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#### Foreword





It is my pleasure to table the new Annual Performance Plan (APP) for the Economic Development Department for 2013/14.

This APP is based on the Strategic Plan tabled in parliament by EDD in March 2012. It provides the key performance indicators that are used to organise the work of the Department and the allocation of resources.

It builds on the previous year's APP but is not simply an update of targets. It seeks to sharpen the indicators of performance and to introduce new indicators to take forward the government mandate.

The changed context within which this APP is introduced include on the one side weak global and slowing domestic economic growth; but on the other side we also have a more coherent policy environment that can be utilised for greater integration of initiatives. The successes in some of the state-led programmes need to be built on as key mitigating actions to ensure we can meet our employment goals and unlock greater contributions from the private sector. The National Development Plan requires that we have a more integrated approach between economic. demographic, social and regional policies. In the economic sphere, we have taken steps to help achieve coherence, with the New Growth Path as the overall economic strategy within which its jobs drivers on infrastructure and manufacturing find detailed expression in the National Infrastructure

Plan and the Industrial Policy Action Plan. In the 2013 State of the Nation Address, the President emphasised the importance of infrastructure in developing the economy, addressing inequality and generating employment.

The NDP draws attention to the need to strengthen the capability of the state.

Cabinet has also committed to driving a more effective public service and to do so in a cost-effective manner.

This APP will take these policy prescripts on board through a number of means. Aside from budgetary allocations, the key performance indicators that measure performance, have been adjusted as follows. First, the APP marks a departure from the past focus on policy development and planning to greater emphasis on implementation. It provides for clear reviews of progress on all the Strategic Integrated Projects (SIPs) of the National Infrastructure Plan and it provides for the Department to focus on unblocking obstacles to the build-programme.

Policy work itself will now be focussed more on the challenges we face as we implement previously agreed policy frameworks. Planning in the year ahead involves constant adjustment and updating of plans that are now being implemented rather than developing completely new plans.

Second, the number of 'products' or outcomes that are expected to be produced in the course of the year, has been scaled up substantially.



As an integration department, these products include actions to coordinate work of different public entities, hosting dialogue platforms and training interventions.

The number of products have been increased, from 148 in the previous year to 228 in the year covered by this APP. This reflects a growing capacity that has been developed in EDD. Whilst resources (staffing and finance) are allocated for these products and performance indicators, I am pleased to note that the EDD has been able in the past to secure implementation of some of its core mandate by using existing resources in agencies and public enterprises, without additional costs to the fiscus. This is generating some savings that can be used to finance the increased outputs and products set out

#### in this APP.

## Products targetted in this APP is up by 54% compared to previous year

Third, entities that report through EDD will be held accountable for direct impact on jobs and development.

This APP introduces a new indicator, on their jobs impact, which will now be consolidated on a quarterly basis. The Department will evaluate the rulings and outcomes of economic regulatory bodies to ensure their developmental impact are transparent and effective. Small business entities will have a target of road-shows and stakeholder sessions to communicate the facilities available in government to the widest number of citizens. EDD's priorities for the coming year are:

□ Continued support for the Presidential Infrastructure Commission, for which it provides technical support

□ Working with other departments to scale up efforts to encourage growth, industrialisation and job creation in the productive sectors, including stronger local procurement, dealing with skill issues, streamlining regulations, using infrastructure to crowd in productive investment, strategic enforcement of competition laws, scaling up industrial financing and facilitating major investments

□Continuing to strengthen mechanisms and projects to support emerging enterprises and job creation including in impoverished regions, based in particular on investment in infrastructure, and supporting the implementation of the youth employment strategy; and

□Supporting broad mobilisation in support of economic development and transformation through social dialogue.

The Annual Performance Plan details the Department's key objectives and the targets set for officials to deliver high quality services which make an impact on the lives of all South Africans.

I will give the APP my full support in the period ahead.

Mr Ebrahim Patel Minister of Economic Development

## **Official Sign-Off**

It is hereby certified that this Annual Performance Plan was developed by the management of the Economic Development Department under the guidance of Minister Ebrahim Patel; was prepared in line with the current Strategic Plan of the Economic

Kumaran Naidoo Chief Financial Officer (Acting)

Kailash Bhana and Refiloe Ogude

Office of the DG

Jennifer Schreiner Accounting Officer

Ebrahim Patel Executive Authority Development Department; and accurately reflects the performance targets which the Economic Development Department will endeavour to achieve given the resources made available in the budget for 2013/14.

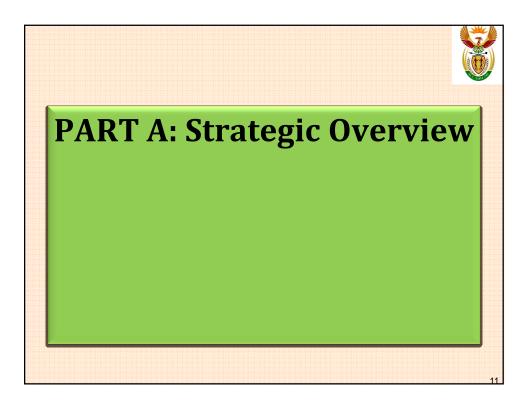
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| Str                                  | ategic Overview   |
|--------------------------------------|---|
| The Department retain as follows:    | ns the strategic outcome-oriented goal and goal statement   |
| Strategic Outcome<br>orientated Goal | Promote decent work through meaningful economic transformation and inclusive growth   |
| Goal Statement                       | Provide participatory, coherent and coordinated economic<br>policy, planning and dialogue for the benefit for all South<br>Africans |
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#### 1. Updated Situational Analysis

#### 1.1. Performance Environment

The Economic Development Department was established on 7 July 2009 in terms of the Public Service Act, 1994 (Proclamation 103 of 1994), following President Zuma's creation of a new portfolio on Economic Development on 10 May 2009 and the appointment of Mr Ebrahim Patel as Minister.

The role of the Economic Development Department is to support employmentcreating and inclusive growth through policy work, planning, use of social dialogue and coordination between departments, spheres of government and public agencies.



To this end, it is responsible for monitoring work on the New Growth Path; it is one of the co-ordinating departments for Outcome 4: Decent Employment through Inclusive Growth; and it provides technical support to the Presidential Infrastructure Coordinating Commission.

EDD will continue providing support to the PICC through active construction monitoring and preparing the Quarterly Construction Update, providing oversight of SIP Intergovernmental Forums and Coordinating Agencies. Additional support will include assistance to develop funding mechanisms and address cost issues, support to bring new projects on stream and scaling up existing projects, assisting with the enhancement of state engineering capacity well driving as as industrialization and skills development within the project pipeline. In 2013/14 additional specialist and project management expertise will be brought into the PICC Technical Team and a PICC Project Office will be established within EDD.

The Department oversees the Industrial Development Corporation and the

recently established Small Enterprise Finance Agency – sefa. EDD is responsible for three specialist regulators: on competition and on trade.

Ministerial and Departmental engagements with these entities provide the means by which their work is integrated with government's overall policy framework, subject to the relevant legislative prescripts.

The Department works with a range of other departments and agencies to support common priorities and initiatives. This collaboration takes place through the work on Outcome 4 and the Economic and Employment Sector Cluster and the Economic Development MinMEC. In addition, the Department participates in a variety of committees and task teams charged with resolving specific challenges.

Through the social dialogue processes, the Department seeks to improve coordination with stakeholders in the economy in order to improve economic outcomes. The aim of this collaboration is jointly identify and support to implementation of common initiatives including skills development, employment creation, local procurement, greening the economy; and responses to sector-wide industrial conflict and the uncertain global economic environment.

The Department holds regular platforms with internal and external stakeholders and experts, as well as an annual Development Conference, to deepen mutual understanding and develop common approaches to the economy.



#### 1.2 Organisational environment

The Department had to establish itself from 2009 while initiating its work. Over the past three years, it has established the governance and accountability structures required by the Acts governing the public service. Whilst the Department utilised the dti policies in its initial development phase, significant progress has been made in developing EDD specific policies and governance frameworks. In the coming year the Department will develop an independent ICT system and Master Information System Plan.

During the past financial year, the Department had 142 funded posts, and by December 2012, 123 of these were filled.



The Department continues to recruit new staff and the number of staff members are expected to rise during the coming months.

The NDP raises the key issue of improving the capability of the state. This requires retooling across government, including in the Department. A Ministerial directive has been issued to the Department to work on a plan to give effect to this. It will require careful screening of job applicants; training of existing and new staff members; improved systems to allocate work and monitor performance; and strengthened management and monitory systems.

All four programmes will be affected by this initiative to improve the capability of the state. Approximately twenty new staff appointments are expected to be made during the year. One of the KPI's will track progress in this area.

The Department will continue to use a flexible rage of staffing measures, ranging from permanent appointments, contract and part-time appointments, secondments of staff and use of staff employed by other agencies. In order to address potential risks however, a stronger management system need to be put in place. Provision is made in the APP for the requisite management systems to be strengthened.

The Department has 166 funded posts for the 2013/14 and 2014/15 financial years.

The Department will complete the move into additional accommodation during the APP period but remains on **the dti** Campus.

## 1.3 EDD's setting of indicators and targets for 2013/14



EDD has made material changes to the targets set in the previous APP. The main changes are:

1. A greater number of KPIs have been set on implementation of projects rather than development of policy and planning tools.

2. The number of 'products' or outcomes expected to be produced in the course of the year, has been scaled up substantially from 148 in the previous year to 228 in the year covered by the APP. These will be organised across 38 key performance indicators, consolidated down from the 41 in the previous financial year.

3. Third, entities that report through EDD

will be held accountable for direct impact on jobs and development. An APP has been introduced to require EDD to do impact assessments on a quarterly basis. Small business entities will have a target of road-shows and stakeholder sessions to communicate the facilities available in government to the widest number of citizens.

| YEAR    | NUMBER OF<br>INDICATORS |     |
|---------|-------------------------|-----|
| 2012/13 | 41                      | 148 |
| 2013/14 | 38                      | 228 |
|         |                         |     |

#### 2. Revisions to legislative and other mandates

EDD's mandate has been shaped by the adoption on 25 October 2010 by Cabinet of the New Growth Path (NGP), a strategy promoting decent work and inclusive growth, the signing of the Outcome 4 Delivery Agreement in October 2010 and the adoption of the National Infrastructure Plan in February 2012. Work on strengthening the alignment between these frameworks and the NDP will continue.

In 2013/14, EDD will steer the Infrastructure Development Bill through Parliament to establish a legislative framework for the work of the PICC.

The promulgation of section 16 of the Competition Amendment Act will require that the Department develops a capacity to monitor market enquiries undertaken by the Competition Commission.

Other relevant legislation previously reported on have not been changed.

The Cabinet decision to conclude a Youth Employment Accord to address high levels of joblessness among young people, and the request to EDD to coordinate work on the Accord, will impact on the activities of the Department.

# 3. Overview of 2013/14 budget and MTEF estimates

#### **3.1 Expenditure Estimates**

Table 1. Economic Development

| Audited o | utcome                                 | ,  | Adju<br>sted<br>appr<br>opri-<br>ation  | Revi<br>sed<br>esti<br>mate   | Ave-<br>rage<br>growth<br>rate<br>(%)  | Exp<br>en-<br>ditur<br>e/<br>total<br>:<br>Aver<br>age<br>(%)  | Medium  | -term expenc<br>estimate  | liture  | Aver<br>age<br>grow<br>th<br>rate<br>(%)  | Expen-<br>diture/<br>total:<br>Average<br>(%)  |
|-----------|--|--|---|---|--|--|---|---|---|---|--|
| 2009/10   | 2010                                   | 2011   | 201   | 2/13  |  |  | 2013  | 2014/15   | 2015  | 2012/   | 3-2015/16  |
| 16 653    | 35                                     | 50   | 52  | 52  |  |  | 63  | 67 570  | 71  | 10.8  | 7.9%   |
|           | 044                                    | 822  | 300   | 300   |  |  | 564   |   | 211   | %   |  |
| -         | 6                                      | 12   | 18  | 18  | -  | 1.9%   | 25  | 27 177  | 28  | 15.8  | 3.1%   |
|           | 647                                    | 499  | 467   |   |  |  |   |   | 713   | %   |  |
| 297 992   | 358                                    | 501  | 613   |   | 27.2%  |  |   | 638 370   | 866   | 12.2  | 86.7%  |
|           | 527                                    | 013  | 005   | 005   |  | %  | 793   |   | 628   | %   |  |
| _         | 456                                    | 13   | 12  | 12  | _  | 1.3%   | 18  | 19 743  | 20  | 17.8  | 2.2%   |
|           |  | 269  | 746   | 746   |  |  | 560   |   | 850   | %   |  |
| 314 645   | 400                                    | 577  | 696   | 696   | 30.3%  | 100.   | 771   | 752 860   | 987   | 12.3  | 100.0%   |
|           | 674                                    | 602  | 518   | 518   |  | 0%   | 466   |   | 402   | %   |  |
|           |  |  | 23  | 23  |  |  | 60  | 113 448   | 318   |   |  |
|           |  |  | 786   | 786   |  |  | 121   |   | 578   |   |  |
|           | 2009/10<br>16 653<br>-<br>297 992<br>- | 2010<br>2009/10 /11<br>16 653 35<br>044<br>- 6<br>647<br>297 992 358<br>527<br>- 456 | 2009/10 /11 /12<br>16 653 35 50<br>044 822<br>- 6 12<br>647 499<br>297 992 358 501<br>527 013<br>- 456 13<br>269<br>314 645 400 577 | Audited outcome sted<br>appr<br>opri-<br>ation   2010 2011 2011   2009/10 /11 /12 2011   16653 35 50 52   044 822 300 - 6 12 18   647 499 467 297 992 352 013 005   297 992 3527 013 12 269 746   314 645 400 577 696 518 | Audited outcome sted<br>appr<br>ation Revi<br>appr<br>esti<br>ation   2010 2011   2009/10 /11 /12 2012/13   16 653 35 50 52 52   044 822 300 300   - 6 12 18 18   647 499 467 467   297 992 358 501 613 613   527 013 005 005   - 456 13 12 12   269 746 746 746   314 645 400 577 696 696   674 602 518 518 518 | stèd Revi<br>appr rage<br>appr rage<br>growth<br>opri-est<br>(%)   2010 2011 2012/13 2009/10   2009/10 /11 /12 2012/13 2012/13   16 653 35 50 52 52 46.4%   044 822 300 300 - - 6 12 18 18 -   297 992 358 501 613 613 27.2% 527 013 005 005 - - - 456 13 12 12 - - 269 746 746 - - 269 746 746 - - 269 746 746 - - 269 746 746 - - 314 645 400 577 696 696 30.3% 33.4% - - - - - - - - - - - - - - - <td< td=""><td>Adju Averation Adju Averation Adju Averation Averation Adju Averation Averation</td><td>Adju Ave-<br/>total   Adju Ave-<br/>sted Revi<br/>appr sed<br/>opri- esti Ave-<br/>rate<br/>(%) total   Audited outcome sted Revi<br/>appr sed<br/>ation mate growth<br/>(%) Aver<br/>age   Audited outcome 2010 2011 2009/10 2013   2009/10 /11 /12 2012/13 /14   16 653 35 50 52 52 46.4% 7.8% 63   - 6 12 18 1 1.9% 25 549   297 992 358 501 613 613 27.2% 89.0 663   297 992 358 501 613 613 27.2% 89.0 663   297 992 358 501 613 613 27.2% 89.0 663   2269 746 746 560 560 560 560 560   314 645 400 577 696 696 30.3% 100. 771   674 602 518<td>Adju Ave-<br/>total   Adju Ave-<br/>sted Revi<br/>appr sed<br/>opri- esti Ave-<br/>rate<br/>(%) total   Audited outcome sted Revi<br/>appr sed<br/>ation mate growth<br/>(%) Aver<br/>age Medium-term expending   2009/10 2011 2009/10 2011 2013 1/1 2013   2009/10 1/11 1/12 2012/13 2013 1/14 2014/15   16 653 35 50 52 52 46.4% 7.8% 63 67570   - 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1.9% 25 27 177 28   297 992 358 501 613 613 27.2% 89.0 663 638 370 866   297 992 358 501 613 613 27.2% 89.0 663 638 370 868   - 456 13 12 12 - 1.3% 18 19 743 20   261 746 746 746 746 746 746 746 746 746 746 746&lt;</td> <td>Adju Ave-<br/>sted Revi<br/>appr sed<br/>opri- esti Ave-<br/>rate<br/>(%) er/<br/>e/<br/>total Ave-<br/>rate<br/>age total Aver<br/>age Aver<br/>age Aver<br/>age   Audited outcome ation mate (%) Aver<br/>(%) age growth<br/>Aver<br/>age Aver<br/>age age age growth<br/>estimate Aver<br/>(%)   2009/10 2011 2012/13 2012/13 2012/13 1/14 2014/15 1/16 2012/1 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16 1/16</td> | Adju Ave-<br>total   Adju Ave-<br>sted Revi<br>appr sed<br>opri- esti Ave-<br>rate<br>(%) total   Audited outcome sted Revi<br>appr sed<br>ation mate growth<br>(%) Aver<br>age Medium-term expending   2009/10 2011 2009/10 2011 2013 1/1 2013   2009/10 1/11 1/12 2012/13 2013 1/14 2014/15   16 653 35 50 52 52 46.4% 7.8% 63 67570   - 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| Economic<br>classification   |        |        |        |         |         |            |       |         |         |         |                   |       |
|--|--------|--------|--------|---------|---------|------------|-------|---------|---------|---------|-------------------|-------|
| Current payments   | 14 214 | 39 881 | 88 306 | 161 347 | 161 347 | 124.<br>7% | 15.3% | 150 965 | 160 575 | 169 480 | 1.7%              | 20.0% |
| Compensation of employees  | 7 865  | 25 156 | 48 348 | 63 889  | 63 889  | 101.       | 7.3%  | 98 004  | 104 386 | 110 704 | 20.1%             | 11.8% |
| Goods and services   | 6 349  | 14 725 | 39 958 | 97 458  | 97 458  | 148.<br>5% | 8.0%  | 52 961  | 56 189  | 58 776  | -<br>15.5%        | 8.3%  |
| of which:<br>Administration fees   | -      | 112    | 93     | 485     | 485     |            | 0.0%  | 586     | 619     | 648     | 10.1%             | 0.1%  |
| Advertising  | 152    | 403    | 342    | 1 466   | 1 466   | 112.9      | 0.1%  | 1 657   | 1 773   | 1 855   | 8.2%              | 0.2%  |
| Assets less than the capitalisation threshold                                  | 9      | 172    | 193    | 493     | 493     | 279.<br>8% | 0.0%  | 522     | 553     | 577     | 5.4%              | 0.1%  |
| Audit cost: External   | -      | 236    | 1 572  | 221     | 221     |            | 0.1%  | 1 600   | 1 678   | 1 755   | <del>9</del> 9.5% | 0.2%  |
| Bursaries: Employees   | -      | -      | 47     | 147     | 147     |            | 0.0%  | 156     | 165     | 173     | 5.6%              | 0.0%  |
| Catering: Departmental<br>activities   | 109    | 460    | 683    | 607     | 607     | 77.3<br>%  | 0.1%  | 642     | 679     | 711     | 5.4%              | 0.1%  |
| Communication (G&S)  | 193    | 802    | 1 756  | 556     | 556     | 42.3       | 0.2%  | 585     | 619     | 647     | 5.2%              | 0.1%  |
| Computer services  | -      | 180    | 505    | 96      | 96      | %          | 0.0%  | 101     | 107     | 112     | 5.3%              | 0.0%  |
| Consultants and<br>professional services:<br>Business and advisory<br>services | 109    | 700    | 6 410  | 5 254   | 5 254   | 263.<br>9% | 0.6%  | -       | -       | -       | -<br>100.0<br>%   | 0.2%  |

| Consultants and<br>professional services:<br>Infrastructure and<br>planning | -   |       | (7)   |       |       |            | 0.0% | _     |       |       |            |     |
|---|-----|-------|-------|-------|-------|------------|------|-------|-------|-------|------------|-----|
| Consultants and<br>professional services:<br>Legal costs                    | -   | -     | 4 482 | 295   | 295   |            | 0.2% | 3 311 | 3 477 | 3 637 | 131.0<br>% | 0.3 |
| Contractors   | 2   | 221   | 177   | 455   | 455   | 510.<br>5% | 0.0% | 486   | 520   | 544   | 6.1%       | 0.1 |
| Agency and support /  | 30  | 98    | 357   | 147   | 147   | 69.8<br>%  | 0.0% | 156   | 165   | 173   | 5.6%       | 0.0 |
| Entertainment   | 2   | 1     | 3     | 125   | 125   | 296.<br>9% | 0.0% | 131   | 139   | 146   | 5.3%       | 0.0 |
| Fleet services (including<br>government motor<br>ransport)                  | -   | 68    | 499   | -     | -     |            | 0.0% | -     | -     | -     |            |     |
| nventory: Learner and<br>eacher support material                            | -   | -     | 1     | -     | -     |            | 0.0% | -     | -     | -     |            |     |
| nventory: Materials and supplies  | -   | 47    | 11    | -     | -     |            | 0.0% | -     | -     | -     |            |     |
| nventory: Medical supplies  | -   | -     | 1     | -     | -     |            | 0.0% | -     | -     | -     |            |     |
| nventory: Medicine  | -   | -     | 1     | -     | -     |            | 0.0% | -     | -     | -     |            |     |
| nventory: Other   | 8   | 64    | 32    | 15    | 15    | 23.3<br>%  | 0.0% | 16    | 17    | 18    | 6.3%       | 0.0 |
| nventory: Stationery<br>and printing  | 268 | 1 008 | 1 809 | 1 083 | 1 083 | 59.3<br>%  | 0.2% | 1 140 | 1 208 | 1 264 | 5.3%       | 0.1 |

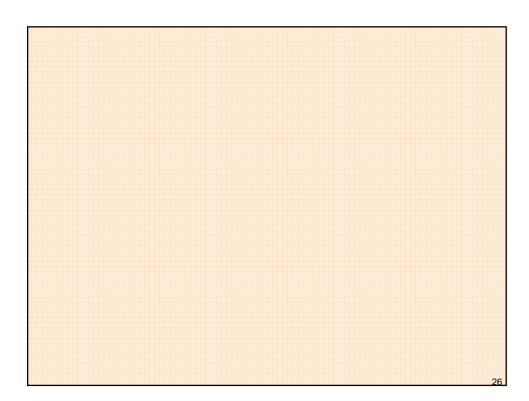
| Total  | 314 645 | 400 674 | 577 602 | 696 518 | 696 518 | 30.3<br>%  | 100.0<br>% | 771 466 | 752 860 | 987 402 | 12.3%           | 100.  |
|--|---------|---------|---------|---------|---------|------------|------------|---------|---------|---------|-----------------|-------|
| Software and other<br>intangible assets        | -       | 1       | 148     | 1 501   | 1 501   |            | 0.1%       | 1 584   | 1 678   | 1 755   | 5.3%            | 0.2   |
| Machinery and equipment                        | 2 439   | 4 332   | 1 150   | 4 005   | 4 005   | 18.0<br>%  | 0.6%       | 6 335   | 6 715   | 7 024   | 20.6%           | 0.8%  |
| Payments for capital assets                    | 2 439   | 4 333   | 1 298   | 5 506   | 5 506   | 31.2<br>%  | 0.7%       | 7 919   | 8 393   | 8 779   | 16.8%           | 1.0   |
| Households                                     | -       | -       | 133     | -       | -       |            | 0.0%       | -       | -       | -       |                 |       |
| Public corporations and<br>private enterprises | 143 328 | 156 011 | 236 981 | 170 973 | 170 973 | 6.1%       | 35.6%      | 230 979 | 292 604 | 502 397 | 43.2%           | 37.3% |
| Higher education<br>institutions               | -       | 4 820   | 5 510   | 2 280   | 2 280   |            | 0.6%       | -       | -       | -       | -<br>100.0<br>% | 0.1%  |
| Departmental agencies<br>and accounts          | 154 664 | 195 629 | 245 374 | 356 412 | 356 412 | 32.1<br>%  | 47.9%      | 381 603 | 291 288 | 306 746 | -4.9%           | 41.6  |
| Transfers and<br>subsidies                     | 297 992 | 356 460 | 487 998 | 529 665 | 529 665 | 21.1<br>%  | 84.0%      | 612 582 | 583 892 | 809 143 | 15.2%           | 79.0  |
| Venues and facilities                          | -       | 742     | 2 063   | 6 804   | 6 804   |            | 0.5%       | 5 729   | 6 090   | 6 370   | -2.2%           | 0.8   |
| Operating payments                             | 191     | 670     | 1 371   | 59 126  | 59 126  | 576.<br>5% | 3.1%       | 13 874  | 14 738  | 15 417  | -<br>36.1%      | 3.2   |
| Training and<br>development                    | -       | -       | 1 353   | -       | -       |            | 0.1%       | -       | -       | -       |                 |       |
| Travel and subsistence                         | 3 640   | 7 752   | 11 972  | 15 674  | 15 674  | 62.7<br>%  | 2.0%       | 17 325  | 18 368  | 19213   | 7.0%            | 2.2   |
| Property payments                              | -       | 17      | 1 388   | -       | -       | ,          | 0.1%       | -       | -       | -       |                 |       |
| Operating leases                               | 1 636   | 972     | 2 844   | 4 409   | 4 409   | 39.2<br>%  | 0.5%       | 4 944   | 5 274   | 5 5 1 6 | 7.8%            | 0.6   |

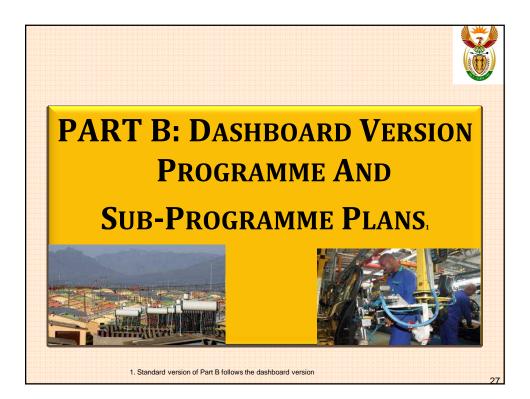
# 3.2 Relating expenditure trends to strategic outcome oriented goals

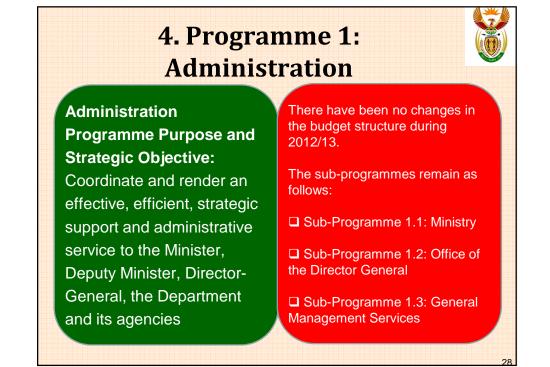
The spending focus over the medium term will be on promoting investment for economic development and industrial competitiveness by increasing the provision of developmental finance, implementing and adjudicating competition policy more effectively, and ensuring an efficient system of international trade administration. These activities are performed mostly by the public entities over which the department exercises oversight and funds by way of transfer payments from the *Economic Planning and Coordination* sub-programme. The 2013 Budget includes an additional allocation of R450 million over the medium term for the capitalisation of the Small Enterprise Finance Agency through the economic competitiveness support package. An additional allocation of R35.5 million over the MTEF period provides for improved conditions of service in public entities. Since the department's creation in 2009/10, the spending on compensation of employees increased significantly between 2009/10 and 2012/13 in order to build capacity to deliver on the department's mandate. The allocation for goods and services also increased significantly over this period. Additional funding of R30 million has been allocated in the 2012 budget for building capacity across various economic regulators over the next few years.

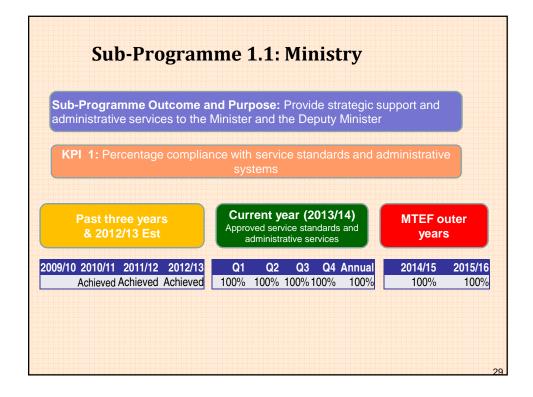
Funding was reprioritised from consultants and professional services to provide for the Presidential Infrastructure Coordinating Commission and the development of a green economy strategy. A substantial part of the funding for the PICC during the 2012/13 financial year was carried by other public entities, through directives given by the relevant executive authorities, resulting in savings to EDD. This is welcomed but is not sustainable over the medium term.

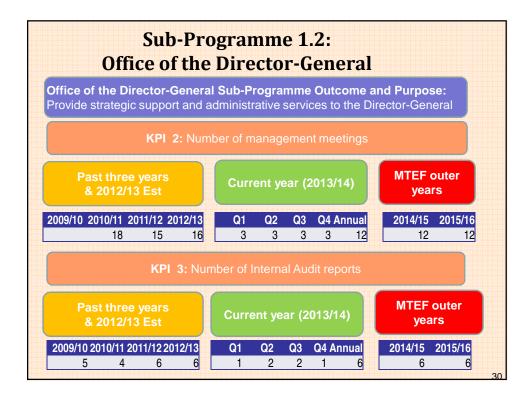
The Department intends to increase its operational capacity by recruiting appropriately skilled and experienced individuals at senior and middle management levels.

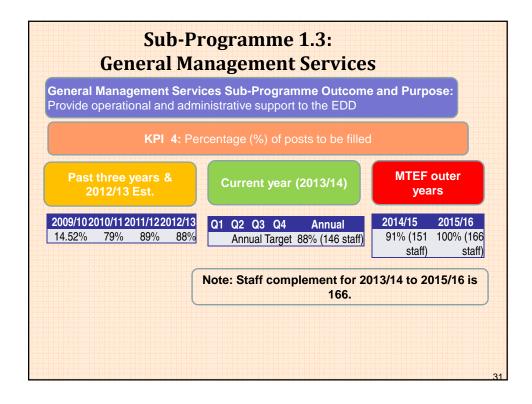


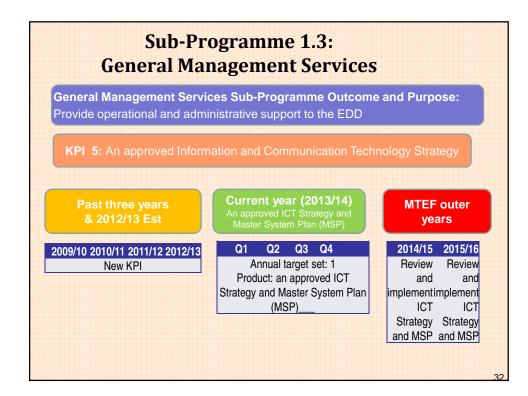












## 4.1 Reconciling performance targets with the Budget and MTEF Programme 1: Administration

Expenditure estimates

Table 2. Administration

| Sub-programme                      | A       | udited outco | ome     | Adjusted<br>appropriatio<br>n | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |         | lium-term<br>ture estima | ate       | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |
|------------------------------------|---------|--------------|---------|-------------------------------|----------------------------------|---|---------|--------------------------|-----------|----------------------------------|---|
|                                    |         |              |         |                               |                                  |   |         |                          | 201       |                                  |   |
| R thousand                         | 2009/10 | 2010/11      | 2011/12 | 2012/13                       |                                  | 0-2012/13                                     | 2013/14 | 2014/15                  | 5/16      | 2012/13-                         |   |
| Ministry                           | 16 653  | 23 947       | 18 355  | 19 500                        | 5.4%                             | 50.7%   | 22 397  | 23 836                   | 25<br>207 | 8.9%                             | 35.7%   |
| Office of the Director-<br>General | -       | 4 265        | 9 559   | 6 236                         | -                                | 13.0%   | 9 615   | 10 182                   | 10<br>725 | 19.8%                            | 14.4%   |
| General Management<br>Services     | -       | 6 832        | 22 908  | 26 564                        | -                                | 36.4%   | 31 552  | 33 552                   | 35<br>279 | 9.9%                             | 49.9%   |
| Total                              | 16 653  | 35 044       | 50 822  | 52 300                        | 46.4%                            | 100.0%  | 63 564  | 67 570                   | 71<br>211 | 10.8%                            | 100.0%  |
| Change to 2012 Budget estimate     |         |              |         | (7 765)                       |                                  |   | 222     | 323                      | 71<br>211 |                                  |   |

| Economic<br>classification                          |        |        |        |        |            |       |        |        |        |       |       |
|---|--------|--------|--------|--------|------------|-------|--------|--------|--------|-------|-------|
| Current payments                                    | 14 214 | 30 711 | 49 390 | 46 794 | 48.8%      | 91.1% | 55 645 | 59 177 | 62 432 | 10.1% | 88.0% |
| Compensation of employees                           | 7 865  | 16 839 | 27 897 | 29 534 | 55.4%      | 53.1% | 34 313 | 36 547 | 38 760 | 9.5%  | 54.6% |
| Goods and services                                  | 6 349  | 13 872 | 21 493 | 17 260 | 39.6%      | 38.1% | 21 332 | 22 630 | 23 672 | 11.1% | 33.3% |
| of which:   |        |        |        |        | _          | -     |        |        |        | -     | -     |
| Administration fees                                 | -      | 112    | 93     | 199    | -          | 0.3%  | 210    | 222    | 232    | 5.2%  | 0.3%  |
| Advertising   | 152    | 357    | 342    | 1 466  | 112.9%     | 1.5%  | 1 657  | 1 773  | 1 855  | 8.2%  | 2.7%  |
| Assets less than the<br>capitalisation<br>threshold | 9      | 172    | 154    | 464    | 272.2<br>% | 0.5%  | 490    | 519    | 542    | 5.3%  | 0.8%  |
| Audit cost: External                                | -      | 236    | 1 572  | 221    | -          | 1.3%  | 1 600  | 1 678  | 1 755  | 99.5% | 2.1%  |
| Bursaries: Employees                                | -      | -      | 47     | 147    | -          | 0.1%  | 156    | 165    | 173    | 5.6%  | 0.3%  |

| Catering: Departmental<br>activities  | 109 | 459        | 589          | 288       | 38.2%      | 0.9%         | 304   | 322      | 337   | 5.4%            | 0.5%         |
|---|-----|------------|--------------|-----------|------------|--------------|-------|----------|-------|-----------------|--------------|
| Communication (G&S)   | 193 | 802        | 1 448        | 177       | -2.8%      | 1.7%         | 187   | 198      | 207   | 5.4%            | 0.3%         |
| Computer services<br>Consultants and<br>professional services:<br>Business and advisory<br>services | 109 | 180<br>408 | 505<br>1 182 | 96<br>270 | _<br>35.3% | 0.5%<br>1.3% | 101   | 107<br>_ | 112   | 5.3%<br>-100.0% | 0.2%<br>0.1% |
| Consultants and<br>professional services:<br>Infrastructure and<br>planning                         | -   | -          | (7)          | -         | -          | -            | -     | -        | -     | -               | -            |
| Consultants and<br>professional services:<br>Legal costs  | -   | -          | (368)        | 295       | -          | -            | 3 311 | 3477     | 3 637 | 131.0%          | 4.2%         |
| Contractors   | 2   | 221        | 89           | 455       | 510.5%     | 0.5%         | 486   | 520      | 544   | 6.1%            | 0.8%         |
| Agency and support /<br>outsourced services   | 30  | 98         | 357          | 147       | 69.8%      | 0.4%         | 156   | 165      | 173   | 5.6%            | 0.3%         |
| Entertainment   | 2   | 1          | 2            | 125       | 296.9%     | 0.1%         | 131   | 139      | 146   | 5.3%            | 0.2%         |
| Fleet services<br>(including government<br>motor transport)   | -   | 68         | 499          | -         | -          | 0.4%         | -     | -        | -     | -               | -            |

| nventory: Learner<br>and teacher support<br>naterial | -     | -     | 1     | -     | -     | -     | -     | -     | -                | -      | -    |
|--|-------|-------|-------|-------|-------|-------|-------|-------|------------------|--------|------|
| nventory: Materials<br>and supplies                  | -     | 47    | 10    | -     | -     | -     | -     | -     | -                | -      | -    |
| nventory: Medical<br>supplies                        | -     | -     | 1     | -     | -     | -     | -     | -     | -                | -      | -    |
| nventory: Medicine                                   | -     | -     | 1     | -     | -     | -     | -     | -     | -                | -      | -    |
| nventory: Other<br>consumables                       | 8     | 64    | 32    | 15    | 23.3% | 0.1%  | 16    | 17    | 18               | 6.3%   | -    |
| Inventory: Stationery<br>and printing                | 268   | 1 005 | 1 568 | 443   | 18.2% | 2.1%  | 466   | 494   | 517              | 5.3%   | 0.8% |
| Operating leases                                     | 1 636 | 972   | 2817  | 4 409 | 39.2% | 6.4%  | 4 944 | 5 274 | 5 5 1 6          | 7.8%   | 7.9% |
| Property payments                                    | -     | 17    | 1 388 | -     | -     | 0.9%  | -     | -     | -                | -      | -    |
| Travel and subsistence                               | 3 640 | 7 392 | 6 793 | 5 101 | 11.9% | 14.8% | 5 380 | 5 702 | <del>5</del> 964 | 5.3%   | 8.7% |
| Training and<br>development                          | -     | -     | 360   | -     | -     | 0.2%  | -     | -     | -                | -      | -    |
| Operating payments                                   | 191   | 670   | 1 299 | 1 268 | 87.9% | 2.2%  | 1 338 | 1 418 | 1 483            | 5.4%   | 2.2% |
| Venues and facilities                                | _     | 591   | 719   | 1 674 | _     | 1.9%  | 399   | 440   | 461              | -34.9% | 1.2% |

| Transfers and<br>subsidies              | -     | -     | 134   | -     | -     | 0.1% | -     | -     | -     | -     | -     |
|---|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| Households                              | -     | -     | 134   | -     | -     | 0.1% | -     | -     | -     | -     | -     |
| Payments for capital assets             | 2 439 | 4 333 | 1 298 | 5 506 | 31.2% | 8.8% | 7 919 | 8 393 | 8 779 | 16.8% | 12.0% |
| Machinery and equipment                 | 2 439 | 4 332 | 1 150 | 4 005 | 18.0% | 7.7% | 6 335 | 6 715 | 7 024 | 20.6% | 9.5%  |
| Software and other<br>intangible assets | -     | 1     | 148   | 1 501 | -     | 1.1% | 1 584 | 1 678 | 1 755 | 5.3%  | 2.6%  |
|   |       |       |       |       |       |      |       |       |       |       |       |

The spending focus over the medium term will be on expanding and building capacity in support functions, such as IT, finance and human resources.

#### As such the bulk of

expenditure in this programme over the medium term goes towards spending on compensation of employees, machinery and equipment, and the related goods and services, such as operating leases and travel and subsistence. Between 2009/10 and 2012/13, spending on compensation of employees and goods and services increased significantly as the Department developed capacity to provide administrative services after it was established in 2009/10.

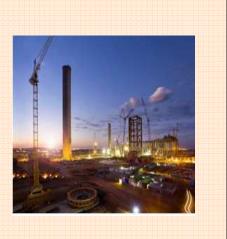
Expenditure in the Office of the Director-General sub-programme is expected to grow significantly over the medium term to provide strategic direction on policy and legislation regarding the department's objectives with regard to outcome 4.



Expenditure is also expected to increase significantly in the *General Management* sub-programme as the department continues building capacity in human resources, IT, legal services and the office of the chief financial officer.

The programme has a funded establishment of 62 posts with no vacancies as at 31 December 2012.

Personnel numbers are expected to Increase in 2013/14, as the Department continues to expand in order to deliver on its mandate.

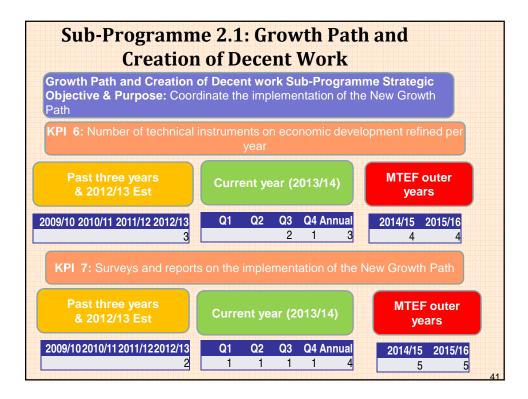


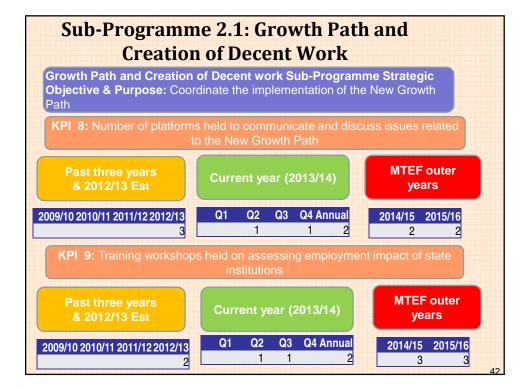
## 5. Programme 2: Economic Policy Development

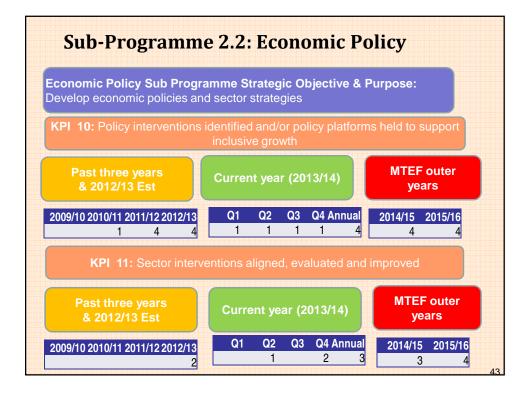
#### **Economic Policy**

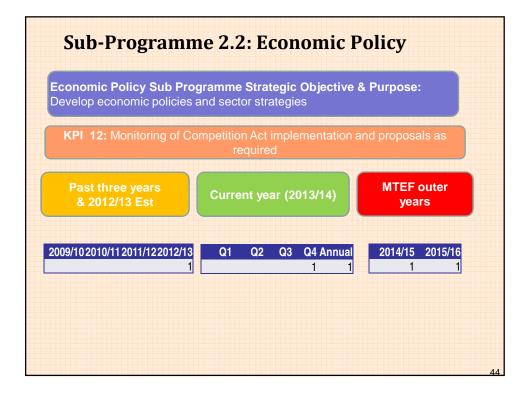
**Development:** Strengthen the economic development policy capacity of government; review develop and propose the alignment of economic policies; and develop policies aimed at broadening participation in the economy and creating decent work opportunities There have been no changes in the budget structure during 2012/13.

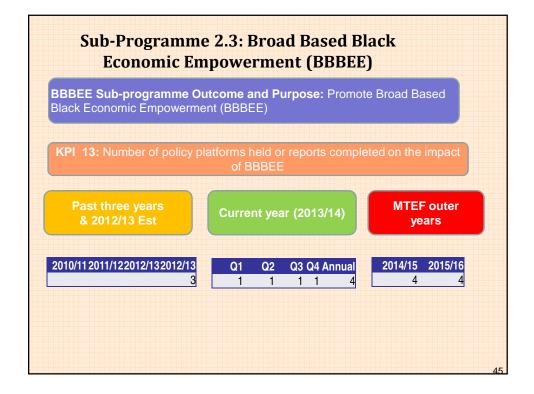
The sub-programmes remain as follows: Sub programme 2.1 Growth Path and Creation of Decent work Sub programme 2.2 Economic Policy Sub programme 2.3 Broad Based Black Economic Empowerment (BBBEE) Sub programme 2.4 Second Economy

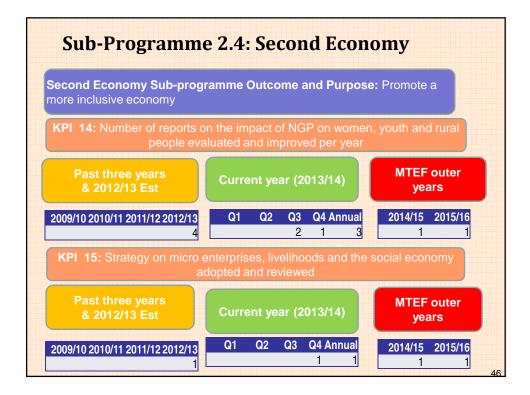


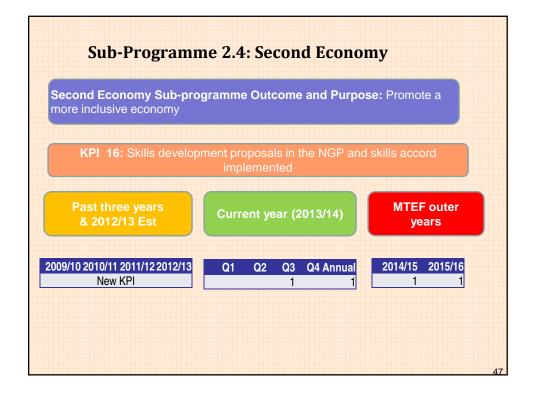












## 5.1 Reconciling performance targets with the Budget and MTEF Programme 2: Economic Policy Development

| Expenditure<br>Table 3. Economic Polic        |         |           |           | Adjusted      | Average<br>growth<br>rate | Expen-<br>diture/<br>total:<br>Average | Modium  | -term expe | nditura | Ave<br>rag<br>e<br>gro<br>wth<br>rate | Expen-<br>diture/<br>total:<br>Average |
|---|---------|-----------|-----------|---------------|---------------------------|--|---------|------------|---------|---------------------------------------|--|
| Subprogramme                                  | Audite  | d outcome | 2011      | appropriation | (%)                       | Average<br>(%)                         | Medium  | estimate   | munure  | (%)                                   | (%)                                    |
| R thousand                                    | 2009/10 | 2010/11   | /12       | 2012/13       | 2009/10                   | -2012/13                               | 2013/14 | 2014/15    | 2015/16 | 20                                    | 015/16                                 |
| Growth Path and<br>Creation of Decent<br>Work | -       | 833       | 2<br>637  | 6 236         | -                         | 25.8%                                  | 7 778   | 8 277      | 8 756   | 12.0<br>%                             | 31.1%                                  |
| Economic Policy                               | -       | 5 814     | 9<br>568  | 8 232         | -                         | 62.8%                                  | 10710   | 11 396     | 12 052  | 13.5<br>%                             | 42.4%                                  |
| Broad Based Black<br>Economic                 | -       | -         | 294       | 3 317         | -                         | 9.6%                                   | 3 972   | 4 221      | 4 447   | 10.3<br>%                             | 16.0%                                  |
| Empowerment<br>Second Economy                 | -       | -         | -         | 682           | -                         | 1.8%                                   | 3 089   | 3 283      | 3 458   | 71.8<br>%                             | 10.5%                                  |
| Total   | -       | 6 647     | 12<br>499 | 18 467        | -                         | 100.0%                                 | 25 549  | 27 177     | 28 713  | 15.8<br>%                             | 100.0%                                 |

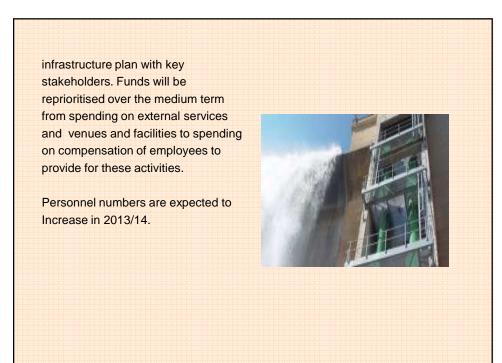
| Change to 2012<br>Budget estimate   |   |       |        | (10 589) |   |        | (5 108) | (5 377) | 28 713 |         |        |
|---|---|-------|--------|----------|---|--------|---------|---------|--------|---------|--------|
| Economic<br>classification  |   |       |        |          |   |        |         |         |        |         |        |
| Current payments  | - | 6 647 | 12 499 | 18 467   | - | 100.0% | 25 549  | 27 177  | 28 713 | 15.8%   | 100.0% |
| Compensation of employees   | - | 6 502 | 8 075  | 11 274   | - | 68.7%  | 18 521  | 19 728  | 20 922 | 22.9%   | 70.5%  |
| Goods and services  | - | 145   | 4 423  | 7 193    | - | 31.3%  | 7 028   | 7 449   | 7 791  | 2.7%    | 29.5%  |
| of which:   |   |       |        |          | - | -      |         |         |        | -       | -      |
| Administration fees   | - | -     | -      | 30       | - | 0.1%   | 95      | 100     | 105    | 51.8%   | 0.3%   |
| Advertising   | - | 46    | -      | -        | - | 0.1%   | -       | _       | _      | _       | _      |
| Assets less than the<br>capitalisation<br>threshold                               | - | -     | 4      | 7        | - | -      | 8       | 9       | 9      | 8.7%    | -      |
| Catering:<br>Departmental<br>activities   | - | 1     | 66     | 90       | - | 0.4%   | 96      | 101     | 106    | 5.6%    | 0.4%   |
| Communication<br>(G&S)  | - | -     | 78     | 106      | - | 0.5%   | 111     | 118     | 123    | 5.1%    | 0.5%   |
| Consultants and<br>professional<br>services: Business<br>and advisory<br>services | - |       | 119    | 1 316    | - | 3.8%   | -       | -       | -      | -100.0% | 1.3%   |

| Contractors                          | - | -     | 58     | -      | - | 0.2%   | -      | -      | -      | -     | -      |
|--------------------------------------|---|-------|--------|--------|---|--------|--------|--------|--------|-------|--------|
| Intertainment                        | - | -     | 1      | -      | - | -      | -      | -      | -      | -     | -      |
| nventory: Materials<br>and supplies  | _ | -     | 0      | -      | - | -      | -      | -      | -      | -     | -      |
| nventory: Stationery<br>and printing | - | 3     | 72     | 121    | - | 0.5%   | 127    | 134    | 140    | 5.0%  | 0.5%   |
| Fravel and subsistence               | - | 95    | 2 015  | 3 500  | - | 14.9%  | 4 273  | 4 530  | 4 739  | 10.6% | 17.1%  |
| Fraining and<br>levelopment          | - | -     | 650    | -      | - | 1.7%   | -      | -      | -      | -     | -      |
| Operating payments                   | - | -     | 161    | 993    | - | 3.1%   | 1 417  | 1 502  | 1 571  | 16.5% | 5.5%   |
| lenues and facilities                | - | -     | 1 199  | 1 030  | - | 5.9%   | 901    | 955    | 998    | -1.0% | 3.9%   |
| Total                                | _ | 6 647 | 12 499 | 18 467 | _ | 100.0% | 25 549 | 27 177 | 28 713 | 15.8% | 100.0% |



The spending focus over the medium term will be on reviewing policies in order to increase their efficacy and on developing policy tools that advance the developmental agenda of government. The bulk of spending will thus be in the *Growth Path and Creation of Decent Work* and the *Economic Policy* sub-programmes, and will go mostly towards compensation of employees.

Between 2009/10 and 2012/13, spending increased significantly in the Economic Policy sub-programme as the Department developed its policy capacity, particularly with regard to the New Growth Path. Over the medium term significant increases in expenditure are expected *in the Second Economy* sub-programme to allow the department to promote strategies and policies that grow an inclusive economy, and advance economic activities to address youth unemployment. This includes developing the economic developmental index and holding consultations on the national

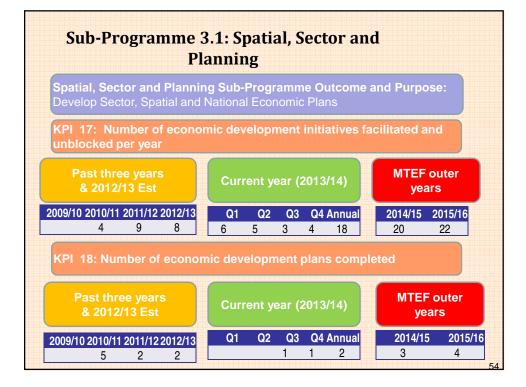


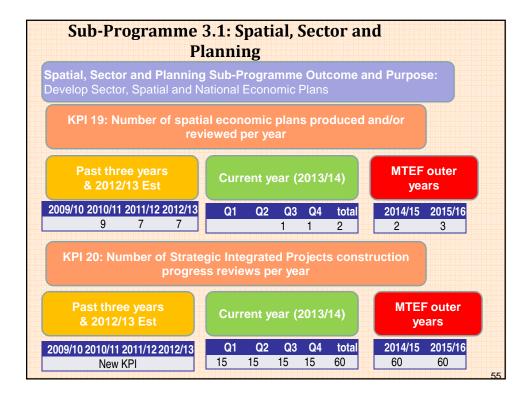
## 6. Programme 3: Economic Planning and Coordination

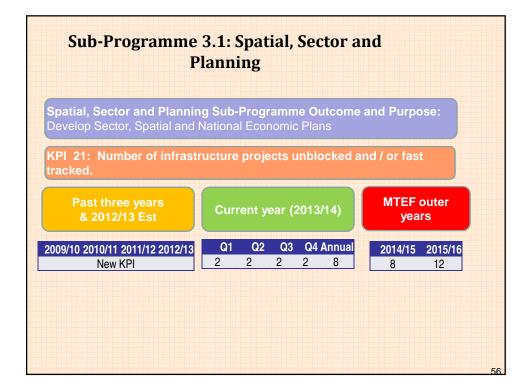
#### Programme Strategic Objectives and Purpose:

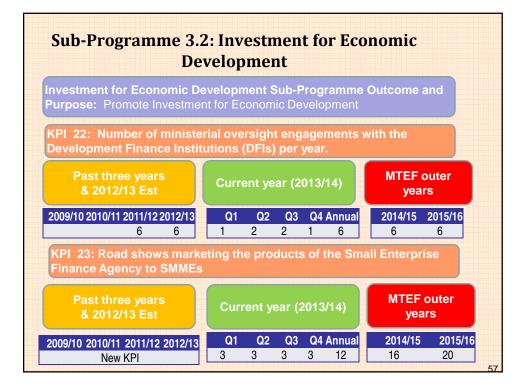
Promote economic planning and coordination through developing economic planning proposals; provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies; and contribute to the development of the green economy

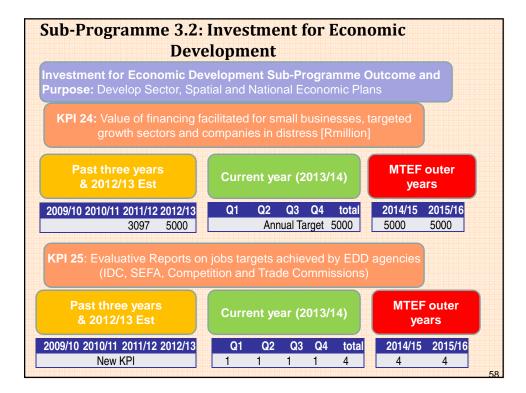
#### There have been no changes in the budget structure during 2012/13. The sub-programmes remain as follows: Sub-Programme 3.1: Spatial, Sector and Planning □ Sub-Programme 3.2: Investment for Economic Development □ Sub-Programme 3.3: **Competitiveness for Trade and Decent Work** □ Sub-Programme 3.4: Economic **Development Financing and Procurement Process** Sub-Programme 3.5: Green Economy

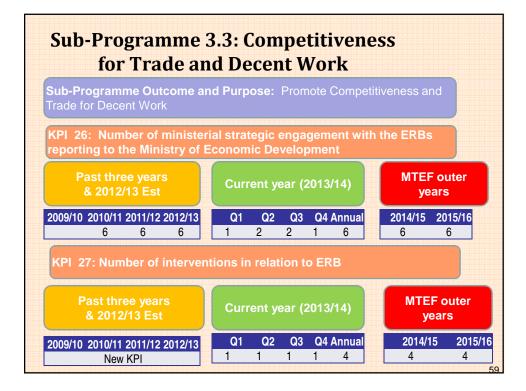


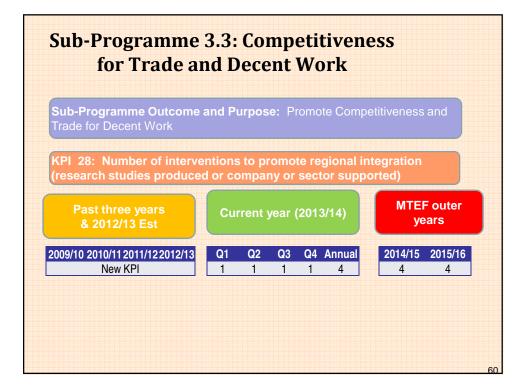


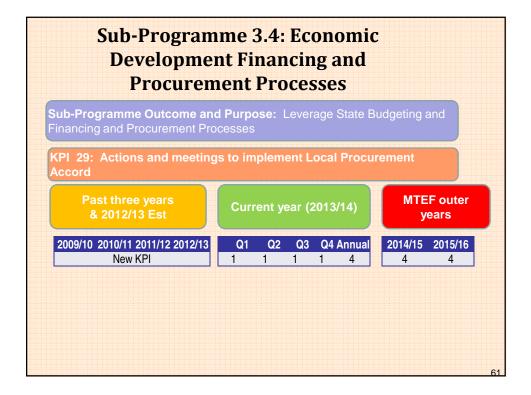


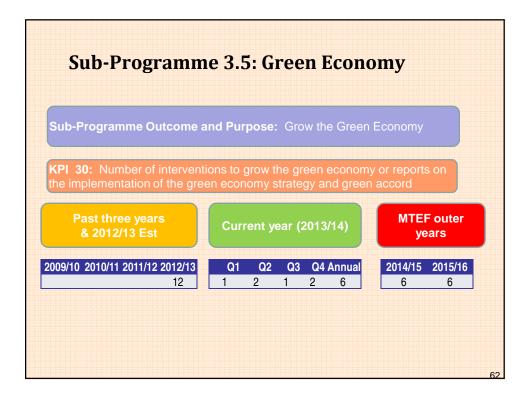












#### 6.1 Reconciling performance targets with the Budget and MTEF Programme 3: Economic Planning and Coordination

Expenditure estimates

| Table 4. Econom                                      | _            | -       | lited outcome |         | Adjusted<br>appropriatio<br>n | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |         | -term expe<br>estimate | enditure | Ave<br>rage<br>gro<br>wth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |
|--|--------------|---------|---------------|---------|-------------------------------|----------------------------------|---|---------|------------------------|----------|--|---|
| R thousand   |              | 2009/10 | 2010/11       | 2011/12 | 2012/13                       | 2009/1                           | 0-2012/13                                     | 2013/14 | 2014/15                | 2015/16  |  | 012/13-<br>015/16                             |
| Spatial, Sector<br>Planning                          | and          | _       | 1 630         | 10 881  | 39 572                        | _                                | 2.9%  | 24 469  | 26 029                 | 27 459   |  | 4.2%  |
| Economic<br>Development,<br>Financing<br>Procurement | and          | -       | 172           | 7 402   | 3 885                         | -                                | 0.6%  | 6 162   | 6 555                  | 6 929    | 21.3<br>%                                | 0.8%  |
| Investment<br>Economic<br>Development                | for          | 143 328 | 161 096       | 270 504 | 286 921                       | 26.0%                            | 48.7%   | 346 890 | 301 024                | 511 310  | 21.2<br>%                                | 52.0%   |
| Competitiveness                                      | and<br>ecent | 154 664 | 195 629       | 212 226 | 282 627                       | 22.3%                            | 47.7%   | 281 493 | 299 680                | 315 614  | 3.7<br>%                                 | 42.4%   |
| Green Economy  |              | -       | -             | _       |                               | -                                | _   | 4 779   | 5 082                  | 5 316    | -  | 0.5%  |
| Total  |              | 297 992 | 358 527       | 501 013 | 613 005                       | 27.2%                            | 100.0%  | 663 793 | 638 370                | 866 628  | %  | 100.0%  |
| Change to Budget estimate                            | 2012         |         |               |         | 47 543                        |                                  |   | 65 584  | 119 083                | 866 628  |  | 6   |

| Economic<br>classification  |   |       |        |        |   |      |        |        |        |         |      |
|---|---|-------|--------|--------|---|------|--------|--------|--------|---------|------|
| Current payments  | - | 2 067 | 21 148 | 83 340 | - | 6.0% | 51 211 | 54 478 | 57 485 | -11.6%  | 8.9% |
| Compensation of employees   | - | 1 367 | 9 348  | 16 219 | - | 1.5% | 32 374 | 34 480 | 36 566 | 31.1%   | 4.3% |
| Goods and services  | - | 700   | 11 800 | 67 121 | - | 4.5% | 18 837 | 19 998 | 20 919 | -32.2%  | 4.6% |
| of which:   |   |       |        |        | - | -    |        |        |        | -       | -    |
| Administration fees   | - | -     | -      | 234    | - | -    | 257    | 272    | 285    | 6.8%    | -    |
| Assets less than the<br>capitalisation<br>threshold                               | - | -     | 2      | 22     | - | -    | 24     | 25     | 26     | 5.7%    |      |
| Catering:<br>Departmental<br>activities   | - | -     | 14     | 214    | - | -    | 226    | 239    | 250    | 5.3%    |      |
| Communication<br>(G&S)  | - | -     | 151    | 273    | - | -    | 287    | 303    | 317    | 5.1%    | -    |
| Consultants and<br>professional<br>services: Business<br>and advisory<br>services | - | 292   | 5 099  | 2 947  | - | 0.5% | -      | -      | -      | -100.0% | 0.1% |
| Consultants and<br>professional<br>services: Legal<br>costs                       | - | -     | 4 850  | -      | - | 0.3% | Ī      | -      | -      | -       | -    |

| Venues and                               | -       | 151     | (564)       | 1 725      | -      | 0.1%  | 1 818      | 1 928      | 2016       | 5.3%      | 0.3  |
|--|---------|---------|-------------|------------|--------|-------|------------|------------|------------|-----------|------|
| facilities<br>Transfers and<br>subsidies | 297 992 | 356 460 | 479 865     | 529 665    | 21.1%  | 94.0% | 612 582    | 583 892    | 809 143    | 15.2%     | 91.1 |
| Departmental agencies and                | 154 664 | 195 629 | 245 374     | 356 412    | 32.1%  | 53.8% | 381 603    | 291 288    | 306 746    | -4.9%     | 48.0 |
|  | _       | 4 820   | 5 510       | 2 280      | _      | 0.7%  | -          | _          | _          | -100.0%   | 0.1  |
| agencies and accounts                    |         |         |             |            |        |       |            |            |            |           |      |
| agencies and                             | 154 004 | 195 029 | 245 374     | 330 412    | 32.170 | 55.6% | 301 003    | 291200     | 300 740    | -4.9%     | 40.0 |
| Departmental                             | 154 664 | 195 629 | 245 374     | 356 412    | 32.1%  | 53.8% | 381 603    | 291 288    | 306 746    | -4.9%     | 48.0 |
| subsidies                                |         |         |             |            |        |       |            |            |            |           |      |
|  | 297 992 | 356 460 | 479 865     | 529 665    | 21.1%  | 94.0% | 612 582    | 583 892    | 809 143    | 15.2%     | 91.1 |
| acilities                                | -       |         |             |            |        |       |            |            |            |           |      |
|  | _       | 151     |             | 1 725      | _      | 0.1%  | 1 818      | 1 928      | 2016       | 5.3%      | 0.3  |
| ubsistence<br>Operating payments         | _       | _       | (89)        | 56 070     | _      | 3.2%  | 10 281     | 10 930     | 11 434     | -41.1%    | 3.2  |
| Dperating leases<br>Travel and           | -       | - 257   | 25<br>2 237 | -<br>5 267 | -      | 0.4%  | -<br>5 555 | -<br>5 889 | -<br>6 160 | -<br>5.4% | 0.8  |
| nventory:<br>Stationery and<br>printing  |         | -       | 44          | 369        | _      | -     | 389        | 412        | 431        | 5.3%      | 0.1  |
|  |         |         |             | 202        |        |       |            |            |            | 5.00      |      |
| Inventory: Materials<br>and supplies     | -       | -       | 1           | -          | -      | -     | + +        | -          | -          | -         |      |

| Departmental ageno<br>accounts  | cies and       |             |         |         |       |       |         |         |         |         |       |
|---|----------------|-------------|---------|---------|-------|-------|---------|---------|---------|---------|-------|
| Departmental agencie  | s (non-busines | s entities) |         |         |       |       |         |         |         |         |       |
| Current   | 154 664        | 195 629     | 245 374 | 356 412 | 32.1% | 53.8% | 381 603 | 291 288 | 306 746 | -4.9%   | 48.0% |
| Competition<br>Commission   | 80 739         | 117 661     | 126 595 | 157 211 | 24.9% | 27.2% | 176 888 | 188 127 | 198 045 | 8.0%    | 25.9% |
| Competition Tribunal  | 13 040         | 13 625      | 15 175  | 15 798  | 6.6%  | 3.3%  | 16 945  | 18 100  | 19 102  | 6.5%    | 2.5%  |
| International Trade<br>Administration<br>Commission   | 60 885         | 64 343      | 69 604  | 74 403  | 6.9%  | 15.2% | 79 770  | 85 061  | 89 599  | 6.4%    | 11.8% |
| Industrial<br>Development<br>Corporation of South<br>Africa                                   | -              | -           | 34 000  | 109 000 | -     | 8.1%  | 108 000 | -       | -       | -100.0% | 7.8%  |
| Higher education  |                |             |         |         |       |       |         |         |         |         |       |
| Current   | -              | 4 820       | 5 510   | 2 280   | -     | 0.7%  | -       | -       | -       | -100.0% | 0.1%  |
| University of the<br>Witwatersrand:<br>economic<br>development<br>capacity building<br>course | -              |             | 5 510   | _       | -     | 0.3%  | -       | -       |         | -       |       |
| University of<br>Johannesburg:<br>academy for social<br>economy                               | _              | 4 820       | -       | 2 280   | -     | 0.4%  | -       | -       | -       | -100.0% | 0.1%  |

| Public<br>corporations                |                 |             |         |         |      |       |            |            |         |       |       |
|---------------------------------------|-----------------|-------------|---------|---------|------|-------|------------|------------|---------|-------|-------|
| Public corporations<br>and production | - subsidies o   | on products |         |         |      |       |            |            |         |       |       |
| Current                               | 143 328         | 156 011     | 222 958 | 170 973 | 6.1% | 39.2% | 230<br>979 | 292<br>604 | 502 397 | 43.2% | 43.0% |
| Small Enterprise<br>Finance Agency    | 143 328         | 156 011     | 222 958 | 170 973 | 6.1% | 39.2% | 230<br>979 | 292<br>604 | 502 397 | 43.2% | 43.0% |
| Public corporations                   | and private ent | terprises   |         |         |      |       |            |            |         |       |       |
| Public<br>corporations                |                 |             |         |         |      |       |            |            |         |       |       |
| Other transfers t<br>corporations     | o public        |             |         |         |      |       |            |            |         |       |       |
|                                       | _               | -           | 6 023   | -       | -    | 0.3%  | -          | -          | -       | -     | -     |
| Current                               |                 |             |         |         |      |       |            |            |         |       |       |

The spending focus over the medium term period will be on strengthening the institutional capacity of the competition bodies, development finance institutions and trade administration for which the department has an oversight function. This is in accordance with the department's strategic goal of driving inclusive growth and economic diversification as these entities contribute to economic performance and increased economic participation. Between 2009/10 and 2012/13, expenditure increased in the *Investment for Economic Development* sub-programme due to transfers and subsidies to the establishment and for the initial capitalisation of the Agro-processing Competitiveness Fund. The fund gives support to new and nondominant market players in line with the objective of inclusive economic growth. To date, the fund has committed R76 million in disbursements, which are expected to result in job creation. Over the medium term, spending in the *Investment for Economic Development* sub-programme is expected to increase further due to the capitalisation of the Small Enterprise Finance Agency, a subsidiary of the Industrial Development Corporation. The agency expects to approve further financing for SMMEs to the value of R185 million over the MTEF period. Competitiveness and Trade for Decent Work sub-programme provides policy oversight and strategic direction to the Competition Commission, Competition Tribunal and the International Trade Administration Commission. This entails reducing anticompetitive practices in the economy by means of investigating and prosecuting offenders in key sectors, and exercising oversight over the implementation of competition and trade measures.

Between 2009/10 and 2012/13, the transfers to the regulatory bodies increased significantly as a result of transfers to the Competition Commission for the establishment of the cartels division and associated staffing costs. Over the medium term, spending on goods and services is expected to decline significantly due to the reprioritisation of spending on consultants and professional services, while spending on compensation of employees over the same period is expected to increase due to improved conditions of service. Spending will increase in the Green Economy sub-programme over the

medium term due to funds of R4.8 million in 2013/14, R5.1 million in 2014/15 and R5.3 million in 2015/16 reprioritised from other sub-programmes to this subprogramme to enable it to implement its activities. The programme has a funded establishment of 38 posts.

The Department used the skills of staff employed in various state-owned entities and DFI's to implement work connected to the PICC and thus did not need to fill these posts with staff on the EDD establishment. However, in order to address the growing workload in Programme Three, further staff appointments will be made in the year ahead.

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## 7. Programme 4: Economic Development and Dialogue

#### Programme Strategic Objectives and Purpose:

Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.

#### There have been no changes in the budget structure during 2012/13.

The sub-programmes remain as follows:

Sub-Programme 4.1: National Social Dialogue and Strategic Frameworks

□ Sub-Programme 4.2: Sector and Workplace Social Dialogue

□ Sub-Programme 4.3: Capacity Building for Economic Developmentt

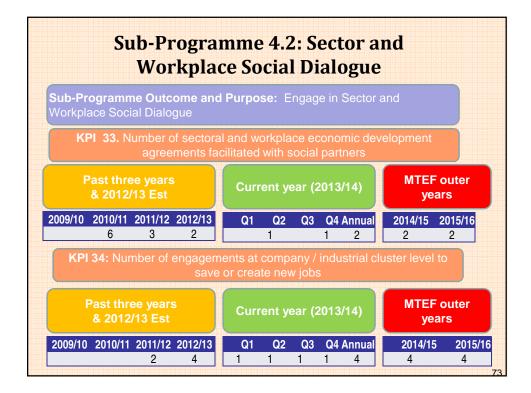
□ Sub-Programme 4.4: Productivity, Entrepreneurship and Innovation

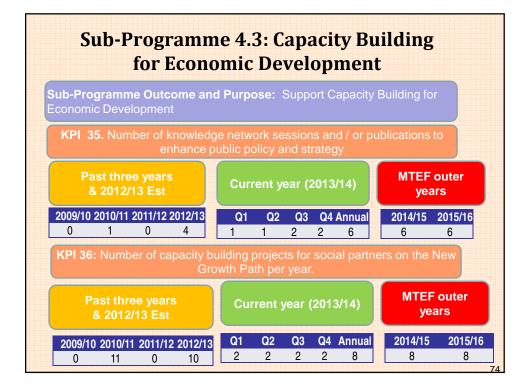
## Sub-Programme 4.1: National Social Dialogue and Strategic Frameworks

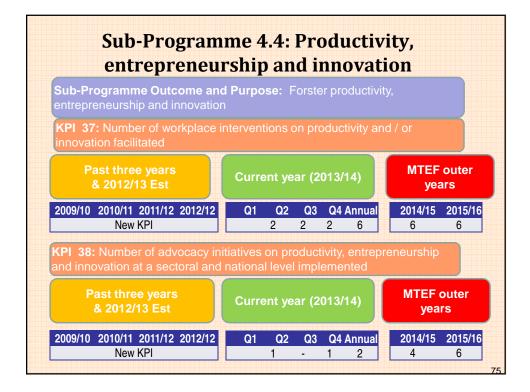
Sub-Programme: To lead National Social Dialogue and Implement Strategic Frameworks

KPI 31. Number of social dialogue engagements held to increase awareness of accords and other economic issues among social partne









| 7.1 Re<br>the Bι  |          | <b>~</b>                         | · •                     |                        |                                  |   | 0                 |                         | h                 |                                      |   |
|---|----------|----------------------------------|-------------------------|------------------------|----------------------------------|---|-------------------|-------------------------|-------------------|--------------------------------------|---|
| Econo   | mic      | Deve                             | lop                     | ment                   | and                              | Dia   | logu              | e                       |                   |                                      |   |
| Expend  | liture   | estimate                         | es                      |                        |                                  |   | 0                 |                         |                   |                                      |   |
| Table 5. Ecc<br>Subprogram<br>me  |          | elopment and D<br>udited outcome | ialogue                 | Adjusted appropriation | Average<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |                   | -term exper<br>estimate | nditure           | Averag<br>e<br>growth<br>rate<br>(%) | Expen-<br>diture/<br>total:<br>Average<br>(%) |
|   | 009/1    |                                  |                         |                        |                                  |   |                   |                         |                   |                                      |   |
| R thousand<br>National<br>Social<br>Dialogue and<br>Strategic<br>Frameworks | <u> </u> | <u>2010/11</u><br>16             | <u>2011/12</u><br>5 264 | 2012/13<br>10 444      | 2009/10                          | <b>-2012/13</b><br>59.4%                      | 2013/14<br>12 258 | 2014/15<br>13 033       | 2015/16<br>13 749 |                                      | 68.8%   |
| Sector and<br>Workplace<br>Social<br>Dialogue                               | -        | 440                              | 5                       | 288                    | -                                | 2.8%  | 621               | 659                     | 690               | 33.8%                                | 3.1%  |
| Capacity<br>Building for<br>Economic<br>Development                         |          |                                  | -                       | 899                    | -                                | 3.4%  | 3 109             | 3312                    | 3 512             | 57.5%                                | 15.1%   |

| Productivity,<br>Entrepreneurship,<br>Innovation | -     | 8 000  | 1 115   | - | 34.4%  | 2 572  | 2 739  | 2 899  | 37.5% | 13.0%  |
|--|-------|--------|---------|---|--------|--------|--------|--------|-------|--------|
| Total -  | - 456 | 13 269 | 12 746  | - | 100.0% | 18 560 | 19 743 | 20 850 | 17.8% | 100.0% |
| Change to 2012<br>Budget estimate                |       |        | (5 403) |   |        | (577)  | (581)  | 20 850 |       |        |
| Economic<br>classification                       |       |        |         |   |        |        |        |        |       |        |
|  |       |        |         |   |        |        |        |        |       |        |

| Current payments  |   | 456 | 5 270 | 12 746 | - | 69.8% | 18 560 | 19 743 | 20 850 | 17.8%  | 100.0% |
|---|---|-----|-------|--------|---|-------|--------|--------|--------|--------|--------|
| Compensation of employees   | - | 448 | 3 028 | 6 862  | - | 39.1% | 12 796 | 13 631 | 14 456 | 28.2%  | 66.4%  |
| Goods and services  | - | 8   | 2 242 | 5 884  | - | 30.7% | 5 764  | 6 112  | 6 394  | 2.8%   | 33.6%  |
| of which:   |   |     |       |        | - | -     |        |        |        | -      | -      |
| Administration fees   | - | -   | -     | 22     | - | 0.1%  | 24     | 25     | 26     | 5.7%   | 0.1%   |
| Assets less than the<br>capitalisation<br>hreshold                                | - | -   | 33    | -      | - | 0.1%  | -      | -      | -      | -      | -      |
| Catering:<br>Departmental<br>activities   | - | -   | 14    | 15     | - | 0.1%  | 16     | 17     | 18     | 6.3%   | 0.1%   |
| Communication<br>'G&S)  | - | -   | 79    | -      | - | 0.3%  | -      | -      | -      | -      | _      |
| Consultants and<br>professional<br>services: Business<br>and advisory<br>services | - | -   | 10    | 721    | - | 2.8%  | -      | -      | -      | 100.0% | 1.0%   |
| nventory:<br>Stationery and<br>printing   |   | -   | 125   | 150    | _ | 1.0%  | 158    | 168    | 176    | 5.5%   | 0.9%   |

| - | - | 709<br>7 999<br>8 000<br>(1) | 2 375      | - | 11.7%<br>30.2%<br>30.2%<br>- | 2611<br>-<br>-<br>- | 2 767 | 2 895                      | 6.8%<br>-<br>- | -     |
|---|---|------------------------------|------------|---|------------------------------|---------------------|-------|----------------------------|----------------|-------|
|   | - | 7 999                        | -          | - | 30.2%                        | -                   | -     | -                          | -              | -     |
| - |   |                              |            |   |                              |                     |       |                            |                |       |
| _ | - | 709                          | 2 375      | - | 11.7%                        | 2 611               | 2 767 | 2 895                      | 6.8%           | 14.8% |
| - |   |                              |            |   |                              |                     |       | 1000 001 001 001 0001 0001 |                |       |
|   | _ | _                            | 795        | - | 3.0%                         | 838                 | 888   | 929                        | 5.3%           | 4.8%  |
| - | - | 343                          | -          | - | 1.3%                         | -                   | -     | -                          | -              | -     |
|   | 8 |                              | 1 806      | - |                              | 2 117               | 2 247 | 2 350                      | 9.2%           | 11.8% |
| - | 8 | 927<br>343                   | 1 806<br>- | - | 10.4%<br>1.3%                | 2 117               | 2 247 | 2 350                      |                | 9.2%  |

The spending focus over the medium term will be on increasing the coordination of policies on economic development through the activities of the National Social Dialogue and Strategic Frameworks and Capacity Building for Economic Development sub-programmes. This is in line with strategic goal of enhancing economic policy through coordination and the implementation of the procurement accords in these sub-programmes. The Capacity Building for Economic Development sub-programme is also the fastest growing over the medium term, mainly due to the expected increase in the staff required to conduct the activities effectively. The staff skills base will change with greater emphasis on coordination and implementation skills, focussed on giving effect to the various Accords previously concluded.

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