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**ECONOMIC DEVELOPMENT DEPARTMENT**

**3<sup>rd</sup> QUARTER REPORT ON 2012/13 ANNUAL PERFORMANCE PLAN**

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## Programme 1: Administration

Strategic objective	Measure/Indicator	Annual Target	Quarterly targets		Reason for variance
			3 <sup>rd</sup> Q Target	Actual	
Effective, efficient, strategic support and administrative service to the Director-General and the EDD	Number of management meetings per year	16	4	4	
Provide assurance and consulting internal audit activities in accordance with prescribed legislation	Audit reports submitted	6 Internal audit activity reports	2	0	The two audit reports are in progress as a result of capacity constrains in the unit. However, two vacancies have been filled since the previous quarter; one Assistant Director and one Deputy Director in November and December 2012, respectively. Other steps has been taken that will result in achievement of the target by Quarter 4.
To ensure that a credible budget is prepared, monitored and reviewed	Projected expenditure (R thousand)	672 732	183 884	165 450	The variance is due to an increase in budget (particularly on goods and services) during the Adjustment Budget process.
Effective, efficient, strategic support and administrative service to EDD	Number of staff employed by EDD	142 (Total staff complement)	2	6 Nett Appointments 123 Total Staff	Positions were advertised and more appointments will be made during the financial year.



## Programme 2: Economic Policy and Development

Strategic objective	Measure/Indicator	Annual Target	Quarterly targets		Reason for variance	Explanation
			3 <sup>rd</sup> Q Target	Actual		
Co-ordinate and Monitor the implementation of the New Growth Path	Regular survey of public sector (with DPME)	2	1	1		Survey conducted and inputs received were used in report to Cabinet Lekgolla.
	Impact of state actions on employment assessed through modelling	1	-			
	RIA process reviewed to ensure alignment with NGP	1	-			

Develop and implement inclusive growth strategies	Workshops held on assessing employment impact of the state	2	1	0	Delayed until fourth quarter due to request from provinces.	Schedules have been developed with provinces and procurement processes are in place.
	SA Development Index approved and then monitored	1	-			
	Outcome 4 outcomes reviewed regularly	4	1	1		Cabinet memo finalised with other Outcome 4 co-ordinating departments and submitted to Cabinet.
	Annual in-depth analysis of trends in employment, inequality and growth	1	1	1		Document submitted to Cabinet Lekgotla as background documentation, with highlights included in presentation on the NGP.
	EDD Conference held with high-level inputs	1	-	-		
	Sector methodologies developed and applied	2	1	1		Draft provided to DDG: Economic Policy and Development. It is being re-worked, following DDG recommendations.
Competition Act amended and regularly reviewed	1	-	-			
Other policy interventions identified and appropriate amendments proposed	1	-	4		<p>Work conducted on: Broadband rollout (SIP 15); productive sectors, equality and scrap metal.</p> <p>Additional information on scrap metal work conducted:</p> <ul style="list-style-type: none"> <li>Letter by the Minister requesting guidelines on scrap metals</li> <li>Input in and finalisation of Cabinet Memo dealing with the Interdepartmental Task Team on Iron and Steel's recommendations, which are aimed at supporting downstream sectors in the iron and steel value chain. Areas relating to EDD include competition legislation, the IDC's new steel investment and scrap metal interventions. This Cabinet Memo was approved by Cabinet on 5 December 2012.</li> <li>Meeting with foreign investors who have purchased Cisco Steel Mill in the Western Cape to discuss challenges faced by the mill in securing inputs.</li> </ul>	

	Policy platforms	4	1	4		SIP 15 launch, platforms on workplace restructuring, Socio-Economic Impact Assessment System workshop held, and platform on alignment of NGP with HRD strategy held.
Policy advice to support Cluster	Impact of BBBEE on NGP targets analysed and modifications proposed as required	1	1	0		Work in progress, awaiting submission feedback from the Ministry.
	Platforms on BBBEE and NGP	2	1	1		A Minister Draft Submission was developed in the 2 <sup>nd</sup> quarter and submitted with options/proposals to make the New Codes more Employment and Equity supportive. The submission is currently being reviewed by the Minister.
	Gender strategy adopted and reviewed	2	-	-		Platform held on BBBEE with Who Owns Whom and selected departments and employers.
Ensure regular engagement on policy issues	Youth employment strategy adopted and reviewed	2	-	-		
	Strategy on micro enterprises, livelihoods and the social economy adopted and reviewed	1	-	-		
	Economic Development Institute established	2	-	-		

### Programme 3: Economic Planning and Coordination



Strategic objective	Measure/indicator	Annual Target	Quarterly targets		Reason for variance	Explanation
			3rd Quarter Target	Actual		
Develop and or review infrastructure, Sector Spatial and National Economic Plans	Number of engagements with provincial and local govt	8	2	5		<ul style="list-style-type: none"> <li>Engagement with the Free State Department of the Premier on the Free State Provincial growth and development Strategy (FSPGD) on 8 November 2012</li> <li>5th PhytoEnergy Steering Committee Meeting- 24 October 2012</li> <li>6th PhytoEnergy Steering Committee Meeting- 13 November 2012</li> <li>Meeting with Northern Cape Provincial Projects concerning high impact projects and SIP initiatives- 22 October 2012</li> <li>Presented EDD's approach to regional economic development to Eastern Cape Stakeholders- 14 November 2012</li> </ul>

								<ul style="list-style-type: none"> <li>9 Infrastructure plans covering different sectors were reviewed, progress updated on construction, funding, localisation and implementation challenges</li> <li>Review of the George Local Municipality Spatial Development Framework - December 2012</li> <li>Infrastructure plans with a spatial or geographic focus were reviewed, progress updated on construction, funding, localisation and implementation challenges</li> <li>Meeting between the Minister, sefa Chairperson and new CEO on 7 November 2012</li> <li>DG Quarterly meeting with the entities, held on 3 December 2012</li> <li>DG Quarterly meeting with the entities, held on 3 December 2012</li> <li>In terms of the Competition Act, the President appointed 3 new members of the Competition Tribunal following the recommendation of the Minister. This recommendation was approved by Cabinet.</li> <li>ITAC to prepare, for public comment, guidelines in terms of a policy directive the Minister intends to issue on the exportation of scrap metal.</li> </ul>
Promote Investment for Economic Development	Number of strategic engagements with DFIs	6	1	2			<ul style="list-style-type: none"> <li>PICC supported Rand Water in finalising an agreement to implement the Sedibeng Waste Water Works in Southern Gauteng</li> <li>3 PICC MANCOs: 15 Nov, 20 Nov, 5 Dec</li> <li>PICC Secretariats: 13 Nov</li> <li>PICC Council: 25 Oct</li> <li>Presidential Infrastructure Investment Conference: 18 Oct</li> <li>PICC bilateral with Ministry of Finance, Ministry of Communications and bilateral with FOSAD</li> <li>6 SIP IGF launches: SIP 11, SIP 8, SIP 9, SIP 10, SIP 13 and SIP 14</li> <li>MoU between Transnet, IDC and Eskom (Sept 18)</li> <li>4 Technical Task Team meetings with SOEs: Eskom and DoE on distribution and electrification backlogs, technical MCWAP2 to discuss funding model for Eskom, IDC and TCTA</li> <li>Transnet SIP 2 workshop and meeting with SANRAL on S'Hamba Sonke</li> </ul>	
Promote Competitiveness and Trade for Decent Work	Number of strategic engagements with ERBS	6	1	3				
	Number of engagement forums to foster alignment of SOEs and PICC's investment decisions with that of the state	6	1	21				
Leverage financing and procurement processes [R million/]	Value of special financing facilitated for small businesses, targeted growth sectors and companies in distress [R million]	R5bn	R1,25bn	Total: R 7,465 bn			Note the figure for small business funding and IDC funding indicates the value of approvals.	

number of interventions]					<ul style="list-style-type: none"> <li>• Small businesses funding committed by seta 105m</li> <li>• IDC funding committed for growth sectors 7.1bn</li> <li>• IDC distress fund committed R260.2m to 8 companies</li> </ul>		<ul style="list-style-type: none"> <li>• In the third quarter of 2012/13, the IDC Distress Fund committed funds to the value of R260, 3 million to 8 companies. This is expected to save and/or create 1099 jobs.</li> <li>• The funds committed in quarter 3 are more than three times the amount committed in quarter two; the number of jobs saved/created in quarter 3 is slightly less than double those in the 2<sup>nd</sup> quarter.</li> <li>• The 8 companies to which funds were committed were from various sectors, with the Textiles &amp; Clothing industry being the largest beneficiary – R68 million committed to 3 companies, creating/saving 959 jobs.</li> </ul>
	Number of interventions promoting economic development through leveraging state expenditure and procurement	10	2	2	2	<ul style="list-style-type: none"> <li>• Supported the footwear industry in finalising footwear orders from SAPS and the Department of Rural Development for 97 774 pairs of shoes.</li> <li>• Launch of a database of locally manufactured products funded by the EDD on 26 November during the Proudly SA Buy Local Summit.</li> </ul>	
Grow the Green Economy	Number of reports on the implementation of the Green Economy Strategy	2	-	1	Completed a report on the EDD's role in the Green Economy Accord thus far.		
	Number of interventions to grow the green economy	10	3	5	<ul style="list-style-type: none"> <li>• A Report on the progress of various government departments in implementation of the Green Economy Accord.</li> <li>• Report on the progress/deliberations of the COP 18 in Doha</li> <li>• Attended Technical Working Group on Climate Change Monitoring and Evaluation (M&amp;E) Meetings</li> <li>• Meeting at the Eastern Cape - European Union Renewable Energy Conference</li> <li>• Meeting with the Free State Provincial Economic</li> </ul>		

						Development and Tourism Department to assist in formulation of a Green Economy Strategy and A Green Economy Conference
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## Programme 4: Economic Development and Dialogue

Strategic objective	Measure/indicator	Annual Target	Quarterly targets		Reason for variance	Explanation
			3 <sup>rd</sup> Quarter Target	Actual		
National Social Dialogue and Strategic Frameworks	Number of social dialogue and capacity building engagements held	10	2	5		<ul style="list-style-type: none"> <li>Quarterly task team meeting on National Skills Accord held with social partners where comprehensive information and challenges are discussed on the National Skills Accord</li> <li>Proudly SA held two (2) business forums on 12 October 2012 and 19 October 2012 respectively focusing on issued pertaining to how local business can benefit from the recently signed local procurement accord. The forums were attended by delegates from Manufacturing sector, NMB Business Chambers, EC Business Forum, Construction, Clothing &amp; Textiles, IT, Financial Institution. A total of 71 people attended the forum from EC Business Forum in Port Elizabeth and a total of 66 delegates in East London. From the Government entities Local government, SEDTA, DTI, SABS were presented.</li> <li>In November held two (2) business forums. 16 November 2012 a total of 42 delegates attended in George and a total of 86 attended in Cape Town, CTICC on 16 November 2012. Delegates were drawn from the manufacturing, food and beverages, tourism, textiles, investment/finance, municipalities, retail and banking, catering and business chambers. The forums are creating awareness on the importance of buying local and showcase local businesses in the area.</li> <li>Three MoUs on the Local Procurement Accord were finalized with and signed by three trade unions (CCEPPAWU, FAWU and SACWU) in regard to their commitments contained in the Accord. A submission has been done and submitted to the DG for final sign off.</li> </ul>
Sectoral and Workplace Dialogue	Number of economic development agreements (sectoral, workplace and national) facilitated with social partners per year	2	1	3		



						<ul style="list-style-type: none"> <li>• Presidential Special Package developed (Oct 2012)</li> <li>• MoU on an Infrastructure Partnership developed (Oct 2012)</li> <li>• Following complaints to EDD of illegal practices at trade fairs, especially in KwaZulu-Natal, and the negative impact it was having on small traders and local manufacturers, a second wave of inspections (following inspections in the previous quarter) were held at a trade fair in Clairwood, KwaZulu-Natal. These inspections were conducted by the Department of Home Affairs on 19 and 22 October 2012 and by the Ethekwini Council on 26 October 2012, following intervention by EDD.</li> <li>• Intervened in the impasse between Sappi and Home Affairs on 24 December 2012 regarding about 70 work permits for specialised welding skills for the expansion and modernisation of the mill at Ngodwana, Mpumalanga. EDD's intervention contributed to the continuance of the project and the maintenance of jobs at the mill.</li> <li>• At the end of November 2012, a consolidated report on the four accords signed in 2011 was submitted to the Minister and the DG. This followed input from social partners and the government and dealt with progress with implementation of the accords.</li> <li>• In November 2012, a report was done on the Training Layoff Scheme and the IDC Distressed Fund. The report set out the monies disbursed to companies annually since 2009, as well as the names of participants in these programmes (where such information was not confidential) and the terms and conditions under which assistance was provided. The information compiled in this report was used in a Parliamentary Question.</li> <li>• Participated at the dti, EDD and Manufacturing Circle Consultative meeting on 5 October on measures to support key sectors in manufacturing and discussion on the Buy SA Campaign.</li> <li>• Had an engagement on 1 November with the South African Bureau of Standards (SABS) and the dti on the development of a Technical Standard on local content verification.</li> </ul>
	Number of interventions to save or create new jobs	4	1	2		
	Number of reports on the implementation of the framework agreements and social pacts	4	1	4		

Capacity Building for Economic Development	Number of Economic Advisory Panel meetings		1	-	-		
	Number of knowledge networks		4	1	0	3 knowledge network sessions have already been conducted. Two knowledge network sessions (in Jan and March 2013) have been scheduled to take place in the 4 <sup>th</sup> quarter.	A strategic decision was taken in December 2012 to change the format of the knowledge network session to focus on broad themes that relate to the Strategic Integrated Project (SIPs) and unpack the content, implementation and operational challenges of each chosen SIP. This would eventually lead to tangible recommendations or insights that can be submitted to relevant ministries for action. Several content partners have been identified to enable the strategic focus of the knowledge network to move forward.
	Number of capacity building engagements (for organised labour and other social partners)		10	2	2		<ul style="list-style-type: none"> <li>Presented at the ILO/Nactu workshop on 13 December on the role of labour in social dialogue and economic development.</li> <li>Workshop in collaboration with South African Diversity Council where about 40 companies were invited and presentations made on the Local Procurement Accord. Joint task team with business was set up to take the process forward of engaging the accord.</li> </ul>
Productivity, Entrepreneurship and Innovation	National/sectoral engagements on productivity		4	1	0	National and sectoral engagements on productivity are planned to take place between January and March 2013	
	Research reports on productivity		1	1	0	A productivity report was completed in the 2 <sup>nd</sup> Quarter.	
	Productivity Month - October		1	1	5	Five Productivity milestone	Productivity Milestone Workshops targeting SMMEs were conducted in collaboration with Productivity SA during October productivity month. The main objectives of these workshops

					workshops were held in 5 provinces during October Productivity Month	<p>were:</p> <ul style="list-style-type: none"> <li>• To create awareness on productivity throughout the productivity month</li> <li>• To give opportunities to companies who participated in the Productivity SA Programmes and opportunity to share lessons learned and showcase their success stories</li> <li>• Networking and information sharing</li> </ul> <p>EDD also used those platforms to share information about the Training Layoff Scheme, Distress Funding and the Local Procurement Accord together with the IDC and the CCMA.</p>
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