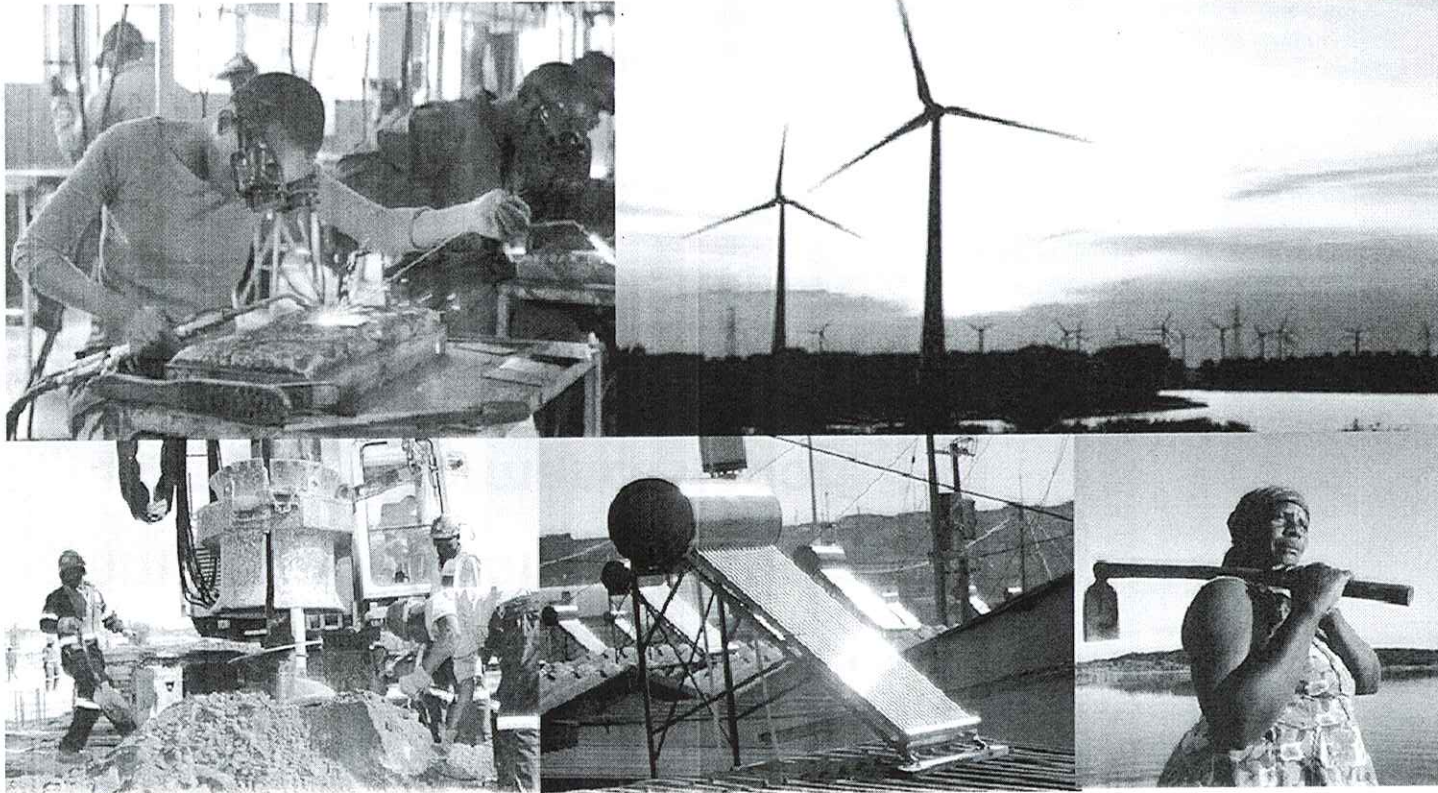




economic development

Economic Development Department
REPUBLIC OF SOUTH AFRICA



QUARTER 1 2013/14 PERFORMANCE REPORT

Presentation to Portfolio Committee on Economic Development
10 September 2013

Contents Of Presentation

- Introduction**
- Q1 Performance Summary Statistics**
- Programme 1 Performance Report**
- Programme 2 Performance Report**
- Programme 3 Performance Report**
- Programme 4 Performance Report**
- Q1 Financials**

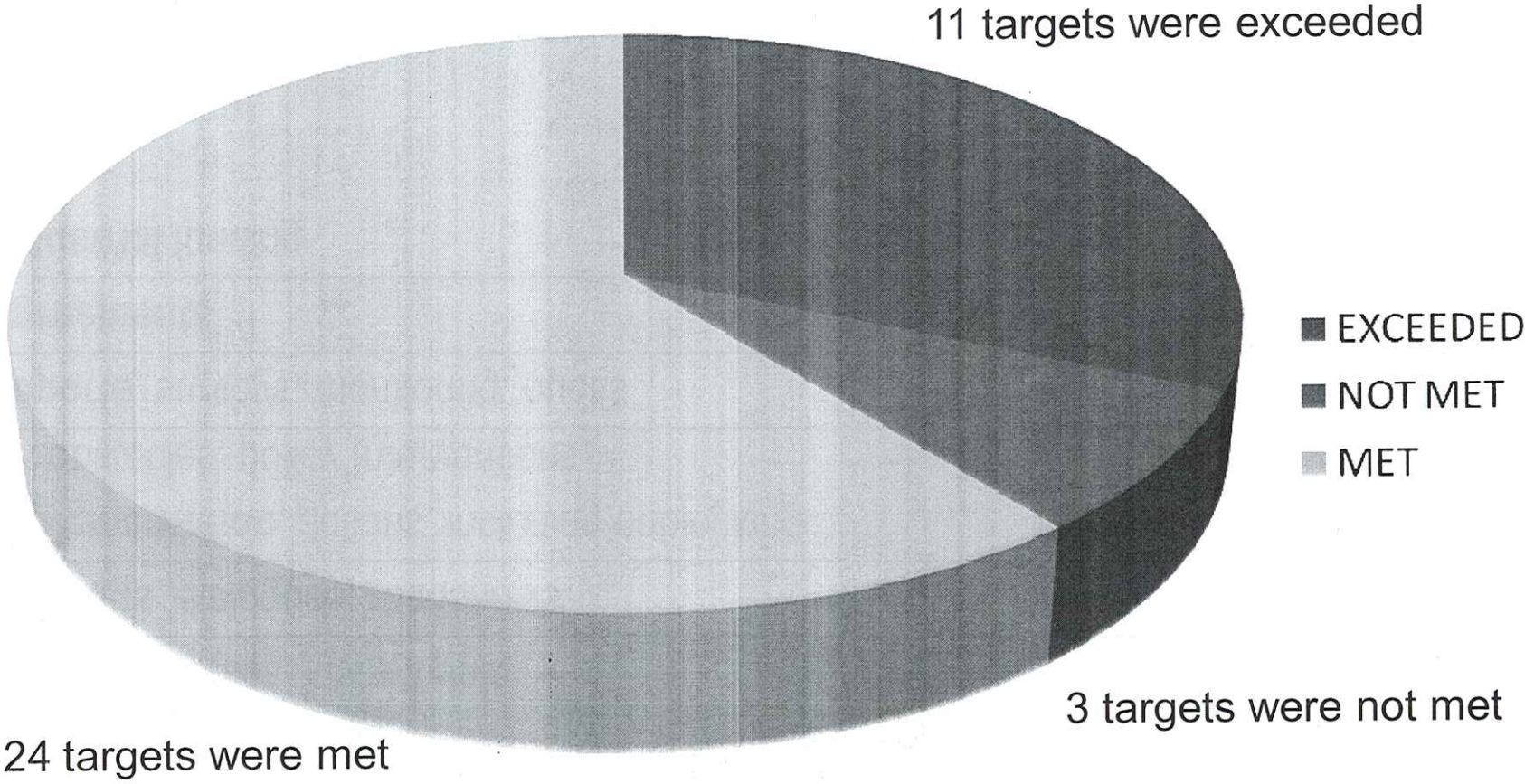
Introduction

- The Department has implemented 92% of its First Quarter targets.
- The Department has spent R192 298 which is 95% of its quarterly budget allocation of R201 799.
- In relation to the 38 targets , EDD delivered 63 outputs as opposed to the planned 48 outputs.

Summary of Performance Q1 2013/14

TOTAL PERFORMANCE LEVEL (total of 38 targets)	11	Targets exceeded
	24	Targets met
	3	Targets under-achieved
PROGRAMME 1 (Total of 5 targets)	1	Targets exceeded
	4	Targets met
	0	Targets under-achieved
PROGRAMME 2 (Total of 11 targets)	1	Targets exceeded
	9	Targets met
	1	Targets under-achieved
PROGRAMME 3 (Total of 14 targets)	6	Targets exceeded
	7	Targets met
	1	Targets under-achieved
PROGRAMME 4 (Total of 8 targets)	3	Targets exceeded
	4	Targets met
	1	Targets under-achieved

Summary of Target Performance Q1 2013/14



SUMMARY OF TYPES OF OUTPUTS			1st Quarter OUTPUT	1st Quarter TARGET
Plans, strategies, instruments	-	-	-	-
Meetings, dialogues, roadshows	11	11	19	19
Implementation, actions, including unblocking obstacles, policy interventions,	14	14	17	17
Reports, surveys, monitoring, audits	19	19	24	24
Agreements	-	-	-	-
Industrial funding	Annual Target	Annual Target	R1694.1m (34% of Annual Target)	Annual Target
Capacity building, training	3	3	2	2
Staff and admin targets	1	1	1	1
Total number of products	48	48	63	63

PROGRAMME 1: ADMINISTRATION

PROGRAMME STRATEGIC OBJECTIVE & PURPOSE: Coordinate and render effective, efficient and administrative service to the Minister, the deputy Minister Director General, the Department and its agencies.

PROGRAMME 1 ADMINISTRATION						
Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Provide strategic support and administrative services to the Ministry	KPI 1: Percentage compliance with service standards and administrative systems	Approved service standards and administrative services	100%	Compliant		The Ministry signed off on the service provided in the quarter based on a report that identified challenges to be addressed in administrative support in areas such as human resource management and supply-chain management. In each quarter standards will be improved progressively over the financial year.

PROGRAMME 1 ADMINISTRATION

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Provide strategic support and administrative services to the Director General	KPI 2: Number of management meetings	12	3	4	An additional management meeting was held +1	During the Quarter the following Management meetings took place: EXCO meetings 12 April 2013 25 April 2013 10 June 2013 MANCO 10 May 2013 (continued 13 May 2013)
	KPI 3: Number of Internal Audit reports	6	1	1	0	Internal Audit reported on the review of the 2012/2013 Annual Financial Statements

PROGRAMME 1 ADMINISTRATION						
Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Provide operational and administrative support to EDD	KPI 4. Percentage (%) of posts to be filled	88% (146 of total staff complement of 166 funded posts over MTEF)		93% of the annual target of 146 staff	Annual Target	<p>On 30 June 2013, the staff complement was 137.</p> <p>In the quarter: Appointments 10 Terminations 12</p> <p>EDD is short of nine persons on the annual target.</p>
	KPI 5. An approved Information and Communication Technology Strategy	An approved ICT Strategy and Master System Plan (MSP)			Annual Target	

PROGRAMME 2: ECONOMIC POLICY DEVELOPMENT

PROGRAMME STRATEGIC OBJECTIVE & PURPOSE: 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

PROGRAMME 2: ECONOMIC POLICY DEVELOPMENT						
Strategic Objective	Performance Indicator	Target 2013/14	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Coordinate the implementation of technical instruments on economic development refined per year	KPI 6. Number of technical instruments on economic development refined per year	3	0	0	0	No target for this quarter.
	KPI 7. Surveys and reports on the implementation of the New Growth Path	4	1	1	0	A report on employment, GDP growth, and investment in relation to the jobs drivers of the NGP covering the 1 st Quarter of 2013 was prepared and submitted to Cabinet.
	KPI 8. Number of platforms held to communicate and discuss issues related to the New Growth Path	2	0	0	0	No target for the quarter.

PROGRAMME 2 ECONOMIC POLICY DEVELOPMENT

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop economic policies and sector strategies	KPI 9. Training workshops held on assessing employment impact of state institution	2	0	0	0	No target for the quarter.
	KPI 10. Policy interventions identified and/or policy platforms held to support inclusive growth	4	1	1	0	A policy intervention on smallholders was held on 21 June 2013, which resulted in EDD facilitating coordinated work on pilot smallholder schemes and support for district based planning focusing on the former homeland areas and land redistribution.
	KPI 11. Sector interventions aligned, evaluated and improved	3	0	0	0	No target for the quarter.

PROGRAMME 2 ECONOMIC POLICY DEVELOPMENT

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop economic policies and sector strategies	KPI 12. Monitoring of Competition Act implementation and proposals as required	1	0	2	+2 The fast track settlement process for the construction sector cartel and the initiation of the health market enquiry entailed monitoring of implementation of the Act.	The finalisation of the construction cartel collusion investigation required engagement on the implementation of the Act. The promulgation of the section of the Competition Act relating to health market enquiries required engagement between EDD and Competition Commission on the implementation of this section.

PROGRAMME 2 ECONOMIC POLICY DEVELOPMENT

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Broad Based Black Economic Empowerment (BBBEE)	KPI 13: Number of policy platforms held or reports completed on the impact of BBBEE	4	1	0	-1 Target not met. The platform was planned for June 2013 but could not take place due to unavailability of stakeholders. The platform was scheduled and held on 9 July 2013.	

PROGRAMME 2 ECONOMIC POLICY DEVELOPMENT						
Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
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	3	0	0	0	No target for the quarter.
	KPI 15. Strategy on micro enterprises, livelihoods and the social economy adopted and reviewed	1	0	0	0	No target for the quarter.
	KPI 16. Skills development proposals in the NGP and skills accord implemented	1	0	0	0	No target for the target.

PROGRAMME 3: Economic Planning and Coordination

STRATEGIC OBJECTIVE 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

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION						
Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop Sector, spatial and national economic plans	KPI 17. Number of economic development initiatives facilitated and unblocked per year	18	6	6	0	<p>1. Unblocking concerning <u>Innowind Wind Energy Projects</u>: EDD facilitated receipt of an amended approval from DAFF for Innowind's sub-division of Agricultural Land Act (SALA). This is a pre-requisite for Innowind to secure the funds from the project's lenders.</p> <p>2. The <u>Chinese Mamba Cement Factory</u>, experienced problems with regards to work permits for key personnel, this was resolved by EDD jointly with the dti, Department of Labour and Department of Home Affairs. The investment can now commence in the Limpopo province.</p> <p>3. <u>Sunrise Energy LPG Importation and Storage Terminal</u>, Saldanha Bay, Western Cape. EDD facilitated the signing of the Lease Agreement between IDC and Transnet.</p> <p>4. <u>Sephaku Floride</u> was having difficulty sourcing 1 mega litre of water a day, from the Tshwane Municipality, for their new plant in EKANDUSTRIA. Through EDD's intervention, Sephaku Floride will now receive water directly from Rand Water with the permission of the municipality.</p>

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	Target 2013/14	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop Sector, spatial and national economic plans	KPI 17. Number of economic development initiatives facilitated and unblocked per year	18	6	6	0	<p>Continued</p> <p>5. The Noble Resources project (soya crushing plant), EDD facilitated a dedicated electricity supply agreement with Eskom for the Nobel Resources project, which had obtained electricity supply from a farm line.</p> <p>6. Pipe Size of Moloko Crocodile Water Augmentation Project Phase 2: On 30 April 2013 the PICC Technical Unit unblocked support for the water pipeline of 110 million cubic meters to supply water for electricity and industrial users in Limpopo. Water is the first catalytic development to unlock the northern mineral belt.</p>
	KPI 18. Number of economic development plans completed	2	0	0	0	No target for the quarter.
	KPI 19. Number of spatial economic plans produced and or reviewed per year	2	0	0	0	No target for the quarter

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop Sector, spatial and national economic plans	KPI 20. Number of Strategic Integrated Projects construction progress reviews per year	60 quarterly reviews	15	18	+3 Progress reports of the 18 SIPs were undertaken	<p>Progress reviews on 18 Strategic Integrated Projects were completed for Cabinet. These reports covered spending, construction and localisation efforts. The Progress Reviews covered:</p> <ul style="list-style-type: none"> • 8 projects in SIP1: Unblocking the Northern Mineral Belt with Waterberg as a Catalyst • 6 projects in SIP2: Durban-Free State-Gauteng Logistics and Industrial Corridor • 4 projects in SIP3: South-Eastern Node and Corridor Development • 6 project clusters in SIP4: Unlocking the Economic Opportunities in North West Province • 1 project in SIP5: Saldanha-Northern Cape Development Corridor • 5 project clusters in SIP6: Integrated Municipal Infrastructure Project • 8 projects in SIP7: Integrated Urban Space and Public Transport Programme • 4 project clusters in SIP8: Green Energy in Support of the South Africa Economy • 3 projects in SIP9: Electricity Generation to Support Socio-Economic Development

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop Sector, spatial and national economic plans	KPI 20. Number of Strategic Integrated Projects construction progress reviews per year	60	15	18	+3	<p>continued</p> <ul style="list-style-type: none"> • 3 project clusters in SIP10: Electricity Transmission and Distribution for All • 5 cluster of projects in SIP11: Agro-Logistics and Rural Infrastructure • 9 project cluster and 1 maintenance programme in SIP12: Revitalisation of Public Hospitals and other Health Facilities • 10 project clusters SIP13: National School-Build Programme • 2 project clusters in SIP14: Higher Education Infrastructure • 3 Project clusters in SIP15: Expanding Access to Communication Technologies • 1 Project cluster in SIP16: SKA and MeerKat • 4 projects in SIP17: Regional Integration for African Cooperation and Development • 30 Project clusters in SIP18: Water and Sanitation Master Plan

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Develop Sector, spatial and national economic plans	KPI 21. Number of infrastructure projects unblocked and/or fast tracked	8	2	3	+1 Monitoring reports enabled PICC unblocking activities	<ol style="list-style-type: none"> <li data-bbox="1167 432 2060 759">1. <u>1m Solar Water Heater (SWH) Program:</u> Following an engagement between the PICC MANCO and the Department of Energy, the PICC Technical Unit assisted the Dept of Energy to obtain water quality information from municipalities in order to determine the technical feasibility of rolling out the 1m SWH program in 132 municipalities. 219 municipalities out of a total 234 municipalities were contacted by the PICC Technical Unit to obtain the required information. <li data-bbox="1167 791 2060 1278">2. <u>ASIDI School Build programme:</u> The DBE's 2012/13 ASIDI target was 100 schools, which was increased to 202 schools based on engagements with the PICC Technical Unit. Of the 202 ASIDI schools, 70 were allocated to DBSA and 22 to the IDT as implementation agents. The balance of 110 schools was allocated to the provinces to be built. The PICC Technical Unit met with DBSA and the IDT and prepared a document for all implementation agents, which included key lessons from past experiences to overcome delays. The PICC Technical Unit also engaged DBE to overcome the outstanding issues of authorisations for 20 of the schools and to obtain clarity on site allocations for 50 of DBSA's schools. <li data-bbox="1167 1310 2060 1513">3. <u>PICC Skills Plan:</u> The presentation of a draft skills plan for infrastructure projects on 14 June 2013 to the HRC Council laid the basis for fast tracking infrastructure projects going forward and ensured the availability of required skills at the appropriate time.

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Investment for Economic Development	KPI 22. Number of ministerial engagements with the Development Finance Institutions (DFIs) per year	6	1	2	The Minister interacted with both IDC and sefa in this quarter..	<p><u>Strategic Engagements</u></p> <p>1. A Ministerial engagement with the IDC Board, on 27 June 2013, focused on the IDCs developmental impact, project pipeline development, support for the infrastructure programme and strengthening its footprint and capacity.</p> <p>2. A Ministerial engagement with sefa took place on 18 April 2013, with financial intermediaries present, looking at policy issues of small business funding, the cost of funding, improved access for small businesses, and the cost of intermediaries.</p> <p><u>Oversight engagements:</u> The entities meeting took place on 6 June 2013.</p>

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Investment for Economic Development	KPI 23. Road shows marketing the products of the Small Enterprise Finance Agency to SMMEs	12	3	8	+5 EDD developed an integrated product/strategy for sefa to roll out across the country, combining products from different parts of government.	<p>The Executive Authority requested that the number of road shows be increased from the original target to improve knowledge of government's programmes among Citizens. During the first quarter, sefa hosted eight road shows to pilot and showcase the integrated approach.</p> <ul style="list-style-type: none"> • 28 May 2013, City of Cape Town, Attendance 166; • 30 May 2013, Vredendal – Mitsikama and Cederburg Municipality, Attendance 65; • 31 May 2013, Vredenburg – Saldanha Municipality, Attendance 104; • 5 June 2013, Gauteng: Hammanskraal, Attendance 160; • 12 June 2013, Gauteng: Diepkloof, Attendance approximately 138; • 19 June 2013, Limpopo: Polokwane, Attendance approximately 167; • 20 June 2013, Limpopo: Vhembe District; Attendance approximately 185; • 28 June 2013, KZN: Pietermaritzburg: Attendance 85

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote investment for Economic Development	Value of financing facilitated for small businesses, targeted growth sectors and companies in distress [Rmillion]	5000m		Total approved R 1694 Million (34% of annual target)	Annual Target.	<p>Progress is recorded on a quarterly basis. Funds approved in Q1.</p> <p>IDC Targeted growth sectors: R1 645.1million Note: Targeted growth sectors include: (a) Agriculture and agro-processing; (b) Forestry, wood, pulp and paper; (c) Mining; (d) Textiles and clothing; (e) Chemicals, rubber, plastics and non-metallic minerals; (f) Basic metals; fabricated metals; (g) Machinery and equipment; (h) Motor vehicles, transport equipment, parts and accessories; (i) Renewable energy, energy efficiency and components; (j) Tourism, trade and catering; (k) Transport and logistics.</p> <p>IDC Distressed Fund: R21.4 million was approved to 3 companies, one in clothing and textile, one in fabricated metal and the other in vehicle component manufacturing</p> <p>sefa Small Businesses Funding: R27.9million</p> <p>Note: sefa figures will likely be revised. sefa is also not able to report on the number of businesses funded through the wholesale finance product. Systems are being put in place to address this. (Discussed at entities meeting 6 22 June 2013)</p>

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Investment for Economic Development	KPI 25. Evaluative Reports on jobs targets achieved by EDD agencies (IDC, sefa, Competition and Trade Commissions)	4	1	0	-1 Target not fully met. A quantitative report on jobs created by IDC and sefa had been prepared, but the Executive Authority noted that this had not evaluated the data nor extended it to cover all agencies. The first quarter evaluative report will be submitted during August 2013.	

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Competitive Business and Trade for Decent Work	KPI 26. Number of ministerial strategic engagements with the ERBs reporting to the Ministry of Economic Development	6	1	1	0	<p>The Minister and the Competition Commission engaged on progress with the Construction Fast Track Settlement project on a number of occasions, information was prepared for parliament and the media and options available to the state were identified.</p> <p><u>Oversight engagements:</u> The entities meeting took place on 6 June 2013.</p>
	KPI 27. Number of interventions in relation to ERB	4	1	1	0	<p>On 10 May 2013, the Minister of Economic Development issued a final trade policy directive on the exportation of scrap metal to ITAC. It directs ITAC to introduce a price preference system whereby scrap metal should not be exported unless it has first been offered to domestic users of scrap at a discounted price. This intervention will ensure supply security of affordable and quality scrap metal to local foundries, steel mills and other local scrap metal processors in order to promote job creation, reverse de-industrialisation and support government's infrastructure plan.</p>

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote Competitiveness and Trade for Decent Work	KPI 28. Number of interventions to promote regional integration (research studies produced or company or sector support)	4	1	1	0	Company support intervention was made through a recommendation to the Minister of Finance to approve the IDC acquiring an equity shareholding in a cement factory in Mozambique.

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance Indicator	2013/ 14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Leverage State Budgeting and Financing and Procurement Processes	KPI 29: Actions and meetings to implement Local Procurement Accord	4	1	2	+1	<p>1. An agency agreement was reached with a Saudi company to market LODOX medical scanners, manufactured in South Africa, in Saudi Arabia. Engagements are on-going between LODOX and the Saudi Ministry of Health.</p> <p>2. Work was done by the EDD PICC Technical Unit with the localisation unit of the IDC to identify opportunities for localisation at both Transnet and Eskom. These include transmission lines, cables and conductors, grinding elements, metering, pumps and valves for Eskom and locomotives, perways, port facilities, wagons, machinery and pipelines for Transnet.</p>

PROGRAMME 3: ECONOMIC PLANNING AND COORDINATION

Strategic Objective	Performance indicator	2013/ 14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
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	6	1	1	0	<u>Mainstream Renewable Power South Africa</u> , which forms part of the government renewable power initiative, needed an intervention with the DWA, after they discovered an erosion channel whilst constructing in De Aar (SIP 18). Prior to construction commencement, a full EIA was conducted and no water permit was required. Discovery of the erosion channel caused a 3 week construction delay. The PICC Technical Unit resolved the issue with Department of Water Affairs, thus allowing construction to recommence on the affected site.

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

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

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE						
Strategic Objective	Performance Indicator	Target 2013/14	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.	Number of social dialogue engagements held to increase awareness of social partners; build frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.	10	2	4	+2	<p>1. The Youth Employment Accord was signed at the Hector Pieterse Memorial Museum in Soweto on Thursday, 18 April 2013. EDD was responsible for the logistics of the event in partnership with the Gauteng Premier's Office. The Accord outlines social partners' commitment to raising youth employment, training and skills development and to support self-employment opportunities for youth.</p> <p>2. EDD held a youth workshop, on 7 May 2013, with the National Development Agency (NYDA), IDC, sefa and South African Youth Council (SAYC). At the workshop agencies presented packages offered to the youth and assessed how these structures could be aligned to assist youth to access funding.</p>

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.	KPI 31. Number of social dialogue engagements held to increase awareness of accords and other economic issues among social partners	10	2	4	+2 The Youth Accord signing resulted in additional work on implementation of the Youth Accord.	Continued 3. EDD held a meeting with NYDA and SAYC on the Youth Employment Accord on the 06 June 2013. Discussions centred on Youth Entrepreneurship and developing capacity to track youth initiatives. At this meeting, it was agreed that NYDA would draft a MoU for circulation to EDD, IDC, and sefa for discussion and comment. 4. EDD presented an overview of how the Social Accords had been developed and a summary of Accord implementation at a workshop hosted by the KwaZulu Natal Economic Council on 21 May 2013 to enable the development of a KZN Accord implementation plan. Attendance included the MEC for Economic Development and Tourism, conveners from Partner Organisations in KZN and members of the KZN Economic Council. This was in preparation for KZN hosting the KZN Economic Summit in July 2013.

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Promote social dialogue; implement strategic frameworks; build capacity among social partners; improve and promote productivity, entrepreneurship and innovation in the workplace.	KPI 32. Number of monitoring reports and strategies developed to improve implementation of accords per year	4	1	2	The Youth Accord resulted in additional monitoring reports being drafted.	<p>1. A summary report on the implementation of the 2011 Social Accords (National Skills, Basic Education, Local Procurement and Green Economy) was compiled and published on 7 May 2013 to coincide with the Minister of Economic Development's Budget Vote. The report provided a summary of work conducted to improve basic education; expand skills development; local procurement; and promote jobs through greening the economy. The information to produce the summary report was sourced from government departments, state-owned companies, development finance institutions, organised business, individual companies, trade unions and the community sector.</p> <p>2. Report on work completed and progress made by government in promoting youth employment and opportunities as captured in the Budget Votes by Ministers and Deputy Ministers for use in Youth Employment Accord discussions with social partners.</p>

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Engage in Sector and Workplace Social Dialogue	KPI 33. Number of sectoral and workplace economic development agreements facilitated with social partners	2	0	0	0	No target for the quarter.
	KPI 34. Number of engagements at company or industrial cluster level to save or create new jobs	4	1	1	0	Discussions with Ford resulted in the temporary suspension of a decision to retrench 164 workers.

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Support Capacity building for Economic Development	KPI 35. Number of knowledge network sessions and/or publications to enhance public policy and strategy	6	1	0	Target not met. The knowledge network on Small Business, planned for Quarter 1 will be held in Quarter 2.	
	KPI 36. Number of capacity building projects for social partners on the New Growth Path per year	8	2	2	0	In the first quarter, 2 District Capacity Building workshops with social partners were held in the John Taolo Gaetsewe District Municipality on 8-9 May and in the Dr. Ruth Segomotsi Mompati District Municipality on 23-24 May 2013. The impact enables social partners to understand opportunities for economic development and the role of finance agencies to catalyse economic activities in the most under-resourced municipalities. 32

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Foster Productivity, Entrepreneurship and Innovation	KPI 37. Number of workplace interventions on productivity and/or innovation facilitated	6	0	0		No target for the quarter.

PROGRAMME 4: ECONOMIC DEVELOPMENT AND DIALOGUE

Strategic Objective	Performance Indicator	2013/14 Target	Q1 Target	Q1 Actual	Variance and reason for variance	Narrative
Foster Productivity, Entrepreneurship and Innovation	KPI 38. Number of advocacy initiatives on productivity, entrepreneurship and innovation at a sectoral and national level implemented	2	0	1	The programme of improving value chain competitiveness for industrial sector activities has been taken forward in this quarter..	In the first quarter, four (4) provincial workshops on value chain competitiveness were held namely in the Free State, Northern Cape, Mpumalanga and Gauteng Province with an overall total of 123 participants. The workshops focused on the following sectors: mining, agro processing, green energy and automobiles. Key outcomes of the workshops include: establishment of task teams to identify priorities or challenges in these sectors; develop an action plan and to drive the implementation plan for improving value-chain performance of industrial clusters; develop terms of reference to define the roles and responsibilities for task team.

Q1 Financial Performance per Programme

Programmes	Q1 Projected Budget	Actual Expenditure	Variance	% Spent
	R'000	R'000	R'000	%
Administration	15 050	16 544	-1 494	110%
Economic Policy Development	6 197	3 399	2 798	55%
Economic Planning and Coordination	176 363	168 872	7 491	96%
Socio Economic Development and Social Dialogue	4 189	3 483	706	83%
Total including Transfers	201 799	192 298	9 501	95%
Total excluding Transfers	38 240	28 660	9 580	75%

Q1 Financial Performance

Variance explanation per programme

- **Administration** - increases in office accommodation costs, travel and subsistence costs as well as improvements to conditions of employment costs effected in May 2013. Insufficient baseline allocation on the 2013/14 ENE: Compensation of Employment & office space.

- **Economic Policy Development** - slow spending on goods and services in the BBEE and Second Economy sub-programmes; low spending on compensation of employment due to vacancies in the Branch

- **Economic Planning and Coordination** - slow spending on good and services in the Econ Dev, Financing and Procurement, and Green Economy sub-programmes; low spending on compensation of employment due to vacancies in the Branch.

- **Economic Development and Dialogue** - sub programme spending pattern has improved slightly as compared to last financial year.

Q1 Financial Performance per Classification

Expenditure per Classification	Q1 Projected Budget	Actual Expenditure	Variance	% Spent
	R'000	R'000	R'000	%
Compensation of Employees	23 351	18 222	5 129	78%
Goods and Services	13 527	9 417	4 110	70%
Departmental Agencies and Accounts	163 559	163 638	-79	100%
Payment of Capital Goods	1 362	1 021	341	75%
Total including Transfers	201 799	192 298	9 501	95%
Total excluding Transfers	38 240	28 660	9 580	75%

Q1 Financial Performance

Variance explanation per economic classification:

- **Compensation of Employees** – vacancies in sub-programmes and senior management level.
- **Goods and Services** - inactivity within some sub-programmes and the lower costs of goods and services.
- **Transfers and Subsidies** – spending is in line with the planned spending as per the payment schedule.
- **Payments of Capital Assets** - attributable to the cyclical nature of acquiring capital assets.

THE NEW GROWTH PATH: FRAMEWORK

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A SUMMARY OF THE SOUTH AFRICAN NATIONAL INFRASTRUCTURE PLAN

FEDERAL INFRASTRUCTURE COORDINATING COMMISSION

NEW GROWTH PATH: ACCORD 1
NATIONAL SKILLS ACCORD

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NEW GROWTH PATH: ACCORD 3
LOCAL PROCUREMENT ACCORD

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NEW GROWTH PATH: ACCORD 5
OCTOBER SOCIAL ACCORD
INTERVENTIONS TO SUPPORT DISTRESSED MINING COMMUNITIES

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NEW GROWTH PATH: ACCORD 2
BASIC EDUCATION AND PARTNERSHIP WITH SCHOOLS

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NEW GROWTH PATH: ACCORD 2
BASIC EDUCATION AND PARTNERSHIP WITH SCHOOLS

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NEW GROWTH PATH: ACCORD 4
GREEN ECONOMY ACCORD

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NEW GROWTH PATH: ACCORD 4
GREEN ECONOMY ACCORD

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NEW GROWTH PATH: ACCORD 5
YOUTH EMPLOYMENT ACCORD

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REPUBLIC OF SOUTH AFRICA

NEW GROWTH PATH: ACCORD 5
YOUTH EMPLOYMENT ACCORD

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