



Economic Development Department 2013/14 Annual Report

Presentation to the Select Committee
on Economic and Business
Development



economic
development

Economic Development Department
REPUBLIC OF SOUTH AFRICA

11 November 2014



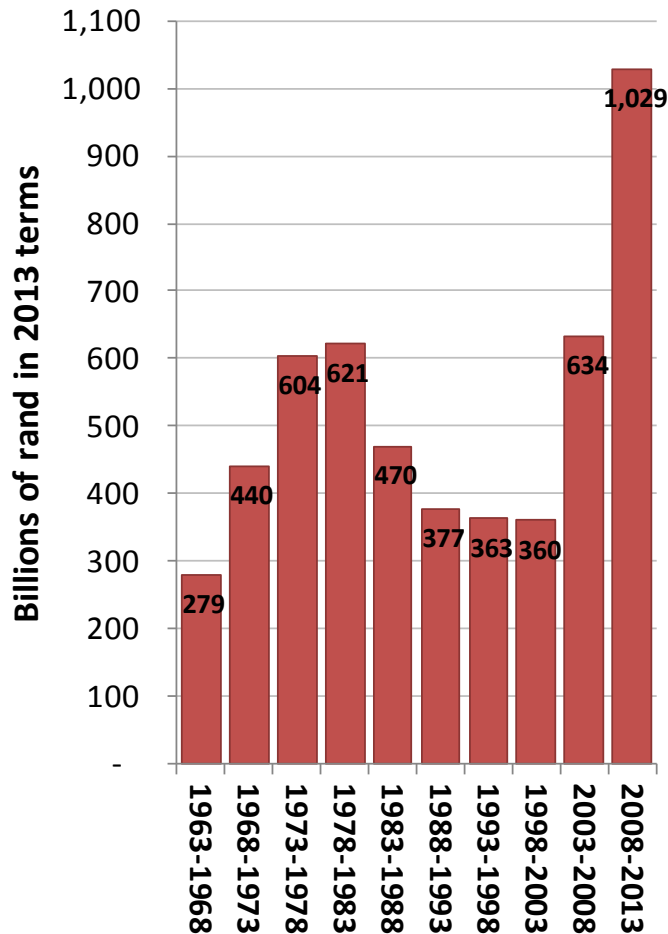
- EDD's core roles
- Major achievements
- The 2013/4 APP in numbers
- Finance
- Human resources

The EDD's core roles

- Develop strategies and measures to make economic growth more inclusive, especially supporting and encouraging job creation
- Encourage and help all state agencies to work together for inclusive growth and job creation
- Provide secretariat and technical support for the Presidential Infrastructure Coordinating Commission – act as secretariat to meetings; manage monitoring and evaluation; unblock projects; and propose cross-cutting models and guidelines
- Facilitate social dialogue
- Oversees the Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency (sefa)
- Oversees two national regulators – the competition authorities (the Competition Commission and the Competition Tribunal) and the International Trade Administration Commission (ITAC).
- Undertake other activities as required to assist investments and programmes that lead to new kinds of economic activity and job creation, for instance by speeding up bureaucratic authorisations, assisting in obtaining infrastructure or finding sources of financing (although the EDD itself does not provide funding)

Achievements: Support for the PICC (1)

Government infrastructure investment over five-year intervals, 1963 to 2013, in billions of rand at 2013 values



- The past five years saw the largest public investment in South African history
- Infrastructure is critical for economic development in South Africa
 - Productive business requires efficient and cost-effective energy, water, waste removal, transport and communications.
 - Because of our geography and the structure of our industry, the South African economy depends even more than most on electricity and long-distance transport and communication.
 - Apartheid left severe backlogs in public investment in black communities, which meant they had a worse quality of life and it was also harder for people to get and keep good jobs or to start their own production
 - The worst backlogs are in the former so-called “homelands”
 - Local procurement for infrastructure supports industrialisation and job creation
 - The build programme is an important counter-cyclical measure

Support for the PICC (1)

- The EDD actively monitors 18 Strategic Integrated Projects (SIPs), each of which contains a number of major projects.
 - Leads a team of more than 70 in the public sector, including SIP coordinators, to monitor construction progress, job creation and local procurement
 - Tracks project worth approximately R1 trillion
- Developed skills projections for SIPs, together with HRDCSA
- Worked with SALGA, Treasury and other departments to overcome underspending of infrastructure budgets especially at provincial and local government level

An example of unblocking:

- The Presidency directed EDD to analyse the challenges around the water supply in f Grahamstown
- EDD collaborated with the municipality and other national government departments and organs of state to accelerate repairs.
- The lessons learnt in this process have been taken into a special water and sanitation taskteam that looks at the ten most affected municipalities in the country.

18 STRATEGIC INTEGRATED PROJECTS

- **SIP 1 – The unlocking of the northern mineral belt with Waterberg as the catalysts.** Situated in Limpopo, the SIP initiated key infrastructure provision in the Waterberg and Steelpoort districts
- **SIP 2 – The Durban Free State-Gauteng logistics and industrial corridor** will improve logistics and economic integration between the three provinces
- **SIP 3 – South-Eastern node and corridor development** will improve transport along the South East Coast and strengthen logistics between the Eastern Cape, the Northern Cape and KwaZulu-Natal, as well as build the region's industrial, agricultural and tourism potential
- **SIP 4 – Unlocking the economic opportunities in North West Province** facilitates further economic growth in that province through the acceleration of the roll out of water, road, rail and electricity infrastructure
- **SIP 5 – The Saldanha – Northern Cape development corridor** promotes development and integration between the Northern Cape and Saldanha through the expansion of iron-ore mining, industrial beneficiation and export activities.

18 STRATEGIC INTEGRATED PROJECTS, cont

- SIP 6 – **Integrated municipal infrastructure project** will raise the quality of life in the least resourced municipalities through integrated action by National Departments in critical service delivery
- SIP 7 – **Integrated urban space and public transport programme promotes** the strategic use of infrastructure to support urban development, overcome spatial apartheid, build integrated and sustainable communities (economic, residential and social), reduce commuting costs and time and promote green urban development
- SIP 8 – **Green energy in support of the South African economy** establishes green energy alternatives for domestic and industrial use which supports sustainable green energy initiatives on a national scale through a diverse range of clean energy options as envisaged in the IPR2010 and to support biofuels production facilities.
- SIP 9 – **Electricity generation to support socio-economic will** ensure that South Africa has adequate electricity generation capacity to meet economic and social requirements

18 STRATEGIC INTEGRATED PROJECTS, cont

- SIP 10 – **Electricity transmission and distribution for all** will increase the transmission network by 50% to transmit and distribute electricity to all South Africans and support economic development and in the process create up to 300 000 construction jobs
- SIP 11 – **Agri-logistics and rural infrastructure** supports infrastructure for sustainable rural and agricultural development
- SIP 12 – **Revitalization of public hospitals and other health facilities** supports the building and refurbishment of hospitals and other public health facilities to ensure access to quality health care and prepare for the National Health Insurance (NHI).
- SIP 13 – **National school building programme** supports the fast-tracking the school-building programme through a national-delivery system
- SIP 14 – **Higher education infrastructure** supports quality higher education utilizing construction and upgrading to build two new universities, expand university towns and precincts, build and refurbish FET colleges and expand student accommodation

18 STRATEGIC INTEGRATED PROJECTS, cont

- SIP 15 – **Expanding access to communication technology** will facilitate 100% access to digital ICT's to all South Africans by 2020 as a driver of new economic opportunities and digital equity
- SIP 16 – **SKA & Meerkat** supports the building of the world's largest advanced radio telescope and leveraging benefits for the region
- SIP17 – **Regional Integration for African Cooperation** strengthens regional socio-economic development through infrastructure development.
- SIP18 – **Water and sanitation infrastructure** will ensure a sustainable supply of water to meet social needs and support economic growth as well as a comprehensive sanitation service that enhances community wellbeing, reduces health care costs and improves productivity

Support for the PICC (2)

- Managed drafting of the Infrastructure Development Act (2014) and supported Parliamentary processes
- Localisation office set up at IDC has identified extensive opportunities for local procurement and industrialisation, including for
 - Transmission lines, cables and conductors, grinding elements, metering pumps and valves for Eskom
 - Locomotives, port facilities, wagons, machinery and pipelines for Transnet.
- Communicated the work of the PICC to the public, with some 70 full-page inserts in the press; 66 billboards; and 531 minutes of radio coverage and 397 minutes of TV coverage

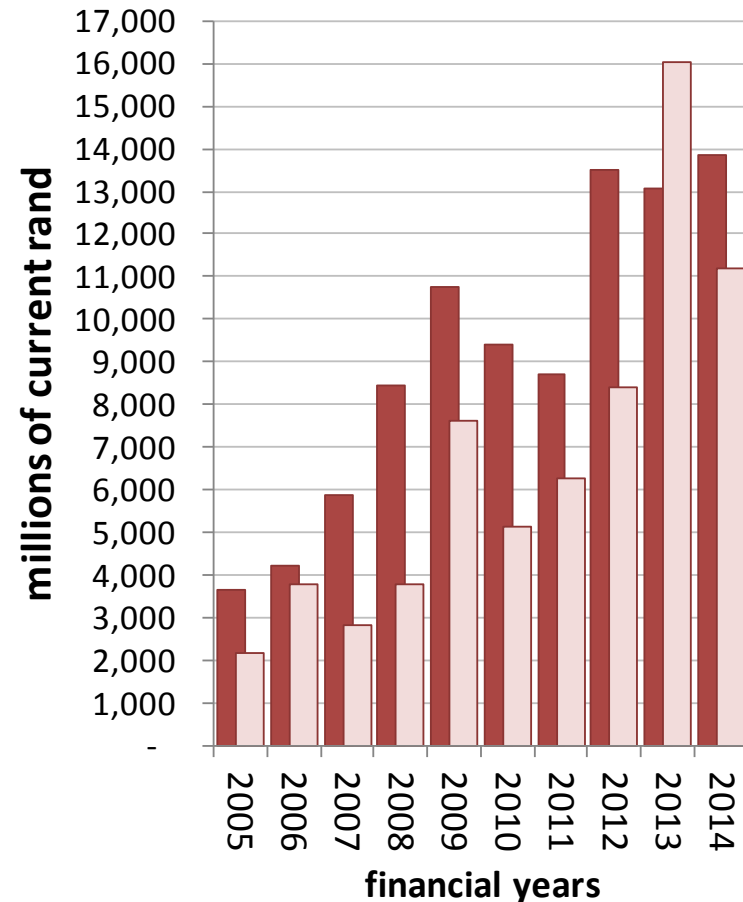


Achievements: Industrial finance - IDC

- The IDC's credit approvals and disbursements were twice as high from 2009 to 2013 as in the previous five years.
- In 2013/4, IDC approvals reached R13,8 billion - the highest level ever.
- IDC investment in 2013/4 was equal to 2% of total annual investment in South Africa
- For every rand invested by the IDC, other investors put in another two rand, so IDC investments funded an estimated 6% of investment for the year.
- IDC disbursements in 2013/4 were R11,2 billion. That is less than in 2012/3, which was a record year, but still 70% above the average for the three years before that (2009/10 to 2011/12).

IDC approvals and disbursements

- Value of Approvals
- Value of Disbursements



Industrial financing – IDC: some examples

Projects with IDC funding were awarded contracts worth over R6 billion in the Department of Energy's third round of bidding for Renewable Independent Power Producers.

The IDC has financed major wind and concentrated solar projects, largely in underdeveloped regions in the Eastern and Northern Cape, often assisting local communities to obtain shares.

A major soy processing plant in Bronkhorstspuit came on stream early in 2014, 18 months after construction began.

The project comprises the development of a green-fields soya crushing facility in the Bronkhorstspuit Industrial Area. The plant will convert around 240 000 tons of soya beans annually into high quality oil cake, hulls, and crude soya oil for distribution into the animal feed and industrial sectors.

It will replace imported soya cake and provide a market for dry-land cultivation of over 100 000 hectares with soya, with is an important rotational crop.

The plant itself provides 48 permanent jobs, but at a conservative estimate will raise agricultural employment by over a thousand.

Local demand for insulated copper cable is set to grow on the back of Eskom's transmission and distribution expansion programme.

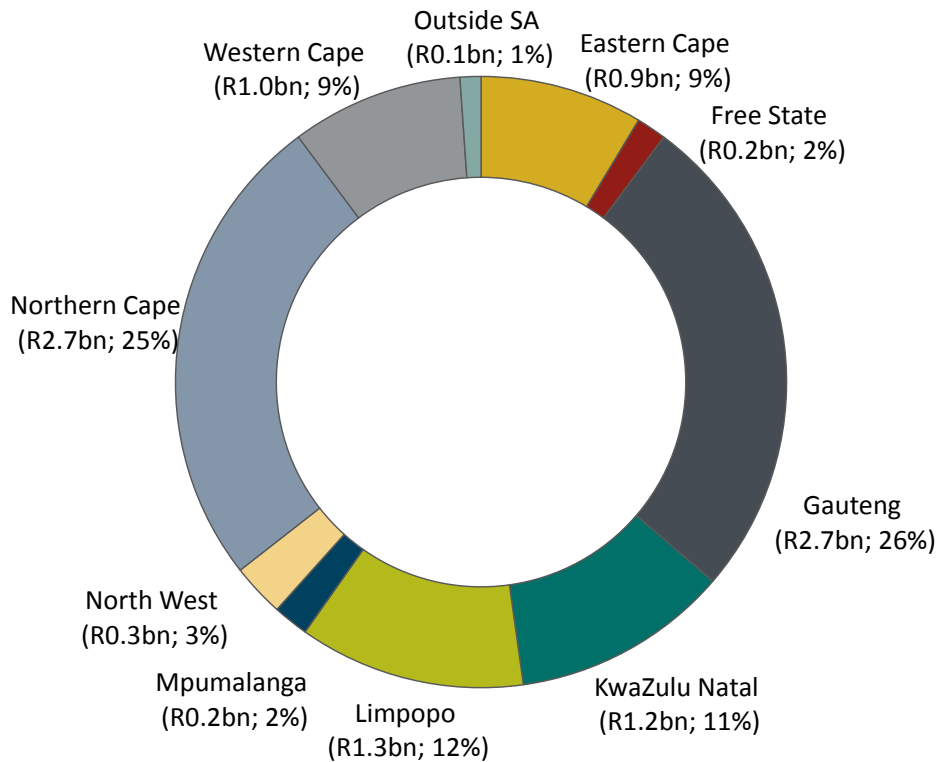
The IDC is a partner in a plant to manufacture low to medium voltage insulated copper cable in Germiston. The plant will manufacture cables in the 6KV to 33 KV range for use in the utility, building and industrial sector.

The IDC is contributing R169 million to the project, which will create 147 jobs.

IDC DISBURSEMENTS

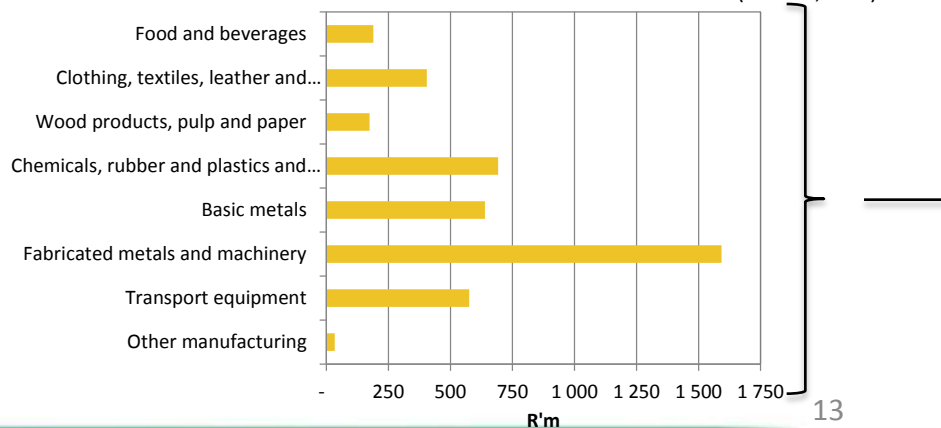
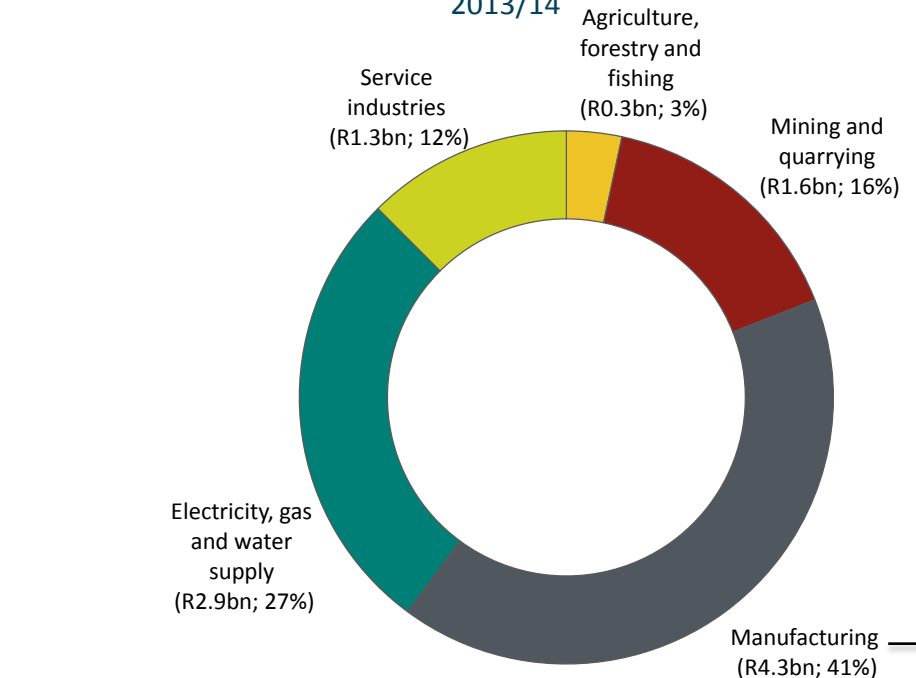
Disbursements by Region

2013/14



Disbursements by Sector

2013/14



Industrial financing - sefa

- sefa's disbursements, both direct and indirect (that is, wholesale lending through intermediaries), climbed to from R198 million in the previous year to R549 million
- sefa increased its disbursements by R351 million and its approvals by R626 million in 2013/4
- The strongest growth was seen in direct lending disbursements as part of its new initiatives in this area, with growth of 548% to R225 million.

- In 2013/4, sefa supported 46 400 enterprises
- It disbursed R362 million to women-owned businesses and R157 million to youth-owned enterprises.
- It hosted 25 road shows throughout the country to inform SMMEs about its products and service.

sefa disbursement 2013-2104		
Province	Number	Amount
Gauteng	478	173,475,372
W Cape	3105	129,920,501
KZN	4533	78,055,129
N Cape	14	9,306,715
E Cape	6326	72,706,036
Limpopo	13666	126,463,602
Mpumalanga	9236	109,631,391
N West	8943	51,593,599
Free State	70	70,010,404

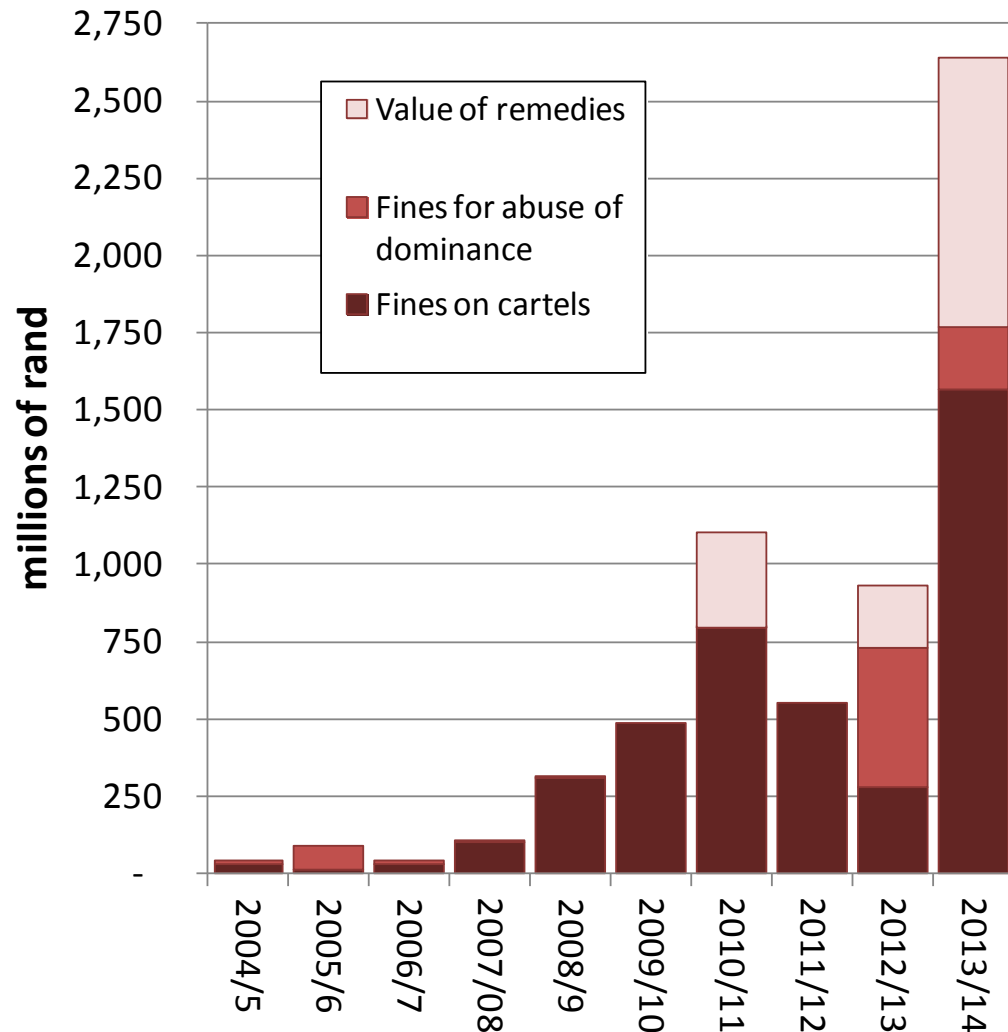
Industrial financing: sefa – some examples

- Allgreen Biopellet is a newly formed and 100% women-owned company, established in George to manufacture and supply coal-replacement wood pellets.
- The pellets substitute for coal peas (about 1-2cm) in cheese and dairy processing plant boilers and wood pellet stoves. The product has carbon neutral emissions, clean fuel and minimal ash with no waste.
- The company has secured an agreement with PG Bison Southern Cape to collect its waste material and use it as an input and with Ladysmith Cheese to supply the wood pellets to it.
- This will see 21 permanent jobs being created in George.
- Sefa is currently assisting Zakhe Engineering, a small Khayelitsha-based business in the telecommunications business which lays fibre optic cables for businesses and for infrastructure projects.
- Zakhe has done work for Neotel and Siemens and has also trenched cable for a shopping centre in Cape Town.
- More recently, it laid bicables for Transnet. The project involved the trenching of about 11 kilometres of fibre optic cable from Transnet's Voorbaai station to the harbour in Mossel Bay.
- Sefa's support allowed the business to grow the number of people it employs from 40 to 80.

Achievements: Competition authorities

- Success of strategic approach adopted in past Administration shows in one key number: the almost ten-fold increase in the value of remedies and fines compared to the previous Administration
- Value over past five years was R5,8 billion
- For 2013/4, value includes settlement with Telkom that will reduce prices to customers by a total of R875 million as well as competition cartel fines

Fines and remedies imposed by the competition authorities



Competition authorities vs the construction cartel

- In 2013, the Competition Commission concluded its investigation of collusive behaviour by major construction companies
- The cartel included meetings to divide markets and agree on margins, with companies combining to coordinate and share payments on tenders for different projects
- The construction investigation took an innovative form, with a “fast-track” process that incentivised firms to make full and truthful disclosures of bid rigging in return for penalties lower than the commission would seek if it prosecuted these cases.
- The commission initiated the fast-track process in 2011 and concluded it in 2013 with fines totalling R1,46 billion imposed on 15 companies.
- The specific fines are listed in the Annual Report.
- In 2013 the Commission also began to pursue allegations against companies that chose not to settle during the fast-track process.
- EDD is working with other state agencies and municipalities to explore additional financial claims for the companies concerned.

The competition authorities – AFGRI merger

- The Competition Commission approved the purchase of AFGRI, a major maize storage and poultry company, by a foreign investor
 - The approval included employment guarantees for AFGRI's workers
 - It took into account an agreement facilitated by EDD and co-signed by the dti and DAFF on support for smallholder farmers
- Under the agreement, AFGRI will:
 - Provide R90 million over four years to support smallholders
 - Take on most of the risk on R125 million in loan facilities that it would provide to emerging farmers based on capital secured from the Land Bank.
 - Give a 40% discount on grain storage to emerging farmers that store less than ten tonnes a season.
- Patros Masilela will benefit from the AFGRI deal in the 2014/5 season. He is so excited - he has seen other farmers being helped, but for him it has always been a dream.
- Masilela leased his 600-hectare farm from government, raising cattle and maize. He has always struggled to buy inputs such as fertiliser, seeds and diesel. Most of his tractors are old and out of service, and his harvest machine is also very old.
- Based on the agreement with EDD, AFGRI will assist Masilela with training, fertiliser, seeds and linkage to markets.
- As a result, Masilela hopes to employ more people.



The competition authorities – market inquiries

- On 1 April 2013, amendments to the Competition Act came into force that empower the Commission to undertake market inquiries
- That means the Commission can initiate pro-active investigations into markets where the outcomes indicate a lack of effective competition.
- In its first market inquiry under the new provision, the Commission appointed a panel to lead a market inquiry into the private healthcare sector.
 - The panel is chaired by retired Chief Justice Sandile Ngcobo with Professor Sharon Fonn, Dr Ntuthuko Bhengu, Dr Lungiswa Nkonki and Mr Cornelis (Cees) van Gent as panellists.
 - It will preside over the market inquiry, oversee public hearings, review submissions, draft the inquiry report and produce its final recommendations.
 - It will be supported by a team of investigators comprising of the Commission's economists and lawyers and expert consultants.
- The inquiry is expected to last between 18 and 24 months.

Achievements: Trade administration

- EDD is working with ITAC to integrate its work with broader sectoral industrial strategies, which will be a process over several years.
- In this way, trade interventions will contribute increasingly to sustainable growth and diversification.
- As an example of this approach, ITAC provided temporary protection against a surge of low-cost imports into the poultry industry, which threatened local processing capacity and thousands of jobs.
- At the same time, the EDD, the dti, DAFF and the IDC developed a strategy to support longer-term development in this industry, which is critical for rural livelihoods and food security as well as job growth.

Scrap metal exports

- In the past few years, concerns have been raised that high international scrap metal prices have led to excessive exports, undermining local foundries and effectively incentivising theft of cables, manhole covers and similar equipment.
- After extensive engagements with stakeholders in the metals industry, the Minister issued a trade policy directive to ITAC on the export of scrap metal, requiring the introduction of a price preference system.
- Under this system, scrap metal may only be exported after it has first been offered to domestic smelters and other manufacturers at an acceptable cost. EDD successfully defended this policy against legal challenges by scrap exporters.

Trade administration – jobs saved or gained

Tariff change	Jobs created	Province	Jobs saved	Province
<i>Tariff increase</i>	<p>Total: 1644 net jobs</p> <ul style="list-style-type: none"> • 1571 in poultry/chicken processing • 43 in heat exchange unit manufacturing • 30 in wire and nails manufacturing 	<p>North West, KZN, Western Cape ,Mpumalanga</p> <ul style="list-style-type: none"> • Gauteng • Gauteng 	<p>Total: 111 532 net jobs</p> <ul style="list-style-type: none"> • 110 739 in sugar processing • 143 in heat exchange unit manufacturing, • 205 in screws, bolts and nuts manufacturing • 39 in PTFE Tape manufacturing • 406 in coated fine paper production. 	<p>KZN, Mpumalanga</p> <ul style="list-style-type: none"> • Gauteng • Gauteng • Gauteng • KZN
<i>Rebates</i>	<p>Total: 2120 net jobs</p> <ul style="list-style-type: none"> • 170 rebate on aluminium slugs for aerosol cans • 1880 jobs through amendment of the rebate for IDZ to allow the entities in the CCA to use Schedule 3 rebate provisions • 25 in palm oil processing for oil and fat • 30 in the fluorescent lamps assembly • 15 in dust masks manufacturing 	<ul style="list-style-type: none"> • KZN • Eastern Cape • Gauteng • Eastern Cape • Gauteng 	<p>Total: 3391 net jobs</p> <ul style="list-style-type: none"> • 115 jobs in aerosol manufacturing • 536 in production of washing preparations • 405 in fluorescent lamp assembly • 24 in palm oil processing • 130 in dust mask manufacturing • 2181 jobs upholstered furniture manufacturing 	<ul style="list-style-type: none"> • KZN • KZN • Eastern Cape • Gauteng • Gauteng • Gauteng

Achievements: Unblocking investment

- The EDD itself has also taken the initiative to facilitate major private investment projects especially where they face delayed decisions by agencies of the state.
- Amongst others, the EDD
 - assisted enterprises to obtain land and leases from government agencies and municipalities in order to expand their operations;
 - arranged for some **sefa** premises in Mitchells Plain to be used as a training facility; and
 - facilitated water and mining licences for new investors.
- The EDD's work in Atlantis illustrates its approach to supporting and unblocking investment.
- To revitalise Atlantis's manufacturing sector, the EDD worked with the **dti** to attract two major new electronic goods companies by providing incentives and engaging the Chinese government.
- In June 2013, a Chinese company, Hi-Sense, launched a factory that provides 300 jobs. The company makes fridges and TVs.
- This followed the opening of another factory that makes TVs and decoders, employing 100 workers, in March 2013.
- In addition, the IDC has provided R276 million in loans and equity for five leather, blanket and textile factories in Atlantis.
- Eight textile factories in Atlantis have also received R58 million in grants from the government's Production Incentive fund over the past five years.

Achievements: The Youth Employment Accord

- The Youth Employment Accord (YEA) was signed in April 2013 by the NEDLAC constituencies and leading youth organisations.
- It reflects a common commitment to raising the share of young people in employment, training and education.
- The six pillars of the accord are education and training; work exposure; youth brigades based on existing public employment programmes; set-asides for youth employment in growing industries; youth entrepreneurship and coops; and private-sector initiatives.
- EDD provided detailed quarterly reports on progress in implementation to Cabinet as well as to the NEDLAC stakeholders.

NEW GROWTH PATH: ACCORD 6

YOUTH EMPLOYMENT ACCORD



The YEA – Creating work opportunities

- The EDD supported implementation of the public-sector commitments in the Accord
- Included monitoring and growing the number of public-sector internships - particularly important because young people often find they cannot get employment due to a lack of experience.
 - In 2013/4, around 16 000 young people, most with tertiary education, had some kind of internship in the public sector
- The Youth Employment Accord also targeted a higher share of youth for public employment programmes - by March 2014, young people accounted for around half of all participants in these programme, with a total of around 500 000 youth participants over 2013/4
- The PICC also targeted youth employment
 - For the period ending March 2014, the EDD recorded 27 000 job opportunities for youth in just 22 major infrastructure projects out of the hundreds of projects included in the National Infrastructure Plan.
 - Over half of all workers on Eskom's Medupi and Kusile construction sites are youth.



The YEA – Resources for youth enterprise

- The IDC has set aside R1 billion and sefa R1,7 billion for youth-empowered enterprise in the coming three to five years. A youth-empowered enterprise has at least 25% youth ownership.
- Sefa approved R81 million and disbursed R58 million to youth-owned enterprises in the financial year 2013/4.
- The IDC approved R19,5 million for youth-empowered enterprises from a special fund known as Grow-E.
- An additional R79 million was allocated to youth-empowered enterprises from other sources within the IDC during the year.
- As a result, the IDC provided a total of almost R100 million in financing to youth-empowered enterprise.
- IDC funded projects with youth shareholding of more than 25% in Gauteng in the amount of R65 million, KZN R12 million, Limpopo R13.5 million, Western Cape R4 million and Free State R11 million.

The YEA – The Presidential Youth Indaba

- In March 2014, the EDD helped organise the Presidential Youth Indaba in partnership with the Presidency, the National Youth Development Agency, the South African Youth Council and various other stakeholders.
- The Indaba gave participants a platform to discuss how to strengthen implementation of the Accord.
- It also included an expo where young participants could find out about job placement, entrepreneurship, education and training opportunities.
- The National Youth Indaba was followed by a Western Cape Youth Indaba in April 2014

PRESIDENTIAL INDABA ON
YOUTH
JOBS AND SKILLS

Achievements: The Green Economy

- The EDD convenes the government taskteam with Eskom and the Department of Energy that is charged with providing solar water heaters, particularly to low-income households.
 - As at March 2014, more than 434 000 solar water heaters had been installed on roof tops throughout the country, giving most of these households access to hot water for the first time.
 - The current programme offers a rebate depending on whether a high or low pressure system was installed.
 - The roll out target has been increased to 1,75 million, which created the opportunity for local manufacturing.
 - Government has designated 70% of the system for local manufacturing. Eskom, as the Department of Energy's agent, will follow a bulk procurement process to ensure that solar water heaters will be manufactured locally and installed and maintained using youth cooperatives.
- The Minister directed the IDC to support the development of the Green Economy through green funding strategies. In 2013/4, bids supported by the IDC obtained R6 billion in the third round of the Renewable Energy Independent Producer Process, which provides renewable energy to the national grid
- Green projects funded by the IDC include:

GREEN PROJECTS FUNDED BY THE IDC

1. Renewable IPP Programme

- 13 projects in the Northern Cape with total IDC funding of R11,212,480,160
- 5 Projects in the Eastern Cape with total funding of R1,646,498,113
- 3 projects in the Western Cape with total IDC funding of R436,284,997
- 1 project in North West with total IDC funding of R101,375,473

2. Energy Efficiency

- 8 projects in Gauteng with total funding of R82,792,692
- 5 Projects in the Western Cape with total funding of R14,447,000
- 2 projects in KwaZulu Natal with total funding of R21,876,915
- 2 projects in North West/Free State with total funding of R31,900,000
- 1 project Nationally with total funding of R50,000,000

3. Fuel Based Renewable Energy

- 5 projects in the KwaZulu Natal with total IDC funding of ca R349 million
- 5 projects in Gauteng with total IDC funding of ca R140 million
- 2 projects in Northern Cape with total IDC funding of ca R194 million
- 1 project in Western cape with total IDC funding of ca R10 million
- 1 project in North West with total IDC funding of ca R6 million

Achievements: Co-ordination

- The EDD worked with the dti and the National Treasury to prepare quarterly reports to Cabinet on progress toward the targets set in Outcome 4
- It also provided in-depth reviews of economic progress and the build programme to Cabinet makgotla.
- These regular analyses have assisted in identifying the interventions required for government to improve the environment for growth and job creation.
- The Minister convenes the Economic Development MinMEC together with the Minister of Trade and Industry.
- The MinMEC brings together the MECs for economic development of the provinces as well as representatives of the municipalities.
- The MinMEC itself is supported by a meeting of senior officials from the relevant departments and municipalities to prepare the key issues under discussion.
- In the year under review,
 - The Economic Development MinMEC met twice
 - The technical team met four times.
- The MinMEC adopted a common strategy on support for small and medium enterprise and on the Special Economic Zones, including agreement on the designation of ten such zones.

Platforms and research

- A central role of EDD in supporting policy alignment is to develop networks and hold platforms where political leaders, government officials, business and labour leaders and academics can exchange ideas, clarify debates and identify how they can do more to support inclusive growth.
- With support from the International Labour Organisation, the EDD has developed a model that enables it to simulate the impact on employment of some kinds of state policies as well as economic developments.
 - The model supports evidence-based decision making around how best to support employment creation.
 - Currently it is being used to evaluate the impact of various options for generating electricity.
- In 2013, together with the United Nations Department of Economic and Social Affairs (UN-DESA), the EDD held a major conference on financialisation.
- For the conference, EDD developed an in-depth research paper on financialisation in South Africa, which underscored the rapid growth of the financial sector in some ways at the cost of industrialisation.
- The Department also hosted a number of platforms and developed research inputs to support the alignment of policies with the New Growth Path and inclusive growth. Amongst the topics covered in this way in 2013 were
 - broad-based BEE;
 - gender and the New Growth Path;
 - the township economy; and smallholder development.
- EDD officials also helped draft the economics chapter of the 20-year review published by the Presidency.

Going forward...

- The Medium Term Strategic Framework for the coming five years lays out the key steps and measures to achieve this objective.
- It includes major tasks for the EDD.
- Infrastructure remains a key tool for the state to support growth, job creation and improved equality. Key challenges are to ensure that:
 - The build programme encourages productive investment both by suppliers and through off-take agreements, and
 - It provides affordable as well as higher quality services, especially for energy.
- A further core challenge is to improve the environment for new investment, especially in ways that will generate employment in line with the New Growth Path.
 - The EDD will work on establishing more action-oriented monitoring and evaluation for the Jobs Drivers, to ensure that government agencies act timeously on new risks, opportunities and blockages as they arise.
 - It will continue to work with the agencies it oversees as well as with other state agencies to increase industrial financing, support local procurement and investment, encourage job creation and expanded training, and reduce unnecessary regulatory obstacles and delays.
- Finally, as the recent mining strike demonstrated, workplace conflict has become a significant challenge to inclusive growth.
 - The roots of workplace conflict lie in persistent inequality and poor communication in many workplaces.
 - The social wage can also do more to reduce pressures on the workplace.
 - This is an area where the EDD, in collaboration with other key departments and stakeholders, will focus its attention in the coming administration.

- The APP provides the basis for an audit against pre-determined outcomes
- It does not include all the work of the EDD, which was summarised above
- Moreover, because EDD is essentially a policy and coordination department and operates in a rapidly changing environment, much of its work can only be captured through targets that set up categories rather than specific aims
- As required by the Auditor General, the tables in the published Annual Report provide an overview of the number of achievements and reasons for variation, not specific products

The APP by the numbers: A summary

- The EDD had 206 targets for its frontline work, and achieved 253 deliverables
 - Deliverables vary widely in character
 - They range from holding platforms to in-depth research projects to reporting on SIPs to unblocking infrastructure and industrial projects and facilitating social accords
- The EDD met all of its frontline KPIs but one administrative target was not met.

Performance Overview for the 2013/14

Overall Performance Level	Number of KPI's
Total number of KPI's	38
KPI's with targets exceeded	11
KPI's with targets met	26
KPI's with targets under-achieved	1

The underachieved KPI's related to the filling of posts, with 139 achieved on a target of 146. The underachievement resulted from a decision not to recruit some positions as a restructuring of the EDD is planned, and also to save on non-critical posts in order to increase transfers to sefa for 2014/5

Overall Performance Per Programme

Programme 1	Number of KPI's
Total number of KPI's	5
KPI's with targets exceeded	1
KPI's with targets met	3
KPI's with targets under-achieved	1

Overall Performance Per Programme Continued

Programme 2	Number of KPI's
Total number of KPI's	11
KPI's with targets exceeded	3
KPI's with targets met	8
KPI's with targets under-achieved	0
Programme 3	Number of KPI's
Total number of KPI's	14
KPI's with targets exceeded	6
KPI's with targets met	8
KPI's with targets under-achieved	0
Programme 4	Number of KPI's
Total number of KPI's	8
KPI's with targets exceeded	1
KPI's with targets met	7
KPI's with targets under-achieved	0

THANK YOU



SIYABONGA



Economic Development Department

