

# Programme 4 – Economic Planning & Coordination



economic  
development

Economic Development Department  
REPUBLIC OF SOUTH AFRICA

Programme 4	2011/12	2012/13	2013/14
Budget MTEF (Rm)	16,284	18,294	19,257
Projected personnel numbers	14*	16*	16*

\*Minimum targets set



# Risk management

- Internal risks include -
  - Staff turnover
  - Pace of recruitment of personnel
  - Adequacy of internal controls
  - Reliability of asset management
  - Availability of office accommodation
- External risks include:
  - Coordination across government
  - Engagement with social partners
  - Accuracy of data and statistics



# Public entities

- Development finance institutions
  - IDC
    - Restructuring its operations to effectively support the NGP and IPAP2
    - Small business component envisaged to form part of consolidated small business development entity in short to medium term
  - Khula
    - Envisaged to form part of a consolidated small business development entity in short to medium term
    - Piloting retail lending in 2011/12
  - samaf
    - Envisaged to form part of a consolidated small business development entity in short to medium term



# Public entities

- Economic Regulatory Bodies
  - Competition Commission
    - Will continue to prioritise key sectors to create an improved competitive environment for economic activity
    - Has secured more resources but space is a challenge
  - Competition Tribunal
    - Quasi-judicial body governed by the Competition Act
    - Sets efficiency targets as workload varies
  - ITAC
    - Has aligned itself to government's developmental agenda
    - Key outputs are international trade instruments and technical advice

# Public entities



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Transfers from EDD (Rm)	2011/12	2012/13	2013/14
Khula	73,912	75,908	80,083
Khula Direct pilot	55,000	-	-
Samaf	90,537	93,072	98,191
Competition Commission	126,595	159,020	175,291
Competition Tribunal	15,175	15,600	16,458
ITAC	69,604	72,666	76,908
IDC	34,000	108,000	108,000
Total	464,823	524,266	554,931



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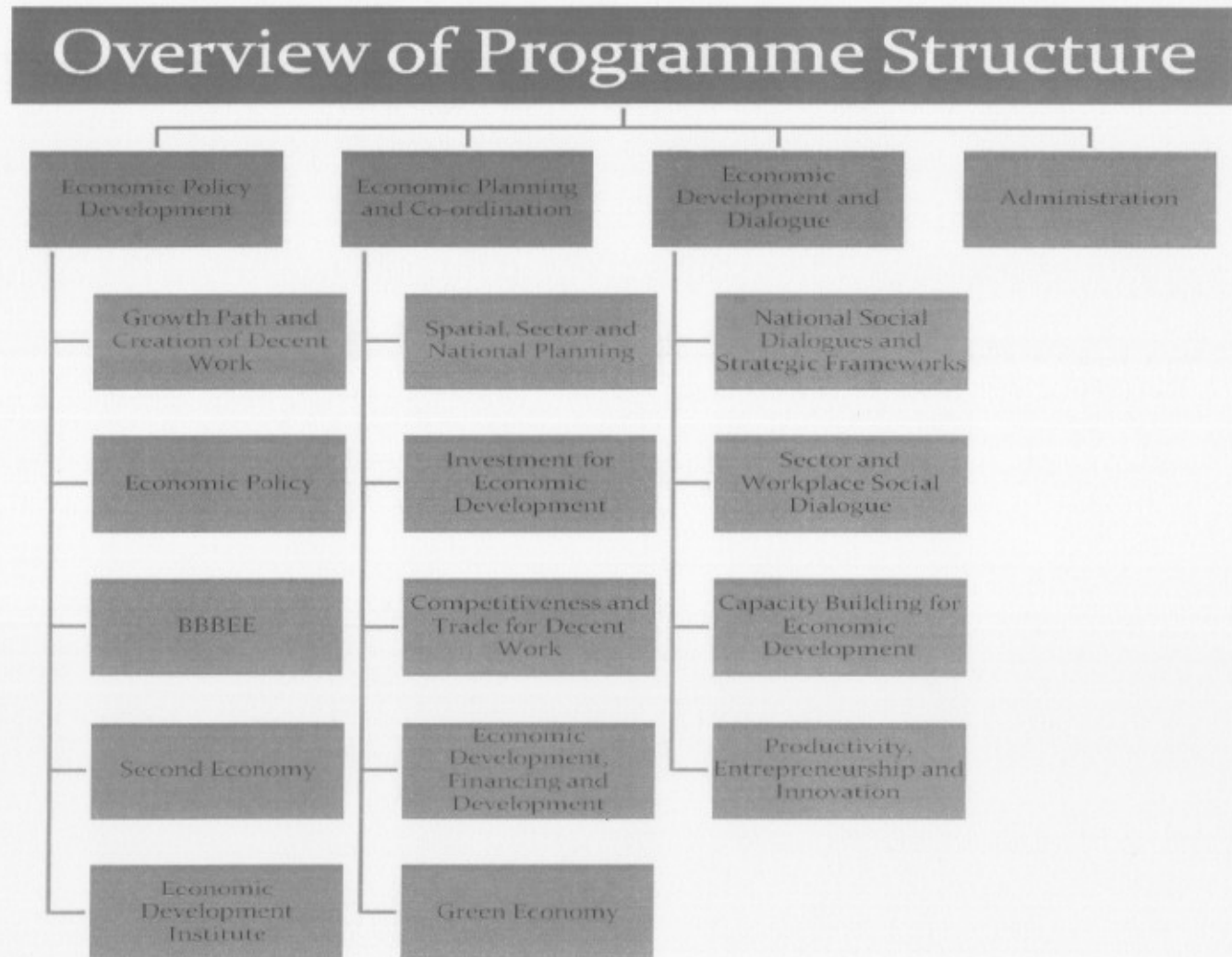
# **EDD Budget Vote 2011/12 – 2013/14**

# Programme structure



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# Budget



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Programme	Audited outcome	Audited outcome	Audited outcome	Adjusted appropriation	Revised estimate	Medium- term	expenditure	estimate
R million	2007/8	2008/9	2009/10	2010/11	2010/11	2011/12	2012/13	2013/14
Administration	-	-	16.7	45.1	39.8	55.0	60.5	63.7
Economic Policy Development	-	-	-	18.6	9.1	23.3	29.3	30.9
Economic Planning and Coordination	245.1	220.4	298.0	374.6	333.3	499.9	556.6	599.5
Economic Development and Dialogue	-	-	-	11.5	2.3	16.3	18.3	19.3
<b>Total</b>	<b>245.1</b>	<b>220.4</b>	<b>314.6</b>	<b>449.8</b>	<b>384.5</b>	<b>594.5</b>	<b>674.7</b>	<b>713.3</b>
Change to 2010 Budget estimate				31.2	(34.1)	100.1	154.4	164.5



# Transfers



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Institution	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Competition Commission	23.2	44.0	80.7	117.7	126.6	159.0	175.3
Competition Tribunal	8.7	9.9	13.0	13.6	15.2	15.6	16.5
ITAC	55.7	58.4	60.9	64.3	69.6	72.7	76.9
samaf	84.0	38.1	77.3	82.8	90.5	93.1	98.2
IDC	-	-	-	-	34.0	108.0	108.0
Khula	73.5	69.9	66.0	69.7	33.9	35.9	40.1
Khula (capital)	-	-	-	-	40.0	40.0	40.0
Khula Direct pilot	-	-	-	-	55.0	-	-
Wits University	-	-	-	2.0	-	-	-
University of Jhb	-	-	-	4.8	-	-	-



# Expenditure trends

- Expenditure expected to increase from R449.8 million to R713.3 million over the medium term
- Increases mainly towards transfers and subsidies:
- Competition Commission R10m; R45m; and R45m for funding capacity increases
- IDC R34m; R108m; and R108m for Agro-processing Competitiveness Fund
- Khula R55m in 2011/12 to implement the Khula Direct Pilot project
- ITAC R2.6m; R3m; and R3.1m for improved conditions of service

# Selected performance indicators



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Indicator	2010/11	2011/12	2012/13	2013/14
Number of reports on the implementation of the NGP per year	-	4	4	4
Number of policy and analytical papers on economic policy challenges per year	10	12	12	12
Number of sector plans produced, reviewed or monitored per year	5	8	10	10
Value of special financing facilitated for small businesses, targeted NGP sectors and/or companies in distress	R2bn	R5bn	R5bn	R5bn
Number of reports on the implementation of interventions to address cost drivers	-	2	2	2
Number of interventions leveraging state expenditure and procurement per year	10	12	15	15
Number of spatial plans produced, reviewed or monitored per year	10	12	15	15
Number of reports on the implementation of the Green Economy Strategy	-	2	2	2
Number of interventions to save or create new jobs	-	4	4	4
Number of policy platforms, social dialogue and capacity building engagements per year	10	10	10	10
Number of economic development agreements (sectoral, workplace and national) facilitated with social partners per year	10	10	10	10

# Objectives and measures: Programme 1



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- Provide strategic and operational support to principals
- Undertake planning and reporting
- Support management meetings and administrative processes
- Review organogram to align it with available budget
- Implement recruitment plan
- Implementation strategy to disengage from dti support
- Entrench sound internal controls, financial management and supply chain management
- Establish legal and communications support services

# Objectives and measures: Programme 2



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- Monitor implementation of the NGP and produce quarterly reports
- Issue policy papers
- Convene policy platforms
- Provide analytical data on the real economy
- Establish an economic development index
- Develop a formal and quantified framework (model)
- Develop BBBEE policy frameworks
- Establish Economic Development Institute
- Develop, implement, monitor and evaluate strategies for youth employment and second economy

# Objectives and measures: Programme 3



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- Submit proposals to the National Planning Commission, Cabinet and the provinces
- Coordinating and developing sector plans for key sectors
- Developing proposals for harmonising national, provincial and local economic development plans
- Development spatial economic development action plans
- Exercising policy, strategy and budgetary oversight over DFIs and ERBs
- Develop a strategy to enhance investment for economic development

# Objectives and measures: Programme 3, cont



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- Develop papers on leveraging procurement and expenditure to enhance government's developmental priorities
- Promote South Africa's international relations strategy and economic development by engaging with regional and international agencies and multilateral institutions
- Grow the Green Economy through coordinating government and private sector players, including by establishing a dedicated fund
- Grow the agro-processing sector by coordinating government and private sector players, including by establishing a dedicated fund to support enhanced competitiveness

# Objectives and measures: Programme 4



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- Convene national social dialogue forums
- Facilitate social pacts in the workplace, sectors and at national level
- Facilitate, monitor and report on the implementation of framework agreements and social pacts
- Host learning events for economic development learning networks
- Host an annual Economic Development Conference
- Convene the Economic Advisory Panel



# Concluding remarks



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- In less than 2 years EDD has established itself and built its initial capacity
- It has been instrumental in the development of two key strategic frameworks, the NGP and Outcome 4
- EDD has made good progress in implementing its 2010/11 – 2012/13 Strategic Plan, considering capacity constraints
- EDD currently not constrained by budget shortfalls, but there is inadequate provision in the medium term (personnel, capital expenditure)
- 2011/12 – 2015/15 Strategic Plan builds on the 2010/11 – 2012/13 Strategic Plan – new impetus on coordination, monitoring, evaluation and reporting on the implementation of the NGP