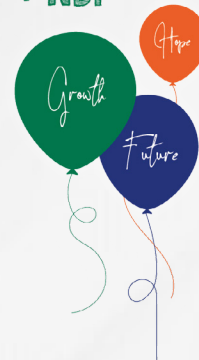


Our Experience,
Our Response, and
**PERSPECTIVE ON THE
FUTURE OF EDUCATION**

NECT
+ NDP =



MISSION

Our mission is to mobilise national capacity to assist government to achieve distinctive, substantial and sustainable improvements in education.

We want South African children to possess the skills, knowledge and attitudes that enable them to live economically gainful and fulfilled lives.





CHAIRMAN'S FOREWARD

In 2021, the subsequent waves of the COVID-19 pandemic continued to shake national economies. Serious tremors consequentially reverberated in education systems. The silver-linings, however, were that scientists understood better what we were up against, vaccines were available and over 90% of our teaching staff took advantage of them and the response of the South Africa education stood among the best. Our schools were completely shut down for less than three months, as opposed to countries such as India, Kenya and Zimbabwe which remained closed for periods exceeding a year. The pandemic forced organisations to think differently right around the world. Innovations such as virtual platforms for learning and teaching curricula were either adopted or gained much appreciation in our own education system.

Despite our good comparative national response that saw learners attending via rotation schooling hardly three months into the lockdown and back to fulltime attendance in February of 2022, much learning time has been lost to the fourteen cohorts of learners who were in the schooling system in the period 2020-21. The negative impact will linger in the schools, higher education institutions and the economy for decades to come.

It is for these reasons that the NECT extended its strategic delivery and think tank roles to propose a three-part COVID Response Initiative (CRI). The three-part CRI entailed driving efforts to 1) reopen and reboot the education operations as soon as possible, 2) inform the planning and implementation of the recovery of learning and 3) to plan to rebuild education in better and sustainable ways.

The Board is pleased that the NECT was able to play strategic roles towards the rebooting of the education system and is supporting the Department of Basic Education (DBE) in implementing programmes that are guiding the learning recovery.



Whilst much focus has been on 'rebooting and recovery', the NECT continues with a proven education reform agenda advocated in international literature and proposed in the National Development Plan.



4 453

Toilet Seats

provided to 337 schools through the Sanitation Appropriate for Education (SAFE) project.

103 614

Teachers Reached

through NECT programmes since 2014.

By the first term of 2022 the NECT, working with the DBE, had inducted majority of the 3,000 subject advisors on the adjusted curriculum, and prepared and distributed to over 80% of the teachers guidelines on how to implement the adjusted curriculum. These interventions were not only agile and systemic but created much needed marshalling of the teaching activities in over 200 000 classrooms in the country and assisted in building confidence among many of the over 400 000 teachers that have to lead the education recovery process.

Whilst much focus has been on 'rebooting and recovery', the NECT continues with proven education reform agenda advocated in international literature and proposed in the National Development Plan. Among these is the continuation with the professional development of our teachers, school managers and subject advisors which reach has increased by 3,1% from 100,530 in 2020 to 103,641 in 2021. Programming continued to support the improvement of reading and curriculum innovation. Through the Presidential Sanitation Appropriate For Education (SAFE) project, ablution facilities were provided 337 schools in the Eastern Cape, Limpopo and KwaZulu Natal. The upgrading of the web-based school management and administration system, which is undertaken in collaboration with UNESCO, launched a vanilla solution in July 2021.

The Education Technical Assistance Office (ETAO), established within the DBE, recruited and engaged a wide range of technical expertise to support strategic initiatives such as the migration of Early Childhood Development (ECD) from the Department of Social Development to education, the design and introduction of the vocational (or third) stream in education, the design and initiation of the language unit in the DBE, and teacher development programmes. These strategic initiatives will succeed if there is continued strong collaboration between the key actor groups including the private sector, teacher unions, academic organisations, NGOs and the DBE.

The evaluation of the NECT that was spearheaded by FirstRand, as one of the founding funders, was completed at the end of 2021. The report confirms the strategic role that the NECT has played in the past eight years in creating a social capital network that was critical to harnessing technical and material resources for the further development of our education system. The report also makes suggestions on how to better align the organisational focus, programmes and capacities of the NECT. Consultations on the report are underway with the founding members of the NECT. The consultations are important as they coincide with the approach of the 10-year anniversary of the NDP and the NECT. It serves as a good basis for the ongoing board-level conversations about the future of the NECT and the eight years remaining towards the 2030 NDP goal. These consultations are being considered against the two years adverse impact of Covid-19 on education and the unprecedented need to recover and rebuild education.

In conclusion, the NECT's success under these trying times could not have been achieved without the continued support of the Minister of Basic Education, Hon Angie Motshekga, DBE senior management and officials both at national and provincial levels, the Board of Trustees; and the commitment of the NECT's senior management. I would also like to acknowledge our funding and implementing partners for their continuing partnership with the NECT. The NECT will continue to leverage its social capital to strengthen the delivery of quality education.

Mr Sizwe Nxasana
Chairman of the Board





CEO'S REFLECTION

There could be no better guiding principles during the second year of the pandemic than those underscored by the NDP: Hope, Growth and commitment to the Future. In this annual report, we reflect on our response to the disruptions of the pandemic and share perspectives on the future of education. Undergirding our strategy and programming was to always cast our thinking beyond the immediate challenges posed by the pandemic, to the ultimate goal of improving education.

Our programming framework founded on a tripod strategy: providing support to the DBE to avoid the worst risks to the operations of the system, maintaining long-term focus on the education reform and transformation agenda and sustaining the organisational capacity. Our system risk-aversion strategy was driven by the COVID-19 Response Initiative (CRI) referred to by the Chairman. The CRI is a product of purposeful search for systemic and structured ways of system recovery from a crisis. With the contribution to and adoption of the CRI by the DBE, several achievements which are critical to the rebooting and recovery of education are notable. The NECT continued to undertake education system risks and readiness to the reopening of schools.

The readiness assessments involved a review of exercise books to establish what learners were learning, the assessing the health safety of schools, psychological impact on teachers and the views of parents on communities on the reopening, and sustenance if the of the Remote and Digital learning programme rolled out through radios, television and the internet. Just under 6 million learners were recorded to have used the DBE TV, materials were designed and distributed to guide teachers on how to resume the learning recovery, and a random sample of over 300 schools was visited to establish the impact of Covid and the readiness of



The NECT continues to work with 5 000 schools in 25% of the education circuits where we are pursuing a focused model of improving the technical and societal strategic role of improving reading.



R433.9 million

raised to support the education system through NECT programmes.

387 Schools

schools visited to establish the impact of Covid-19 and the readiness of these schools to resume with full-time teaching and learning.

these schools to reopen. These insights were fed into the strategic programming of the DBE, stakeholder dialogues and a process of figuring what the role of the NECT should be going forward.

The NECT continued to increase its impact on the long term education reform and transformation agenda. Central to this agenda has been to strengthen the 'capacity of the state', in respect to strategy, systems, technical capabilities and service delivery. Some of the highlights of the achievements in this regard are that we have worked with over 1 080 subject advisors, 103 641 teachers, 19 803 schools, and provided 4 453 toilet seats to 337 schools in the Eastern Cape, Limpopo and KwaZulu Natal. We have worked with ten (10) NGOs to support 15 050 youth that took part in the Presidential Youth Employment Programme.

The NECT continues to work with 5 000 schools in 25% of the education circuits where we are pursuing a focused model of improving the technical and societal strategic role of improving reading. Teacher unions also continued to implement collaboration projects in the areas of assessment for learning and advocating teacher and community support for schools. In this regard, UNICEF collaborate with teacher unions, DBE and the NECT to implement the 'I'm a School Fan campaign'.

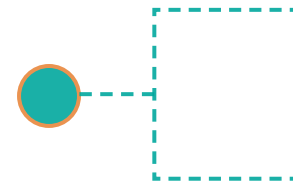
While the NECT celebrated its ninth year on 16 July 2022, and registered reasonable to excellent achievement; the national system challenges still loom large. The redirection of the system's programming and risk aversion in the past two years did no favours to the education system. Notwithstanding the timeliness to initiate realignment of the curriculum in South Africa, history has taught us that such bold national steps require strong research input, trialling capabilities and relevant teacher development programming. Any curriculum change should have as its central cog a teacher-focused change management programming.

It is against this background that the future of the NECT is being discussed among the founding members. In addition, the future of the NECT is being discussed in the context of the approaching eight national election. Transitions between political offices call for strong administrative bridges which remain a tricky process in many countries. A vehicle in the current form of the NECT or an adjusted form is critical for a constructive continuation of the South African education reform and transformation agenda.

The NECT is financially strong and sustainable. Its core funding has been sufficient to run its COVID budgeting and more strategic project funding has been secured to ensure the implementation of strategic initiatives with ring-fenced funding.

| Income | | 2021 | 2020 | 2019 | 2018 |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|
| Total Income in Rands | | 433,965,214 | 295,138,067 | 261,501,131 | 262,298,343 |
| Government Sources % | | 80% | 62% | 65% | 60% |
| Non-Government Sources % | | 20% | 38% | 35% | 40% |
| Total Expenditure in Rands | | 375,624,660 | 245,334,220 | 245,513,305 | 269,923,151 |
| Expenditure Splits | Education programmes % | 25% | 47% | 59% | 81% |
| | Special Projects % | 71% | 46% | 35% | 12% |
| | Administration Cost % | 5% | 7% | 6% | 7% |
| Surplus/(deficit) for the year in Rands | | 63,809,476 | 52,432,729 | 15,536,664 | (7,624,809) |

Mr Godwin Khosa
Chief Executive Officer



2021 HIGHLIGHTS

| | | | | | |
|--------------|---|--|--|---|--|
| REACH | <p>Teachers reached</p> | <p>Schools reached through teacher training and resourcing</p> | <p>Teacher union members reached</p> | <p>District Steering Committees established since 2014</p> | <p>Beneficiaries trained on the Psychosocial Support Model</p> |
| | <p>6.9 million average television viewership</p> <p>Remote and Digital Learning Programmes</p> | <p>Average of 250 participants per session</p> <p>Monthly Virtual Reading Club sessions</p> | <p>4,453 toilet seats</p> <p>Provided to 337 schools through the sanitation project</p> | <p>15,050 youth recruited and allocated to 15,050 schools</p> <p>Reading Champions Programme</p> | <p>13 dialogues hosted</p> <p>With an average of 250 participants per session</p> |

RESOURCE MOBILISATION

| | | | | |
|---|--|---|--|---|
| <p>R45 MILLION for Remote and Digital Learning</p> | <p>R85 MILLION over 3 years for Three-Stream Curriculum Model</p> | <p>R6 MILLION to pilot Home Language Reading Programme</p> | <p>R1.5 MILLION for Robotics and Coding pilot</p> | <p>R199.8 MILLION secured for provision of ablution facilities</p> |
|---|--|---|--|---|

SUPPORTING EVIDENCE-BASED PROGRAMMING AND DECISION MAKING

| | | | | | |
|--|---|---|---|---|---|
| <p>Conducted four (4) School Readiness Assessments since 2020</p> | <p>PSRIP External Evaluation assessing 18,000 Grade 3 and 4 learners</p> | <p>Readiness Assessment of 90 schools piloting the vocational stream across nine provinces</p> | <p>School functionality survey in 287 schools across the country</p> | <p>Rapid assessment of the status of Care and Support for Teaching and Learning in 400 schools</p> | <p>Rapid assessment of teaching and learning in 100 schools across 4 provinces</p> |
|--|---|---|---|---|---|

OVERVIEW OF THE 2021 FINANCIAL PERFORMANCE



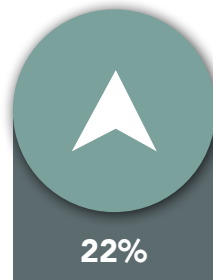
47%

Revenue increase from R295.1 million in 2020 to R433.9 million in 2021



53%

Expenditure increase from R245.3 million in 2020 to R375.6 million in 2021



22%

Surplus increase from R52.4 million to R63.8 million in 2021

The NECT’s revenue increase from R295.1 million in 2020 to R433.9 million in 2021 represents an increase of 47%. This increase can be attributed to the successful implementation of ring-fenced funding projects such as Sanitation Appropriate For education (SAFE) and Remote and Digital Learning (RDL). The 53% increase in expenditure was also consistent with the increase in revenue. The NECT’s surplus increased by 22% in 2021 due to the decrease in the core programme expenditure caused by the Covid-19 containment measures which affected the implementation of various planned programmes.

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

The abridged statements below are extracts from the annual financial statements as audited by PricewaterhouseCoopers (PwC) Inc. The complete audited annual financial statements, which received an unqualified audit opinion, are available on NECT’s website (www.nect.org.za).



Abridged statement of comprehensive income

| | 2021 | 2020 | Change |
|------------------------------------|-------------------|-------------------|------------|
| | R | R | % |
| Income | 433 965 214 | 295 138 067 | 47% |
| Expenditure | (375 624 660) | (245 334 220) | 53% |
| Operating surplus | 58 340 554 | 49 803 847 | 17% |
| Net finance charges | 5 468 922 | 2 627 882 | 108% |
| Surplus for the year | 63 809 476 | 52 431 729 | 22% |
| Other comprehensive income | - | - | - |
| Total comprehensive surplus | 63 809 476 | 52 431 729 | 22% |

Abridged statement of financial position

| ASSETS | 2021 | 2020 | Change |
|------------------------------------|--------------------|--------------------|------------|
| | R | R | % |
| Non-Current Assets | 6 360 393 | 4 236 148 | 50% |
| Current Assets | 304 566 708 | 266 139 185 | 14% |
| Total assets | 310 927 101 | 270 375 333 | 15% |
| FUNDS AND LIABILITIES | | | |
| Accumulated Funds | 141 315 845 | 77 506 369 | 82% |
| Non-Current Liabilities | 2 565 948 | 400 657 | 540% |
| Current Liabilities | 167 045 308 | 192 468 307 | -13% |
| Total funds and liabilities | 310 927 101 | 270 375 333 | 15% |

Statement Of Cash Flows For The Period To 31 December 2021

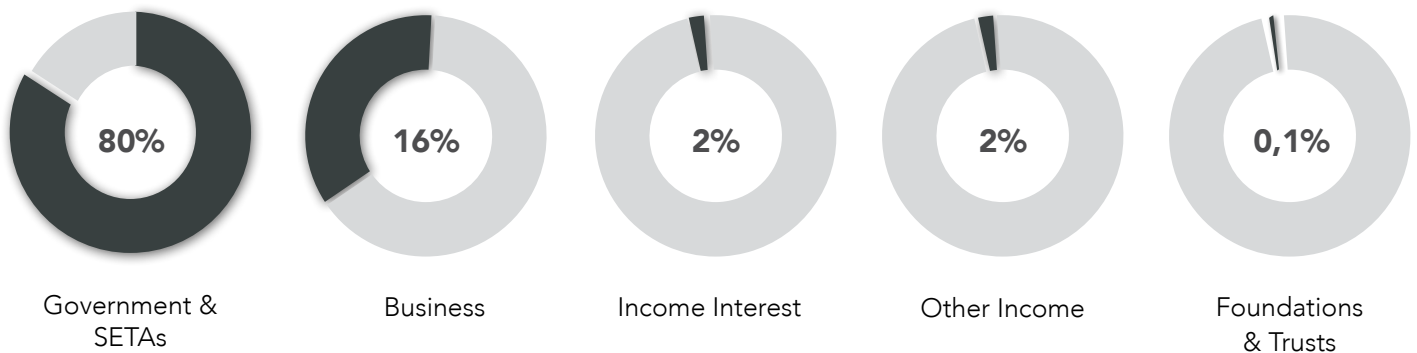
| | 2021 | 2020 | Change |
|---------------------|--------------------|--------------------|------------|
| | R | R | % |
| Operations | 2 879 313 | 210 892 555 | -99% |
| Interest | 5 468 922 | 2 627 882 | 108% |
| Investments | (930 197) | (681 206) | 37% |
| Leases | (1 818 026) | (1 716 871) | 6% |
| Opening Cash | 241 879 506 | 30 757 145 | 686% |
| Closing Cash | 247 479 523 | 241 879 506 | 2% |

Income Analysis

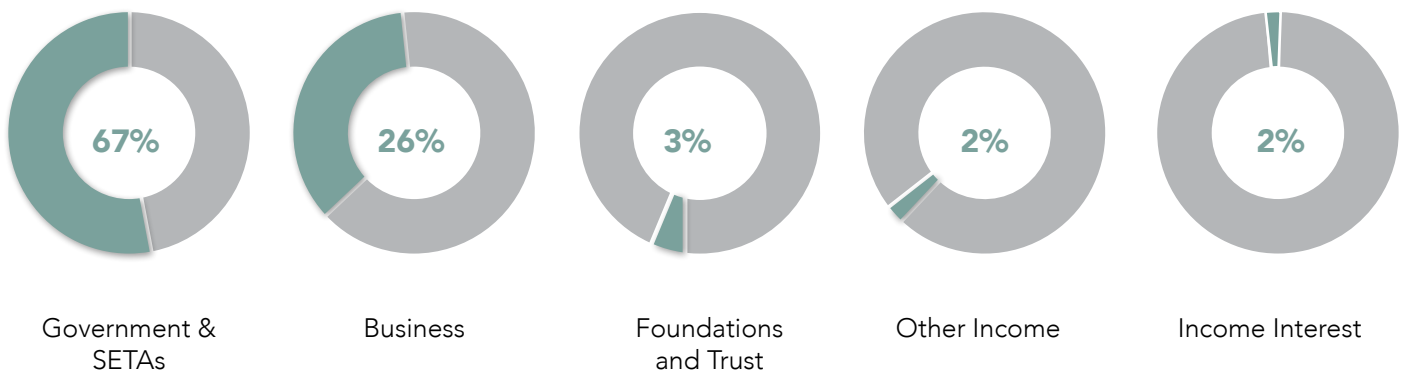
The funding from Government and SETA's increased from 62% in 2020 to 80% in 2021 due to the Sanitation Appropriate for Education (SAFE) project, which is primarily funded by government. It is also worth noting that funding for special projects increased by 127% between 2020 and 2021 due to funding received for the SAFE and Remote and Digital Learning (RDL) projects.

Sources of revenue

2021

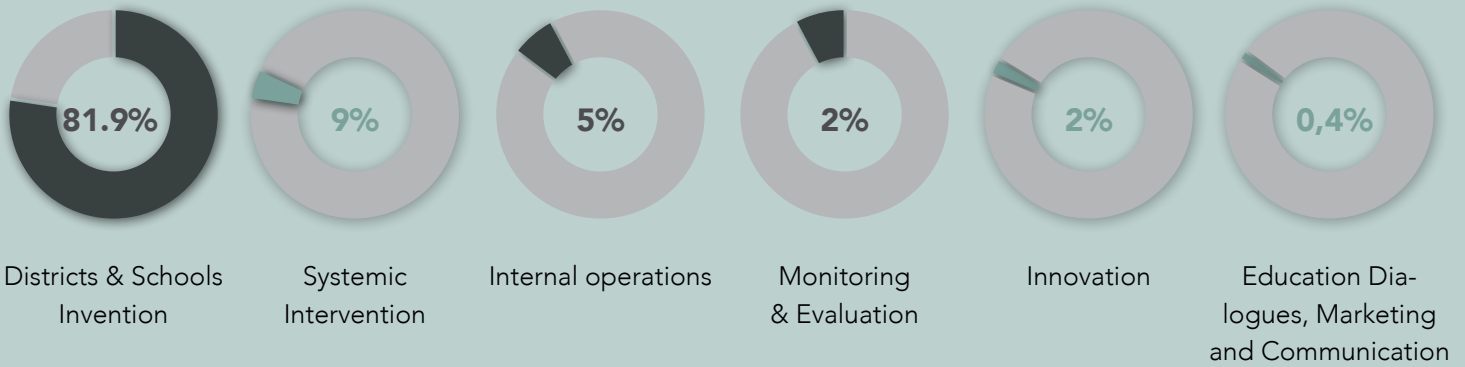
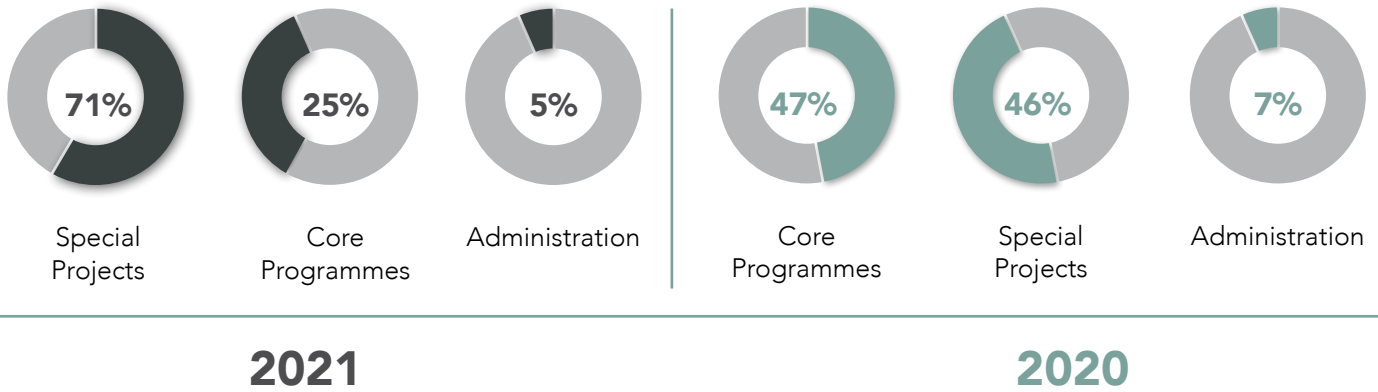


2020



Analysis of Expenditure

In 2021, the NECT invested 95% of all expenditure directly into education-related programmes, whilst 5% was allocated for administration costs. Expenditure for core programming was distributed across six (6) programmes as presented in the figure below. The District and School Improvement Programme, which has been NECT’s flagship programme since 2014, accounted for 82% of NECT’s total expenditure in 2021.





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