



# EDD Strategic Plan and Annual Performance Plan

2018/19

## Presentation to the Select Committee on Economic and Business Development

*25 April 2018*



economic  
development

Economic Development Department  
REPUBLIC OF SOUTH AFRICA



- Economic Development Department was established in 2009
- Core mandate:
  - Identify priorities for job creation, inclusive growth and industrialisation.
  - Support alignment of the state around implementation.
  - Oversee and provide strategic direction to Development Finance Institutions (IDC).
  - Provide strategic direction on competition policy and trade administrative matters through oversight of regulatory bodies (competition authorities and International Trade Administration Commission).
  - Provide technical support and secretariat services for the Presidential Infrastructure Coordinating Commission (PICC).

# The Global Economic Context

- In its most recent World Economic Outlook, the IMF estimated global economic growth of 3.6% in 2017 (up from 3.2% in 2016), and forecasted 2018 growth of 3.9%.
- The US economy grew 2.3% in 2017 (up from 1.5% in 2016), while the EU grew 2.3% in 2017 (up from 2.0% in 2016).
- Amongst BRICs China grew 6.8%, India 6.7% while both Brazil (0.7%) and Russia (1.8%) have returned to positive growth after protracted recessions.
- Sub-Saharan Africa growth has also improved, from 1.4% in 2016 to 2.6% in 2017 with a 2018 forecast of 3.3%.
- Key medium-term risks remain, including: economic nationalism, trade and financial imbalances (both global and regional), conflict in many parts of the world, and escalating climate change impact.
- But the shorter-term prospects for global growth are improved, and the global economy is now expected to grow at around 3.7% for the years 2018 to 2020.

# The South African Economic Context

- South Africa's economy grew by 1.3% in 2017, up from 0.6% in 2016, though still not back to full potential growth.
- Recovery was driven largely by agriculture, as the impact of the drought receded partly in some provinces.
- Private sector investment spend picked up in 2017, after two years of decline, whilst public sector investment moderated slightly.
- An estimated 102 000 jobs were created in 2017, though the unemployment rate weakened slightly from 26.5% to 26.7% over the period as 202 000 people entered the labour force.

# Jobs by Industry in 2017

- Best job creators were government (119 000) and manufacturing (63 000)
- Job losses occurred in construction (92 000), agriculture (70 000), private households (29 000) and mining (10 000)

## Jobs by Industry, 2017

	Absolute Change	% Change
Agriculture	-70	-7.6
Mining	-10	-2.5
Manufacturing	63	3.7
Utilities	18	13.8
Construction	-92	-6.2
Trade	18	0.6
Transport	40	4.2
Business Services	44	1.9
Government	119	3.3
Private households	-29	-2.2

# The Role of the Strategic Plan and APP

- The **Strategic Plan** lays out the Department's **key objectives** and tasks over the current administration.
- We are in final year of the current administration.
- The **APP is a 1 year implementation plan (2018/19)** for the Departmental Strategic Plan, which in turn implements the MTSF.
- The **APP sets annual targets** and aims to enhance implementation and accountability.

# Overview of the Annual Performance Plan

- The APP seeks **effective ways of producing quality products and impact.**
- In implementing the APP we will prioritise:
  - Facilitating social dialogue and implementing accords
  - Implementation of the jobs drivers
  - Promoting and unblocking productive investment
  - Expanding infrastructure development and increasing localisation of infrastructure inputs and industrialisation programmes
  - Supporting economic inclusion through a range of measures such as boosting youth and women entrepreneurs, funding to black industrialists as well as tackling market concentration
  - Strengthening oversight on economic regulators and the development finance institutions reporting to EDD

# Overview of the Annual Performance Plan

- This presentation sets out the details of the Department's KPIs and products or outputs.
- We have set our task –
  - around **3 programmes** in the Department;
  - **6 Strategic Objectives** to provide direction;
  - **23 KPIs** to give effect to the strategic objectives; and
  - **182 products/ outputs** from the KPIs.
- Through this work we have aligned the work of EDD with the various policy and budget frameworks of government as a whole, including to the MTSF, 9 Point Plan and the SONA announcements.



# The 14 Outcomes of the MTSF

## The outcomes of the MTSF are as follows:

1. Quality basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
- 4. Decent employment through inclusive growth**
- 5. A skilled and capable workforce to support an inclusive growth path**
- 6. An efficient, competitive and responsive economic infrastructure network**
- 7. Vibrant, equitable, sustainable rural communities contributing towards food security for all**
8. Sustainable human settlements and improved quality of household life
9. Responsive, accountable, effective and efficient local government
10. Protect and enhance our environmental assets and natural resources
11. Create a better South Africa and contribute to better Africa and better world
12. An efficient, effective and development-oriented public service
13. A comprehensive, responsive and sustainable social protection system
14. A diverse, socially cohesive society with a common national identity

## The 9 Point Plan:

1. Resolving the energy challenges
2. Revitalising the agriculture and agro-processing value chain
3. Advancing beneficiation and adding value to mineral wealth
4. More effective implementation of IPAP
5. Encouraging private sector investment
6. Moderating workplace conflict
7. Unlocking potential of SMME, co-ops and township and rural enterprises potential
8. Cross cutting areas to reform, boost and diversify the economy, such as the water and sanitation infrastructure
9. Growing the ocean economy and tourism

# Programmes and Strategic Objectives

## Programme 1: Admin

- **Strategic Objective 1:** To ensure good governance in the administration of the Department

2 KPIs (2 Products)

## Programme 2: Growth and Jobs Drivers

- **Strategic Objective 2:** Coordinate jobs drivers and implementation of the New Growth Path economic strategy in support of the National Development Plan
- **Strategic Objective 3:** Facilitate social dialogue and implementation of social accords

3 KPIs (18 Products)

3 KPIs (8 Products)

## Programme 3: Investment, Competition & Trade

- **Strategic Objective 4:** Coordinate infrastructure development and strengthen its positive impact on the economy and citizens
- **Strategic Objective 5:** Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth
- **Strategic Objective 6:** Promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion

6 KPIs (114 Products)

5 KPIs (26 Products)

4 KPIs (14 products)

**Strategic Objective 1: To ensure good governance in the administration of the Department**

**There are 2 KPIs for this objective:**

- 1. Audit Opinion obtained in respect of the previous financial year**
- 2. G&A MPAT level obtained for previous year**

## KPI 1: Audit Opinion obtained in respect of the previous financial year

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

In the current financial year the following product is to be achieved:

Q3

Unqualified Audit Opinion

Note to KPI 1: In order to achieve this outcome, the Department is expected to systematically address concerns and weaknesses identified in preceding years' audit reports and maintain high standards in all areas

## KPI 2: G&A MPAT level obtained for previous year

The Department is expected to systematically address scores lower than the target identified in the preceding year and maintain the target or achieve higher scores.

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
Level three obtained for G&A by MPAT	Level three obtained for G&A by MPAT	Level three obtained for G&A by MPAT

In the current financial year the following product is to be achieved:

Q1: Level three obtained for G&A by MPAT

## Strategic Objective 2: Coordinate jobs drivers and implementation of the New Growth Path (NGP) economic strategy in support of the National Development Plan

There are 3 KPIs for this objective, addressing:

1. Analytical reports and public policy on socio-economic development and NGP
2. NGP jobs drivers and coordination structures
3. Support provided to provinces

## **KPI 3: Number of analytical and public policy advocacy reports on socio-economic development and the NGP produced**

The Department undertakes a number of initiatives to address broad-based economic development and to promote the policy initiatives approved in the New Growth Path strategy. The work consists of:

- a. Research on policy areas of the NGP/ socio-economic development;
- b. Advocacy efforts by the Ministry, Department or agencies through their interaction with companies, business forums, chambers of industry, trade unions etc;
- c. Report on prices of administered/ wage goods as well as early warning system to monitor same; or
- d. Cabinet submissions/reports.

The above work will be recorded in Reports to be produced as set out below.



## KPI 3: Number of analytical and public policy advocacy reports on socio-economic development and the NGP produced

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved:

Q1	Q2	Q3	Q4
1 Report	1 Report	1 Report	1 Report

Work in the current year includes:

1. A report on unemployment/ employment including tracking and analysis
2. A report on a conference or workshop with stakeholders on key economic policy issues requiring deeper engagement during the year
3. A report on research and or technical work undertaken in preparation of advocacy efforts on a broad policy area of the NGP.

## KPI 4: Number of reports on NGP jobs drivers and coordination structures

The ten jobs drivers identified in the New Growth Path provide the platform for sector-based activities by the Department. Work will be done in three areas:

- a. Actions undertaken by the Ministry, Department and agencies to promote the identified jobs driver, such as
  - coordination with other departments and coordinating structures;
  - promotion of new or existing investment;
  - engaging sector-stakeholders on jobs and growth; or
  - supporting the work of regulators and DFI's in the jobs driver
- b. Research conducted to show progress made within the jobs driver, remaining challenges and how these will be addressed; or
- c. Cabinet submissions/report

The above work will be recorded in Reports to be produced as set out below.

## KPI 4: Number of reports on NGP jobs drivers and coordination structures

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	2 Reports

Work in the current year will focus on the jobs drivers of the New Growth Path and four reports from the following focus areas listed on the next page will be conducted:

- Agro processing value chain
- Social economy
- African regional integration (trade studies)
- 4<sup>th</sup> Industrial revolution (implementation)
- Manufacturing sector
- Infrastructure
- Green economy
- Tourism / business sectors
- Mining / beneficiation

## KPI 7: Number of reports on support provided to provinces

Support to assist provinces to meet their targets will be provided in the following manner:

- a. EDD will support each province through
  - aligning their provincial economic development APPs to the national agenda
  - hosting meetings with provincial officials
  - forums with communities, and
  - road shows with public agencies in the provinces
  
- b. For the nine provinces as a whole, EDD will coordinate economic development initiatives with national government and this shall include all work on MinMecs

A report will be completed on work done in each province on the above, detailing actions taken by EDD and its agencies in and with the province.

## KPI 7: Number of reports on support provided to provinces

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
10 Reports	10 Reports	10 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	8 Reports

Work in the current year includes:

1. Details in each provincial report on impact made by EDD in each province through its 4 activities of aligning APPs, meeting with officials, hosting community forums, hosting roadshows and follow ups on all of these
2. Identifying impact of EDD national coordination in provinces
3. Coordinating MinMecs and action points thereof
4. Supporting provincial projects

## Strategic Objective 3: Facilitate social dialogue and implementation of social accords

There are 3 KPIs for this objective, addressing:

1. The green economy and jobs
2. Employment and entrepreneurship for black women and youth
3. Social dialogue interventions to save and create jobs & reports on implementation of social accords

## **KPI 5: Number of reports on the implementation of the Green Economy Accord (GEA)**

The Green Economy Accord adopted in 2011 contains commitments by social partners to promote a greener, less carbon-intensive economy.

EDD's contribution is in monitoring progress and supporting implementation, including through coordination. The work will cover the following:

- collation of information on implementation of specific commitments in the Green Economy Accord (GEA)
- highlighting specific interventions by government to give effect to the GEA
- collation of data on green economy jobs; or
- formulation of specific policy proposals to enable the GEA commitments to be met.



## KPI 5: Number of reports on the implementation of the Green Economy Accord

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
2 Reports	2 Reports	2 Reports

In the current financial year the following products are to be achieved:

Q2	Q4
1 Report	1 Report

Work in the current year includes: an assessment of implementation and impact as well as unblocking of bottlenecks for the Green Economy Accord

## **KPI 6: Number of reports on black women and youth with access to employment and entrepreneurship opportunities**

The inclusion of youth and black women in employment and entrepreneurship is critical for broad-based development. EDD will support this objective of government through the following:

1. Actions taken by EDD or at the request of EDD by public or private agencies (in which EDD has a clearly demonstrated role) which support the above through
  - Access to employment or entrepreneurship
  - Policy initiatives
  - Funding initiatives
  - Project unblocked.
2. Progress reports containing detailed information on actions taken by the state and social partners to give effect to the Youth Employment Accord and analysis of data on youth jobs and enterprise; or
3. Cabinet Memoranda containing details on the progress of the implementation of the Youth Employment Accord (YEA) and proposals for consideration by Cabinet

## KPI 6: Number of reports on black women and youth with access to employment and entrepreneurship opportunities

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
3 Reports	3 Reports	3 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	1 Report

Work in the current year includes:

1. Reports on actions taken that supports black women or youth with access to employment or entrepreneurship or funding
2. An assessment on the implementation of the Youth Employment Accord

## **KPI 8: Number of reports on social dialogue interventions to save and create jobs and reports on implementation of Social Accords**

In order to save and create jobs, government policy supports the use of dialogue efforts with social partners (business, labour and government and where applicable community structures). EDD will contribute through:

- meetings or workshops with social partners to consider ways to save or create jobs or give effect to any of the social accords
- interventions may result in agreements, MOUs or Action Minutes at workplace and/or sector level; or
- reporting on implementation of one or more Social Accords

Reports will document social dialogue interventions in which EDD played a role, as follows.

## KPI 8: Number of reports on social dialogue interventions to save and create jobs and reports on implementation of Social Accords

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
3 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	1 Report

Work in the current year includes:

1. Actions in support of social dialogue (based on priorities that are identified by government)
2. A report on the implementation of the Local Procurement Accord

# Strategic Objective 4

**Strategic Objective 4: Coordinate infrastructure development and strengthen its positive impact on the economy and citizens**

**There are 6 KPIs for this objective, addressing:**

- 1. Quarterly Cabinet-level progress reports of infrastructure SIPs**
- 2. Infrastructure projects evaluated, unblocked, fast tracked or facilitated**
- 3. Cabinet and PICC strategic decisions on infrastructure implemented**
- 4. PICC meetings held and facilitated**
- 5. Coordination actions to drive implementation of SIP 5 of the National Infrastructure Plan**
- 6. Initiatives to increase localisation in the infrastructure and industrialisation programmes**

## **KPI 9: Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)**

The National Infrastructure Plan is implemented by line-departments, provinces, local government, state entities and the private sector.

There are 18 Strategic Integrated Projects, which bring together 100s of separate construction, planning or maintenance activities in the infrastructure area.

Cabinet requires detailed dashboards in progress reports of performance to enable the Executive to carry out its functions and guide the work of the PICC on Strategic Integrated Projects (SIPs).

The targeted 64 reports entail completion of reports for at least 16 of the 18 SIPs every quarter (which is a targeted 89% of the total)

## KPI 9: Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
64 Reports on SIPs	64 Reports on SIPs	64 Reports on SIPs

In the current financial year the following KPIs are to be achieved:

Q1	Q2	Q3	Q4
16 Reports on SIPs	16 Reports on SIPs	16 Reports on SIPs	16 Reports on SIPs

Work in the current year includes reports on the SIPS shown below:



- SIP 1: Unlocking the Northern Mineral Belt with Waterberg as Catalyst
- SIP 2: Durban-Free State-Gauteng Logistics and Industrial Corridor
- SIP 3: South Eastern node & corridor development
- SIP 4: Unlocking the economic opportunities in North West Province
- SIP 5: Saldanha-Northern Cape Development Corridor
- SIP 6: Integrated Municipal Infrastructure Project
- SIP 7: Integrated Urban Space and Public Transport Programme
- SIP 8: Green Energy in support of the South African economy
- SIP 9: Electricity Generation to support socio-economic development
- SIP 10: Electricity Transmission and Distribution for all
- SIP 11: Agri-Logistics and Rural Infrastructure
- SIP 12: Revitalisation of public hospitals and other health facilities
- SIP 13: National school build programme
- SIP 14: Higher Education Infrastructure
- SIP 15: Expanding access to communication technology
- SIP 16: SKA & MeerKat
- SIP 17: Regional Integration for African cooperation and development
- SIP 18: Water and Sanitation Infrastructure Master Plan

## **KPI 10: Number of infrastructure projects evaluated, unblocked, fast tracked or facilitated or project assessments completed**

Infrastructure projects often experience delays in design, approval or implementation, as a result of regulatory requirements (e.g. water-use licence or environmental impact assessment requirements), funding challenges, technical capacity limitations or policy gaps.

To support the National Infrastructure Plan, work will be undertaken to

- assess the state of a project (e.g. through a site visit)
- unblock, fast-track, or facilitate the project's design, approval or implementation, or
- develop or apply a system for assessing macro and micro economic costs and benefits to projects

An Action Minute will be provided that documents the nature of the work, activity undertaken and the outcome.

## KPI 10: Number of infrastructure projects evaluated, unblocked, fast tracked or facilitated or project assessments completed

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
8 Action Minutes	8 Action Minutes	8 Action Minutes

In the current financial year the following products are to be achieved:

Q1	Q2	Q3	Q4
1 Action Minute	1 Action Minute	1 Action Minute	5 Action Minutes

Action Minutes may cover assessments of projects through for example site visits, actions to unblock delays in projects or developing systems to assess cost / benefits of projects.

## **KPI 11: Number of Cabinet and PICC strategic decisions on infrastructure implemented**

Cabinet and the Presidential Infrastructure Coordinating Commission (PICC) make decisions on aspects of the National Infrastructure Plan. These decisions are implemented by the agency or department. Cabinet relies on the PICC Secretariat to monitor implementation of decisions and report on these.

The quarterly milestone will consist of a report by the PICC Technical Unit to the Executive Authority on the status of the number of Cabinet and PICC decisions to be implemented and progress thereon.

An Action Minute will be completed to document the implementation of a Cabinet or PICC decision on infrastructure.

## KPI 11: Number of Cabinet and PICC strategic decisions on infrastructure implemented

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Action Minutes	4 Action Minutes	4 Action Minutes

In the current financial year the following products are to be achieved:

Annually

4 Action Minutes

These will flow from the decisions of Cabinet or the PICC.

## **KPI 12: Number of PICC meetings held and facilitated**

The Presidential Infrastructure Coordinating Commission (PICC) carries out its mandate through meetings of the PICC Council, Management Committee, Secretariat, SIP Coordinators and Cabinet. For these meetings, the support work is done through:

- agendas
- briefing packs
- site visit reports
- technical analysis
- strategic and technical recommendations and
- convening of meetings (except for Cabinet meetings).

A Record of Meeting will be prepared, summarising the coordination and convening activities for each meeting.

## KPI 12: Number of PICC meetings held and facilitated

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
30 Records of Meetings	30 Records of Meetings	30 Records of Meetings

In the current financial year the following products are to be achieved:

Q1	Q2	Q3	Q4
7 Records of Meetings	8 Records of Meetings	7 Records of Meetings	8 Records of Meetings

The Record of Meetings will cover the coordination and convening activities for each meeting.

## **KPI 13: Number of coordination actions to drive implementation of SIP 5 of the National Infrastructure Plan**

Strategic Integrated Project (SIP) 5 consist inter alia of projects on roads, water, energy and industrial infrastructure falling within the legal mandates of the relevant Ministers. SIP 5 consists of work along the Saldanha–Northern Cape Development Corridor.

The Minister of Economic Development chairs SIP 5. EDD's role is to help monitor progress and support integration of projects so that for example the regulatory approvals are facilitated.

The record of coordination work undertaken may include site visits and site reports; Ministerial izimbizo; press briefings; technical investigations; and preparation of meeting agendas, reports and minutes. This work is done to support line Ministers to implement SIP projects according to project time frames and budgets.

A Record of Coordination will be produced on the work undertaken.



## KPI 13: Number of coordination actions to drive implementation of SIP 5 of the National Infrastructure Plan

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Records of Coordination	4 Records of Coordination	4 Records of Coordination

In the current financial year the following KPIs are to be achieved:

Q1	Q2	Q3	Q4
1 Record of Coordination	1 Record of Coordination	1 Record of Coordination	1 Record of Coordination

The record of coordination work undertaken may include site visits and site reports; Ministerial izimbizo; press briefings; technical investigations; and preparation of meeting agendas, reports and minutes. This work is done to support line Ministers to implement SIP projects according to project time frames and budgets.

## **KPI 14: Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development**

It is a strategic goal of government to increase levels of local manufacture of components, equipment and rolling-stock related to the National Infrastructure Plan and more broadly, of any goods currently imported.

To give effect to this goal, initiatives of EDD or agencies reporting to it, may include market assessments, promotion of specific products for local manufacture (through support with accessing funding or unblocking obstacles to localisation, monitoring compliance with localisation regulation and policies), policy reviews and changes, as well as detailed engagements with State-owned companies, the private sector, unions, DFIs and other parts of government.

Reports will be produced that document the specific initiative undertaken and the expected or actual outcome.

## KPI 14: Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	2 Reports

Reports may include: market assessments, promotion of specific products for local manufacture, policy reviews and changes, detail engagements with State-owned companies, the private sector, unions, DFI and other parts of government.

## Strategic Objective 5: Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth

There are 5 KPIs for this objective, addressing:

1. Investment initiatives facilitated, fast tracked and /or unblocked
2. Funding allocations for township enterprises
3. Level and impact of industrial finance by DFIs and departments
4. Oversight engagements with the IDC
5. Economic development opportunities identified through infrastructure projects

## **KPI 15: Number of investment initiatives facilitated, fast-tracked and/ or unblocked**

To promote higher levels of investment, the Department will focus on steps to facilitate, fast-track and unblock obstacles to new or existing investment. This work will support the efforts of the One Stop Shop (Invest SA).

Examples of actions and work undertaken may vary greatly and include:

- unblocking access to electricity, water and land
- regulatory approvals
- funding or
- technical support.

## KPI 15: Number of investment initiatives facilitated, fast-tracked and/ or unblocked

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
14 Action Minutes	14 Action Minutes	14 Action Minutes

In the current financial year the following products are to be achieved :

Q1	Q2	Q3	Q4
2 Action Minutes	3 Action Minutes	3 Action Minutes	6 Action Minutes

The Action Minute should contain details of the investment project that required unblocking/ fast-tracking/ facilitation, the nature of the work or activity as well as the steps taken to resolve the blockage/challenge. The target will be affected by the level of market-demand.

## **KPI 16: Number of reports produced on funding allocations on township enterprises by DFIs and government departments**

Promoting economic transformation includes the expansion of township enterprises that provide opportunities for young and new entrepreneurs, stimulates economic activity and ensures easier access for workers to their places of work.

EDD will compile reports covering the following:

- aggregate funding efforts by DFI's / government departments including historical levels to establish the baseline and improvements in the baseline towards a target of 10% of total funding; or
- detail specific case studies of funding in a township or enterprise together with known or expected impact

Reports will be compiled as follows.

## KPI 16: Number of reports produced on funding allocations on township enterprises by DFIs and government departments

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
3 Reports	3 Reports	3 Reports

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Report	1 Report	1 Report

Work in the current year includes:

1. A trend analysis report on aggregate funding by government departments and DFIs to township enterprises
2. A case study on the impact of funding allocations on township enterprises to unlock challenges – covering a number of township enterprises in provinces



## **KPI 17: Number of reports on the level and impact of industrial finance by DFIs and departments**

Government objectives on industrial finance is focussed on both the level of funding as well as the impact of funding. Funding is provided through line-departments (e.g., dti) as well as Development Finance Institutions (e.g., IDC).

EDD work will include

- monitoring and analysis of the level and impact of financing and incentives or
- establishing targets for identified jobs drivers and measurable improvements in funding thereof.

The analysis should include impact on employment and companies assisted; development goals and inclusive growth.

Reports will be produced by the Department as follows.

## KPI 17: Number of reports on the level and impact of industrial finance by DFIs and departments

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved :

Q1	Q2	Q3	Q4
1 Report	1 Report	1 Report	1 Report

Work in the current year includes:

1. A report identifying levels of funding and impact by specific national and provincial DFIs and departments
2. A report containing a detailed analysis on the level and impact of the financing of the IDC
3. Establish targets for identified jobs drivers and measurable improvements in funding thereof.

## **KPI 18: Number of Ministerial or Departmental oversight engagements with the IDC held**

A number of strategic and/ or oversight engagements at Ministerial-level takes place with the IDC on

- its corporate plan
- governance
- turnaround times
- project performance or investment
- development impact (including support for township economies); and
- the support work by the Department on these areas and feedback provided to the IDC on its performance.

A Record of Engagement will be produced, which will include a summary of the outcomes of the engagement.

## KPI 18: Number of Ministerial or Departmental oversight engagements with the IDC held

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Records of engagements	4 Records of engagements	4 Records of engagements

In the current financial year the following products are to be achieved:

Q1	Q2	Q3	Q4
1 Record of engagement	1 Record of engagement	1 Record of engagement	1 Record of engagement

Work in the current year includes:

1. Records of engagement with the Department including preparations required for its quarterly meetings with the IDC, research if required, as well as agendas and follow-ups

## **KPI 19: Number of economic development opportunities identified through infrastructure projects**

Infrastructure supports economic development objectives in a number of ways. The work in this KPI is both facilitative as well as documenting progress made with achieving such outcome. EDD work may cover any of the following:

- new economic opportunity facilitated by the Department
- a report showing how local businesses benefit from infrastructure projects
- promotion of off-take agreements by businesses for planned infrastructure to enable funds to be raised, or
- partnerships involving the private sector or DFIs

An Action Minute will be produced containing details of the work completed on the above.

## KPI 19: Number of economic development opportunities identified through infrastructure projects

3 year plan is as follows:

2018/2019

2019/2020

2020/2021

1 Action Minute

1 Action Minute

1 Action Minute

In the current financial year the following product is to be achieved:

Q4

1 Action minute

The areas to be covered may include new economic opportunities, business benefit assessments, off-take agreements promotion and partnerships with the public sectors / DFIs.

## Strategic Objective 6: Promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion

There are 4 KPIs for this objective:

1. Strengthening of economic regulators across the state
2. Initiatives on mergers and acquisitions, market inquiries or abuse of dominance
3. Ensuring trade authorities and policies support industrialisation and employment
4. Oversight engagements with trade and competition authorities

## **KPI 20: Number of strategic initiatives to enhance the capacity, performance and outcomes of economic regulators held**

The capacity of economic regulators is a critical driver of a capable state. EDD will support this through initiatives such as

- technical or policy workshops on capacity;
- study-visits to other institutions to identify best-practice and benchmark these against current performance;
- changes in legislation or regulations;
- production of technical documents or guidelines on institutional capacity; or
- engagement on capacity-building at Ministerial or senior departmental level to improve performance in a specific regulator.

Action Minutes will be produced that record the initiatives taken to enhance the capacity, performance or outcomes of economic regulators.



## KPI 20: Number of strategic initiatives to enhance the capacity, performance and outcomes of economic regulators held

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
3 Action Minutes	4 Action Minutes	4 Action Minutes

In the current financial year the following products are to be achieved:

Q2	Q3	Q4
1 Action Minute to strengthen regulatory capacity	1 Action Minute to strengthen regulatory capacity	1 Action Minute to strengthen regulatory capacity

Work in the current year includes:

1. Review of the Competition Amendment Bill by Cabinet, following public consultation
2. Initiatives to enhance the capacity, performance or outcomes of economic regulators.

## **KPI 21: Number of reports on initiatives on mergers & acquisitions, market inquiries or abuse of dominance**

The strategic interventions of the Department on competition policy take place within the framework of the Competition Act and relates to mergers & acquisitions, market inquiries and addressing abuse of dominance/cartels.

EDD work may include

- participation in merger proceedings at the Competition Commission, Competition Tribunal or Competition Appeal Court
- negotiating public interest conditions in mergers
- producing reports on compliance with conditions in mergers
- interventions to address cartels/abuse of dominance in the economy, including through public advocacy
- legislative amendments or
- participating in Market Inquiries proceedings and/or processing their recommendations.

Reports will be produced that set out the detail of the initiatives and the outcomes.

## KPI 21: Number of reports on initiatives on mergers & acquisitions, market inquiries or abuse of dominance

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
4 Reports	4 Reports	4 Reports

In the current financial year the following products are to be achieved:

Q3	Q4
1 Report	3 Reports

Reports will cover work undertaken by EDD, including: participation in merger proceedings, negotiating public interest conditions, producing reports on compliance with conditions in mergers, interventions to address cartels/abuse of dominance, legislative amendments, participating in Market Inquiries proceedings.

## **KPI 22: Number of initiatives to ensure trade authorities and policies support industrialisation and employment**

Trade policy measures can support industrialisation and employment. EDD will undertake work to ensure trade authorities support this objective, including through:

- trade directives issued in terms of legislation
- ITAC reviews of tariffs at request of Ministry
- regulations related to trade policy or administration
- formulation of amendments of the ITA Act;
- assessment reports on tariffs/rebates for specific sectors
- Assessment reports on trade remedies
- Impact assessment of trade policy
- Analytical reports on trade flows

Action Minutes will be produced setting out the actions taken as well as the outcomes (actual or projected).

## KPI 22: Number of initiatives to ensure trade authorities and policies support industrialisation and employment

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
2 Action Minutes	2 Action Minutes	2 Action Minutes

In the current financial year the following products are to be achieved:

Q2	Q4
1 Action Minute	1 Action Minute

Work undertaken may include trade directives, tariff review requests, regulations issues as well as analytical reports and/or assessments of policies and interventions.

## **KPI 23: Number of Ministerial/ Departmental oversight engagements with trade and competition authorities held**

Ministerial oversight of trade and competition authorities covers areas such as:

- approval of their APPs, Annual Reports, budgets, organograms, Strategic Plans
- evaluation of performance of entities
- integration of government policy frameworks in the priorities of regulators
- monitoring of regulators to be in compliance with relevant legislative prescripts.

The Record of Engagements will contain summaries of the engagements and the work done in preparation by the Department, where relevant.

## KPI 23: Number of Ministerial/ Departmental oversight engagements with trade and competition authorities held

3 year plan is as follows:

2018/2019	2019/2020	2020/2021
5 Records of engagements	5 Records of engagements	5 Records of engagements

In the current financial year the following products are to be achieved:

Q1	Q2	Q3	Q4
1 Record of engagement	1 Record of engagement	1 Record of engagement	2 Records of engagements

Work in the current year includes records of engagement with the entities including preparations required for its quarterly meetings with trade and competition authorities, research if required, as well as agendas and follow-ups. This will include work done on the APPs, Annual Reports and budgets of entities.

# Summary of budget for 2018/19

- Appropriated total budget for the 2018/19 financial year amounts to **R1.1 billion.**
- Appropriated budget for direct utilisation for EDD operations is **R139.7 million.**
- Transfers to Entities amounts to **R932.9 million.**
- The following tables present the budget per programme and per economic classification and sub programmes.



# Departmental Budget FY 2018/19

Budget for Departmental operations for 2018/19:

- Programme 1: Administration - **R86,5 mn**
- Programme 2: Growth Path & Social Dialogue - **R34,4 mn**
- Programme 3: Investment, Competition & Trade - **R951,7 mn**  
(Programme 3 including transfers to entities)

# Monitoring and Evaluation over Entities

- EDD transfers funds to entities, to implement their mandates.
- EDD also carries a monitoring and evaluation oversight that is political and or administrative in nature:
  - Monitor governance and APP aspects
  - Political oversight: over CC, CT, ITAC and PICC
  - EDD administrative oversight on financial and compliance: over CC, CT, ITAC and Tirisano Fund.
  - Shareholder compact by IDC: over SEFA.
  - Administrative oversight monitoring and evaluation by IDC: on the Steel Development Fund
  - Parliamentary oversight: over entities

# Budget Allocation 2018/19

Details	Amount Budgeted	Percentage
	R'000	%
1.) Competition Commission	281 788	26%
2.) Tirisano Fund (via IDC)**	240 000	23%
3.) SEFA (via IDC)	228 837	21%
4.) Economic Development Department	139 695	13%
5.) ITAC	102 191	10%
6.) Competition Tribunal	35 086	3%
7) Steel Development Fund (via IDC) #	30 000	3%
8) PICC (via IDC)	15 000	1%
<b>Total</b>	<b>1 072 597</b>	<b>100%</b>

\*\*Contributions by construction companies  
 # Financed via fine on AMSA

# Budget per Economic Classification 2018/19

Expenditure per Economic Classification	2018/19 Budget	Percentage %
	R'000	%
Compensation of Employees	90 773	8%
Goods and Services	44 436	4%
Payment for Capital Assets	4 486	1%
Transfers to Entities	932 902	87%
<b>Total including Transfers</b>	<b>1 072 597</b>	<b>100%</b>
<b>Total excluding transfers to entities</b>	<b>139 695</b>	<b>13%</b>

THANK YOU



**SIYABONGA**

**REA LEBOHA!**



*Economic Development Department*