



2013/14

EDD Annual Performance Plan

13 March 2013



**Economic
Development
Department**

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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.

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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.

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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.



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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.

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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

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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

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.

Kumaran Naidoo
Chief Financial Officer (Acting)

Signature: 

Kailash Bhana and Refiloe Ogude

Signature: 

Office of the DG

Signature: 

Jennifer Schreiner
Accounting Officer

Signature: 

Ebrahim Patel
Executive Authority

Signature: 

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PART A: Strategic Overview

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Strategic Overview

The Department retains the strategic outcome-oriented goal and goal statement as follows:

Strategic Outcome orientated Goal	Promote decent work through meaningful economic transformation and inclusive growth
Goal Statement	Provide participatory, coherent and coordinated economic policy, planning and dialogue for the benefit for all South 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 employment-creating 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.

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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 as well as driving 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.

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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 to jointly identify and support 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.



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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

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screening of job applicants; training of existing and new staff members; improved systems to allocate work and monitor performance; and strengthened management and monitoring 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 range 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.

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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.

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 INDICATORS	NUMBER OF PRODUCTS
2012/13	41	148
2013/14	38	228

3. Third, entities that report through EDD

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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.

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3. Overview of 2013/14 budget and MTEF estimates

3.1 Expenditure Estimates

Table 1. Economic Development

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total : Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2012/13	2009/10-2012/13		2013/14	2014/15	2015/16	2012/13-2015/16	
R thousand												
Administration	16 653	35 044	50 822	52 300	52 300	46.4%	7.8%	63 564	67 570	71 211	10.8%	7.9%
Economic Policy Development	-	6 647	12 499	18 467	18 467	-	1.9%	25 549	27 177	28 713	15.8%	3.1%
Economic Planning and Coordination	297 992	358 527	501 013	613 005	613 005	27.2%	89.0%	663 793	638 370	866 628	12.2%	86.7%
Economic Development and Dialogue	-	456 269	13 746	12 746	12 746	-	1.3%	18 560	19 743	20 850	17.8%	2.2%
Total	314 645	400 674	577 602	696 518	696 518	30.3%	100.0%	771 466	752 860	987 402	12.3%	100.0%
Change to 2012 Budget estimate				23 786	23 786			60 121	113 448	318 578		

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Economic classification		14 214	39 881	88 306	161 347	161 347	124.7%	15.3%	150 965	160 575	169 480	1.7%	20.0%
Current payments													
Compensation of employees		7 865	25 156	48 348	63 889	63 889	101.0%	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	148.5%	8.0%	52 961	56 189	58 776	15.5%	8.3%
of which:													
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	279.8%	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	99.5%	0.2%
Bursaries: Employees		-	-	47	147	147		0.0%	156	165	173	5.6%	0.0%
Catering: Departmental activities		109	460	683	607	607	77.3%	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 professional services: Business and advisory services		109	700	6 410	5 254	5 254	263.9%	0.6%	-	-	-	100.0%	0.2%

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Consultants and professional services: Infrastructure and planning	-	-	(7)	-	-		0.0%	-	-	-			
Consultants and professional services: Legal costs	-	-	4 482	295	295		0.2%	3 311	3 477	3 637	131.0%	0.3%	
Contractors	2	221	177	455	455	510.5%	0.0%	486	520	544	6.1%	0.1%	
Agency and support / outsourced services	30	98	357	147	147	69.8%	0.0%	156	165	173	5.6%	0.0%	
Entertainment	2	1	3	125	125	296.9%	0.0%	131	139	146	5.3%	0.0%	
Fleet services (including government motor transport)	-	68	499	-	-		0.0%	-	-	-			
Inventory: Learner and teacher support material	-	-	1	-	-		0.0%	-	-	-			
Inventory: Materials and supplies	-	47	11	-	-		0.0%	-	-	-			
Inventory: Medical supplies	-	-	1	-	-		0.0%	-	-	-			
Inventory: Medicine	-	-	1	-	-		0.0%	-	-	-			
Inventory: Other consumables	8	64	32	15	15	23.3%	0.0%	16	17	18	6.3%	0.0%	
Inventory: Stationery and printing	268	1 008	1 809	1 083	1 083	59.3%	0.2%	1 140	1 208	1 264	5.3%	0.1%	

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Operating leases	1 636	972	2 844	4 409	4 409	39.2 %	0.5%	4 944	5 274	5 516	7.8%	0.6%
Property payments	–	17	1 388	–	–	0.1%	0.1%	–	–	–	–	–
Travel and subsistence	3 640	7 752	11 972	15 674	15 674	62.7 %	2.0%	17 325	18 368	19 213	7.0%	2.2%
Training and development	–	–	1 353	–	–	0.1%	0.1%	–	–	–	–	–
Operating payments	191	670	1 371	59 126	59 126	576.5 %	3.1%	13 874	14 738	15 417	36.1%	3.2%
Venues and facilities	–	742	2 063	6 804	6 804	0.5%	0.5%	5 729	6 090	6 370	-2.2%	0.8%
Transfers and subsidies	297 992	356 460	487 998	529 665	529 665	21.1 %	84.0%	612 582	583 892	809 143	15.2%	79.0%
Departmental agencies and accounts	154 664	195 629	245 374	356 412	356 412	32.1 %	47.9%	381 603	291 288	306 746	-4.9%	41.6%
Higher education institutions	–	4 820	5 510	2 280	2 280	0.6%	0.6%	–	–	–	–	0.1%
Public corporations and 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%
Households	–	–	133	–	–	0.0%	0.0%	–	–	–	–	–
Payments for capital assets	2 439	4 333	1 298	5 506	5 506	31.2 %	0.7%	7 919	8 393	8 779	16.8%	1.0%
Machinery and equipment	2 439	4 332	1 150	4 005	4 005	18.0 %	0.6%	6 335	6 715	7 024	20.6%	0.8%
Software and other intangible assets	–	1	148	1 501	1 501	0.1%	0.1%	1 584	1 678	1 755	5.3%	0.2%
Total	314 645	400 674	577 602	696 518	696 518	30.3 %	100.0 %	771 466	752 860	987 402	12.3%	100.0 %

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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.

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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.

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PART B: DASHBOARD VERSION PROGRAMME AND SUB-PROGRAMME PLANS.



1. Standard version of Part B follows the dashboard version

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4. Programme 1: Administration

Administration Programme Purpose and Strategic Objective:

Coordinate and render an effective, efficient, strategic support and administrative service to the Minister, Deputy Minister, Director-General, the Department and its agencies

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

The sub-programmes remain as follows:

- ☐ Sub-Programme 1.1: Ministry
- ☐ Sub-Programme 1.2: Office of the Director General
- ☐ Sub-Programme 1.3: General Management Services

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Sub-Programme 1.1: Ministry

Sub-Programme Outcome and Purpose: Provide strategic support and administrative services to the Minister and the Deputy Minister

KPI 1: Percentage compliance with service standards and administrative systems

Past three years
& 2012/13 Est

Current year (2013/14)
Approved service standards and administrative services

MTEF outer years

2009/10	2010/11	2011/12	2012/13
Achieved	Achieved	Achieved	Achieved

Q1	Q2	Q3	Q4	Annual
100%	100%	100%	100%	100%

2014/15	2015/16
100%	100%

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Sub-Programme 1.2: Office of the Director-General

Office of the Director-General Sub-Programme Outcome and Purpose:
Provide strategic support and administrative services to the Director-General

KPI 2: Number of management meetings

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer years

2009/10	2010/11	2011/12	2012/13
	18	15	16

Q1	Q2	Q3	Q4	Annual
3	3	3	3	12

2014/15	2015/16
12	12

KPI 3: Number of Internal Audit reports

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer years

2009/10	2010/11	2011/12	2012/13
5	4	6	6

Q1	Q2	Q3	Q4	Annual
1	2	2	1	6

2014/15	2015/16
6	6

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Sub-Programme 1.3: General Management Services

General Management Services Sub-Programme Outcome and Purpose:
Provide operational and administrative support to the EDD

KPI 4: Percentage (%) of posts to be filled

**Past three years &
2012/13 Est.**

2009/10	2010/11	2011/12	2012/13
14.52%	79%	89%	88%

Current year (2013/14)

Q1	Q2	Q3	Q4	Annual
Annual Target 88% (146 staff)				

**MTEF outer
years**

2014/15	2015/16
91% (151 staff)	100% (166 staff)

Note: Staff complement for 2013/14 to 2015/16 is 166.

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Sub-Programme 1.3: General Management Services

General Management Services Sub-Programme Outcome and Purpose:
Provide operational and administrative support to the EDD

KPI 5: An approved Information and Communication Technology Strategy

**Past three years
& 2012/13 Est**

2009/10	2010/11	2011/12	2012/13
New KPI			

Current year (2013/14)

An approved ICT Strategy and Master System Plan (MSP)

Q1	Q2	Q3	Q4
Annual target set: 1 Product: an approved ICT Strategy and Master System Plan (MSP)			

**MTEF outer
years**

2014/15	2015/16
Review and implement ICT Strategy and MSP	Review and implement ICT Strategy and MSP

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4.1 Reconciling performance targets with the Budget and MTEF

Programme 1: Administration

Expenditure estimates

Table 2. Administration

Sub-programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10-2012/13		2013/14	2014/15	2015/16	2012/13-2015/16	
Ministry	16 653	23 947	18 355	19 500	5.4%	50.7%	22 397	23 836	25 207	8.9%	35.7%
Office of the Director-General	–	4 265	9 559	6 236	–	13.0%	9 615	10 182	10 725	19.8%	14.4%
General Management Services	–	6 832	22 908	26 564	–	36.4%	31 552	33 552	35 279	9.9%	49.9%
Total	16 653	35 044	50 822	52 300	46.4%	100.0%	63 564	67 570	71 211	10.8%	100.0%
Change to 2012 Budget estimate				(7 765)			222	323	71 211		

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Economic 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 capitalisation threshold	9	172	154	464	272.2%	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%

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Catering: Departmental 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	-	180	505	96	-	0.5%	101	107	112	5.3%	0.2%
Consultants and professional services: Business and advisory services	109	408	1 182	270	35.3%	1.3%	-	-	-	-100.0%	0.1%
Consultants and professional services: Infrastructure and planning	-	-	(7)	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	-	-	(368)	295	-	-	3 311	3 477	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 / 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 (including government motor transport)	-	68	499	-	-	0.4%	-	-	-	-	-

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Inventory: Learner and teacher support material	-	-	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	47	10	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	1	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	1	-	-	-	-	-	-	-	-
Inventory: Other consumables	8	64	32	15	23.3%	0.1%	16	17	18	6.3%	-
Inventory: Stationery and printing	268	1 005	1 568	443	18.2%	2.1%	466	494	517	5.3%	0.8%
Operating leases	1 636	972	2 817	4 409	39.2%	6.4%	4 944	5 274	5 516	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	5 964	5.3%	8.7%
Training and 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%

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Transfers and 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 intangible assets	-	1	148	1 501	-	1.1%	1 584	1 678	1 755	5.3%	2.6%
Total	16 653	35 044	50 822	52 300	46.4%	100.0%	63 564	67 570	71 211	10.8%	100.0%

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Expenditure trends



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.

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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.



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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

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Sub-Programme 2.1: Growth Path and Creation of Decent Work

Growth Path and Creation of Decent work Sub-Programme Strategic Objective & Purpose: Coordinate the implementation of the New Growth Path

KPI 6: Number of technical instruments on economic development refined per year

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			3				2	1	3	4	4

KPI 7: Surveys and reports on the implementation of the New Growth Path

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			2		1	1	1	1	4	5	5

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Sub-Programme 2.1: Growth Path and Creation of Decent Work

Growth Path and Creation of Decent work Sub-Programme Strategic Objective & Purpose: Coordinate the implementation of the New Growth Path

KPI 8: Number of platforms held to communicate and discuss issues related to the New Growth Path

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			3			1		1	2	2	2

KPI 9: Training workshops held on assessing employment impact of state institutions

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			2			1	1		2	3	3

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Sub-Programme 2.2: Economic Policy

Economic Policy Sub Programme Strategic Objective & Purpose:
Develop economic policies and sector strategies

KPI 10: Policy interventions identified and/or policy platforms held to support inclusive growth

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
	1	4	4

Q1	Q2	Q3	Q4	Annual
1	1	1	1	4

2014/15	2015/16
4	4

KPI 11: Sector interventions aligned, evaluated and improved

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
			2

Q1	Q2	Q3	Q4	Annual
	1		2	3

2014/15	2015/16
3	4

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Sub-Programme 2.2: Economic Policy

Economic Policy Sub Programme Strategic Objective & Purpose:
Develop economic policies and sector strategies

KPI 12: Monitoring of Competition Act implementation and proposals as required

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
			1

Q1	Q2	Q3	Q4	Annual
			1	1

2014/15	2015/16
1	1

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Sub-Programme 2.3: Broad Based Black Economic Empowerment (BBBEE)

BBBEE Sub-programme Outcome and Purpose: Promote Broad Based Black Economic Empowerment (BBBEE)

KPI 13: Number of policy platforms held or reports completed on the impact of BBBEE

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2010/11	2011/12	2012/13	2012/13
			3

Q1	Q2	Q3	Q4	Annual
1	1	1	1	4

2014/15	2015/16
4	4

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Sub-Programme 2.4: Second Economy

Second Economy Sub-programme Outcome and Purpose: Promote a more inclusive economy

KPI 14: Number of reports on the impact of NGP on women, youth and rural people evaluated and improved per year

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
			4

Q1	Q2	Q3	Q4	Annual
		2	1	3

2014/15	2015/16
1	1

KPI 15: Strategy on micro enterprises, livelihoods and the social economy adopted and reviewed

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
			1

Q1	Q2	Q3	Q4	Annual
			1	1

2014/15	2015/16
1	1

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Sub-Programme 2.4: Second Economy

Second Economy Sub-programme Outcome and Purpose: Promote a more inclusive economy

KPI 16: Skills development proposals in the NGP and skills accord implemented

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13
New KPI			

Q1	Q2	Q3	Q4	Annual
		1		1

2014/15	2015/16
1	1

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

Expenditure estimates

Table 3. Economic Policy Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10-2012/13		2013/14	2014/15	2015/16	2012/13-2015/16	
R thousand											
Growth Path and Creation of Decent Work	–	833	2 637	6 236	–	25.8%	7 778	8 277	8 756	12.0%	31.1%
Economic Policy	–	5 814	9 568	8 232	–	62.8%	10 710	11 396	12 052	13.5%	42.4%
Broad Based Black Economic Empowerment	–	–	294	3 317	–	9.6%	3 972	4 221	4 447	10.3%	16.0%
Second Economy	–	–	–	682	–	1.8%	3 089	3 283	3 458	71.8%	10.5%
Total	–	6 647	12 499	18 467	–	100.0%	25 549	27 177	28 713	15.8%	100.0%

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Expenditure estimates

Change to 2012 Budget estimate				(10 589)			(5 108)	(5 377)	28 713		
Economic 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 capitalisation threshold	–	–	4	7	–	–	8	9	9	8.7%	–
Catering: Departmental activities	–	1	66	90	–	0.4%	96	101	106	5.6%	0.4%
Communication (G&S)	–	–	78	106	–	0.5%	111	118	123	5.1%	0.5%
Consultants and professional services: Business and advisory services	–	–	119	1 316	–	3.8%	–	–	–	-100.0%	1.3%

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Expenditure estimates

Contractors	–	–	58	–	–	0.2%	–	–	–	–	–
Entertainment	–	–	1	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	0	–	–	–	–	–	–	–	–
Inventory: Stationery and printing	–	3	72	121	–	0.5%	127	134	140	5.0%	0.5%
Travel and subsistence	–	95	2 015	3 500	–	14.9%	4 273	4 530	4 739	10.6%	17.1%
Training and development	–	–	650	–	–	1.7%	–	–	–	–	–
Operating payments	–	–	161	993	–	3.1%	1 417	1 502	1 571	16.5%	5.5%
Venues 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%

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Expenditure trends



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

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infrastructure plan with key stakeholders. Funds will be reprioritised over the medium term from spending on external services and venues and facilities to spending on compensation of employees to provide for these activities.

Personnel numbers are expected to increase in 2013/14.



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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

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Sub-Programme 3.1: Spatial, Sector and Planning

Spatial, Sector and Planning Sub-Programme Outcome and Purpose:
Develop Sector, Spatial and National Economic Plans

KPI 17: Number of economic development initiatives facilitated and unblocked per year

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
4	9	8			6	5	3	4	18	20	22

KPI 18: Number of economic development plans completed

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
5	2	2					1	1	2	3	4

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Sub-Programme 3.1: Spatial, Sector and Planning

Spatial, Sector and Planning Sub-Programme Outcome and Purpose:
Develop Sector, Spatial and National Economic Plans

KPI 19: Number of spatial economic plans produced and/or reviewed per year

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	total	2014/15	2015/16
	9	7	7				1	1	2	2	3

KPI 20: Number of Strategic Integrated Projects construction progress reviews per year

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	total	2014/15	2015/16
				New KPI	15	15	15	15	60	60	60

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Sub-Programme 3.1: Spatial, Sector and Planning

Spatial, Sector and Planning Sub-Programme Outcome and Purpose:
Develop Sector, Spatial and National Economic Plans

KPI 21: Number of infrastructure projects unblocked and / or fast tracked.

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
				New KPI	2	2	2	2	8	8	12

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Sub-Programme 3.2: Investment for Economic Development

Investment for Economic Development Sub-Programme Outcome and Purpose: Promote Investment for Economic Development

KPI 22: Number of ministerial oversight engagements with the Development Finance Institutions (DFIs) per year.

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
		6	6		1	2	2	1	6	6	6

KPI 23: Road shows marketing the products of the Small Enterprise Finance Agency to SMMEs

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
				New KPI	3	3	3	3	12	16	20

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Sub-Programme 3.2: Investment for Economic Development

Investment for Economic Development Sub-Programme Outcome and Purpose: Develop Sector, Spatial and National Economic Plans

KPI 24: Value of financing facilitated for small businesses, targeted growth sectors and companies in distress [Rmillion]

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	total	2014/15	2015/16
		3097	5000						Annual Target 5000	5000	5000

KPI 25: Evaluative Reports on jobs targets achieved by EDD agencies (IDC, SEFA, Competition and Trade Commissions)

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	total	2014/15	2015/16
				New KPI	1	1	1	1	4	4	4

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Sub-Programme 3.3: Competitiveness for Trade and Decent Work

Sub-Programme Outcome and Purpose: Promote Competitiveness and Trade for Decent Work

KPI 26: Number of ministerial strategic engagement with the ERBs reporting to the Ministry of Economic Development

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
	6	6	6		1	2	2	1	6	6	6

KPI 27: Number of interventions in relation to ERB

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			New KPI		1	1	1	1	4	4	4

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Sub-Programme 3.3: Competitiveness for Trade and Decent Work

Sub-Programme Outcome and Purpose: Promote Competitiveness and Trade for Decent Work

KPI 28: Number of interventions to promote regional integration (research studies produced or company or sector supported)

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			New KPI		1	1	1	1	4	4	4

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Sub-Programme 3.4: Economic Development Financing and Procurement Processes

Sub-Programme Outcome and Purpose: Leverage State Budgeting and Financing and Procurement Processes

KPI 29: Actions and meetings to implement Local Procurement Accord

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13	Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
New KPI				1	1	1	1	4	4	4

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Sub-Programme 3.5: Green Economy

Sub-Programme Outcome and Purpose: Grow the Green Economy

KPI 30: Number of interventions to grow the green economy or reports on the implementation of the green economy strategy and green accord

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/13	Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
			12	1	2	1	2	6	6	6

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

Expenditure estimates

Table 4. Economic Planning and Coordination

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10-2012/13		2013/14	2014/15	2015/16	2012/13-2015/16	
Spatial, Sector and Planning	–	1 630	10 881	39 572	–	2.9%	24 469	26 029	27 459	11.5%	4.2%
Economic Development, Financing and Procurement	–	172	7 402	3 885	–	0.6%	6 162	6 555	6 929	21.3%	0.8%
Investment for Economic Development	143 328	161 096	270 504	286 921	26.0%	48.7%	346 890	301 024	511 310	21.2%	52.0%
Competitiveness and Trade for Decent Work	154 664	195 629	212 226	282 627	22.3%	47.7%	281 493	299 680	315 614	3.7%	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	12.2%	100.0%
Change to 2012 Budget estimate				47 543			65 584	119 083	866 628		

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Economic 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 capitalisation threshold	–	–	2	22	–	–	24	25	26	5.7%	–
Catering: Departmental activities	–	–	14	214	–	–	226	239	250	5.3%	–
Communication (G&S)	–	–	151	273	–	–	287	303	317	5.1%	–
Consultants and professional services: Business and advisory services	–	292	5 099	2 947	–	0.5%	–	–	–	-100.0%	0.1%
Consultants and professional services: Legal costs	–	–	4 850	–	–	0.3%	–	–	–	–	–

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Contractors	-	-	30	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	44	369	-	-	389	412	431	5.3%	0.1%	-
Operating leases	-	-	25	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	257	2 237	5 267	-	0.4%	5 555	5 889	6 160	5.4%	0.8%	-
Operating payments	-	-	(89)	56 070	-	3.2%	10 281	10 930	11 434	-41.1%	3.2%	-
Venues and facilities	-	151	(564)	1 725	-	0.1%	1 818	1 928	2 016	5.3%	0.3%	-
Transfers and 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 accounts	154 664	195 629	245 374	356 412	32.1%	53.8%	381 603	291 288	306 746	-4.9%	48.0%	-
Higher education institutions	-	4 820	5 510	2 280	-	0.7%	-	-	-	-100.0%	0.1%	-
Public corporations and private enterprises	143 328	156 011	228 981	170 973	6.1%	39.5%	230 979	292 604	502 397	43.2%	43.0%	-
Total	297 992	358 527	501 013	613 005	27.2%	100.0%	663 793	638 370	866 628	12.2%	100.0%	-

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Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business 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 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 Administration Commission	60 885	64 343	69 604	74 403	6.9%	15.2%	79 770	85 061	89 599	6.4%	11.8%
Industrial Development Corporation of South Africa	-	-	34 000	109 000	-	8.1%	108 000	-	-	-100.0%	7.8%
Higher education institutions											
Current	-	4 820	5 510	2 280	-	0.7%	-	-	-	-100.0%	0.1%
University of the Witwatersrand: economic development capacity building course	-	-	5 510	-	-	0.3%	-	-	-	-	-
University of Johannesburg: academy for social economy	-	4 820	-	2 280	-	0.4%	-	-	-	-100.0%	0.1%

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Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	143 328	156 011	222 958	170 973	6.1%	39.2%	230 979	292 604	502 397	43.2%	43.0%
Small Enterprise Finance Agency	143 328	156 011	222 958	170 973	6.1%	39.2%	230 979	292 604	502 397	43.2%	43.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	6 023	-	-	0.3%	-	-	-	-	-
South African Institute of Chartered Accountants	-	-	6 023	-	-	0.3%	-	-	-	-	-

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Expenditure trends

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 non-dominant 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.

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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.

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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 sub-programme 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 Development
- Sub-Programme 4.4: Productivity, Entrepreneurship and Innovation

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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 partners

Past three years
& 2012/13 Est

2009/10	2010/11	2011/12	2012/13
20	15	10	

Current year (2013/14)

Q1	Q2	Q3	Q4	Annual
2	3	3	2	10

MTEF outer
years

2014/15	2015/16
10	10

KPI 32: Number of monitoring reports and strategies developed to improve implementation of accords per year.

Past three years
& 2012/13 Est

2009/10	2010/11	2011/12	2012/13
			New KPI

Current year (2013/14)

Q1	Q2	Q3	Q4	Annual
1	1	1	1	4

MTEF outer
years

2014/15	2015/16
4	4

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Sub-Programme 4.2: Sector and Workplace Social Dialogue

Sub-Programme Outcome and Purpose: Engage in Sector and Workplace Social Dialogue

KPI 33. Number of sectoral and workplace economic development agreements facilitated with social partners

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
	6	3	2		1			1	2	2	2

KPI 34: Number of engagements at company / industrial cluster level to save or create new jobs

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
		2	4		1	1	1	1	4	4	4

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Sub-Programme 4.3: Capacity Building for Economic Development

Sub-Programme Outcome and Purpose: Support Capacity Building for Economic Development

KPI 35. Number of knowledge network sessions and / or publications to enhance public policy and strategy

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
0	1	0	4		1	1	2	2	6	6	6

KPI 36: Number of capacity building projects for social partners on the New Growth Path per year.

Past three years & 2012/13 Est					Current year (2013/14)					MTEF outer years	
2009/10	2010/11	2011/12	2012/13		Q1	Q2	Q3	Q4	Annual	2014/15	2015/16
0	11	0	10		2	2	2	2	8	8	8

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Sub-Programme 4.4: Productivity, entrepreneurship and innovation

Sub-Programme Outcome and Purpose: Forster productivity, entrepreneurship and innovation

KPI 37: Number of workplace interventions on productivity and / or innovation facilitated

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/12
New KPI			

Q1	Q2	Q3	Q4	Annual
2	2	2	6	

2014/15	2015/16
6	6

KPI 38: Number of advocacy initiatives on productivity, entrepreneurship and innovation at a sectoral and national level implemented

Past three years
& 2012/13 Est

Current year (2013/14)

MTEF outer
years

2009/10	2010/11	2011/12	2012/12
New KPI			

Q1	Q2	Q3	Q4	Annual
1	-	1	2	

2014/15	2015/16
4	6

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7.1 Reconciling performance targets with the Budget and MTEF Programme 4: Economic Development and Dialogue

Expenditure estimates

Table 5. Economic Development and Dialogue

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand	0											
National Social Dialogue and Strategic Frameworks	-	16	5 264	10 444	-	-	59.4%	12 258	13 033	13 749	9.6%	68.8%
Sector and Workplace Social Dialogue	-	440	5	288	-	-	2.8%	621	659	690	33.8%	3.1%
Capacity Building for Economic Development	-	-	-	899	-	-	3.4%	3 109	3 312	3 512	57.5%	15.1%

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Expenditure estimates

Productivity, Entrepreneurship, 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 Budget estimate				(5 403)			(577)	(581)	20 850		

Economic classification

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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 capitalisation threshold	-	-	33	-	-	0.1%	-	-	-	-	-
Catering: Departmental activities	-	-	14	15	-	0.1%	16	17	18	6.3%	0.1%
Communication (G&S)	-	-	79	-	-	0.3%	-	-	-	-	-
Consultants and professional services: Business and advisory services	-	-	10	721	-	2.8%	-	-	-	100.0%	1.0%
Inventory: Stationery and printing	-	-	125	150	-	1.0%	158	168	176	5.5%	0.9%

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Operating leases	-	-	2	-	-	-	-	-	-	-	-
Travel and subsistence	-	8	927	1 806	-	10.4%	2 117	2 247	2 350	9.2%	11.8%
Training and development	-	-	343	-	-	1.3%	-	-	-	-	-
Operating payments	-	-	-	795	-	3.0%	838	888	929	5.3%	4.8%
Venues and facilities	-	-	709	2 375	-	11.7%	2 611	2 767	2 895	6.8%	14.8%
Transfers and subsidies	-	-	7 999	-	-	30.2%	-	-	-	-	-
Public corporations and private enterprises	-	-	8 000	-	-	30.2%	-	-	-	-	-
Households	-	-	(1)	-	-	-	-	-	-	-	-
Total	-	456	13 269	12 746	-	100.0%	18 560	19 743	20 850	17.8%	100.0%

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Expenditure trends

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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