frameworks. The rationale underpinning the selection of methodologies is a focus on outcomes-based planning. Advisory support is holistic and includes leadership guidance and the strengthening of performance management, monitoring and reporting systems.

8.5.3 Strategic Programme Plan

To give effect to government's development priorities, many organs of state need to adjust their strategies and plans, review institutional arrangements, identify new systems and work processes, work across multiple institutions and spheres, and provide effective leadership and management to take their organisations on a new path. GTAC provides targeted support for these management and organisational changes.



Drawing on lessons from experience in public sector advisory and technical assistance work, GTAC has developed documentation and training materials to help improve planning, budgeting and performance management in and across departments and government agencies. It serves as a knowledge resource centre on government frameworks, processes, programmes and policies, and supports institutional reviews, facilitation and multi-stakeholder project management across national, provincial and local government.

8.5.4 Strategic Objectives

Sub-Programme 3	To provide advice and support to centre-of-government departments and organs of state to strengthen capacity (SO 2.3)
Objective statement	Contribute to better service delivery through enhancing public sector management capacity
Baseline	Suite of projects supported that provides public sector advisory and technical assistance support
Justification	Human development, poverty reduction and social progress depend on improving the quality and effectiveness of social service delivery
Links	National Development Plan, National Treasury Strategic Plan, Public Service Act, PFMA, Treasury Regulations and Public Service Regulations; transaction advisory services, performance expenditure reviews, policy analysis, partnerships, and knowledge management

8.6 Sub-Programme: Public Expenditure and Policy Analysis

8.6.1 Purpose

The purpose of this sub-programme is twofold:

- ▲ To provide analysis of and insights into the performance, cost effectiveness and expenditure trends of selected government programmes;
- ▲ To assist responsible authorities and stakeholders in assessing the financing and service delivery implications of policies and programme design, for both current and new areas of service delivery.

8.6.2 Overview

Performance and expenditure reviews are widely used internationally to quantify, assess and improve the cost-effectiveness of public policy and spending. They involve scrutinising both expenditure and programme performance data, and are also used to cost the implications of legislative changes and policy choices. These reviews analyse allocation and spending patterns across all spheres of government, public entities and frontline service delivery sites, and provide an in-depth understanding of historical expenditure patterns. While these reviews primarily generate proposals for improving budget allocations over the medium term, they also examine the links between policy intent and programme design based on rigorous analysis of the underlying causal relationships. They offer a detailed assessment of the implementation logic of policy initiatives, which allow critical performance measures to be developed, across all aspects and geographical locations.

The production of technical reports and costing or expenditure models is often the first step in a longer process of reform. Considerable consultation is frequently required as stakeholders process the implications of the performance and expenditure reviews. Within the National Treasury, intensive training on the methodologies of the review process has been initiated to improve the capacity for budget analysis. The publication of the performance and expenditure reviews has stimulated interest in and understanding of the challenges of policy implementation and expenditure management.



8.6.3 Strategic Programme Plan

The strategic plan for this sub-programme comprises the following initiatives:

Deepening the impact of the performance and expenditure reviews (PERs): To date, 36 performance and expenditure reviews have been completed. In 2018, the focus will be on deepening the use of the existing performance and expenditure reviews through updating existing costing models and supporting Treasury officials and staff in other departments to use the insights from the PER analysis and costing models.

Personnel expenditure: Since conception in 2015, personnel expenditure trends have been analysed for SAPS, Defence, Education, Correctional Services, Justice and central administration departments using PERSAL and other relevant datasets, including tax and survey data. An analysis of key drivers of compensation expenditure was included in the Medium Term Budget Policy Statement 2017. The analysis will proceed per sector and province and statistical analysis support to National Treasury and other entities will continue.

Capacity building in policy analysis and expenditure reviews: In the planning period, GTAC aims to:

- Ⓐ Expand the training on the expenditure review methodology to other departments.
- Ⓐ Promote public expenditure and policy analysis as a research and post-graduate focus area.
- Ⓐ Probe new areas of analysis using administrative data sets along with conceptual mapping of government systems and service delivery models, to improve policy decision-making and implementation.

Budget data portal – Vuleka mali Version 1 of the data portal that provide public access to high level budget data has been launched. In 2018, the portal will be expanded to include performance data and incorporate spatial distribution data that will allow closer public scrutiny of value for money in government expenditure.

8.6.4 Strategic Objectives

Sub-programme 4	Provide analysis and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes (SO 2.4)
Objective statement	To provide analysis of and insights into the performance, cost effectiveness and expenditure trends of selected government programmes and to capacitate responsible authorities to perform their own analyses using the proven methodologies and tools
Baseline	Methodologies and tools have been developed and refined over the past four years and the resulting analyses have been made available to relevant authorities. Further areas for analysis have been identified
Justification	To assist responsible authorities and stakeholders in assessing the financing and service delivery implications of policies and programme design, for both current and new areas of service delivery
Links	National Development Plan, National Treasury Strategic Plan, Public Service Act, PFMA, Treasury Regulations and Public Service Regulations



9 PROGRAMME 3: PROGRAMME MANAGEMENT SERVICES

9.1 Purpose

To improve the efficiency of Treasury PMUs through effective and efficient operational and procurement support.

9.2 Overview

GTAC support comprises programme and project management, administrative, technical advisory and resourcing support. An important component of this support is the facilitation of the shared learning opportunities across PMUs, other GTAC business units, and government more broadly. The PMUs have very specific governance and financial accountability arrangements through which programmatic decisions are made. Administration costs are reflected in GTAC's accounts and are recovered from the National Treasury.

Jobs Fund Project Management Unit: This PMU oversees a portfolio of grant-funded employment facilitation projects, undertaken by a range of private and public sector implementing partners. The Jobs Fund Investment Committee has the responsibility for and authority over the content of the programme, including investment decisions and performance oversight.

Municipal Finance Improvement Programme: This PMU supports the national and provincial treasuries and targeted municipalities in strengthening municipal financial management. These programmes form part of Programme 8 on the Treasury vote. The Office of the Accountant-General has the responsibility for and authority over the content of the programme and its performance.

9.3 Strategic Programme Plan

The **Jobs Fund Project Management Unit** awards grants through a competitive project application process that rewards the best ideas for meeting national job creation targets. Funding allocations are transparent, open and competitive, and are made by an independent investment committee.

The unit manages disbursements to Jobs Fund partners and maintains a disbursement account through which these payments are administered on behalf of the Treasury. The unit also oversees the Research project on Employment, Income Distribution and Inclusive Growth (REDI), based at the South African Labour and Development Research Unit at the University of Cape Town and provides inputs to the associated www.econ3x3.org website.

On behalf of the Office of the Accountant-General, GTAC has established a project management unit for **MFIP**, and contracts advisors to municipalities and the national and provincial treasuries as part of this initiative. The programme supports reforms in municipal financial reporting and the implementation of sound financial management in municipalities. The MFIP Programme Steering Committee, chaired by the Accountant-General, provides advice on programme priorities and actions.

MFIP is a demand-driven programme of technical assistance designed to build the financial management capacity of municipalities through the placement of technical advisors within their budget and treasury offices.

9.3.1 Strategic Objectives⁷

Programme 3	Provide administrative support to PMUs to meet their objectives (SO 3.1)
Objective statement	Provide effective and efficient operational and procurement support to PMUs to meet their objectives
Baseline	GTAC provides administrative support to the Jobs Fund and MFIP PMUs
Justification	GTAC's model provides the administrative capability necessary for the operational functioning of PMU
Links	National Treasury Strategy and APP

⁷ SO 3.2 has been incorporated into the broader KM strategy.



STRATEGIC PLAN OBJECTIVE ANNUAL AND MEDIUM TERMS TARGETS

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)			
	2014/15	2015/16	2016/17	2017/18			2019/20	2020/2021	2021/22	
Strategic Objective 1: Strengthen partnerships to influence the quality and reach of public policy advocacy efforts delivered through GTAC (SO 1)										
1	Number of strategic partnerships with selected institutions through which to improve the visibility and reach of GTAC's work (cumulative)	n/a	n/a	5	7	8	9	10		
Strategic Objective 2: Provision of timely, quality Transaction and Advisory Services for improved public sector decision-making										
2	Number of projects supported (cumulative)	None	None	150	100	110	120	130		
Strategic Objective 3: Provide effective and efficient operational and procurement support to PMUs to meet their objectives t										
3	Number of PMU's supported	None	None	2	2	2	2	2		



10 PROGRAMME 1: MANAGEMENT AND SUPPORT SERVICES

10.1 Strategic Objectives

Programme 3		Provide administrative support to PMUs to meet their objectives (SO 3.1)	
SO 1	Strengthen partnerships to influence the quality and reach of public policy advocacy efforts delivered through GTAC (SO 1)	Office of the Head Strategy Management and Communications Human Capital Financial Management	

10.2 Programme 1 Performance Indicators and Annual Targets

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)			
	2014/15	2015/16	2016/17	2017/18	2018/19			2019/20	2020/2021	2021/22	
Strategic Objective 1. Strengthen partnerships to influence the quality and reach of public policy advocacy efforts delivered through GTAC (SO 1)											
1.1	Number of activities implemented through the Public Economics Capacity Building Programme	n/a	n/a	n/a	Deliver one winter school annually	Deliver one winter school annually	Award a maximum of six bursaries annually	Deliver one winter school annually	Award a maximum of six bursaries annually	Deliver one winter school annually	Deliver one winter school annually
1.2	Number of strategic knowledge management activities undertaken to improve visibility and reach of GTAC's business priorities	n/a	n/a	n/a	Internal coordination planning activity to identify key partner activities through which to promote GTAC as a centre of excellence	Deliver two biannual learning events to promote GTAC as a centre of excellence in public policy building	Deliver two biannual learning events to promote GTAC as a centre of excellence in public policy building	Deliver two biannual learning events to promote GTAC as a centre of excellence in public policy building	Deliver two biannual learning events to promote GTAC as a centre of excellence in public policy building	Deliver two biannual learning events to promote GTAC as a centre of excellence in public policy building	Award a maximum of six bursaries annually
1.3	Management support delivers an unqualified audit	n/a	n/a	n/a	Unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion	Receive unqualified audit opinion
1.4	Percentage of Employment Equity targets achieved	n/a	n/a	n/a	n/a	58% women employed 1% people with disabilities (PWD) employed	58% women employed 1% people with disabilities (PWD) employed	58% women employed 1% people with disabilities (PWD) employed	58% women employed 1% people with disabilities (PWD) employed	58% women employed 1% people with disabilities (PWD) employed	58% women employed 1% people with disabilities (PWD) employed
						70% African people employed	70% African people employed	70% African people employed	73% African people employed	73% African people employed	75% African people employed

10.3 Programme 1 Performance Indicator Quarterly Targets for 2018/19

Performance Indicator	Quarter	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic Objective 1. Strengthen partnerships to influence the quality and reach of public policy advocacy efforts delivered through GTAC (SO 1)					
1.1	Number of activities implemented through the Public Economics Capacity Building Programme	0	1	0	0
	Award a maximum of six bursaries annually	0	0	6	0
1.2	Number of Strategic knowledge management activities undertaken to improve visibility and reach of GTAC's business priorities	0	1	0	1
1.3	Management support delivers an unqualified audit	n/a	n/a	n/a	
1.4	Percentage of Employment Equity targets achieved	n/a	n/a	n/a	58% women employed
		n/a	n/a	n/a	1% people with disabilities employed
		n/a	n/a	n/a	70% African people employed



11 PROGRAMME 2: TRANSACTION AND ADVISORY SERVICES

11.1 Strategic Objectives

Strategic objective	Objective statement	Sub-programme
SO 2.1	Provide advisory services to organs of state to plan, contract and execute PPPs in large or complex infrastructure transactions	Transaction Advisory Services and PPPs
SO 2.2	Assist the National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies	Capital Projects Appraisal Services
SO 2.3	Provide advice and support to centre of government departments and organs of state to strengthen capacity	Technical Consulting Services
SO 2.4	Provide analysis and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes	Public Expenditure and Policy Analysis

11.2 Programme 2 Performance Indicators and Annual Targets

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)	
	2014/15	2015/16	2016/17	2017/18			2019/20	2020/2021
Strategic objective 2.1: Provide advisory services to organs of state to plan, contract and execute PPPs in large or complex infrastructure transactions								
2.1.1	n/a	n/a	12	15	17	17	17	17
2.1.2 ⁸	n/a	n/a	n/a	n/a	10	12	14	16
2.1.3	n/a	n/a	4	4	4	4	4	4
2.1.4	n/a	n/a	2	2	2	2	2	2
Strategic objective 2.2: Assist the National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies								
2.2.1	n/a	n/a	10	5	5	5	5	5
Strategic objective 2.3: Provide advice and support to centre of government departments and organs of state to strengthen capacity								
2.3.1	n/a	n/a	84	120	80	90	100	100
Strategic objective 2.4: Provide analysis and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes								
2.4.1	n/a	n/a	10	10	5	5	5	5

⁸New Indicator as from 2018/19.

⁹PEPA methodology requires to work in depth with reviews completed thus far, and not necessarily new reviews, thus target adapted to provide support and with a lesser quantitative performance target. Therefore, the 5 PER's supported: area of review identified, terms of reference developed, service providers appointed and steps 1 to 3 of PER completed. Support also includes: Summarize and promote uptake and utilisation with stakeholder groups on PER's already completed. The change in target and wording of the indicator will enable the function to focus both on new PER's and to do follow up work on completed PER's. Also, our experience is that the pool of service providers with the capacity and experience to conduct PER's is small and has an effect on the number of new PER's we can initiate every year.



11.3 Programme 2 Performance Indicator Quarterly Targets for 2018/19

PERFORMANCE INDICATOR	PLANNED PERFORMANCE 2018/2019	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Strategic objective 2.1: Provide advisory services to organs of state to plan, contract and execute PPPs in large or complex infrastructure transactions					
2.1.1	Number of transaction advisory projects registered (cumulative)	0	0	0	17
2.1.2	Number of requests for transactional and advisory services received	0	0	0	10
2.1.3	Number of PPP foundation capacity building events held	0	0	0	4
2.1.4	Numbers of PPP municipal capacity building events biannually held	0	0	0	2
Strategic objective 2.2: Assist the National Treasury in its review and assessment of infrastructure investment proposals and feasibility studies					
2.2.1	Number of capital projects appraisal reports completed (cumulative)	0	0	0	5
Strategic objective 2.3: Provide advice and support to centre-of-government departments and organs of state to strengthen capacity					
2.3.1	Number of technical advisory projects supported (cumulative)	0	0	0	80
Strategic objective 2.4: Provide analysis and insights into the performance, cost-effectiveness and expenditure trends of selected government programmes					
2.4.1	Number of PERs supported	0	0	0	5

12 PROGRAMME 3: PROGRAMME MANAGEMENT SERVICES

12.1 Strategic Objectives

Strategic objective 3.1	Provide effective and efficient operational and procurement support to PMUs to meet their objectives
Outcome indicator	Provide administrative management of resourcing for PMUs that includes resources on the establishment and contracted resources, and financial administration of PMU funds
Baseline	GTAC provides administrative support to the Jobs Fund and MFIP PMUs
Justification	National Treasury Strategy and APP

12.2 Programme 3 Performance Indicators and Annual Targets

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	PLANNED PERFORMANCE CURRENT YEAR	MEDIUM TERM TARGETS (MTEF)		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/2021

Strategic objective 3.1: Provide effective and efficient operational and procurement support to PMUs to meet their objectives

3.1.1	Percentage of procurement requests successfully finalised as per the PSP operational guidance ¹⁰	n/a	n/a	n/a	100%	100%	100%	100%	100%
3.1.2	Percentage of payments made within the prescribed norm of 30 days ¹¹	n/a	n/a	n/a	100% of payments made within 30 days				

12.3 Programme 3 Performance Indicator Quarterly Targets for 2018/19

PERFORMANCE INDICATOR	PLANNED PERFORMANCE 2018/2019	MEDIUM TERM TARGETS (MTEF)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4

Strategic objective 3.1: GTAC improves efficiency of Treasury PMUs through effective and efficient operational and procurement support.

3.1.1	Percentage of procurement requests successfully finalised as per the PSP operational guidance	100%	100%	100%	100%
3.1.2	Percentage of payments made within the prescribed norm of 30 days	100%	100%	100%	100%

¹⁰ Professional Services Procurement (PSP) has developed an operational plan which includes service delivery timelines.

¹¹ As per the finance operational management guidelines.

13 ANNEXURE C: CONSOLIDATED RISKS

GTAC has updated the Consolidated Risk from the Strategic Plan 2017/18 - 2019/20, to reflect its refinement and thinking which has emerged in developing its Annual Performance Plan for the 2019/20 period. Please refer to page 38 of the GTAC Strategic Plan 2017/18 - 2019/20 for the original risks register.

Risk	Risk description	Mitigation strategy
Uncertainty with respect to the appointment of a permanent head of GTAC	All of the identified strategic risks, require strong leadership in order for them to be resolved. The position of the head of GTAC remains vacant and therefor constitutes a serious leadership challenge for the organisation.	The position has been advertised by the Ministry of Finance, it is expected that the position will be filled as a matter of priority.
Ineffective management of partnerships	Unevenly managed partnerships will impact negatively on the capacity of the organisation to adequately deliver on the strategic business priorities. There is therefore a need to ensure that these partnerships are fit for purpose and reflect strategic priorities.	Effective implementation of the framework for strategic partnerships including tools and financing options to support the delivery of adequate stakeholder engagement.
Poor quality of technical and advisory support services	Lack of good quality services delivered to clients which negatively impacts on value for money, leading to a decline in demand for technical and advisory support services.	Strengthen the performance management system to ensure continuous improvement on the quality of service delivered to clients. Establish a quality assurance panel to review the quality of products delivered.
Inability to meet strategic priorities due to high turnover of expertise and/or poor management of skills and capabilities	Inadequate management of long term advisory (LTAs) and failure to timely refresh the panel system to ensure that skills match to strategic needs of the project work generated at GTAC.	Conduct a skills analysis to identify the type of expertise required to meet strategic needs of the project work generated at GTAC and facilitate proactive sourcing of the requisite panels. Establish adequate planning and management policies and processes for LTAs to meet the identified current and future expertise needs.
Misalignment of operational and procurement processes leading to inadequate support of PMUs	GTAC processes not in line with the PMU processes resulting in lack of adequate administrative management of the PMUs.	Review of current professional services procurement processes to ensure they appropriately reflect business needs. Continuous monitoring to ensure alignment of processes in order to adequately support the PMUs.



14 ANNEXURE D: ABBREVIATIONS

DBSA	Development Bank of Southern Africa
GTAC	Government Technical Advisory Centre
GRAP	Generally Recognised Accounting Principles
MFIP	Municipal Finance Improvement Programme
MTSF	Medium Term Strategic Framework
PER	Performance/Personnel Expenditure Review
PFMA	Public Finance Management Act, No. 1 of 1999
PMU	Project/Programme Management Unit
PPP	Public-Private Partnerships
PEPA	Public Expenditure and Policy Analysis
CPA	Capital Projects Appraisal
TCS	Technical Consulting Services
JF	Jobs Fund
REDI	Research Project on Employment, Income Distribution and Inclusive Growth



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