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National Planning Commission presentation to the Portfolio Committee of Water and Environmental Affairs

19 October 2011

Aim of the presentation

- ▶ To brief the Portfolio Committee about ongoing work towards the development of a vision statement and the development plan in relation to the Transition to a Low Carbon Economy
- ▶ Note: That the commission is still in the process of finalising the plan – NPC plenary on Friday 21 October

Time lines

- ▶ Commission appointed by President Zuma on 11 May 2010
- ▶ 9 June 2011, NPC released diagnostic report, incl.
 - Elements of the vision statement
 - Identifying the elimination of poverty and the reduction of inequality as the key objectives for the country for 2030
 - Nine diagnostic features which challenge the achievement of these objectives
 - Of these nine, two are more important (too few people work and the quality of school education for black learners is poor)
- ▶ Public consultation process since then
- ▶ On 11 November, NPC to release vision statement, draft development plan
- ▶ Beyond 2011, detailed work on specific aspects

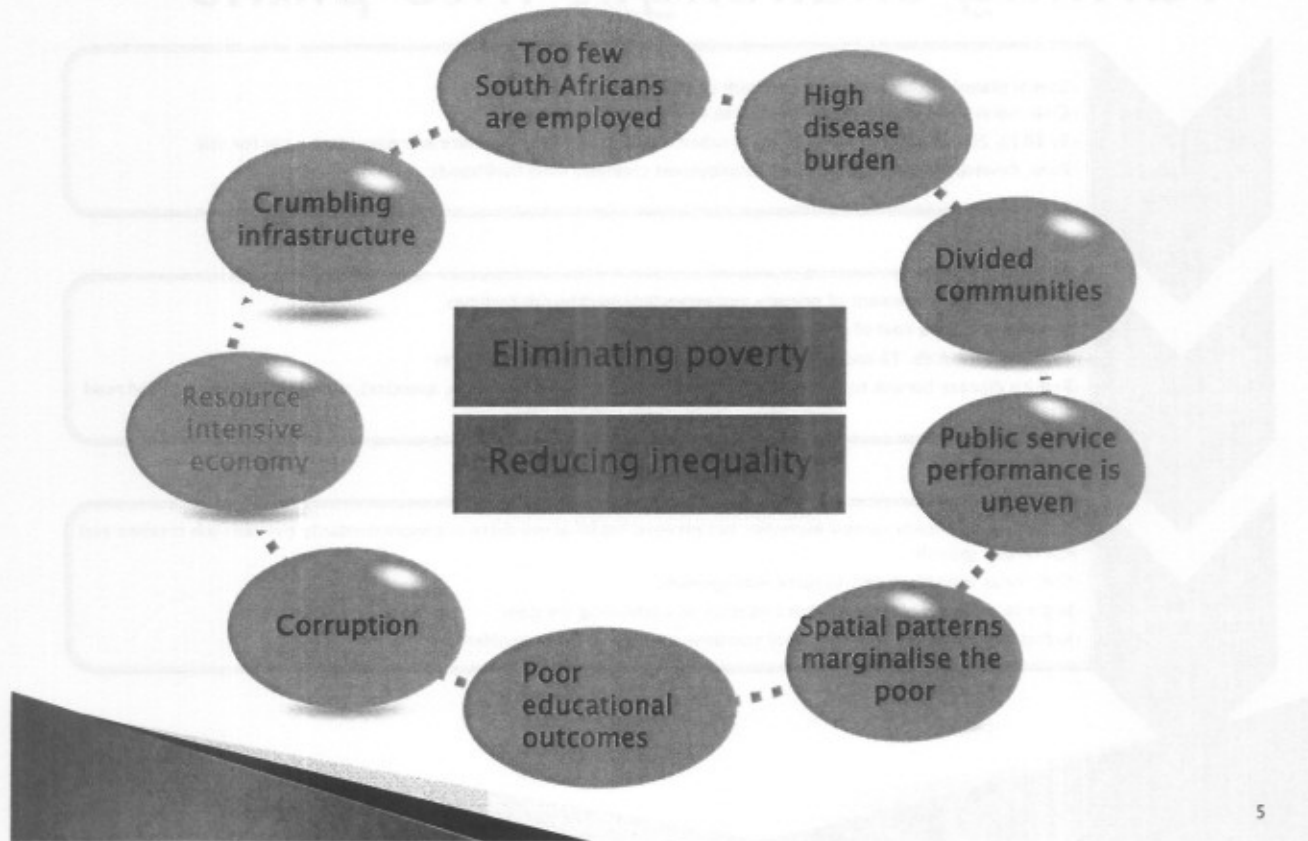
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Initial elements of a Vision

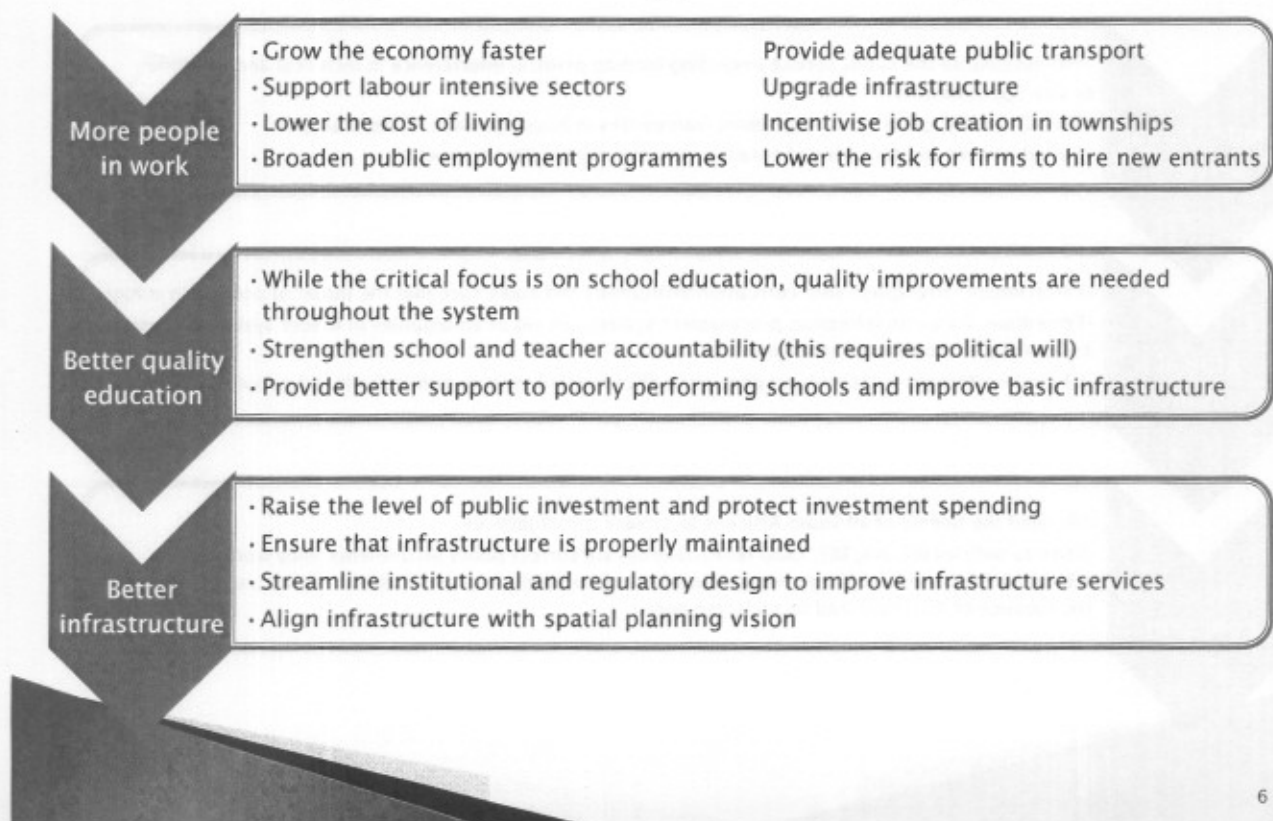
1. Democratic state, rooted in the Constitution, working with all sectors of society to improve quality of life
2. People united in diversity, recognising our common interests; greater equality of women
3. High-quality education and health care; adequate housing, water, sanitation, energy and transport, give impetus to human development
4. Comprehensive social security covers all citizens in need
5. Natural wealth harnessed sustainably, protecting our environment, using science and modern technology to ensure a growing economy that benefits all
6. People able to work have access to jobs, workers' rights protected and workforce is skilled
7. Business afforded an environment to invest and profit while promoting the common interests of the nation, including decent work
8. Efficient state protects citizens, provides quality services and infrastructure, and gives leadership to national development
9. Individuals and communities embrace mutual respect and human solidarity
10. Government, business and civil society work to build a better Africa and a better world

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Summary of the diagnostic document



Turning challenges into plans



Turning challenges into plans

A spatial vision for inclusive growth

- Spatial planning vision must talk to both urban and rural needs
- Clear norms and standards are needed to enforce spatial vision
- By 2030, 70% of people will be living in urban areas and so infrastructure planning must cater for this
- Rural development should focus on employment creation, rural livelihoods

Quality health care

- Improve the management of primary and secondary level health facilities
- Lower the relative cost of private health care
- Focus on HIV/Aids, TB and maternal and infant mortality in the short term
- Reduce disease burden through lifestyle changes (sexual behaviour, diet, exercise), nutrition, lower crime and road accidents

Sustainable resource use

- Transition to a lower carbon economy, but proceed faster where there is complementarity between job creation and low carbon growth
- Shift focus towards water resource management
- Begin to price in externalities but find ways of cushioning the poor
- Recognise the need to find regional solutions to many of these problems

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Turning challenges into plans

Better public services

- Professionalise the public service (including limiting political interference in technical and frontline service appointment)
- Simplify policy, governance, regulatory frameworks in housing, water, SOEs, transport
- Revisit powers and functions of spheres, consider asymmetry in powers

Ethical conduct

- Enforcement: Strengthen anti-corruption institutions and make sure that the threat of conviction is high
- Prevention: Focus on reforming procurement system, get rid of ambiguities in tender system and use technology to increase transparency
- Education: Recognise the societal dimension of corruption, ensure political will and popularise values

Greater social cohesion

- We need the talents of all South Africans to achieve our objectives
- Redress policies (EE, AA, BEE, Land redistribution) are correct policy instruments, they work more effectively when economy is growing, education system is improving, small businesses are thriving (in the absence of this, they lead to social tension).

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Overall paradigm

- ▶ Values of our Constitution should be entrenched in any plan produced
 - Social solidarity and pro-poor policies
 - Non racialism, non sexism (SA belongs to all who live in it)
 - The need to redress the ills of the past
- ▶ We seek pragmatic solutions to our problems
 - Solutions must be evidence-based
 - This, at times, requires us to challenge our set dogmas
- ▶ We are looking at global and historical trends to inform our plan too
- ▶ We adopt an approach where development means giving people the endowments or capabilities that enable them to lead the life that they desire

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Drivers of change

- ▶ In 1994, 50% of the population was rural, today 60% are urban and in 2030 70% are likely to live in urban areas
 - The up side – it costs about R6 000 to provide a basket of services (water, sanitation, electricity) in rural areas, but just R800 in urban areas
 - We are in the 'youth bulge', 29% of population is 15 to 29
- ▶ Rise of China and India has profound implications for geopolitics, trade and our ability to compete and create jobs
 - There are opportunities and risks, the opportunities outweigh the risks
- ▶ Technological change provides opportunities to leap stages of development
- ▶ Climate change is likely to impact on South Africa, mainly negatively
 - Parts of our country have already become dryer
 - Today 2 of the 9 catchment areas are water stressed, by 2030 five areas are likely to be water stressed

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Workstream on Climate Change and Low Carbon Economy

- ▶ Process:
- ▶ Stakeholder engagements
- ▶ Expert engagements
- ▶ Review of Government Policies – eg. the White Paper on Climate Change Response Strategy, Draft Carbon Tax proposal, IRP 2010
- ▶ Outcome – a set of consensus areas on Key underlying assumptions, Principles and Next Action steps for the development of the Vision and Plan
- ▶ Draft Chapter – decision by NPC on 21 October

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Content

- ▶ A just transition to a low carbon and resilient economy and society
- ▶ In the context of our current development challenges (Poverty and inequality)
- ▶ Focus on both adaptation and mitigation – specifically the economic implications
- ▶ A managed transition
- ▶ Identifying difficult trade-offs and potential lock-ins
- ▶ Detailed Planning to begin after this first phase of draft plan

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Conclusion

- ▶ Work to develop the plan is still being finalised
- ▶ Key themes emerging so far include
 - An endowments approach to development
 - An urgent need to raise labour absorption
 - The need to grow sustainably
 - The need to improve the quality of education and skills for the poor
 - The importance of a capable state
 - The transformational role of infrastructure
 - The need to understand global trends and its implications
- ▶ NPC work continues beyond 2011



