

Political Economy Analyses of Countries in Eastern and Southern Africa

Case Study – South Africa Political
Economy Analysis

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List of abbreviations

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
ANA	Annual National Assessments
ANC	African National Congress
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
BEMF	Budget Expenditure Monitoring Forum
COSATU	Congress of South African Trade Unions
CSI	Corporate Social Investment
CSOs	Civil Society Organisations
DA	Democratic Alliance
COGTA	Department of Cooperative Governance and Traditional Affairs
DBE	Department of Basic Education
DoJ&CD	Department of Justice and Constitutional Development
DHET	Department of Higher Education
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DSD	Department of Social Development
DDG	Deputy-Director General
ECD	Early Childhood Development
EFF	Economic Freedom Fighters
ENE	Estimates of National Expenditure
EU	European Union
FCS	Family Violence, Child Protection and Sexual Offences Unit
FFC	Fiscal and Financial Commission
FSA	Fiscal Space Analysis
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
HIV	Human Immunodeficiency Virus
IIAL	Incremental Introduction of African Languages
IBP	International Budget Partnership
IFR	Intergovernmental Fiscal Review
LES	Local Equitable Share
LSTM	Learning and Teaching Support Materials
M&E	Monitoring and Evaluation
MCH	Maternal and Child Health
MEC	Member of the Executive Council
MinComBud	Minister's Committee on the Budget
MP	Member of Parliament
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium-Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTPP	Medium Term Policy Priorities
MTSF	Medium-Term Strategic Framework
NA	National Assembly

NCOP	National Council of Provinces
NDoH	National Department of Health
NDP	National Development Plan
NFSNP	National Food Security and Nutrition Programme
NGOs	Non-Governmental Organisations
NGP	New Growth Path
NHI	National Health Insurance
NPA	National Prosecuting Authority
NPC	National Planning Commission
NSNP	National Schools Nutrition Programme
NYDA	National Youth Development Agency
PDoH	Provincial Department of Health
PEA	Political Economy Analysis
PES	Provincial Equitable Share
RDP	Reconstruction and Development Programme
SABC	South African Broadcasting Corporation
SACP	South African Communist Party
SADTU	South African Democratic Teachers Union
SALGA	South African Local Government Association
SAPS	South African Police Service
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SCA	Supreme Court of Appeal
SOE	State Owned Enterprise
SOEs	State Owned Enterprises
SONA	State of the Nation Address
TCF	Technical Committee on Finance
USAID	United States Agency for International Development
UNICEF	United Nations Children's Fund
WHO	World Health Organisation

Preface

This report is part of a series of country studies carried out by Ecorys and associates for UNICEF in Eastern and Southern Africa. The project aims to strengthen UNICEF's advocacy efforts through a better understanding of the role of political economy factors in processes and decisions around the creation and use of fiscal space for investments in children.

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The findings, interpretations and conclusions expressed in this report are those of the authors and do not necessarily reflect the policies or views of UNICEF or of the United Nations. The text has not been edited to official publication standards, and UNICEF accepts no responsibility for errors. The designations in this publication do not imply an opinion on legal status of any country or territory, or of its authorities, or the delimitation of frontiers.

Executive Summary

Leadership crisis and political infighting could affect the ongoing operations of the Government of South Africa and potentially spending on children. While the African National Congress (ANC) has been in power since 1994, corruption and abuse of political power has weakened their dominance. In recent years, President Zuma was found to have failed in his duty to uphold and defend the Constitution. The President has also since undergone seven votes of no confidence in Parliament. As a result, political partners have started moving away from the ANC in different ideological directions, resulting in strained relations and increasing political uncertainty. Efforts to address the major economic challenges, including pervasive unemployment, have further been hampered by deepening political divides, which have stalled policy discussions. Along with the rise of the opposition, this could lead to a shift in budget priorities in the near future, which could affect current budgets for children.

Although the budget process is primarily managed by the National Treasury, the Parliament, national and provincial departments, and civil society organizations (CSOs) play an important role. One important actor is the Department of Planning, Monitoring and Evaluation (DPME), which evaluates the effectiveness of major budget programs. This department is the main driver behind improving the quality of services across all government departments, which makes it well positioned to identify child-related issues. The DPME recently commissioned a series of program evaluations in the education and social development sectors, and these will certainly influence child-related policies. Another key player is the Department of Basic Education (DBE), but its strained relationship with the teachers' union and the government limit its current influence. Likewise, the Department of Social Development (DSD) and National Department of Health (NDoH) do not see children's welfare as a main priority, although there is some progress.

The South African government does not appear open to assistance from international partners, but UNICEF can leverage existing relationships to provide technical support and advocate for greater funding for children's issues. Some of the key entry points for advocacy are summarized below.

- **Work with the Education Portfolio Committee and CSOs:** Partnering the Education Portfolio Committee to develop a 'children's first' approach could impact resource allocation. An alternative approach is for UNICEF to partner and support existing CSOs that are active in this space. In reality, UNICEF is regarded as an outsider, which indicates that it may be more effective to work closer with local CSOs, particularly those engaged in child-related and public finance issues.
- **Build relationships with a wider range of stakeholders to drive the child agenda:** Some key targets include the National Planning Commission (NPC), which has an expressed interest in children, and the DPME, which is influential in setting national priorities. In addition, the National Youth Development Agency has been placed under the remit of DPME, and a stronger relationship with DPME can allow UNICEF to influence youth policy. The country has also recently embarked on a new evidence-based approach to budgeting. To help child-focused departments justify their need for more funding in priority areas, UNICEF can provide technical support and assist them in developing business plans to be submitted to the National Treasury.

- **Strengthen the capacity of Parliament to understand children’s issues:** Many Members of Parliament do not comprehend the complexities of children’s rights and their obligations to protect them, which further extends to how these issues are reflected in national and provincial budgeting processes. There is also an entry point to build on the current advocacy momentum around violence against children by bringing together active stakeholders and champions.
- **Work closer with provincial governments:** The National Council of Provinces is an important arm of the legislature. This avenue has not been explored fully as a possible entry point and can be used to hold provinces accountable to make sure that resources allocated to priority sectors have been used well. However, a starting point is for UNICEF to gain a better understanding of provincial-level decision making processes.
- **Safeguard social spending amidst austerity:** The National Treasury has become increasingly critical of departmental budgets that are used poorly or not spent, and will start taking away unused funds. UNICEF can play an important role in ensuring that priority sector departments spend their allocated funds efficiently through technical assistance and support. At the same time, UNICEF can help child-focused departments to take advantage of possible budget reprioritization by ensuring that their priorities are in line with the National Development Plan.

South Africa’s unstable political environment has introduced uncertainties around budget processes and priorities, but UNICEF can focus on influencing key actors to keep the spotlight on children’s issues. Many of the options revolve around building or strengthening relationships with government at the central level, from the Education Portfolio Committee and Parliament to DPME and NPC. At the same time, there are many untapped opportunities to engage with provincial governments as well as with CSOs in order to influence subnational budget allocation and execution processes. Perhaps most pressing, however, is the need to support child-focused departments to better spend their resources and prepare them to defend their budgets against potential spending freezes or cuts. Indeed, a ‘first call for children’ should be the driving force of advocacy to ensure that the most vulnerable children remain protected amidst austerity.

1 Political Landscape

1.1 Introduction

South Africa has demonstrated substantial commitment – in both word and deed – to prioritising expenditure on children, particularly in the fields of education and social protection. As substantiated in the accompanying Fiscal Space Analysis (FSA), South Africa’s social grant system, which includes millions of child beneficiaries, is lauded internationally. It has a transparent and pragmatic approach to budget allocation, while a strong and active civil society has demonstrably influenced and guided public policy and expenditure in this area. Unfortunately, this has not always translated into improved outcomes for children of a comparable magnitude. Systemic inefficiencies and poor accountability structures hold child-wellbeing outcomes to ransom, resulting in multiple lost opportunities to improve. Based on the findings of this Political Economy Analysis (PEA), opportunities have emerged, indicating a number of spaces in which UNICEF South Africa can position itself, and leverage its comparative advantage to better service the interests of children.

The analysis for this PEA report draws from several different sources. Secondary data includes internal UNICEF documents and reviews, annual reports and publications from relevant government departments, documents produced by parliament, and reports produced by civil society actors. The methodology for collecting primary data consisted of face-to-face-interviews, telephonic interviews, and written exchanges via email. The starting point consisted of meetings with the relevant Chief Representatives and Deputy Representatives within UNICEF, who provided us with the names and contact details of their counterparts in government line ministries. Analysis of the secondary data also identified institutions outside of government that are active in this space, including those in civil society and academia. Although multiple attempts were made to secure interviews with some of these identified key informants, many were not responsive. Appendix 1 provides a detailed list of the key informants interviewed.

This PEA report consists of four main sections. Section one provides an overview of the political context and historical struggles of South Africa, overcoming the tyranny of apartheid and recalibrating the state to serve all citizens equally, including the poor and vulnerable. Section two examines the South African budgeting process, describing the steps in the budget process, the role of parliament and the line ministries, and the activities at provincial and local government levels. Section three discusses the various arms of government, viz; parliament, national government, and provincial government; and considers their current challenges, constraints, and the extent to which they can influence budgetary processes. This is followed by a brief description of international donors, important and influential local NGOs, the main activities of UNICEF in South Africa, and the nature of UNICEF’s working relationship with the South African government. The final section provides concluding remarks and recommends some entry points for UNICEF.

1.2 Historical context

Whilst Afrikaans - one of the world’s youngest languages - is seldom heard outside the country’s borders, one word ‘Apartheid’ is internationally recognisable. Narratives of the nature and impact of this diabolical system of institutionalised racism have been widely documented and will not be examined in further detail in this report. Suffice to say, in the timeline of South Africa’s history, the year 1994 in which the country held its first democratic elections, serves as the ‘before’ and ‘after’ marker of all things relevant to the country’s social, political and economic development. As is well

known, the African National Congress (ANC) won the 1994 election with a substantial majority and has been in political power, at the national level, ever since.

Over last two decades, the ANC has introduced a number of policies specifically targeted at redressing the inequalities inherited from the apartheid regime. One of the first economic policies introduced post-1994 was the Reconstruction and Development Plan (RDP) which centred on rebuilding and transforming the South African economy. The broader aim of this socioeconomic policy was to establish a more equal society through reconstruction and development, and to strengthen democracy for all South Africans.¹ The RDP was notably successful in areas concerning social security through the establishment of an extensive welfare system catering for the needs of the elderly, disabled, children in need, foster parents, and many other vulnerable groups. Although the RDP was viewed as the foundation of the new government's developmental policy, it fell short in advancing economic growth, which ultimately impacted negatively its overall effectiveness.

To address the shortcomings and challenges in achieving the goals set out in the RDP, a new macroeconomic policy framework called GEAR - Growth, Employment and Redistribution - was introduced in 1996. GEAR was aimed at stimulating the economic growth needed to finance the growing demands for social investment. While GEAR encompassed many of the social objectives of the RDP, it also aimed to reduce fiscal deficits, lower inflation, maintain exchange rate stability, decrease barriers to trade, and liberalise capital flows.² Many successes were achieved under GEAR including the reduction of the fiscal deficit, a reduction in inflation, and a reduction in government consumption, all of which contributed to improved economic conditions and accountability. However, under GEAR, the country still struggle to address some of the country's key social challenges, including rising unemployment, growing poverty, and the redistribution of wealth.

GEAR was subsequently replaced by the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) in 2005 under the administration of President Thabo Mbeki. This new plan, although short-lived, was aimed at accelerating South Africa's economic growth and wealth redistribution. Following President Mbeki's removal from office, AsgiSA was replaced, in 2010, by the New Growth Path (NGP). The NGP emphasised job creation as its top priority and set an employment creation target of five million jobs by 2020 and a reduction of unemployment to 10%. This was to be achieved primarily through a public infrastructure programme.³ The most recent government policy to be released is the National Development Plan (NDP) which was introduced in 2013. It is seen as a policy guide for ensuring the eradication of poverty and the reduction of inequality in South Africa by 2030.

The ruling party's policies over the last two decades have had a significant impact in resolving some of the historical socio-economic challenges facing the country. The extension of access to education, healthcare, housing and basic services are noteworthy achievements in this regard and a testament to the ANCs efforts to ensuring social redress. However, the country continues to battle high levels of poverty and inequality which are closely tied to the structure of the South African economy for two reasons. Firstly, the economy continues to struggle to create jobs, a prerequisite for addressing structural poverty. Secondly, the unequal structure of the economy further deepens inequality by benefiting those with certain skills (and level of education) or political connections whilst keeping the rest of the population at lower levels of economic well-being.⁴

¹ (South African History Online, 2014).

² (South African History Online, 2014).

³ (Gumede, 2013).

⁴ (Gumede, 2013).

1.3 Current Political Trends and Contestations

This section provides an overview of the current political dynamics at play in South Africa. The purpose is to provide a perspective of the political environment as a broader context in which the issues regarding priority expenditure to children reside. Such trends may not have a direct or immediate bearing on child well-being. In some cases the impact may not be known for years to come, while in other cases, the link is more indirect than direct. Regardless, in recent years, the South African political climate has experienced several changes and periods of uncertainty. From challenges within and between political leadership structures, and economic mismanagement and corruption, to ongoing challenges of poverty, unemployment, inequality, and the rise of social unrest; the politics of the nation seem to be a sure sign of a need to address underlying leadership issues. The country's political climate is in a state of flux; the growing support of civil society movements and opposition parties will create policy uncertainty as the ruling party becomes more reactionary and populist in its position to sure up declining support.

1.3.1 Leadership crisis and political infighting within the ANC

In a January 2017, Business Insider listed South Africa as one of the 10 biggest risks the world faces in 2017. Political infighting and South Africa's deepening leadership failure were cited as threats to the country's role as the anchor for regional security.⁵ With two of the three alliance⁶ partners – the South African Communist Party (SACP) and Congress of South African Trade Unions (COSATU) – pulling in different ideological directions to the ANC - relations within the Tripartite Alliance have become strained. Furthermore, in contrast to his democratically elected predecessors; Nelson Mandela, Thabo Mbeki and Kgalema Motlanthe⁷, all of whom were well-known for their role in creating a legacy of nation building, current President, Jacob Zuma, has come under increasing fire for corruption and abuse of political power. In April 2016, a ruling by the Constitutional Court found that President Zuma had failed to uphold and defend the Constitution and his oath of office by refusing to comply with the remedial action proposed by the Public Protector - to repay the public funds used for certain renovations to his private family homestead in Nkandla. Later in the year, the Supreme Court of Appeal (SCA) refused to hear the National Prosecuting Authority's (NPA) appeal to the North Gauteng High Court judgement to reinstate 783 fraud and corruption charges against President Zuma.⁸ The Democratic Alliance (DA) later launched a motion of no confidence following the release of the Public Protector's State Capture report which uncovered how the Gupta family played a key role in Cabinet appointments, made under-handed deals in pursuit of business interests, and revealed the President's failed to act. All these events have compromised the ruling party's credibility and highlighted the leadership crisis being faced in the country.

1.3.2 Economic mismanagement and fears of credit rating downgrades

South Africa's long-term average Gross Domestic Product (GDP) growth rate has fallen from 4% in 2006 to below 1% in 2016.⁹ According to National Treasury, this weak growth has primarily been fuelled by poorer global economic conditions (slowdown in trade, weaker commodity prices, and high risks of external volatility) coupled with lower levels of investor confidence in the domestic economy. The overall decline in investor confidence is believed to be driven by perceptions of growing political risk as well as "concerns about the ability of public institutions to make decisions on difficult trade-

⁵ (Holodny, 2017).

⁶ The tripartite alliance is a strategic political alliance between the African National Congress (ANC), South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU). It was formed in 1990 after the ANC was unbanned. The understanding was that the SACP and COSATU would support the ANC in the elections and not contest elections themselves.

⁷ President Motlanthe served as president from 2008 to 2009, following the recall of President Mbeki,

⁸ (Daily Maverick, 2016).

⁹ (National Treasury, 2016).

offs and manage change”.¹⁰ In addition, the economy is expected to grow only modestly in the short- to medium-term with projections of 1.3% in 2017 and 2.1% in 2018.¹¹

Continued efforts by government to address the major economic challenges and boost economic performance have been hampered by the deepening divide which has stalled policy discussions within the ruling party. The link between political climate and economics is evident from exchange rate fluctuations, with the Rand strengthening after positive political changes (such as the outcome of the 1994 elections), and depreciating during times of uncertain political events (such as President Zuma’s firing of finance minister Nhlanhla Nene in December 2015 and the more recent firing of minister Pravin Gordhan in March 2017)^{12;13}. The “politically-fuelled” power struggle between National Treasury (through former minister Pravin Gordhan) and the South African Revenue Service (SARS) (through its Commissioner, Tom Moyane) over plans to restructure SARS also further emphasises the importance of managing the relationship between politics and economics. More specific to the South African case, is the need to manage the relationship between politics and the management and performance of State Owned Enterprises (SOEs). With political tensions rising for the first time since democracy, the country needs to ensure that it has the capacity to sustain its current fiscal discipline and to efficiently deliver on its policies.¹⁴ South Africa’s potential sovereign debt downgrade and its current fiscal position is discussed in more detail in the fiscal space analysis.

1.3.3 The rise of opposition parties: Democratic Alliance and the Economic Freedom Fighters

“When government is absent, distracted or incompetent, other agencies and actors move in to fill the associated void, and new political dynamics emerge”¹⁵

The quote above succinctly sums up the power dilemma in which the ruling party currently finds itself. The results of the 2016 local government elections, with the increasing popularity of political parties such as the DA and the Economic Freedom Fighters (EFF) have signalled a shift in the political landscape, indicating that the ANC may struggle to hold on to its political reigns. Not only did the ANC lose its majority rule of key metropolitan municipalities including the City of Johannesburg, City of Tshwane, and Nelson Mandela Bay Metropolitan Municipality to the DA, it also lost ground in terms of its share in the total number of valid votes cast (dropping from 64% of total valid votes in 2011 elections to 56% in the 2016 local government elections).¹⁶ Although the EFF failed to meet its goal to win at least one municipality, the party did not go unrecognised, emerging as a political threat in Johannesburg, Tshwane and Nelson Mandela Bay receiving between 5%-12% of votes in these metropolitans.¹⁷ Coalition talks between the DA and EFF, amongst others, were a strong signal of the eminent shift in political powers in the country. But the rise of the EFF is not without risk, as the EFF is pushing an agenda of land redistribution without compensation, nationalisation of mines and banks, and anti-capitalism. Such radical policy shifts could channel funds away from current priorities (including children), and could potentially harm investor confidence and negatively impact economic performance, ultimately impacting on future budget allocations.

¹⁰ (National Treasury, 2016).

¹¹ (National Treasury, 2016).

¹² On other occasions the rand has responded in the opposition direction to what was expected.

¹³ (Cilliers & Aucoin, 2016).

¹⁴ (le Cordeur, 2016).

¹⁵ (Cilliers & Aucoin, 2016).

¹⁶ (IEC, 2016).

¹⁷ (IEC, 2016).

1.3.4 Poverty, unemployment and inequality

Although the ANC has made great strides in addressing the challenge of poverty, unemployment remains a key challenge. With a national official unemployment rate of 27.1% and a youth¹⁸ unemployment rate of 30.6% in the third quarter of 2016, the situation does not bode well for the economy's growth prospects going forward. This is placing increased pressure on government to find ways to support job creation across the board. One such example is the youth wage subsidy – an employment tax incentive that provides a subsidy up to a maximum of R1,000 a month to employers of youth aged between 18-29 in their first formal jobs, who earn less than R6,000 per month.

Government expenditure on social protection was revised to R165.1 billion for 2016/17 making it the fifth¹⁹ largest functional expenditure item in the Medium Term Strategic Framework. Furthermore, according to Statistics South Africa, approximately 10.2 million people lived in extreme poverty in 2011²⁰ and by 2015, a total of 16.9 million South Africans were recipients of social grants compared to four million in 1994.²¹ This highlights one possible limitation of the current economic model to addressing issues of poverty – South Africa will most likely run out of the fiscal space to continue to support such expenditure levels, unless it can find ways to grow the economy and address the dire unemployment problems. Additionally, South Africa holds the dubious honour of one of the highest levels of income inequality in the world.

1.3.5 Corruption

According to the World Bank's global governance indicators, South Africa has experienced a steady decline in its governance effectiveness and control of corruption ranking since 1996.²² The post-1994 elections saw the establishment of a number of critical institutions such as an independent Constitutional Court and Public Protector. However, in recent years, these institutions have been subjected to high levels of political interference.²³ As a result, increasing levels of corruption and political patronage have compromised the credibility of many of these institutions and resulted in declining international confidence in the country's potential.²⁴

Corruption at the local government level; in public-sector procurement and supply chain processes (tender corruption and the rise of 'tenderpreneurs'²⁵) and the overall lack of accountability for public servants, lie at the centre of South Africa's corruption woes. Recognising the good progress South Africa has made in developing effective public service institutions (including regulations) – through the Constitution, decentralised approach and sector-specific policy approaches – effective service delivery has been hampered by the poor implementation of these policies and frameworks and ineffective accountability measures.²⁶ In 2015, 16% of corruption-related incidents reported to Corruption Watch occurred at the local government level.²⁷ Coupled with the planned Russian nuclear deal, in which the president and groups linked to the ANC have been found to have significant financial interests, the Nkandla scandal and State Capture situation discussed above, and the currently-emerging battle against corrupt behaviour of the board of the national broadcaster – the South African Broadcasting Corporation (SABC); one can understand the declining rank in the World

¹⁸ Aged between 15-24 years.

¹⁹ The largest expenditure item is Basic Education at R228.4 billion for 2016/17.

²⁰ (Stats SA, 2014).

²¹ (Cilliers & Aucoin, 2016).

²² (Cilliers & Aucoin, 2016).

²³ (Burger, 2016).

²⁴ (Cilliers & Aucoin, 2016).

²⁵ Tenderpreneur refers to an individual who abuses their political power/connections to secure government tenders and contracts.

²⁶ (The World Bank, 2011).

²⁷ (Cilliers & Aucoin, 2016).

Bank's global governance indicators. All these incidences further undermine the state's credibility, with limited public resources being continuously channelled to address these situations.

1.3.6 *Social uprising/protests (Service delivery; Fees must fall; Zuma must fall)*

Over the past 12 months, South Africa has been hit by growing domestic protest movements calling for improvement in the overall provision of public services, changes in university fees and staffing, and the resignation of the sitting president. As support for the ruling party continues on its downward trajectory (as evidenced by the local government elections in 2016), it is set to potentially lose its majority in 2019.²⁸ According to the Public Violence Monitor published by the Institute for Securities Studies', there has been a drastic increase in the number of protests fuelled by frustrations over poor levels of local government service delivery and organised labour matters.

The Fees Must Fall protests which centred on rising student fees, university staffing issues and student accommodation emerged in 2015 and have since become highly politicised. The student's call for lower to zero fees, has put substantial pressure on the government to find ways to supplement its allocation to higher education in an already constrained fiscal space.

1.3.7 *The role of the courts, Public Protector and public litigation*

The South African state, as a representative democracy, has three branches of power, distributed between the legislative (parliament), the Executive (the President), and an independent judiciary. The role of parliament is to hold government and the Executive to account, but instead, particularly under the administration of President Zuma, parliament has increasingly been used to shield and protect the ruling government. Two of the few remaining 'untainted' institutions are the judicial system and the Public Protector – an independent office charged with investigating state misconduct. The courts have often ruled against the state and there have been many landmark decisions that have directed government to remedial action. As a result of this, there is a growing trend for institutions, mainly civil society organisations and opposition parties, to use the court system as a means of holding the government, parliament and politicians to account, or to bring them to justice.

1.4 **Concluding remarks**

One could ask how the above description of the current political state – in its various states of crisis – determine or influence priority expenditure to children. In many ways, the impact is indirect, and in others, only time will tell. What is emerging though is that the leadership crises within ANC is a distraction to the leadership and policy setting, with a knock-on effect within line ministries. The slowing rate of economic growth, resulting from the decline in confidence in the management of the economy means that National Treasury will collect less revenue, with the obvious knock-on effect of reducing available government expenditure. The greater interest of civil society in the effectiveness of government, especially in the area of service delivery; and the growing calls for improved service delivery, create possible opportunities for interested groups to add their voice.

²⁸ (Cilliers & Aucoin, 2016).

2 Structure and dynamics of the budget process

This section provides an overview of the South African budget process. The process involves a continuous cycle of numerous inter-departmental and legislative engagements that fall within a set of predetermined timelines and deliverables. The process is mainly overseen by National Treasury who is responsible for the consolidation of all inputs from national and provincial departments, various budget committees, councils and forums and civil society. Understanding the level and functions of decentralisation within the country is also key, along with the role of provincial and local governments. It is an iterative process that ends in the Minister of Finance tabling the final Budget in Parliament for approval.

2.1 The budgeting process

The budget serves as a key policy statement with regards to the priorities and commitments of government, within a context of competing interests and limited resources. The budget is guided by allocative efficiency, fiscal sustainability and service delivery, and must meet three functions:

- (i) spending, taxation and borrowing must support economic and development objectives;
- (ii) resources must be allocated to political priorities; and
- (iii) the budget must be a useful tool towards improving quality and efficiency of spending and borrowing for effective oversight.

The budget must also be comprehensive in that it includes State Owned Enterprises, public entities and agencies and donor receipts.²⁹ It is a political exercise driven by political choices which determine priorities and ultimately which programmes and projects receive funding.

The South African National Budget is drawn up for a 12-month period. Introduced in 1997, the Medium-Term Expenditure Framework (MTEF) allows for the budgeting to be done over a three-year rolling period, and although parliament is presented with three-year budget plans, it only votes on the budget for the following year.³⁰ Since 2009, the budgeting process has undergone reform, moving to an outcomes-based approach which provides a framework for results-driven performance.

The overall budget process, as outlined in Figure 2.1 below, begins with the central government's decision on the broad allocation of budget resources to the "top slice", the national, provincial and finally local government. The "top slice" allocation is for national obligations such as the repayment of government debt; contributions to the emergency reserve; and allocations to a reserve set aside for meeting specific policy priorities (This reserve is ring-fenced and is not available for sharing between the different levels of government). The next set of broad allocations are made through a process called the vertical division of the budget allocation. Using national equitable share, and driven by the political decisions of Cabinet, the budget is allocated to the three spheres of government; national, provincial and local. Conditional grants³¹ at provincial and local government levels are also allocated at this stage.

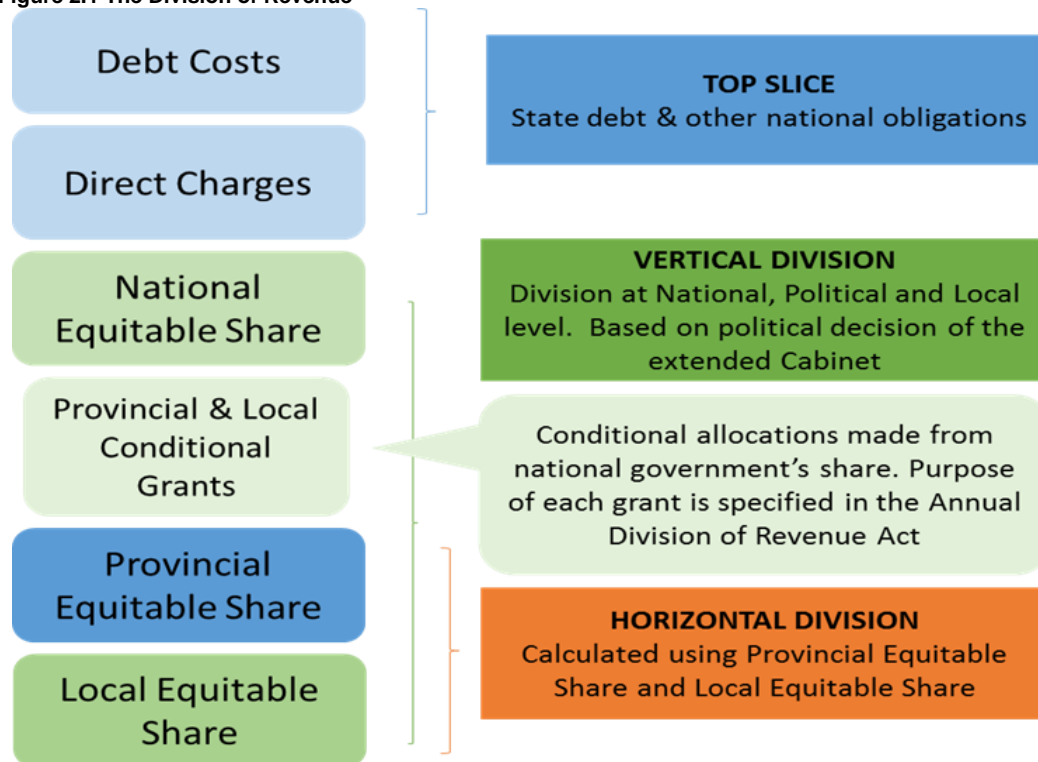
²⁹ (National Treasury, 2016).

³⁰ (McIntyre & Nicholson, 1999).

³¹ These are grants to provincial and local government for spending on national priorities. While the receiving government spend the grant, it remains the duty of national government to monitor and assess if goals have been achieved.

This is then followed by a determination of how much each individual province will be allocated, under this process, known as the horizontal division of the budget allocation, each province is allocated a lump-sum or “global” allocation and it is the up to the province to decide on how to divide this allocation amongst its departments. In terms of the Constitution, provinces have legislative and executive powers, concurrent with the national sphere of government in several functions such as education, social development, police services, and health services. These powers can be exercised to the extent that provinces have the administrative capacity to assume effective responsibility.³²

Figure 2.1 The Division of Revenue



Source: (National Treasury, 2016).

The Constitution also calls for fiscal equalisation transfers to ensure that provincial and local governments receive an equitable part of the budget. At province level, this is done using the Provincial Equitable Share (PES) formula which attempts to address historical inequities in a redistributive manner. The formula allocates resources to each province based on the needs of the province relative to other provinces. This allocation, the details of which are presented in the Revenue Sharing Bill, is determined by the Ministry of Finance using a formula that accounts for the following six factors³³:

1. Education (48%): based on the average size of school-age population and the number of learners enrolled in public, ordinary schools;
2. Health (27%): uses a Combination of a population risk-adjusted capitation index based on the health risks of the demographic profile of the province (75% weighting), and the relative case-load share in hospitals (25% weighting);
3. Basic component (16%): based on each province's share of the total national population;
4. Institutional component (5%): This is divided equally among the provinces;
5. Poverty (3%); and
6. Economic output (1%): Based on GDP data.

³² (South African Government, n.d.).

³³ Budget Review Annexure W1, National Treasury (2014) cited in (Verwey, 2015).

At local government level, allocations are done using the Local Equitable Share (LES) formula. While municipalities raise their own revenue through property taxes, punitive fines, and service charges, smaller, more rural, or poorer, municipalities may not be able to generate sufficient funds from these sources. The LES formula thus allocates more funding to these municipalities than it does to bigger metros. The reason is that the LES is intended only to help local government overcome backlogs in the provision of basic services, and is not a substitute for self-generated revenue by local government.

The allocation of resources to outcomes is done according to function group so as to allow for easier classification of expenditure (reporting) and to ensure effective organisation of the processes and structures. The core priorities of each function group are aligned with both the National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF)³⁴. There are nine budget function groups, each of comprise of one or more technical groups as shown in Table 2.1 Budget Function Groups below. These groups convened by National Treasury and consist of stakeholders from a number of relevant departments, public entities, and provincial structures responsible for the preparation of reports to the Medium-Term Expenditure Committee (MTEC). The function groups may convene as a Director-General's budget forum and comprise concurrent functions.³⁵

Table 2.1 Budget Function Groups

Function Group	Technical Groups
1. Basic Education	A. Basic Education; B. Arts, Sport, Recreation and Culture.
2. Post-School Education and Training	C. Post-school Education and Training.
3. Health	D. Health.
4. Social Protection	E. Social Development and Welfare Services.
5. Defence, Public Order and Safety	F. Defence and State Security; G. Police Services; H. Law Courts and Prisons.
6. Economic Affairs	I. Industrial Development and Trade; J. Employment, Labour Affairs and Social Security Funds; K. Science, Technology, Innovation and the Environment; L. Economic Infrastructure and Network Regulation.
7. Human Settlements and Municipal Infrastructure	M. Human Settlements and Municipal Infrastructure.
8. Agriculture, Rural Development and Land Reform	N. Agriculture, Rural Development and Land Reform.
9. General Public Services	O. Executive and Legislative Organs; P. General Public Administration and Fiscal Affairs; Q. Home Affairs; R. External Affairs and Foreign Aid.

Source: (National Treasury, 2016).

³⁴ The National Development Plan and the Medium Term Strategic Framework are described in more detail further on.

³⁵ (National Treasury, 2016).

2.2 Decentralisation, Provincial and Local Government

Chapter 3 of the Constitution of South Africa establishes three distinct spheres of government as shown in Figure 2.2 below. Each sphere is governed by an elected legislature, and has been assigned certain powers and functions. The Constitution also guides the three spheres in cooperating in the delivery of concurrent functions and assigns revenue sources by sphere.

Figure 2.2 Functions of the three spheres of government



Source: (Verwey, 2015); (National Treasury, 2016).

National government is responsible for overall policy development and oversight and sets priorities through legislation, norms and standards or political statements. It is also responsible for monitoring and evaluation of government performance and programmes. National Treasury is the key custodian of the national budgeting process but relies heavily on the coordinated inputs from all national departments. Provincial government makes up the second tier of government and is responsible for the social service delivery functions concurrent with the national sphere; including education; health, social development, agriculture, roads, and human settlements. Given this division of function, it comes as no surprise that 98% of public health sector expenditure is incurred by at provincial level³⁶. Through the process of division of revenue and the allocation of conditional grants, provinces act as key funders of the policy priorities set at the national level. Provinces do not have full autonomy over the expenditure however as a large part of the funding they receive from the national department come in the form of conditional grants which are ring-fenced for specific purposes. Within the budget process, provincial departments are responsible for the development of their three-year rolling budgets, which are submitted to the provincial treasuries. They then negotiate with the provincial treasuries to ensure that their provincial estimates are in line with a provincial allocation from the Budget Council and only then do they submit their final estimations to their Provincial Executive Council.³⁷

The last sphere is local government, comprising a number of municipalities and metropolitans who are mainly responsible for the delivery of basic community services including water and sanitation, electricity, municipal transport and roads, as well as community services. In addition, they provide

³⁶ Including conditional grants.

³⁷ (McIntyre & Nicholson, 1999).

free or subsidised basic services to households. Although they do receive an equitable share of the national budget, as well as direct and indirect conditional grants, they have more spending autonomy as they have the capacity to raise their own revenue. The South African Local Government Association (SALGA) is the sole representative of local government interests in the national budget process. As such, municipalities are not directly involved in the budget process per se. Instead, SALGA interfaces with parliament, the National Council of Provinces (NCOP), Cabinet, as well as provincial legislatures.³⁸

Over the past three years, the allocation to provinces and local government has been an estimated at R471.8 billion and R99.7 billion respectively. The allocation to provinces and municipalities over the medium-term is expected to grow slower than the actual costs incurred in providing public services.³⁹ This slower growth in transfers is driven by reprioritisation efforts to fund new spending needs and in attempt to return the budget growth to a sustainable path. Provincial and municipal governments are being pushed to strengthen efforts to work and spend more efficiently, reduce non-core expenditure, and increase funding from own revenue generation.⁴⁰ Some progress is being made in this regard with expenditure on the Health Facility Revitalisation Grant increasing from 85.3% in 2012/13 to 92.3% in 2014/15. In addition, spending on both the National School Nutrition Programme and the Comprehensive HIV and Aids Grant exceeded 99% in 2015/15. Local government infrastructure grants also improved their performance in recent years.

2.3 The budget cycle

As outlined above, the budget process begins with national government decisions on how the nationally raised revenue is to be allocated to the three spheres of government. The national, provincial and local governments then divide their budgets between their different departments. The departments then make decisions on how much to spend on different programmes. All these decisions take place through the budget cycle, which in South Africa consists of four phases namely:

- Phase 1: Planning (drafting) (January to December of the year prior to implementation);
- Phase 2: Legislative (authorisation) (January & February of the implementation year);
- Phase 3: Implementation (March to February of the implementation year) and
- Phase 4: Evaluation (auditing) (ongoing).

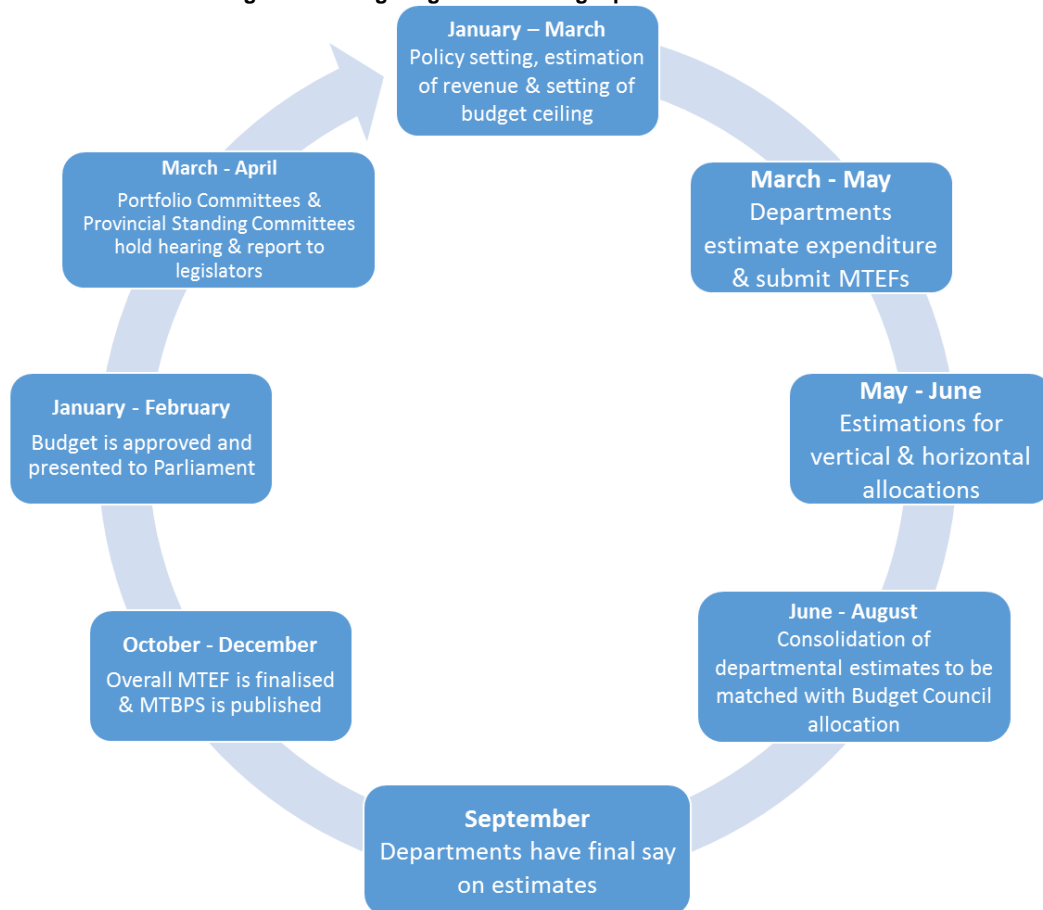
The figure below presents a timeline for the South African budget process.

³⁸ (National Treasury, 2016).

³⁹ (National Treasury, 2016).

⁴⁰ (National Treasury, 2016).

Figure 2.3 Phase 1: Planning and Drafting Stages of the Budget process



Source: Adapted from (Parliament of RSA, 2011) and (McIntyre & Nicholson, 1999).

2.3.1 Phase 1: Planning (drafting)

Phase 1A: Prioritisation:

Beginning in January of the year prior to the implementation of the budget, the budget planning process is initiated with Cabinet setting broad policy priorities that inform the macroeconomic and fiscal framework against which detailed budgets will be measured at a later stage.

This prioritisation process begins with the Medium Term Strategic Framework (MTSF) which forms the basis for the medium-term priorities as outlined in the State of the Nation Address.⁴¹ The Ministers' Committee on the Budget, known as MinComBud, sets broad priorities on issues such as the allocation of resources within the social and economic sectors. The medium-term priorities are then reviewed by the MinComBud together with the Budget Council who also consider issues pertaining to local government through consultations with SALGA. The Fiscal and Financial Commission (FFC)⁴² also submits its recommendations on the division of revenue for the forthcoming year. The final set of policy choices (Medium Term Policy Priorities (MTPP)) are then determined by Cabinet and the Provincial Executive Committees.

Phase 1B: Preparation of Medium-Term Expenditure Framework budget submissions

Between March and May of every the year prior to the implementation of the budget, National Treasury and the Budget Council reviews the Medium Term Fiscal Framework (MTFF) and calls for national and provincial departments to prepare and submit their MTEFs based on the guidelines send

⁴¹ (Parliament of RSA, 2011).

⁴² The FFC is an independent advisory body responsible for advising parliament and provincial legislatures on matters concerning finance.

by, and the format specified by, National Treasury. National and provincial departments determine their departmental goals, estimate their expenditure and submit draft expenditure applications either to the provincial treasuries or National Treasury. Submissions from national departments must include details of all conditional grants, and any other pertinent information which is to be taken into account during the allocation of revenue later on in the budget process. These submissions are then evaluated by National Treasury which may require the departments to respond to comments during or prior to the Medium Term Expenditure Hearings.⁴³

Phase 1C: Vertical and Horizontal Determinations

This is followed (over the May to June period) by the Budget Councils' determination on how to divide tax revenues firstly, between the three spheres of government and secondly, amongst the nine provinces.

Phase 1D: Vertical and Horizontal Consolidation

From June to August, all the individual departmental estimates are combined into a single national-level estimate, while the provincial treasuries combine all their departmental estimates into a single provincial estimate. The Budget Council then needs to ensure that all the departmental estimates submitted by each province match the lump sum that the Budget Council has allocated to that province. Recommendations are then made on the medium-term allocations by the MTECs by evaluating and ensuring that the national, provincial and departmental submissions are within their baseline allocations. Negotiations then take place to defend submitted estimates and provincial and national departments may sometimes have to make budget cuts to ensure that estimates match the amount allocated to them in the MTEF. The Technical Committee on Finance refines the recommendations arising from the MTEC considerations before they are submitted to the Budget Council for consideration. The Budget Council makes recommendations on the division of revenue to Cabinet. It is ultimately the national MTEC that makes the final decision about national budgets.⁴⁴

As outlined above, the division of revenue among the provinces (horizontal division) is governed by a revenue sharing formula. The vertical division of revenue (amongst the three-spheres of government) however, is not, and is based on the principle that each sphere is allocated sufficient resources to enable it to provide for its "constitutionally-mandated obligations in general and provision of basic services in particular".⁴⁵ In June 2001, the FFC submitted recommendations for the Division of Revenue 2002-2003 and their submission included nine proposals relating to provincial government and thirteen relating to local government. Specific to the horizontal and vertical division of revenue, the FFC proposed that the constitutional provisions on basic services also be governed by a "formula-based approach" for the division of revenue between provinces and local governments. Partly based on the analysis presented in the Intergovernmental Fiscal Review (IFR), government was of the view that such an approach would be impracticable for four key reasons. Firstly, a formula would be difficult to apply across the three spheres of government as no concise definition of what constitutionally mandated basic services associated within each sphere exists. Secondly, there are no objectively determined norms and standards for basic services and other constitutional functions. Thirdly, due to the unavailability of data, government would not be able to adopt such an approach. Lastly, unless it can be clearly demonstrated that the current vertical and horizontal divisions of revenue are inequitable between and within the spheres, it would be difficult to justify substantial revisions to the formula and any proposed changes should be weighed against the potential disruptions, instability and uncertainty to budgetary planning that would arise from such changes.⁴⁶

⁴³ (Parliament of RSA, 2011).

⁴⁴ (McIntyre & Nicholson, 1999).

⁴⁵ (National Treasury, 2002).

⁴⁶ (National Treasury, 2002).

Phase 1E: Finalisation

The month of September and part of October essentially represents the final leg of negotiation in the budget process and involve the national MTEF Committee submitting final recommendations on the budget allocations to each national department to Cabinet. The Provincial Executive Councils also meet to consider their draft, consolidated provincial MTEF, while the sectoral teams (for education, health, social welfare, justice, and defence) review the estimates with their comments incorporated into the overall draft budget.

Finally, proposals for conditional grants to each province are compiled and submitted by provincial departments to show how the grant money will be spent. Conditional grants (see Box 2.1 below) are allocated to fulfil national priorities such as improved child nutrition, teacher training, and health service delivery. For example, in the 2014/15 fiscal year, conditional grants provided to provinces constituted 22.5% of total provincial expenditure on health. These grants are approved by Parliament and are sourced from the budget of the relevant departments.⁴⁷ A Medium-Term Budget Policy Statement (MTBPS) is drafted by National Treasury, setting out the policies upon which the MTEF is based. This is tabled in Parliament towards the end of October.⁴⁸

Box 2.1 Conditional Grants⁴⁹

The transfer of funds between the various spheres of government is a prominent feature of public finance across a number of countries and South Africa is no different. The main reason for these intergovernmental transfers is that national government is able to raise more revenue compared to provincial and local governments. In fact, Sections 227(1)(a) and (b) of the South African Constitution of 1996 state that the subnational governments are entitled to an equitable share and may receive other allocations from national government, either conditionally or unconditionally. Two classifications of conditional grants exist, direct and indirect. Direct conditional grants are transferred directly into the recipient's (e.g. municipality) bank account and must be spent on a stated objective and comply with stipulated conditions and reporting. Indirect conditional grants are not transferred directly to the province or municipality but to a national department or public entity that then performs the function on behalf of the municipality or province. Once completed, any infrastructure developed becomes the responsibility of the relevant municipality or province.

Source: (Mtantato & Peters, 2016).

Phase 1F: Draft Medium Term Expenditure Framework

Over November and December, once the Cabinet, the Provincial Executive Councils, and sectorial MTEF teams have reviewed all national and provincial MTEFs, a draft overall MTEF is compiled and submitted to the Budget Council and Cabinet for approval. Once approved, the vertical and horizontal divisions are finalised and the allocations to national and provincial governments adjusted accordingly. National departments and provincial treasuries are then informed of how much they will be allocated, allowing them to finalise their MTEFs in line with the adjusted allocation.

Phase 1G: Budget Council and Cabinet Approval

In January the budget year, the final MTEF is submitted to the Budget Council and Cabinet for approval. National Treasury leads the Budget Review process and coordinates the compilation of the Estimates of National Expenditure (ENE).⁵⁰ The budget preparation process forms part of the consolidation of the Division of Revenue Bill and the MTBPS. Following this, the Minister of Finance presents the budget to Parliament in February. Overall, each budget cycle produces one National Budget, nine Provincial Budgets and almost 300 Municipal Budgets.

⁴⁷ (McIntyre & Nicholson, 1999).

⁴⁸ (Parliament of RSA, 2011).

⁴⁹ (Mtantato & Peters, 2016).

⁵⁰ (Parliament of RSA, 2011).

2.3.2 Phase 2: Legislative (Authorisation)

Following the tabling of the comprehensive budget, National Treasury leads the process of debating the proposed budget in Parliament with the participation of organised interest groups, civil society, the media, and the general public. The legislature is thus able to scrutinise the expenditure and revenue proposals of the Executive and the broader inclusion of interest groups, the media and the public ensures greater transparency.⁵¹

2.3.3 Phase 3: Implementation

Once the budget has been enacted by Parliament, the implementation phase officially commences. The budget is implemented by the Executive through government departments and other SOEs, and occurs after the funds are released by National Treasury in accordance with the approved budget.

2.3.4 Phase 4: Evaluation (Auditing)

The evaluation phase involves the review of the final budget documents by independent audit institutions such as the Auditor-General (AG) so as to assess the consistency of the documents with legal authorisation.

2.4 Key role-players in the budgeting process

The budget is the direct responsibility of Cabinet, National Treasury, the Provincial Executive Councils, and numerous other public bodies. National Treasury is responsible for the country's overall macroeconomic and fiscal policy, and its role in the budgeting process includes:

- providing the overall fiscal framework based on the macroeconomic forecast;
- proposing the division of revenue between the three spheres of government based on the fiscal framework and priority decisions made at the political level;
- providing technical guidance for budget submissions;
- evaluating budget submissions and ensuring that they reflect key government priorities;
- making recommendation to the Medium-Term Expenditure Committee; Budget Council, Budget Forum and the Minister's Committee on the Budget – who in turn make recommendations to Cabinet; and
- consolidating the budget and deciding on final sector ceilings and allocations.

Other key stakeholders in the budget process include:

- **National and provincial departments** are responsible for drawing up expenditure plans outlining departmental goals, policies and spending options, as well as relevant projections for inputs, outputs and outcomes. Their role is discussed in more detail in Section 3.3 below;
- **The Budget Council** consists of the Minister of Finance and the provincial MECs of Finance. Its main function is to co-ordinate the various interests of national and provincial governments and to make sure that agreement is reached on revenue sharing.⁵² The national and provincial governments consult the Budget Council on any matters relating to legislation or policy that have financial implications for the provinces, or on matters relating to provincial budgets;
- **Cabinet and Provincial Executive Councils** utilise their political oversight of the budget process to decide on the division of revenue between national departments and provinces and also set (with guidance from the Budget Council) the policy priorities for the budget. The Provincial Executive Councils set spending priorities for provincial departments;⁵³

⁵¹ (Parliament of RSA, 2011).

⁵² (National Treasury, 2016).

⁵³ (Parliament of RSA, 2011).

- **The Medium-Term Expenditure Framework (MTEF) Committee** is comprised of the Minister and Deputy Ministers of Finance, the Director General of National Treasury, and other officials of these departments. The Committee's main role is to decide on the final allocations between National Departments and to prepare the annual medium-term expenditure guidelines. These guidelines provide information and guidance to national and provincial departments and entities for the preparation of expenditure estimates for the medium-term expenditure framework by providing:
 - An outline of government's priorities over the medium term;
 - Guidance on how to examine departmental baselines and reprioritise expenditure;
 - An outline of the process and timelines for expenditure estimate submission; and
 - A description of the information to be provided by line departments when submitting estimate expenditures.
- **The Financial and Fiscal Commission (FFC)** is an independent advisory body – established by the Constitution - to advise Parliament and provincial legislatures on matters concerning finance and the budget. It does this by providing recommendations (that are not legally binding) on how to decide on a fair division of the budget between the three spheres of government. The FFC is also an observer at Budget Council meetings;
- The **National and Provincial Legislatures** are responsible for reviewing the budget after it has been tabled in Parliament, as well as monitoring departmental expenditure once the budget has been approved;
- **Civil servants**, particularly those at national and provincial level, play a critical and influential role in the budgeting process. Of particular significance are the civil servants in the National Treasury and Provincial Treasuries as they are responsible for the financial management at these levels. Although they do not have any policy-making powers, civil servants are responsible for the collection and analysis of information about expenditure plans and targets, administering policies, and assisting with the technical aspects of drafting the budgets;⁵⁴
- **The Minister's Committee on the Budget (MinComBud)** members are appointed by the President on recommendation from the Minister of Finance. This Committee, chaired by the Minister of Finance, is responsible for setting broad priorities (such as economic assumptions, fiscal policy objectives, and tax proposals) on issues such as the allocation of resources within the social and economic sectors.⁵⁵ These priorities are then submitted to Cabinet through the Minister of Finance;
- **The Budget Forum** is made up of everyone who sits on the Budget Council as well as representatives from SALGA. The Forum allows for national and provincial government as well as organised local government to consult on fiscal, budgetary or financial matters affecting local government;⁵⁶
- **National Portfolio Committees and Provincial Standing Committees.** Members of Parliament sit on different portfolios/ standing committees, such as the Joint Committee on Finance. In most cases, these committees have the authority to review any aspect of the budget or any element affecting the budget. They can also call for public hearings and make recommendations;
- **The Medium Term Expenditure Committee (MTEC)** is a committee of senior officials from National Treasury, the Department of Planning, Monitoring and Evaluation (DPME), the Department of Cooperative Governance and Traditional Affairs (COGTA), and the Department of Public Service and Administration (DPSA). The Committee makes recommendations to the MinComBud regarding budget allocations in the MTEF by accounting for government priorities, available funding, funding sources as well as the division of revenue amongst the three spheres of government;⁵⁷

⁵⁴ (Parliament of RSA, 2011).

⁵⁵ (National Treasury, 2016).

⁵⁶ (National Treasury, 2016).

⁵⁷ (National Treasury, 2016).

- **The Technical Committee on Finance (TCF)** is a committee comprising the heads of all the provincial treasuries. It is chaired by the Deputy-Director General (DDG) of the Intergovernmental Relations (IGR) division of National Treasury. The TCF considers intergovernmental finances and the division of revenue and makes recommendations to the Budget Council, Budget Forum and MTEC.⁵⁸

2.5 The role of Parliament in the budget process

The South African Parliament comprises two houses supported by a joint administration - the National Assembly (NA), and the National Council of Provinces (NCOP). Each house has a committee on finance responsible for considering and reporting on the national macro-economic and fiscal policy, any amendments to the fiscal framework, revenue proposals and Bills as well as actual revenue published by National Treasury. In addition, both houses have a committee on appropriations responsible for considering and reporting on spending issues, amendments to the Division of Revenue Bill and Appropriation Bills, actual revenues published by National Treasury, as well as recommendations of the FFC. The NA is directly elected by the voters, while the NCOP is elected by the provinces, representing them to ensure provincial interests are taken into account at a national level.

The Constitution provides Parliament with the powers to amend the budget through the Money Bills Amendment Procedure and Related Matter Act, 2009. Through the parliamentary and finance committees, parliament plays an important role in the budgetary process. Specifically, parliament oversees the enactment of the budget and is involved in budget debates, budget vote presentations, budget amendments, and the passing of the final budget. Before making any amendments to the budget, parliament's finance committees adopt the fiscal framework and revenue proposals.⁵⁹

The bulk of the budgetary work in parliament is done by committees, each of which play a crucial role in the budget process. Prior to the introduction of the national budget in parliament, the NA (through its committees) must assess the performance of each national department on an annual basis. These assessments cover a range of areas including the medium-term estimates of expenditure, strategic plans and financial statements and annual reports. The MTBPS must be submitted to Parliament at least three months prior to the tabling of the national budget. The national budget and the Division of Revenue Bill are tabled concurrently by the Minister in the National Assembly, following which the process of adopting the fiscal framework and revenue proposals is initiated. Once tabled, the committees on finance in the NA and NCOP adopt the fiscal framework and revenue proposals which, once adopted, the Division of Revenue Bill referred to the Committees on Appropriations. The National Adjustments budget is then tabled by the Minister, accounting for any adjustments made by the committees and any other Money Bills are passed by respective committees on appropriations. Throughout this process, the Parliamentary Budget Office provides independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills.

The following Parliamentary committees play a key role in the budget process:

- **Committee on Finance** conducts hearings on macroeconomic and fiscal policy as well as revenue and Division of revenue matters. In addition, the Committee considers any amendments to the fiscal framework and revenue proposals and Bills;

⁵⁸ (National Treasury, 2016).

⁵⁹ (Parliament of RSA, 2011).

- **Committees on Appropriations** is responsible for considering and reporting on departments' spending issues, amendments to the Division of Revenue Bill and the Appropriation Bills, as well as actual expenditure by National Treasury.
- The main objective of the **Parliamentary Budget Office** is to provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills. Its core function is to support the implementation of the Money Bills Amendment Procedure and Related Matters Act (2009) by undertaking research and analysis for the committees of finance and appropriations in the National Assembly and NCOP.

Other relevant standing committees

The National Assembly (NA) appoints several Portfolio Committees to shadow the work of the various National Departments. The role of these Portfolio Committees is to consider Bills; deal with departmental budget votes and to oversee the work of the department they are responsible for. This includes making enquiring and recommendations about any aspect of the department.⁶⁰

The National Council of Provinces (NCOP) may also establish a number of Select Committees from its permanent members to shadow the work of the various national government departments and to deal with Bills.⁶¹

Table 2.2 Parliamentary Portfolio Committees

Name of Committee	Members
Portfolio Committee on Basic Education (NA Committee)	
Portfolio Committee on Health (NA Committee)	
Portfolio Committee on Social Development (NA Committee)	
Portfolio Committee on Justice and Correctional Services (NA Committee)	
Portfolio Committee on Women in the Presidency (NA Committee)	
Select Committee on Education and Recreation (NCOP Committee)	Arts and Culture, Basic Education, Higher Education, Sport and Recreation
Select Committee on Social Services (NCOP Committee)	Health, Social Development, Home Affairs, Water and Sanitation, Human Settlements
Multi-Party Women's Caucus (Joint Committee)	

Source: (Parliament of RSA, 2016).

2.6 The Role of Line Ministries in the budget process

The national and provincial departments are responsible for developing their three-year rolling budgets which they then submit to National Treasury. Once the Budget Council has determined the division of revenue, it informs the departments of what the national allocation will be. Each department then begins the process of allowing each programme manager to provide financial and non-financial information pertaining to the particular programme (or sub-programme) they are responsible for.⁶² These submissions are considered by the Chief Financial Officer's Office in each department and utilised to formulate expenditure estimates for the department as a whole. This is approved first by the Accounting Officer along with the Senior Management of the department and

⁶⁰ (Parliament of RSA, 2016).

⁶¹ (Parliament of RSA, 2016).

⁶² (McIntyre & Nicholson, 1999).

finally by the executive authority.⁶³ Throughout this process of internal review and estimation, the departments typically interact with National Treasury budget analysts as well as other departments/entities in their function group for advice and guidance.

All the estimates submitted by the line ministries are consolidated and compared to those allocated by the Budget Council, and depending on the outcomes, the ministries negotiate with their relevant programme officers at National Treasury.⁶⁴ South Africa has an exceptionally large number of national government departments, with the current President's Cabinet comprising of 35 Ministers and 37 Deputy Ministers⁶⁵. This has grown from the 28 Minister's in Thabo Mbeki's presidency. The total number of government employees comes to just over 2.161 million, which is 24% of the approximately 9 million formally employed South Africans.

The line ministries of the priority sectors relevant to this report include the Departments of Basic Education (DBE), the National Department of Health (NDoH), and the Department of Social Development (DSD). Each of these national departments have a corresponding provincial department, which is responsible for the delivery of these services, whilst the national departments are responsible for setting policy and priorities through legislation, norms and standards and political statements. South Africa's Department of Education was split into two separate ministries – Basic Education, and the Department of Higher Education and Training (DHET) in 2009. Basic Education is responsible for primary and secondary education and implements Early Childhood Development (ECD) in conjunction with the Department of Social Development. Interest in the activities of the Department of Higher Education and Training extends only to that of teacher training and development. Other departments of interest also include the South African Police Service (SAPS) and the Department of Justice and Constitutional Development (DoJ&CD), who work closely with DSD (and UNICEF) on issues relating to child protection. All ministers serve on the Cabinet and report directly to the President.

Government clusters have been established to improve governance, planning and service delivery in related departments. The objective is to ensure proper coordination of government programmes, both at the national and provincial level.⁶⁶ The three line ministries all fall under the Social Protection, Community and Human Development Cluster, whilst SAPS and DoJ&CD falls under the Justice, Crime Prevention and Security Cluster. As discussed in the Fiscal Space Analysis – in line with government priorities, the three priority sectors have done and continue to take the lion's share of fiscal allocations – totalling approximately R394bn, or 35.1% of the total budget. There are no expectations that this will change greatly in the near future.

⁶³ (National Treasury, 2016).

⁶⁴ (McIntyre & Nicholson, 1999).

⁶⁵ By comparison, the USA has 15 ministries, Kenya has 20, the UK has 25, and South Korea has 14.

⁶⁶ (RSA, 2016).

3 Key stakeholders related to children

Whilst the previous sections of this PEA report drew primarily on secondary data and reports that described the system, as it is intended and designed to function, this section draws primarily on the information provided in the interviews with key informant. Interviews were conducted with 21 individuals involved in the priority sectors. This included senior UNICEF staff, senior government officials, leading researchers, academics, and advocates within civil society. The data presented here is thus a reflection of what is actually happening on the ground, behind the scenes, and in the political spaces of decision making. The interviews were not exhaustive and not all positions and views have been triangulated. The explanations provided are the perceptions of those that provided their insights.

Presented here is the political narrative of how priorities are birthed and the role that different institutions play in shaping the outcomes we witness. Firstly, the role of Parliament, and the influence of civil society, opposition parties, and the courts is discussed. This is then followed by a more detailed look at the key national government departments in this space, followed by a presentation and discussion on provincial government⁶⁷. Finally, this section of the report briefly considers the role of international non-governmental organisations (NGOs), the current positioning of local educational NGOs, and in some detail the role and positioning of UNICEF in South Africa.

The depth of discussions across the sub-sections is somewhat uneven, which is a reflection of the extent to which it was possible to secure interviews with the key informants.

3.1 Parliament and the role of Civil Society

With respect to the interests and priorities of children, the role of parliamentarians and the tone set within Parliament has changed substantially over the last decade. While previously individuals worked in a collaborative manner, championing the cause of children driven by their conscious, Parliament now consists of Members of Parliament (MPs) closing ranks and towing the party line, while the true role of Parliament in respect of children has been lost in the midst of internal political power plays. Many MPs are not well-versed and competent on the issues of children's rights, and rely heavily on Civil Society Organisations (CSOs) to provide the necessary guidance and capacity building. In Parliament, as with government departments, it is apparent that establishing relationships is most important. It is important to know who to influence and to ensure that all the different levels within the system are covered. It would also seem that keeping children's priorities on the agenda is more dependent on the efforts of civil society and various lobbying groups, rather than from inside Parliament.

3.1.1 *Parliamentary Committees, priorities and power struggles*

Parliament can and does play an important role in influencing legislation that directly affects children. Their contribution though is primarily one of refinement and vetting. For a piece of legislation to make it to Parliament, it must have passed through the legislative process, including an extensive period of public consultations. In most cases the policy would have been formulated with a clear political champion, National Treasury would have undertaken a costing exercise, and Cabinet would have given its approval. It is possible for Parliament to 'put the breaks' on a piece of legislation, but they

⁶⁷ Although this is drawn chiefly from secondary sources.

cannot make major changes or take policy decisions. It is rare that Parliament would push through a piece of legislation in the face of opposition.

Although Parliament has the power to amend budgets, this rarely happens⁶⁸. As motivations and budget bids start much earlier in the budget cycle, by the time it comes for Parliament to approve the national budget, all of the preparations, costings, justifications and approvals have taken place. Some departments are better at planning ahead and motivating for budget bids than others. The DSD is known for not planning ahead or thinking strategically. It was suggested by one interviewee that there is scope for Parliament to put pressure on DSD to plan earlier, and there is a missed opportunity here.

A number of key informants working in the sector have noted a change in the attitudes and working styles of parliamentarians over the past decade or so. Previously individuals would be driven by personal interests and convictions, but now it is much more centred on party politics and 'towing the party line'. Currently it could be argued that there are no particular MPs championing the cause of children. While MPs do want to do something about children, no one is necessarily picking up the baton of their own accord. Although the Portfolio Committee on Social Development is functioning well, when an issue that affects children is brought forward, there is a different response from everyone. There was also a complaint that many ANC members on this committee do not fully understand the issues of children's rights. However, there are researchers and committee staff that are actively promoting children's rights.

In terms of individual champions, the current Minister for Justice and Correctional Services – Mr Masutha, and the now Deputy Minister for Social Development – Ms Bogopane-Zulu were leading forces in the promulgation of the Children's Act (2005) (they were both MPs at the time). Ms Bogopane-Zulu no longer carries the banner for children, as she is now primarily responsible for people with disabilities. The DA's Glynnis Breytenbach was proactive in the deliberations on the amendment to the Sexual Offences Act. Mike Waters, a DA MP was another notable figure known for his interest and commitment to children. While he has been moved from the social development portfolio to the health portfolio and is not actively involved, he can still be called upon for support when needed. Another MP who can be called upon to support children's issues is Cheryllyn Dudley from the African Christian Democratic Party. The Economic Freedom Fighters do not appear to have engaged with issues relevant to children, while CSOs are yet to engage with the EFF on issues relating to children.

The response from Parliament and parliamentarians varies greatly from sector to sector, and thus any plan adopted by UNICEF to engage more directly with parliament should be nuanced accordingly. An important insight from the research was the way in which parliamentarians respond to the issue of violence against children. Lobbyists on this issue have accumulated a critical mass of research and findings to measure the prevalence of violence against children, the failures within the state to adequately respond, and the overall social and economic cost of not addressing this endemic. One interviewee mentioned that when trying to raise the profile of violence against children, it is often met with resistance from the women's caucus. The multi-party women's caucus, which includes many ANC women's league members, is a very powerful group within Parliament. Findings from research on violence against children has been presented in Parliament, but CSOs are struggling to secure hearings into the matter as it keeps getting pushed back by the women's caucus. When asked the reason for this, interviewees suggested that it could be explained by the existing power dynamics

⁶⁸ Historically this has not always been the case, and there are a number of examples whereby parliament has actively influenced substantive policy directions of the executive, including outcomes relating to the child support grant, the Public Finance Management Act. There have been recent signs of parliamentary committees starting to find their teeth again and taking a tougher stance and demanding greater accountability. There are growing opportunities for non-political agencies, such as UNICEF, to take up this gap and assist in strengthening the role of parliament.

between Susan Shabangu – the Minister for Women in the Presidency, and Mathabili Dlamini – the Minister for Social Development. While these two departments seem to have little in collaborating on this cause, this is concerning as the root causes of violence against women and violence against children are the same.

Another observation is that within the Education Portfolio Committee, children are not considered top priority. Instead, their interests are often placed behind those of teachers, parents, and even business. MPs seem more concerned or fearful of the potential impact of disaffected youth on the economy. It was noted that Equal Education, a prominent grassroots education CSO, has been treated with contempt by Parliament. When they marched upon Parliament, none of the MPs would meet them to accept their memorandum. The lack of mass-mobilisation by parent-led groups demanding better education for their children has also allowed Parliament to take a back seat in the drive for better education. This apparent disinterest from voting constituencies relieves the pressure from politicians to be more responsive⁶⁹. There is usually a genuinely positive response to children within the Health Portfolio Committee, although the issue of children's mental health is neglected. Nutrition, childhood obesity, and the first 1000 days approach are received positively. The reform of the child justice system has been considered a success but the impetus has died off and it seems people have shifted their focus to other matters. Children are rarely mentioned in plenary events.

3.1.2 *Civil Society in Parliament*

Civil society organisations⁷⁰ (CSOs) that are active in the children's sector are quite adept at working the parliamentary cycle and understand that their involvement and influence begins with lobbying ministers and departments long before anything reaches Parliament. There are numerous pieces of legislation that CSOs have had a clear hand in getting on the agenda, including the current amendment to the Social Assistance Bill, which seeks to make provision for orphans and child-headed households. In the case of the amendments to the Sexual Offences Act, CSOs were able to lobby for changes to a particular procedure relating to the registration of juvenile offenders – so whilst they were not able to change the objectives of the act, they were able to influence some of the mechanisms and procedures within the Act.

CSOs have also been instrumental in providing capacity building to parliamentarians who lack the technical knowledge needed to understand the mechanics of detailed pieces of work. The Children's Act is a prime example of this. Described as a 'mammoth' piece of work – a number of CSOs 'held the hands' of parliamentarians through the legislative process. The relationship between CSOs and Parliament is however dynamic and at times can be considered adversarial. One interviewee believes that UNICEF could play a role in educating parliamentarians, a role they have played in the past. While UNICEF may have the credibility to do so, working more closely with Parliament could compromise their close relationships with line departments.

3.1.3 *Public Interest Litigation*

Public Interest litigation features heavily in the South African landscape and has become an effective instrument for holding government and Parliament to account. When CSOs have exhausted traditional avenues for pressing departments to deliver services or act in accordance to legislation, it is now common practice for them to turn to the judicial system. Often the courts have instructed Parliament to respond to a particular matter, setting a precedent for the future. This happened in the

⁶⁹ Research on the poor levels of progression for learners through the education system found that some of the factors hindering learners from obtaining satisfactory learning outcomes was the parents lack of participation in their children's education, and the weak functioning of School Governing Bodies (Modisaotsile, 2012).

⁷⁰ Prominent organisations include the Children's Institute, Centre for Child Law, Advocacy Aid, Dullah Omah Institute, Section 27, Equal Education and the Legal Resources Centre.

case regarding school infrastructure delivery, when a court ordered that Parliament hold the Department of Basic Education accountable. Subsequently, there has been a groundswell of public litigation and the courts have become an essential element in holding Parliament to account. The Centre for Child Law at the University of Pretoria is one of the key legal institutions actively involved in these court cases. There have also been a number of high profile cases with regards to education and health as it is seen as an easier target, and is immediately addressed by Parliament, whilst other forms of social assistance are expected to be 'progressively' realised. There is also an expectation that there will be more litigation in the disability sector in future. It was noted that government departments are now including litigation costs as part of their risk assessments – and are having to weigh up the costs of inaction.

3.2 Inside National Government

This section looks in greater detail at the priorities and activities of the relevant national departments and how they engage in augmenting their available resources. Much of the data presented here is drawn from in-depth interviews, and represents the subjective views of individuals. It is not an official government policy position and should not be viewed as 'fact'. These interviews, however have enabled access to rich and detailed insights that are otherwise not in the public domain; and to some extent explain the directions and actions of various government departments. Such interviews also enable access to developments in internal departmental thinking and deliberations that have not yet materialised into official policy positions. The text is presented to ensure anonymity, although steps are taken to indicate if data is from a key informant, or from official secondary sources.

National Treasury plays a central role in the contestation of resource allocation. Their position tends to be one of pragmatism, requiring departments to provide strong and clear evidence of 'effect' with any new motivations or 'budget bids'. This is where the presentation of a strong, empirically-based investment case will gain an attentive and listening ear. Cabinet though still stands as the ultimate and final seat of approval – some ministers, some ministries and some issues clearly have more sway than others. The Department of Planning, Monitoring and Evaluation, seated within the Presidency, is currently emerging as an important power-broker in setting priorities, evaluating the effectiveness of key programmes, and driving the greater quest for improved quality of service delivery of all government departments.

It has to be noted that National Treasury has become a battleground between those that remain focused on achieving the outcomes committed to in the National Development Plan and corrupted politicians and third party power brokers that see it as the non-compliant piggybank that has been blocking the propping up of ailing state entities – most notably parastatals. The South African Revenue Service (SARS), although not examined in detail here, is also an important government agency under threat. SARS has been widely regarded as one of the best run government entities, it is highly adept at collecting revenue and is efficiently run. Without this, South Africa would not have the fiscal space it currently spends on its substantial social wage bill. Until recently it has behaved without fear or favour, including expecting the ANC – the ruling political party – to pay customs duties on imported election t-shirts, investigating the President for possible tax liabilities relating to the upgrading of his personal homestead at Nkandla, and the establishment of a so-called 'rogue unit' to investigate high-risk organised crime. At the time Pravin Gordhan was the Commissioner of SARS. He was subsequently moved to another portfolio and Tom Moyane put in his place – someone considered more sympathetic to President Zuma. However, after the scandal with the firing of Nene, Gordhan was reappointed as Minister for Finance, and Tom Moyane, the commissioner of SARS now reported to him. With the recent Cabinet reshuffle – the firing of Gordhan, and the appointment of

Minister Gigaba – a staunch Zuma supporter - as the finance minister, the status National Treasury under this new leadership is yet to be determined.

3.2.1 *Perspectives of the National Development Plan and the National Planning Commission*

In 2010, President Zuma established the National Planning Commission (NPC) with the intent of developing a long-term vision and strategic plan for South Africa. The objective of the Commission is to mobilise South Africans around a common set of long term priorities and objectives. The Commission plays an advisory role on cross-cutting issues and consists of 24 part-time, independent commissioners, drawn from public nominations, and appointed by the President on the basis of their specialist skills and expertise. Their mandate is to take a broad, critical and independent view of South Africa. It is expected to consult broadly, and provide well-researched, evidence-based input into policy processes. The Commission is supported by a secretariat in the planning branch of the Department of Planning, Monitoring and Evaluation.⁷¹ Of the 24 commissioners – there is only one – Ms Christina Nomdo that has overtly expressed an interest in children. She is the Executive Director of RAPCAN – Resources Aimed at the Prevention of Child Abuse and Neglect⁷².

The first appointed commissioners in 2010 were designated with the task of establishing a national plan for development. A Diagnostic Report was released in 2011 which set out South Africa's achievements and challenges post 1994. The report found the country's slow progress was the result of a failure to implement policies and an absence of broad partnerships. Nine primary challenges were identified as:

1. Too few people work;
2. The quality of school education for black people is poor;
3. Infrastructure is poorly located, inadequate and under-maintained;
4. Spatial divides hobble inclusive development;
5. The economy is unsustainably resource intensive;
6. The public health system cannot meet demand or sustain quality;
7. Public services are uneven and often of poor quality;
8. Corruption levels are high; and
9. South Africa remains a divided society.

Following this, the draft NDP was released in 2011, and after public consultation, the plan was finalised in 2012. The aim of the plan is to eliminate poverty and reduce inequality by 2030.⁷³ It was then supported by all political parties and 'acknowledged' by Cabinet as a strategic framework which will be the basis of future government planning. It was also adopted by the ANC as the blueprint for future economic and socio-economic strategy. The NDP has however been considered a controversial document within the Tripartite Alliance, linked to tensions between those that supported the RDP and those that supported GEAR during the 1990s, i.e. differences in opinion as to how the economy should be structured to benefit the poor.⁷⁴

From the NDP, the government has adopted five-yearly Medium-Term Strategic Frameworks (MTSF), which corresponds to the government's electoral terms. The MTSF aims to ensure policy coherence, alignment and coordination across government departmental plans, with each Minister having to sign performance agreements with the President that reflects actions, indicators and targets, as per the MTSF. The current and first MTSF (2014 – 2019), commits to 14 outcomes, which are presented in Table 3.1 below. Although none specifically mention children, all of them, it could

⁷¹ (The National Planning Commission, 2017).

⁷² Additionally there is a commissioner with expertise in education – Prof. Kholeka Moloi, in youth – Ms Tessa Dooms, disability – Ms Poppy Mocumi and social policy – Prof. Vivienne Taylor.

⁷³ (RSA, 2013).

⁷⁴ (HSF, 2013).

be argued, benefit children indirectly, whilst some, namely 1, 2, 3, 8 and 13 directly affect the well-being of children.

Table 3.1 Current government outcome objectives

Objectives	
1. Quality basic education	2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe	4. Decent employment through inclusive growth
5. A skilled and capable workforce to support an inclusive growth path	6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable, sustainable rural communities contributing to food security for all	8. Sustainable human settlements and improved quality of household life
9. Responsive, accountable, effective and efficient local government	10. Protect and enhance our environmental assets and natural resources
11. Create a better South Africa, and contribute to a better Africa and a better world	12. An efficient, effective and development-oriented public service
13. A comprehensive, responsive and sustainable social protection system	14. A diverse, socially cohesive society with a common national identity

Source: (RSA, 2014).

It is clear from the NDP and MTSF that the priorities of the national government, and the priorities of UNICEF are closely aligned. Children are mentioned in the opening paragraph of the foreword – and their well-being is very much a central feature of the document. Improving education and health, creating a social safety net, and improving community safety are key priorities identified.

An interview source revealed that although the NDP was adopted by Cabinet, there are still substantial political challenges in achieving the buy-in for the purposes of informing programme design, implementation and resource allocation. It has only been in the last year that Cabinet has asked that budget allocations and NDP priorities be aligned. Most significantly, Cabinet decided that the prioritisation process for budget decisions must now be led by the planning branch of the DPME, rather than National Treasury, which has up until now, been both the planner and the budget authority. A budget reform process is thus underway, with priority setting separated from the budget decision making processes driven by National Treasury.

In terms of the budget calendar, the prioritisation process and input from the NPC will take place between December and May. It is expected that the planning office will produce a Budget Mandate Paper and that bids by departments would have to be based on the priorities identified in the paper. Although there are 14 priority areas in the NDP, according to one planning official, the current commitments prioritise infrastructure – where some modest growth is expected going forward, social assistance – current spending will be maintained to ensure the poor are not made worse off, and human capabilities – a commitment to build skills, including basic and higher education (with the fees must fall movement being accommodated within this).

The aim of prioritisation is not just about money, allocations and expenditure, but to also bring about policy certainty. One challenge to the implementation of the NDP was that all of the goals and commitments were based on the assumption of an economic growth rate of 5% and above. This has not materialised, and the poor economic growth has been seen as one of the main reasons for fiscal constraint⁷⁵. Other concerns raised by planning officials include the decline in private investment,

⁷⁵ Minister in the Presidency Mr Jeff Radebe recently acknowledged that the low growth rates will impact on the countries unemployment rate and the goal of achieving the objectives on the National Development Plan. In an answer to a

uncertainty around state owned entities, and whether or not South Africa would be opting for nuclear energy or renewables.

3.2.2 *Perspectives of the Department of Planning, Performance and Monitoring (DPME)*

The DPME is a key government department that sets out to facilitate, influence and support the effective planning, monitoring and evaluation of government programmes. The aim is to improve government outcomes and overall impact on society. It houses three main branches: Outcomes Monitoring and Evaluation; Institutional Performance, Monitoring and Evaluations; and Planning. In addition to this it houses the secretariat for the NPC. The DPME is very much at the apex of affecting the performance of all spheres of government, with responsibilities that include managing and monitoring the MTSF and 14 government outcomes; providing advisory services and support to the Executive; implementing a Socio-Economic Impact Assessment System (SEIAS); and undertaking evaluations and research on key and strategic government programmes. UNICEF has an established relationship with the DPME and has worked closely with them on the Diagnostic Review of the State Response to Violence against Women and Children. UNICEF also currently serves on the steering committee for the National Food Security and Nutrition Strategy, of which they wrote some of the chapters.

Furthermore, the DPME is also responsible for monitoring the performance of the management practices within government departments; monitoring the quality of citizen services; increasing the responsiveness of public servants; and facilitating planning, research and policy in support of the NDP. Additionally, in 2014 the DPME's mandate was expanded to incorporate the National Youth Development Agency (NYDA), and the department is now responsible for developing and implementing the country's youth policy. Statistics SA, the national statistical agency was moved from the executive authority of the Minister of Finance, to the DPME. The department has been afforded a larger budget and its staff complement is expected to double between 2015/16 to 2018/19.⁷⁶

An interview with senior officials at the DPME provided some insight into how the government views their achievements with regards to children, and to their commitments going forward. The main achievements over the past 20 years included the child support grant, no-fee school, school feeding schemes, and improvements in child mortality. The mainstreaming of children's interest across the various safety, security and enforcement was mentioned, along with Early Childhood Development and the newly adopted 0 to 1000 day approach of protecting children from the womb. This was described as a 'fundamental policy thrust'.

Other 'high level' concerns relating to children were presented to the DPME, to gain an understanding, from a central government department perspective, as to what they see as the underlying determinants. As the department's influence over the quality of government performance in key areas will continue to grow, their assessment of these challenges is important.

One concern raised by UNICEF was that there is no central focus and coordinating point in government for children. The counter-response provided by a planning official was when government previously established a central unit responsible for the well-being of children, all other stakeholders (i.e. departments) 'backed off', claiming that they are no longer had any responsibility to the cause. If government is to re-establish a central unit for children, it must ensure a balance between having

parliamentary question in March this year he noted "These developments [decline in certain sectors and high unemployment] necessitated government to evaluate all policies, strategies and programme interventions...". See: <https://www.businesslive.co.za/bd/economy/2017-03-28-jeff-radebe-warns-low-growth-bad-news-for-jobs/>. No clearer guidelines have been provided on what areas can be expected to be cut back on. Commitment to social spending still appears to remain strong.

⁷⁶ (DPME, 2016).

sight of cross-cutting issues, and allowing different parts of the state, with different responsibilities to children, to still fulfil their roles.

The challenges of education are seen as one of quality and efficiency, and while there is plenty of support for the sector, education remains a high priority. Officials conceded that there are problems with the quality of teachers, that teachers and principals are not being appointed on merit, and that the teachers' union – SADTU⁷⁷, have created a deadlock regarding the use of Annual National Assessments (ANAs) to assess the quality of schools and teachers, and have blocked moves to have teachers sign performance agreements. Whilst the DPME can raise these concerns with Cabinet, their role as one of advocacy, highlighting blockages and assisting in the resolution of deadlocks.

When questioned about government's priorities on violence against children, officials believe that social mobilisation and awareness are the best solution. This includes the call for an active citizenry - as discussed in the NDP, community mobilisation and support through counselling, and better police training. When pushed as to who was responsible for social awareness and mobilisation, officials held it must come from the ground up, as it is difficult for the state to drive social mobilisation. Not discounting the need for further state resources, a large amount of corporate social responsibility funding is to this priority area, but better targeting and more partnerships are required if successes are to be achieved.

The view of a prominent child's rights institution was that the DPME does and will continue to play an important role in determining where and how money will be spent. The PSPPD – Programme to Support Pro-Poor Policy Development, and the Evaluation and Research Unit were cited as two of the influential units that could be key in ensuring that children kept at the centre of government policies.

3.2.3 *Perspectives of National Treasury*

Whilst the previous section of this report has described the role of National Treasury in the budgetary process, this section unpacks the position that National Treasury takes in accepting bids for additional or new areas of expenditure, with a specific interest in the priority expenditure areas. The findings presented here are based on interviews with senior officials within National Treasury who are responsible for the sectors of health, social development and education. These officials agreed that fiscal space is tight and that although the NDP is the driving document for government, it was based on a projected annual growth rate of 5%. Therefore, without this growth rate it is unlikely that the goals of the NDP will be achieved by 2030. The NDP does though indicate clear commitments to children. One of the frustrations experienced by National Treasury is the lack of understanding within government departments on how the budget process works; even though it is quite transparent – there is often misunderstandings as to what money is actually available and what can be done with it. The mandate papers from the DPME were expected to provide guidance, but according to a Treasury official - they came too late and were described as 'not very helpful'. Additionally, government fails to identify clear priorities. For example, in the State of the Nation address, government often identifies a multitude of priorities and makes many promises, when it should only be identifying a few.

Within the education sector, 85% - 90% of expenditure goes to the compensation of employees – a fixed expenditure item, leaving only a small margin to fund other initiatives. At most, this margin can fund only three other activities or initiatives. Another constraint to education as identified by Treasury officials is the wage agreements and failed attempts to contain the compensation of employees. While

⁷⁷ South African Democratic Teachers Union.

the national level is trying to address these, post-provisioning norms⁷⁸ are implemented at provincial level. With budgets based on the number of learners, the movement of learners between provinces requires that teacher movements follow the same pattern. Teachers are however not willing to relocate meaning that they are not being deployed to where they are needed and that some schools are left with more teachers than the post-provisioning norms require. While this is not technically a national treasury problem, but is becoming so.

Furthermore, Treasury officials did not consider a lack of funding to be the major problem in education. For example, government implemented the Accelerated Schools Development Programme, allocating R7.2bn to address infrastructure in 400 of the worst schools across the country. In the first MTEF, DBE was allocated 10% of the total - R700m, but only R10m was spent. Now, seven years later, those 400 schools have still not been completed. Investigations into the poor performance of the programme revealed that the DBE was not equipped to manage such large infrastructure projects and that officials were not held accountable for these poor outcomes. National Treasury is not willing to allocate more funds to departments that are unable to deliver efficiently. Other challenges to education mentioned include the lack of accountability by school principals and senior management, poor performance in Mathematics and Natural Sciences, the lack of district and circuit support, and the disputes between schools, governing bodies, and SADTU. Additionally a lack of monitoring from the National DBE and their inability to sanction poor performing schools and principals means that no one is held to account.

While National Treasury is often approached by NGOs who have ideas about addressing educational challenges, there are already quite a few NGOs active in the education space, especially in the delivery of Grade R and the provision of teacher support and training. There is however, no single large NGO in the sector with the ability to influence the budget. Conflicting interests between National Treasury and the DBE are also a challenge in the activities of NGOs. When the DG Murray Trust wanted to support the idea of Charter Schools –officials within National Treasury were interested, but not those within the DBE. Despite these challenges, some corporate social investment (CSI) is moving into the sector, undertaking smaller, more nuanced initiatives.

With regards to the Social Development sector, Treasury officials identified a number of new 'policy thrusts' that have emerged, the most prominent being Early Childhood Development (ECD), and Nutrition. Budget and fiscal space has to follow policy priorities and need, and in the case of ECD there was substantial political and technical support. Three costing models were developed, each providing the underlying case for expansion, and the projected trade-offs and/or benefits from early intervention in the life of a child. For the first time this year, a conditional grant was created for ECD. It is a substantial programme with the potential to become bigger than the total social development budget, which is why it has been separated from the DSD budget and delivered as a conditional grant. The current R2bn allocation is expected to expand to R3bn, and then beyond, depending on the confirmation of certain parameters and measures. As it is a multi-faceted intervention, some level of sequencing and prioritisation is needed. The first being increasing the number of children that are to be subsidised. National Treasury is currently working on a formula to determine allocation between provinces, but the data is unclear as to how many children currently benefit and how many more children still need to enter the system. The current calculation is that 2 million children need centre-based ECD, which would increase the costing model to R15bn. This is a substantial increase, and has caused some alarm in the MTEC. A further concern is that both the current subsidy of R15 per child, and the wages of ECD workers, who currently earn an average of R1,300 per month, are too low. There is thus a need to review the child subsidy, introduce a minimum wages for staff, and source better qualified workers.

⁷⁸ This refers to matching the number of teachers in schools with the total enrolments of each school.

According to officials, it is not yet fully articulated how ECD will be integrated into health as the current focus is on the first 1,000 days from conception. While reference has been made to an 'ECD package for Health', it is not clear yet what it means and what is to be achieved by it. A lot of children are not in centres for the first two years, so consideration needs to be given as to what mix of interventions are needed. In this regards, nutrition is clearly emerging as a primary concern. There is also a new focus on pregnancy, with an interdepartmental working group being formed to further investigate this. One potential solution is to make the child support grant available from conception – as a means to help address the lower birth-weight of children.

When asked about the genesis of new policy thrusts – officials identified the role of the ministers– and how pushy they are, as critical success factors. In the case of ECD – the minister has been very pushy. According to officials, the role of civil society has however been mixed – for although they have been successful in championing certain issues, many government departments have an acrimonious relationship with NGOs. Some departments appear to not want others working in their space, displaying a level of arrogance. Despite this, many NGOs and donors are involved in the provision of ECD services and in trying to influence policy – especially in the form of investment cases, which are often produced by donors, NGOs, academics, or a combination thereof.

According to Treasury officials, when deciding which bids to endorse, it is a balance of cost benefit analysis, affordability and effectiveness. However, the technical arguments are always balanced with the political, and some interventions surface more strongly because they have political support, feature in the NDP, or were identified as a priority during the State of the Nation Address (SONA). Historically, not all budget bid approvals have been subject to producing rigorous, evidence-based cases – but this is something National Treasury is trying to encourage. Ministers have now been asked to sign performance agreements that are linked to actual outcomes. These have been quite helpful in focusing priorities, especially within the health sector, which has been successfully in bringing down child mortality. National Treasury is also interested in setting up a Health Technology Assessment Agency, which will focus on assessing the costs of new interventions – providing guidance on interventions that should be prioritised, and looking for the best buys. There is a growing support with regards to Maternal and Child Health, and there is still a commitment to see infant mortality decline further. It is expected that funding would come in part from reprioritisation and in part to improved efficiencies with better programme management and implementation. Sometimes when a bid has a solid base, it is put on hold, with the expectation that when the economy recovers, it can be revisited.

Treasury also made note of a recent bid to expand a programme for the prevention of violence against women and children, but unfortunately, according to an official - they 'were unable to get the bid to fly'. This was due in part to the tight fiscal climate, but also because they could not get adequate answers to difficult questions, such as – What activities would the money buy? What outputs would it buy? What were the measures of effectiveness? National Treasury must also make these decisions under competing interests within the same programme. For example, in social development, there are two debates under way. One considers whether or not the child support grant should be raised to the level of the poverty line, while the second considers the universalisation of the grant. Each of these competing options face difficult trade-offs and the criteria for deciding what to fund is quite tight.

3.2.4 Perspectives of the Department of Public Service and Administration (DPSA)

The DPSA is another national government department which has an important role to play in the delivery and provision of services. One of the primary objectives of the DPSA is to establish norms and standards to facilitate the optimal functioning of the state – and to ensure that they are adhered to. The DPSA was established post-1994 with the specific objective of transforming the public sector

to serve all South Africans, and not just the white minority. The responsibilities of the DPSA are set out in the Constitution and include ensuring a high standard of professional ethics within the public service; the efficient and effective use of resources; a development-oriented public services; policy making that involves the participation of people and a responsiveness to the needs of the public; a public service that is accountable and transparent; sound management of human resources and the provision of career-development practices; and a public service that is broadly representative of the South African people.⁷⁹ The journey of transformation though has been hampered by the immense backlog inherited from the Apartheid era, a lack of capacity to interpret and implement policies, a shortage of resources, and limited cohesion, integration and capacity to implement.⁸⁰

Research undertaken by the Tshwane University of Technology, which involved interviewing public officials, revealed that more than half of the respondents strongly disagreed with the statement that “the department’s mandate to foster good governance and sound administration is well understood by DPSA officials”. Only 44% believed that senior management staff were properly equipped with the necessary management skills to execute their responsibilities, and 78% believed that internal barriers hindered, prevented and delayed the implementation of policies and programmes.⁸¹ If the DPSA cannot efficiently and effectively administer and work towards achieving their objectives, their ability to affective influence the efficiency and operational capacity of the entire public sector is questionable.

3.2.5 *Monitoring the Budget: the role of Civil Society*

A number of civil society institutions actively monitor public expenditure and the setting of budgets, pushing to ensure that budgets are responsive to public needs and priorities. Promoting and demanding fiscal transparency, and encouraging the input of civil society, is now seen as good practice by many international institutions. Holding government accountable for the management of public resources is expected to facilitate investment and increase efficiency.⁸² Three notable institutions that work in the sectors of interest are the International Budget Partnership (IBP), the Budget Expenditure Monitoring Forum⁸³ (BEMF), and the Children’s Institute.

IBP work primarily in South Africa, India and Kenya. In South Africa their work focuses on improving service delivery to the poor through more effective and efficient budget implementation –including the provision and dissemination of budget and service delivery information. They support grassroots campaigns and partner with the Social Justice Coalition, Equal Education, Ndifuna Ukwazi and Planact among others. IBP produced publications on local government expenditure, financing within the DBE, and guidelines for civil society organisations. Whilst the IBP is active in promoting ‘citizens budgets’ – which are accessible and visual guides written for non-specialist readers, National Treasury has been producing a ‘People’s Guide’ to on an annual basis since 2000. Initially only in English, it was produced in English and Afrikaans in 2004, and since 2008, it has been produced in English, Afrikaans, Xhosa, Zulu, and Tswana. In 2014 IBP, in collaboration with the BEMF, produced the ‘Citizens Adjusted Budget’ for the 2014/15 financial year. This was an easy to read guide on the adjusted budget for that financial year.⁸⁴

⁷⁹ (DPSA, 2016).

⁸⁰ (Maluka, 2014).

⁸¹ (Maluka, 2014).

⁸² (IBP, 2017).

⁸³ The Budget and Expenditure Monitoring Forum is a collaboration of civil society organisations that monitor the budgeting and expenditure of health care and delivery in the public health sector. It’s secretariat is based in Section 27 – and education and health based advocacy group.

⁸⁴ (IBP, 2017).

The Children’s Institute, based at the University of Cape Town, has since 2007⁸⁵ produced annual reviews of the corresponding years’ national budget. Its particular focus is on the costing and implementation of the 2005 Children’s Act – and the extent to which the Department of Social Development has been adequately funded to fulfil the objectives of the Act. During the Bill stage of the legislative process, government commissioned a costing exercise to calculate the cost of implementing the Act for the period 2005 to 2010. The annual reports published by the Children’s Institute therefore monitored the budget allocations and expenditure for each of the services outlined in the Act against this costing report. Comparisons were done at a national as well as provincial level. The last analysis done by the Children’s Institute was for the 2013/14 financial year. In 2015 the Children’s Institute launched its inaugural Child Gauge – which provides an annual snap shot on the status of South Africa’s children and the realisation of their rights.

3.3 Line Departments, Child Protection and the Provinces

The following section describes in greater detail the findings from the key informant interviews that focused on the three core line function departments: health, education and social development. Where relevant, the discussions also spill over into the department’s relationships with donors and other key stakeholders. This is followed by a brief discussion on issues relating to child protection and on provincial budgets.

3.3.1 *Department of Basic Education*

Basic Education, which consists of Grade R⁸⁶ (reception), primary, and secondary schooling is a concurrent function between national and provincial departments. The national department is responsible for policy setting, coordination and oversight, whilst provincial departments are responsible for implementation. Despite education having a place of prominence in the NDP, and the education budget (including Higher Education and Training) being the largest of all line departments, educational outcomes are well documented as being below standard. Findings from the 2015 Annual National Assessments (ANAs) found that 58% of grade four learners could not read for meaning, while 28% could not read at all. Substantial differences were also found across provinces⁸⁷.

The 2015/16 Annual Report of the DBE identified key initiatives being undertaken by the department, including a ‘Second Chance Matric Programme’ to combat high dropout rates, and a ‘three-stream curriculum model’ to accommodate academic, technical-vocational and technical-occupational streams. A fast-tracked ‘Information & Communications Technology Programme’ is underway to help modernise teacher development, and in 2014 the Incremental Introduction of African Languages (IIAL) began in eight provinces at 228 schools to ensure that South African’s learn at least one indigenous language. ‘Read to Lead’ and ‘1,000 School Libraries per year’ initiatives were also lauded. The Minister did however note that two provincial departments – Limpopo and the Eastern Cape, continue to be under the administration of the national office and that provincial oversight visits had been scaled up. She also admitted that the lack of norms and standards for some services provided, and the inability to monitor compliance on existing norms and standards, was a major weakness. The lack of compliance with basic processes and procedures related to institutional performance was also noted, with the absence of internal auditing units cited as the main contributory factor.

⁸⁵ 2014 was the last report published.

⁸⁶ Grade R – Reception, is the year prior to formal primary school education which starts with Grade 1. Grade R is not compulsory in South Africa, with the government only providing substantial support to scaling up access in 2008. It is their commitment that access to Grade R be universal. Many Grade R classes are offered in a community setting and in ECD centres, and not necessarily within a public school.

⁸⁷ (UNICEF, 2016).

Many of the struggles and shortcomings of the education sector are well documented, and will not be elaborated any further. The non-discretionary component of the department's budget includes salaries and wages, and currently absorbs almost 90% of the total available budget. This proportion represents an increase on the benchmark of 80% that had been previously targeted by the department, and a reversal of the declining trend experienced in the late 2000's. Spending of the remaining 10% is at the department's discretion, and much of it is allocated towards other programmes such as the National School Nutrition Programme (NSNP). The department has very little control over how much of the budget it receives, as its funding is mostly determined by National Treasury through the budget process. Nevertheless, in addition to government funding, the department's fiscal envelope is augmented by conditional grants and donor funding.

Donor funding has played a big role in supporting specific departmental activities such as the procurement of workbooks, teacher training programs, and assistance with the implementation of Annual National Assessments (ANA). Key donors in this regard include the European Union (EU), USAID, the British Council, and the World Bank. Donor funding, particularly in the form of budget support, has however declined from previous years, further constraining the funding of programmes. The EU budget support programme also comes to an end in 2018. To deal with the potential shortfall, the department is in talks with both National Treasury and the EU to secure further funding. Coupled with a shift in the proportion of the budget being allocated towards non-discretionary expenditure than to discretionary expenditure, the department is increasingly called upon to make hard decisions on how to effectively spend the remaining funding.

UNICEF has been described as one of the strongest partners of the DBE. In terms of the Conceptual Framework on Care and Support for Teaching and Learning, UNICEF was described as having a dual role of both development agency and donor funding partner. They are also considered a learning partner in a number of the initiatives undertaken by the department, have influenced a number of policy positions, and provided much needed technical support.

The departments' overall tight fiscal space is being further squeezed by recent changes in policy. The department's growing policy mandate now includes planning, research, and monitoring and evaluation roles, functions that have emerged without any additional funding being allocated for these mandates. In addition, policies around upgrading teacher qualifications and the introduction of African Languages have not been adequately evaluated or costed sufficiently, creating a mismatch between what the department is required to do and the amount of funds it has available to meet these demands. Although the department has found ways to collaborate and work more closely with departments such as the DMPE, meeting its objectives remains a key challenge particularly in light of the tight fiscal space.

Spending decisions are also heavily influenced by the strong and active union involvement in the sector. There is also a notable degree of political influence in how and where money gets allocated, with the Minister receiving strong backing from Cabinet. These political influences have played themselves out in several departmental programmes/projects introduced to produce "quick-wins" for the department and often stemming from the top. Expenditure is also influenced by the media especially in cases where fixing 'crises' requires additional funding – as was recently witnessed with the protests in Vuwani and the rebuilding of destroyed schools. Given the large proportion of its non-discretionary expenditure compared to discretionary expenditure, the department has very little space to make any drastic shifts in this regard. Going forward, the department will focus its efforts on very specific issues including:

- Early grade programmes such as early-grade reading;
- Early Childhood Development (ECD) and primary schooling;
- Materials development especially around African languages; and

- Social cohesion programmes in collaboration with businesses and international partners.

The Social Mobilisation and Support Services unit are responsible for promoting the overall well-being of learners. Their objectives strongly overlap with a number of UNICEF's, hence their strong working relationship. The current priorities of the branch are:

- To implement Health Promotion & HIV and AIDS Programme;
- To ensure effective, efficient and economic implementation of the National School Nutrition Programme;
- To support curriculum through School Sport, Arts & Culture programmes in education;
- To incorporate Social Cohesion & Equity in Education; and
- To ensure effective implementation of School Safety programmes.

When questioned about current and past priorities, and about the driving force behind these, it was noted that the department has moved away from an events-based approach to implementation to an institutionalised approach, where provinces set aside budgets and essential resources for branch priorities. Social Mobilisation and Support Services does though remain the most under-resourced area. Part of the change in priorities resulted from a meeting of SADC Ministers of Education, where it was agreed that 'care and support' is not just a health and social development agenda, but must also be an education agenda. It was acknowledged that an institutionalised approach to care and support for teaching and learning was necessarily to effect positive change in the lives of vulnerable children. Other stakeholders that were vocal for advocating these priorities include the Media in Education Trust Africa, USAID, the Swiss Development Agency and the Department of Health and Social Development.

These activities originally took place under the Directorate of Health Promotion, which later became a Chief Directorate named 'Care and Support', and then subsequently became a branch in its own right. As their purpose and mandate have become clearer, they have been able to budget accordingly. Unfortunately external stakeholders have not been able to influence growth in fiscal space. Although competition for resources within DBE is tight, with learning, teaching and examination outcomes taking precedence, there is a growing appreciation that there may be no investment returns on these major expenditure areas if the foundations of learner support and wellness are not in place.

3.3.2 *Department of Health*

As with education, health is a concurrent function in South Africa. The National Department of Health (NDoH) is responsible for policy-making, coordination, and oversight, whilst the nine Provincial Departments of Health (PDoH) take primary responsibility for delivery. The NDoH's annual budget comprises mostly of conditional grants to the provinces (88% in total). This, along with their equitable share, results in 97% of the total country's health budget being spent by the provinces.⁸⁸ In some circumstances, local government does contribute funds to health, mostly in the form of municipal clinics, but for all provinces combined, this amounted to 5% of total budget. Compared with education, the personnel costs in health accounts for only 62% of total national health budget.⁸⁹ Again there are large disparities in expenditure for particular health services across provinces and by health district⁹⁰. Unfortunately though, like the DBE, and despite substantial budget allocations, the NDoH also faces substantial criticism for the poor quality of service delivery and the lack of accountability by management. It has also not been spared the high profile scandals and legal action.

⁸⁸ (UNICEF, 2016).

⁸⁹ (UNICEF, 2016).

⁹⁰ The UNICEF Budget Brief provides more detail on these.

The most recent Annual Report (2015/16) highlights the current successes and challenges of the department. Life expectancy has increased to almost 63 years, a vast improvement from 54 which was the average 10 years ago. There has been a steady decline in maternal mortality rates and a drastic drop in the mother to children transmission of HIV rate (70 000 babies in 2004 to 7 000 in 2015). However, due to detrimental socio-economic factors and harmful gender norms and practices, the rate of new HIV infections in girls aged 15 – 24 sits at the unacceptably high rate of 1,986 per week. Efforts remain focused on providing anti-retroviral treatment to all those infected with HIV. The implementation of a National Health Insurance scheme is possibly the most significant policy shift which is front and centre of the department's priorities. This includes a major reform both within the private health care sector and in the quality of public health care provision.⁹¹ This has caused much debate and contestation, as the private sector is particularly concerned about the potential impact.

Pressure for new policy and programmatic responses within the NDoH come from a range of sources. It is understood that the NHI actually originated from within internal ANC working groups – with COSATU being the main protagonist. CSOs have also played a substantial in bringing specific health issues to light, holding government accountable, and enforcing service delivery. The NDoH recently established a coalition of NGOs working in the field of Maternal and Child Health (MCH) known as SASCOL Watch.

In terms of the Maternal and Child Health (MCH), the NDoH is currently working on an investment case with Priceless from the University of the Witwatersrand, which will look at best buys and the incremental costs involved in scaling up MCH. With the exception of vaccines, there is no dedicated budget for child health. Other than conditional grants and non-negotiables, all child health expenditure prioritisation is done at the provincial level. The department would like to propose a conditional grant for MCH and will use the findings of the investment case to do so. The main reason for the grant is to help the department meet the relevant Sustainable Development Goals (as it did not meet the millennium development goals). The main goals are to address the five major causes of under-five mortality (HIV, diarrhoea, pneumonia, malnutrition, and TB) and the three major causes of neo-natal deaths (infections, asphyxia, and pre-mature death).

Numerous interventions are already underway, but the main challenge is malnutrition as it mostly falls outside the ambit of health. The largest child nutrition programme sits with DBE, whilst children presenting with malnutrition are treated clinically at health facilities. The health department's main focus is on maternal nutrition and exclusive breastfeeding. One of the other major new interventions will be to increase the number of antenatal visits from four to eight, as four were not shown to provide good enough outcomes. In terms of findings which respect to child friendly services, the department has seen an expansion in funding for two key initiatives over the last five years, and these are expected to continue and expand. The first is the integrated school health programme. Coverage is not yet universal, and they would like to increase the number of visits and strengthen the referral team, which includes allied health workers. The second is the clinical specialist teams which include paediatricians and paediatric nurses – they are currently located in all 52 health districts. It is hoped that more money will be available to employ more teams. Official development assistance for health total R1,143 million, which equates to approximately 0.7% of the total health budget.

3.3.3 *Department of Social Development*

Although the challenges associated with child well-being requires a multi-sectoral approach – the DSD is charged as the lead on the general welfare of children and youth aged 0 – 18, as well as the lead agency for ECD. The Minister is also mandated to lead on Outcome 13 of the NDP: “A comprehensive, responsive and sustainable social protection system”. The priorities of the DSD

⁹¹ (National Department of Health, 2015).

include continuing to broaden access to social assistance as it is considered the single most significant contributor to reducing poverty. Currently over 12 million children are the recipients of the Child Support Grant. The total departmental expenditure on social assistance comes to 98.9% of the department's annual budget of R137 billion.⁹² Isibindi, an early intervention programme which aims to support vulnerable children is also considered a strategic priority, as it combats gender-based violence and substance abuse, and increases household food and nutrition security. Other priorities listed in the annual report include social welfare sector reforms to deliver better results, protection and promotion of the rights of older persons and people with disabilities, and establishing a social protection system to strengthen coordination and integration.⁹³ (DSD, 2016).

Scaling up ECD has definitely been one of the major new policy thrusts that DSD has managed to get off the ground as demonstrated by the commitment by National Treasury to an ECD conditional grant starting in 2017/18. Another major initiative soon to be finalised is the changes to the foster care grant. This grant is targeted towards children that are in need of care and protection – children placed in foster care are usually done so on a temporary basis, and their case requires court supervision. The foster care grant is to provide financial relief to carers who take these children in, and is substantially more than the child support grant. The foster care system was designed for 50,000 children, but is now struggling to cater for over 1 million children. One of the reasons for this is that it is mostly grandmothers and other family members that take in orphaned family members and are applying for this grant, rather than the child support grant, as it is worth more. To remedy the situation, the DSD is now finalising the details of a kinship support grant, which will be of equivalent amount but not require the involvement of social workers and the court system. One complaint of a CSO working in the sector is that children in need of care and protection are not getting the services they require. Social workers take too long to respond to cases, which has resulted in the death of some children. This CSO wants a parliamentary inquiry to investigate child protection – for it to be seen as continuum of care – from prevention of abuse, children not being exposed to violence, and identifying abused children and those in need of protection. Foster care is being used in inappropriate manner.

In general, the capacity and competency of DSD, especially compared with other departments, has been noted by a wide range of stakeholders as being left wanting. One stakeholder noted that DSD does not plan ahead, does not think strategically, and struggles at both the national and provincial level. Because of their history of relying on NPOs for the provision of many of their services, DSD does not have the systems in place to deliver what is required. DSD is considered to have little influence over the budget process and no nuanced advocacy plan to influence the budget process. Because of their small budget size (after social assistance is removed – as it is administered by SASSA) they struggle to draw attention to other bigger social sector developments. So whilst DSD has a central coordinating responsibility, they are struggling to play this role effectively.

Another complaint regarding the DSD's coordinating capacity also stems from their management of external stakeholders. The department receives a number of programme ideas from different stakeholders, however, this is not being coordinated correctly as the DSD does not have the capacity to coordinate large portfolios with different partners and different ideas. Scaling up programmes is also a challenge and often there is not enough resources to go fully to scale. In other instances, new programmes are implemented which distract from the attention given to previously implemented programmes. As such, programmes will start and then stall, when a new programme is introduced.

⁹² (Department of Social Development, 2015/2016).

⁹³ (Department of Social Development, 2015/2016).

One frustration of National Treasury is that line function departments often provide poor costing models that lack coherence and are unusable. Many departments do not have enough internal economic skills and without solid, technical economic skills, a budget bid is bound to fail. Credible plans are those that are linked to effectiveness. Unfortunately the Department of Social Development is not strong in this, and the notion of 'effect' is something they are only just starting to consider. DSD is also weak in the area of monitoring performance, neither having a proper information system in place nor collecting any real performance data⁹⁴. While Treasury is trying to work around this challenge, they have been unable to find someone to help. Furthermore, the DSD is underfunded for its needs, so bringing in outside help or introducing new data collection and monitoring systems is also a funding challenge. This is further compounded by the DSD's resistance to change).

The autonomy of provinces and variations in priorities raises challenges with regards to monitoring and evaluation (M&E). So whilst building stronger M&E systems might be a priority of the national DSD, they receive varied responses from provinces when encouraging them to establish evaluation plans. Gauteng is found to be most responsive and the Western Cape is also engaged. Some provinces do not have dedicated evaluation staff and for some it is seen simply as a compliance issue. There is great need to build capacity within the provinces to address this.

It also became evident that due to limited budgets, some divisions within national DSD are highly depending upon UNICEF, especially for research and policy work - funding workshops, bringing in guest speakers and writing concept notes. DSD also leverages UNICEF's reputation to help facilitate inter-departmental discussions and discussions between DSD and civil society. Officials noted that people are more likely to come to the table if they are invited by UNICEF, than by the DSD themselves.

3.3.4 *Child Protection*

The fact that there is no 'Department of Child Protection' is one of the contributing factors for why this area is not getting the traction required to reduce the high levels of violence against children in the country. Instead the current system relied on the coordination and cooperation of the Departments of Social Development, Health, Education, the South African Police Service, and the Department of Justice and Constitutional Development. Tackling violence against children is a complex issue as it is deeply personal and often occurs within households by relatives and care-givers. Violence in the home is still socially acceptable, as is corporal punishment on children, and has only recently been recognised as a public health problem. An inter-ministerial committee on violence against women and children has been put in place to try to resolve this challenge.

In terms of government's will, it is clear that there is a lag in their commitment to tackle the problem in a sustained and substantial manner. The prioritisation does not seem to be there. To date it is unclear as to whether or not this is due to the challenges of coordination; the limited budget available to DSD; the lack of commitment from Parliament - where the women's caucus see it as competition to tackling violence against women; the position of National Treasury that they have not yet been presented with a convincing case from DSD that can adequately answer some difficult questions; or the apparent position of the planning office that tackling violence in the home is a matter of community mobilisation and that government responsibilities are limited. It may also be due to the fact that children do not vote, and generally do not have a voice in the arenas where decisions are made.

⁹⁴ For example, even the most basic questions of how many children are there in ECD elicits a range of responses from 600 000 to 1.3 million.

What is known though is that money will only follow a coherent plan, and National Treasury requires evidence to support any new initiatives. The focus now is to produce a compelling plan and programme of action. It is more possible now than it has ever been, due to the emergence of a critical mass of analysis and research in the past 12 months, particularly from CSOs. Due to the lack of prevalence data, it has been difficult to quantify the size of the problem and therefore cost an intervention. However, the completion of the Optumus Study on Child Abuse, Violence and Neglect, completed by the Centre for Justice and Crime Prevention, has provided the first-ever representative data on child maltreatment and exposure to violence. In addition to this a Diagnostic Review of the State Response to Violence against Women and Children was completed in 2016 by the DPME. The diagnostic review was followed by a Programme of Action and an improvement plan. The review found there was a need to improve the focus and efficiency of DSD. It is understood that the DPME is working closely with DSD and National Treasury to help identify the resources are needed to roll out the programme of Action. Finally, at the end of 2016, Save the Children South Africa revealed an important costing report on the economic and social burden of violence against children. They estimated that it costs the country R239bn a year. CSOs will continue to push for a parliamentary inquiry into child protection.

Along with its working relationship with the key line departments, UNICEF also works with the Family Violence, Child Protection and Sexual Offences Unit (FCS) in the head office of SAPS, and the Vulnerable Persons Unit at the Department of Justice and Constitutional Development (DoJ&CD). Unfortunately the representative at the DoJ&CD did not avail themselves for an interview. Much of the challenges facing the FCS are at provincial and local level, and are related to operational level issues. These challenges include a lack of cooperation from communities, insufficient involvement of, and assistance from, other stakeholders, the distance from where the victim is located to where the service is provided, and abuse of the system. The issue of insufficient involvement of other stakeholders is perhaps the most crucial as the nature of their work depends heavily on DSD, NDOH, DBE, DoJ&CD, Department of Public Works (DPW), and the National Prosecuting Authority (NPA). Functional multi-disciplinary structures must be established. Thuthuzela care centres⁹⁵ can make a substantial and positive difference, where they exist. The FCS head office is still not entirely certain whether or not some of the challenges are due to lack of funding or the inefficient use of funding. The care centres do seem to be a place where it is easier to mobilise the support of donors and NGOs. They have also been very helpful in providing capacity building to investigators. Finding available places of safety for children is sometimes a challenge (a key informant from a CSO noted that many places of safety for women are actually not suitable for children).

Interestingly the FCS believes that government definitely prioritises violence against children and ensures that all in their power is done to prevent it. The interviewees stated that priority has already been given to this in Parliament and that legislation requires all government departments involved to have a national instruction/directive which they can be questioned on. The FCS also works with USAID and the Child Welfare Society. As funding is handled by a different directorate, they were unable to comment on how much is spent on priority services.

3.3.5 *Provincial Government*

As has already been described, South Africa is a quasi-federal state, where provincial governments have specific powers and responsibilities separate from national government. Of particular relevance to this discussion is the role that the provincial departments of Education, Health and Social Development play, and how their actions (or inactions) may differ compared with their national counterparts. Time and resources did not allow for a thorough or detailed investigation into the nine individual provinces in South Africa. Therefore discussions presented are mainly drawn from

⁹⁵ Centres where victims of violence or sexual abuse can receive all the necessary services integrated into a single system.

secondary sources and general statements by key informants, no individual provincial government officials were interviewed.

The most comprehensive analytical work on provincial budgets was done by Budlender and Francis⁹⁶ in 2014. The mechanisms for determining how much individual provinces are allocated have previously been discussed, with provinces being allocated 'lump sums' according to their equitable share, and individual departments receiving payments from conditional grants. In addition to this, there is a small amount available from provincial 'own revenue'. Individual provinces decide how much each department is to receive, and variations by provinces have emerged. Total provincial per capita shares, using population estimates from 2014/15 show variations of R11,284 and R10,143 in the Northern Cape and Free State respectively, to R7,966 and R6,832 in the Western Cape and Gauteng. Some variation is expected, given that the Northern Cape is sparsely populated and the Western Cape and Gauteng have less poverty, however the range is much greater than expected. More importantly, the distribution of each province between priority and non-priority expenditure varies by province.

Table 3.2 below shows the distribution by province as a percentage of total provincial budget. The first column shows the social development budget as a percentage of the total provincial budget, while the second shows the combined budget for the social sectors of health, education and social development as a percentage of the total provincial budget. It can be seen here that the total social development budget within each province is quite small, ranging between 3% and 5%. This does not include expenditure on social grants, which are directed through the South African Social Security Agency (SASSA), or conditional grants. Nonetheless it can be seen that social development has a very small budget. The combined total provincial expenditure for the three main priority sectors paints a different picture. Commitment to social spend varies from 68% in the Northern Cape and North West Province to 78% in Gauteng and Limpopo. Given the size of the health and education commitments, it may well be that they have 'squeezed' out any further allocations to social development.⁹⁷

The per capita share of both the total provincial population and as share of the poorest 40% of the population reveals much starker variations in expenditure available for social development. This ranges from R135 per person in KZN to R411 in the Northern Cape. If one were to only consider the poorest 40% of the province (to whom most efforts are targeted) then the amount ranges from R299 per poor person in KZN to R1,009 per person in the Northern Cape. If the Northern Cape, due to its sparse population and lack of scale economies, could be seen as an outlier, then the province with the next greatest allocation per person is the Western Cape, at R929 per poor person.

Table 3.2 Social Development & Total Social Sector as percent of Provincial Budget (2015/16 estimates)

Province	Social Development Budget as % of total provincial budget 2015/16*	Health, Education and Social Development Budget as % of total provincial budget 2015/16*	Per capita allocation for Social Development by province	Per capita allocation for Social development of poorest 40%
	Eastern Cape	4%	77%	R236
Free State	4%	72%	R259	R625
Gauteng	4%	78%	R152	R526

⁹⁶ (Budlender, 2014).

⁹⁷ (Budlender, 2014).

Province	Social Development Budget as % of total provincial budget 2015/16*	Health, Education and Social Development Budget as % of total provincial budget 2015/16*	Per capita allocation for Social Development by province	Per capita allocation for Social development of poorest 40%
KwaZulu-Natal	3%	75%	R135	R299
Limpopo	3%	78%	R182	R344
Mpumalunga	3%	72%	R198	R420
Northern Cape	5%	68%	R411	R1009
North West Province	4%	68%	R206	R430
Western Cape	4%	73%	R203	R929
South Africa		75%	R187	R463

Source: (Budlender, 2014).

* = mid-term estimates.

There does not appear to be any clear understanding as to why there is such a variation in distributions across the provinces. The construction of budgets within the provinces is done almost exclusively by government officials, and they do not appear to change much year-to-year. There have been some limited attempts by CSOs to influence budgets, but this has mostly been done once the budgets have been tabled, when it is usually too late for that year. The provincial legislature can vote to either accept or reject the budget, but cannot vote to make amendments to it. It is always simply accepted. In the past year, CSOs in the Free State - through advocacy, protests and threats of litigation - have been able to get the Free State DSD subsidies increased but it is not known if this resulted in an overall budget increase for the department.

Budget reporting in DSD underwent restructuring in the 2014/15 financial year. Previously there were three budget programmes – administration, social welfare, and development and research. Now, they are required to organise a new structure based on clear and rational groups of services that have a common purpose and objective. The new structure is expected to provide greater transparency and service delivery information as it essentially splits social welfare into three sub-programmes – children and families, restorative services and social welfare. This was the result of the influence of the budget analysis that has been undertaken by Budlender over the years. Not all provinces have made this switch and National Treasury is quite frustrated that some provincial DSDs record spending on administration as high as 25% (partly due to misclassification). National Treasury has noted that: “when you have to keep cutting budgets, you have to look for the weak areas – and that stands out”.

The general consensus is that the Eastern Cape is the worst run province, in all three priority areas, with Limpopo also faring poorly. There are some variations within provinces, depending upon the sector. The Free State is considered to be in a ‘shocking state’ in terms of health. One of the problems identified is a lack of norms and standards at a national level. There are also sometimes tensions between national and provincial departments. The substantial variations in provincial DSDs were the reason that the distribution of social grants was redirected to the South African Social Security Agency, which was established specifically to distributed grants nationally. The National Council of Provinces should be engaging more with these issues – it does not apply the same level of interrogation as the National Assembly. It could become another entry point for holding provinces accountable.

3.4 Donors, NGOs and UNICEF

This section of the report considers briefly the role of international NGOs, the current positioning of local educational NGOs, and in some detail the role and positioning of UNICEF in South Africa. It also describes UNICEF's position in terms of priorities, and analyses its relationship with government.

3.4.1 *International Development Partners/Donors*

In South Africa, international development partners and donors play a fairly limited role with regards to overall contributions to national programmes. These child-related sectors could not be described as 'over-crowded', and given the well-established local CSO sector, and the government's high commitment to children, it could not be said that the sector is 'under-represented' either. Having said that, the government does appear to be open to accepting financial and/or technical assistance from international partners.

The national government is generally open to working with international agencies and appreciates the international perspective and skills they bring. National Treasury have worked with the World Health Organisation (WHO), and would like to see the International Labour Organisation play a greater role in exploring options related to social security. They noted that the DSD is very receptive to technical assistance from UNICEF, and also works with the International Social Security Agency. National Treasury would prefer to do more work with the World Bank, but they are expensive, and they want to be paid for their work.

Save the Children has recently published a report on the social and economic burden of violence against children. Although it is unknown what impact the report is expected to have, it will make a substantial contribution to the debate regarding the amount of resources currently devoted to this issue. Although the report was an international collaboration, Save the Children became a South African entity in 2013, and is no longer seen as an international agency. One criticism of international donors, made by a local CSO is that international donors often arrive with their own agenda and without consultation. They do not always take the time to understand the particular needs of South Africa and how they can support existing agenda.

3.4.2 *Local Education NGOs*

Efforts were also made to garner the opinion of local NGOs working in the education space. Recently a steering committee of prominent education NGOs was established and an interview was conducted with the newly appointed chairperson. The DBE does outsource a number of its functions to NGOs as it does not have the resources to oversee and manage projects. The purpose of the steering committee was to create a coordinated and coherent voice for engaging with government policy. It has been felt that the department, has at times 'played them off each other', so the group has been founded to counter this, to act strategically as a single unit and to encourage government to set priorities. It is felt that NGOs are 'tripping over themselves' in the field and that government needs to indicate what their priorities are over the coming years. This will help improve the governance and sustainability of the sector. From the perspective of the steering committee, implementation of DBE annual plans appears random, priorities are ad hoc and at the whim of the DG, and funding is not clear. They would like DBE to be more transparent in this regard.

There are two other educational NGOs that are not part of this steering committee, but have a high profile in this sector, most notably due to their vocal lobbying activities. These are Section 27 and Equal Education. Equal Education describes itself as a movement of learners, teachers and parents that advocated for quality and equality in the education sector through activism and research. They

are most known for their campaigning on school infrastructure and were instrumental in the establishment of Norms and Standards for School Infrastructure. As of November 2016, it is now illegal for any school to not have access to water, electricity, and sanitation, and for any school to be built of mud, wood, asbestos or zinc.⁹⁸ Section 27 describes itself as a public interest law centre which pursues issues of equality and social justice and is named after the section of the constitution. Their focus areas are basic education, public health care and the rule of law. Recent campaigns have focused on severely intellectually disabled children and the lack of provisioning for them in the education system. In 2013 they were responsible for bringing to light the Limpopo textbook scandal and took the national department to court to ensure textbooks were delivered on time.⁹⁹

3.4.3 UNICEF Positioning's and Priorities

Given that South Africa is a middle-income country, UNICEF's position is to work primarily at the abstract policy level, and on policy frameworks and strategies. If implementation is already in place, then they seek to influence at the meso level. UNICEF will become involved in, and potentially fund, implementation for the purposes of demonstration. It is not usually countrywide – they may choose a province, or even a district to test a methodology, approach or programme. Once effect has been established, then the programme will be (hopefully) handed over to government to take it up to scale. Their approach is to strike up alliances, and as they do not have a presence in all provinces, they use CSOs and academic institutions to assist with implementation.

There is an appreciation of the strategic importance of engaging at the provincial government level, where implementation takes place. UNICEF's approach is to work primarily with the least capacitated provinces, which usually starts with the Eastern Cape, followed by KwaZulu-Natal, Limpopo and Mpumalanga. At times, only specific districts that are struggling within these provinces are the location of implementation.

With regards to education and adolescent development, UNICEF has four main priorities. The first is to improve quality and learning outcomes. The second is inclusive education – targeting children with learning difficulties, disabilities, and those that drop out and repeat. The third is the transition to the world of work –focusing on bridging the gap for girls and boys specifically in relation to science, technology, engineering and mathematics. Lastly, UNICEF focuses on the school environment and how this can be made more welcoming and conducive to the needs of children. This includes addressing violence in school, bullying, substance abuse, corporal punishment, and water and sanitation in schools. Another more recent focus has been addressing early grade reading and numeracy in the foundation phase. This has been identified as one of the weak areas within the schooling system that is driving the poor outcomes that have been identified. In addition to primary and secondary schools, UNICEF also focuses on ECD, specifically in relation to quality and access for most-at-risk children. The role that educators place in ECD is very important, so they are now looking at issues of curriculum, teacher training and policy gaps. Advocating for increased resources in ECD is also a place where there is scope for further investment.

With regards to health and nutrition, UNICEF's primary strength is on providing technical support. They try to influence policy making and strategy formulation. Their primary focus areas are Maternal and New-born health, Nutrition, HIV/AIDS, child survival, adolescent HIV and WASH – water, sanitation and hygiene. The provinces that they engage in substantially are those mentioned above, along with the Free State. They also have a limited number of programmes running in specific districts.

⁹⁸ (Equal Education, 2016).

⁹⁹ (Section 27, 2016).

The primary focus of UNICEF's child protection work is on prevention and intervention, and to a lesser extent on response and response readiness. They are heavily involved in supporting the Isibindi programme, an initiative of the DSD to provide child and youth care workers in vulnerable communities. UNICEF assisted with the evaluation of Isibindi and is also providing financial and technical support to roll out the programme in the Eastern Cape. The Sinovuyo Programme is a parenting course which aims to facilitate conversations between care givers and children. UNICEF has also assisted in funding this programme, which is linked to Isibindi, and was involved in its evaluation. Their main intention is to assist with refining and consolidating the programme and bridge the gap between national and provincial departments. Isibindi has been identified as a national priority, to be scaled up and implemented in all provinces.

The Child Protection branch of UNICEF has recently started to reengage with the Child and Sexual Offences Unit at the South African Police Service. The unit focuses on vulnerable children and women, as well as online crimes and offences. Their only role here is technical support, as there is only budget for salaries and travel, and none for programmes. Current assistance involves helping the data manager in making the best use of the data they have available. With regards to UNICEF's work in social development, the office makes a substantial contribution to the technical work of the department, but there is no clearly structured programmes that exist, or any set of packaged, pre-defined interventions. This makes it difficult to identify exactly how to assist and even to secure funding. As a result they have not yet established any working programmes with them. The DSD is the main lead on ECD, so UNICEF is involved there in respect of health and education.

3.4.4 UNICEF's Relationship with Government

As alluded to above, UNICEF's primary position in South Africa is one of technical support, rather than one of large-scale programme implementation. The starting point is to prepare a Country Programme Document based on a situational analysis of the country, and seeing where the global and regional priorities of UNICEF align with those of the country – as expressed by individual departments or in the national development plans. All of the UNICEF chiefs made reference to a strong working relationship with key senior government officials in associated line departments. This includes being asked to attend important meetings and forums. All of the line departments mentioned their openness to draw on UNICEF's technical knowledge, and their gratitude for being able to do so. In one case, it seemed that a particulate directorate within DSD viewed UNICEF as an extension technical advisory service. Many departments described UNICEF as 'partners' and 'learning partners', which is possibly the best position to be in.

UNICEF also invites government to comment on their working documents and annual reviews. The budget briefs and investment cases developed by UNICEF has been drawn upon heavily by government. By providing government with solid evidence, they appear very receptive to allowing it to influence their policies and decision making procedures. Government appreciates that UNICEF has a limited budget for implementation and does not expect large grants from them.

Implementation budgets that are available are usually used for exploring new approaches that have not yet been granted funding. Training and capacity building is another area for which the government calls upon UNICEF, and in some cases, government has provided UNICEF with funding to undertake a joint analysis. In this respect they are seen as a neutral third party. Further to this, one directorate noted that they sometimes ask UNICEF to lead an initiative or coordinate an event, as they are seen as having more credibility and people are often more responsive to them, than to the government department. Deputy Ministers, Directors General and Deputy Directors General will often call upon UNICEF directly for assistance and to attend meetings. They sit on a number of key bodies, such as the steering committee for the National Food Security and Nutrition Programme (NFSNP). The global

position of UNICEF and its extensive international networks is also seen by government as an asset, especially in providing guidelines and futuristic thinking.

UNICEF's relationship with government extends beyond national government, and to provincial departments and sometimes even district offices and at the clinic level. This is more critical as this is where implementation occurs and is the best place to test and develop scalable models. Scaling up programmes is where the challenge lies, and it is found that in some cases, new programmes come in and government becomes distracted by that. In the area of child protection, which stretches across numerous departments – including SAPS, Justice, the court system, education and health, the DSD is struggling to coordinate them, which is a role that UNICEF sees itself playing – pulling in all of these government departments and CSOs. By getting the right people in the room they are then able to create some political leverage. Their ability to do this testifies to their position as being seen as a neutral and credible broker.

4 Conclusion

As a country, South Africa has come a long way since the birth of democracy and majority rule in 1994. This event serves as an important mark in the timeline of the country's commitment to social, economic and political emancipation. At the national level, the ANC has remained in power ever since. The advantage of this has been a sustained period of substantial reforms in the delivery of services to the majority poor population, with improvements in access to water and sanitation, housing, electricity, free and universal primary and secondary education, expanded health services and an extensive social grants system. The country has however struggled to make inroads into addressing its stubbornly high rate of unemployment and even higher levels of racially-based income inequality.

The downside of this uncontested hegemony has been the permeation of corruption, political infighting and economic instability in all levels government. There is a current leadership crisis with the incumbent President facing several allegations of corruption. Concerns regarding economic mismanagement and political instability seen the country experience credit-ratings downgrade. Opposition parties are on the rise and the ANC lost three large metropolitan municipalities in the most recent local government elections. The expectation is that the ANC will become more desperate and reactionary as it heads towards the next national election in 2019. The period has also witnessed an unprecedented level of social unrest and service delivery protests. The most recent that has substantial consequences on the budget, is the 'fees must fall' movement, which is demanding free university tuition. The growing and endemic levels of corruption which has led to these high levels of societal distrust and unrest, has the worrying possibility of the government responding by promising more to those with the loudest voice, resulting in less for those that have no voice.

Despite this, South Africa is a country that has demonstrated an extensive commitment to priority expenditure for children. As substantiated in the fiscal space analysis, the country's social grant system, which includes millions of child beneficiaries, is lauded internationally. It has a transparent and pragmatic approach to budget allocation that responds positively to budget bids based on sound investment cases and demonstrations of 'effect'. These strong technocratic positions must also be championed politically before they can be realised as programme priorities with attached budgets. There are some threats to this method, which need to be monitored and managed carefully to ensure the gains made to benefit children are not lost, all-the-while pushing forward the agenda to address neglected, underfunded and poorly delivered services.

The national Parliament is one sphere that has undergone concerning changes over the past ten years. Whilst substantial pieces of child-relevant legislation continues to pass through the National Sssembly, it seems that there is no single MP that champions the needs of children. A previous atmosphere of collaboration and conscious-driven behaviour has been replaced by a retreat to party positions. One concerning insight garnered was the apparent push-back that is received from the women's caucus when the issue of violence against children is raised. Rather than being allies, it would seem that the notion of addressing violence against children is deemed to be a threat by those who are championing the cause of violence against women. Another important observation within Parliament was the attitudes of the Education Portfolio Committee, which seems to put the interests of children behind that of teachers and business.

In general, Parliament does respond well to protecting and promoting children, and the country is very much dependent on a strong and active civil society that has demonstrably influenced and guided MPs and individually built their capacity in this area. However, at the end of the day,

Parliaments' influence is limited to that policy decisions as associated budgets are decided upon and supported by departments, National Treasury and Cabinet, well before they arrive in Parliament. Upcoming pieces of legislation, and areas of debate relevant to children include the issue of inclusive education, the creation of a new social grant to take pressure off the misused Foster Care Grant, and the banning of corporal punishment in the home (this though may be in the process of derailing). Another important characteristic of the parliamentary landscape is the growing reliance on public interest litigation. This has become an important tool that civil society has used to hold government to account when Parliament has failed to do so.

The government departments charged with delivering in areas of priority for children have done so with varying levels of capacity and competence. Variations occur between national and provincial departments of the same line ministry, and across the different provinces in general. The Eastern Cape continues to deliver sub-standard services on all fronts, followed by KwaZulu-Natal, Limpopo, and in some cases the Free State. National Treasury, and to an increasing amount, the DPME, play a central role in priority setting and ensuring that new budget bids are technically sound. The DPME, seated within the Presidency, is currently emerging as an important power broker in setting priorities, evaluating the effectiveness of key programmes, and driving the greater quest for improved quality of service delivery of all government departments. The efficiency and effectiveness of National Treasury and SARS – who report to Minister of Finance, are coming under growing threat due to political manoeuvrings.

Whilst the government remains committed to implementing the NDP, it is unlikely to achieve many of its set outcomes due to the economic growth rate being below the projected rate. The DBE continues to be a source of concern, with educational outcomes being well below what should be expected from the relatively high levels of expenditure. Problems with the quality of teachers, principals not being appointed on merit, and the recalcitrant position of the teacher's union, have resulted in a stalemate with government. Personnel expenditure is crowding out all forms of non-discretionary expenditure. The government has been dependent on donor funding to provide learning and teaching materials and without some reform in the budget it is likely that this, and other key interventions such as the school nutrition programme, may face cuts. The potential for expanding core functions in this tight fiscal space (dominated by the rapid expansion in expenditure in higher education) is limited. Early grade reading programmes, ECD, and primary schools are likely to come under pressure if the DBE cannot maintain and protect minimum levels of expenditure per learner.

The DSD has emerged from this analysis as in need of greater support and funding. The country's expansive system of social assistance has made substantial inroads into addressing poverty and protecting the vulnerable and the government remains committed to this. There are plans making their way through the system to expand and improve some of these grants even further. However, when the budget for social assistance is removed from DSD (as it is administered by SASSA), there is very little money remaining. Child protection, which is headed by DSD, but requires a multi-departmental response, is still not getting the traction and priority that it should. The aforementioned position of Parliament, and the comments made by senior officials within the DPME that violence against children is an issue of community mobilisation (and therefore a limited role of the state) is of great concern. One hope lies in the critical mass of evidence that is now emerging which clearly identifies the extent of the problem and how much inaction costs. This will though require an intensive, coordinated and sustained push from civil society before any substantial changes can expect to be seen.

The NDoH seems to be making slow but sustained improvements in addressing the key concerns of children. The national department is perceived as relatively well organised with strong technical and analytic systems. Delivery of services is highly variable across provinces and health districts. The

proposed NHI, if it can be pulled off, is expected to address concerns around poor service delivery at the district level. Scaling up MCH and adopting the 1000 day approach of interventions beginning from conception, is a current priority, as is strengthening the integrated school health programme and specialist clinical paediatric teams.

The government continues to hold a generally positive position to international donors and welcomes the resources – both financial and technical, that they bring. This space is certainly not over-crowded, but there are opportunities for better coordination and cooperation between these stakeholders. In some departments – such as the DSD, UNICEF appears to be an extension advisory service. More focus needs to be placed at the provincial level – which is the point of implementation, and the place where the greatest levels of variation in capacity exists. UNICEF is also generally well regarded by civil society, but not viewed as one of ‘them’, they are rather seen as closely aligned to government.

4.1 Entry points for UNICEF

Upon reflection of the findings the Political Economy Analysis, listed here are potential entry points for UNICEF South Africa to intervene. Direct action in some cases will not be feasible, but indirect action through forming alliances and supporting other stakeholders is an equally valid tactic that could still influence the desired outcomes. South Africa is in a very tight fiscal position, especially as the NDP was based on a 5% economic growth rate. The country has not been near that for the last 10 years, and only modest rates of around 2% are expected in the next five years. This, along with a volatile currency, high inflation, growing costs of servicing public debt, and the threat of ratings-agency downgrades has forced South Africa into a position of debt consolidation and decreased expenditure. Although South Africa is still committed to maintaining the growth rate of priority sector expenditure, the first and only option is to focus on protecting this position rather than pushing it.

The following entry points and positions should be given due consideration and have been presented in descending order of most to least opportunity to influence:

- **Working with the Education Portfolio Committee to develop a ‘children first’ approach** could make a substantial difference. Whilst it is appreciated that aligning oneself to the parliamentary space might compromise UNICEF’s strong working relationship with national departments, an alternative approach could be for UNICEF to work with and support existing CSOs working in this space. In general more could also be done by UNICEF to strengthen their relationship with local CSOs. While UNICEF’s work is highly regarded, they are not seen as ‘one of us’. UNICEF should develop stronger working relationships with CSOs that are engaged in child-related and public finance issues, especially the International Budget Partnership, the Children’s Institute and the Budget Expenditure Monitoring Forum;
- **Continued relationship building with a wider range of stakeholders** remains a critical tactic for creating influence and driving agendas. One under-utilised entry point is the national planning commissioners. These are independent experts appointed for five years to serve as advisors on the NDP. Presently there is only one commissioner that has an express interest in children, but two others whose expertise overlap. Concurrent to this, it is important to build on existing relationships with the DPME and seek for any opportunity to strengthen ties there. The DPME is emerging as core central government function for priority and standard setting in all government departments. The National Youth Development Agency has now been placed under the ambit of the DPME and an opportunity exists for influencing the government’s youth policy and reforming this under-performing agency. In maintaining these relationships, particularly with line ministries, UNICEF can potentially play a role in the budget process, particularly during the prioritisation stage, when Cabinet identifies the key priority areas for the year. Furthermore, if UNICEF continues to provide technical support to departments, sharing research and technical knowledge,

they can assist departments in the development of the business cases to give to National Treasury under the new evidence-based approach to budgeting;

- **Parliament is also an underdeveloped** entry point that no longer receives the support of UNICEF that it once did. Many MPs, especially those serving on important portfolio committees often do not understand the complexities of children's rights and their obligations to protect them. Related to this, violence against children is a focus area which requires an immediate big push to leverage the current momentum that is being created. Calls for a parliamentary inquiry into violence against children must be supported, and means to bring the women's caucus on board must be pursued. A focused effort to bring together all stakeholders championing violence against women to also align with the campaign to end violence against children is required. The notion that violence against children is a public health issue needs to enter the parlance of public discourse. The proposed legislation to ban corporal punishment against children in the home has the potential to be derailed – especially by those who hold more traditional views. More needs to be done to understand the key positions of this constituency and creative ways to encourage them to reconsider their position needs to be sought. This is not the first time the country has had to create a public dialogue about deeply personal attitudes and behaviours regarding what happens in the privacy of people's homes (i.e. HIV/AIDS);
- With regards to the Department of Education, some gains made in ensuring access to LSTM – learning and teaching support materials, may possibly come undone as donor funding for this is coming to an end. This is potentially an area where UNICEF can lobby other donors to earmark **funding for workbooks**;
- An obvious entry point for substantial leverage is to **work more closely with provincial governments**. Although UNICEF has already acknowledged this, more could be done to understand the detailed machinations of provincial-level decision making. Little is really understood of the budget priority setting activities of provincial treasuries and why there are substantial variations between provinces. Unfortunately going into greater depth in this regards was beyond the ambit of this exercise. The National Council of Provinces is an important arm of the legislature that has not been explored as a possible entry point for holding provinces accountable. It currently does not apply the same level of interrogation as is seen in the National Assembly;
- **Austere measures** also present an opportunity. Treasury will become increasingly critical of departmental budgets. If money is underspent, budgets will be taken away. UNICEF has two possible roles to play in this regard. They can provide technical support to the priority sector departments to ensure that their money is spent and that it is spent efficiently. Secondly they can help priority sector departments to be ready to take advantage of possible reprioritisation, if it should occur. This can be done by ensuring that priorities are in line with the NDP and that Treasury can be shown a coherent policy, strategy and implementation plan that provides a clear indication of costs and potential benefits. Government departments that have limited capacity are open to technical support from UNICEF. UNICEF should give serious consideration to obtaining in-house technical capacity in the form of an economist and/or encourage national departments to do so – especially the National Department for Social Development. Treasury is still awaiting a coherent and technically sound budget bid to address violence against children;
- Although there is little that UNICEF can do directly, **monitoring risks** is important, and one such risk is the assumption that the country's fiscal policy will continue to function with a highly efficient revenue collecting agency and a treasury that operates predominately independently. Both of these assumptions are currently under threat.

Appendix 1: List of Interviewees

Name	Position	Organisation
Yulia Privalova Krieger	Deputy Representative	UNICEF
Wycliffe Otieno	Chief: Education & Adolescent Development	UNICEF
Anthony Nolan	Chief: Child Protection	UNICEF
Sanjana Bhardwaj	Chief: Health & Nutrition	Unicef
Mark Blecher	Chief Director for Health & Social Development	Treasury
Julia de Bruyn	Chief Director for Education	Treasury
Ian Stuart	Chief Director in the Budget Office	Treasury
Dr Stephen Taylor	Director - Research Coordination, M&E	Department of Education
Dr Granville Whittle	DDG - Branch S	Department of Education
Yogan Pillay	DDG: HIV / AIDS, TB and Maternal and Child Health	National Department of Health
Major General Mokilisi	Head of FCS	SAPS
Maureen Mogotsi	Director - Social Security	DSD
Desiree Jason	Director for M&E	DSD
Shanaaz Mathews &	Director	Children's Institute
Patricia Martin	Advocacy Aid: Director	University of the Witwatersrand
Debbie Budlender	Independent Consultant	
Chris Desmond	Chief Research Specialist - Human & Social Development	HSRC
James Keevy	CEO	JET
Ashraf Kariem	Sector Specialist: Economics	National Planning Commission
Tshediso Matona	Acting DG: DPME Secretary of the NPC	National Planning Commission
Lucy Jamieson	Senior Researcher	Children's Institute

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