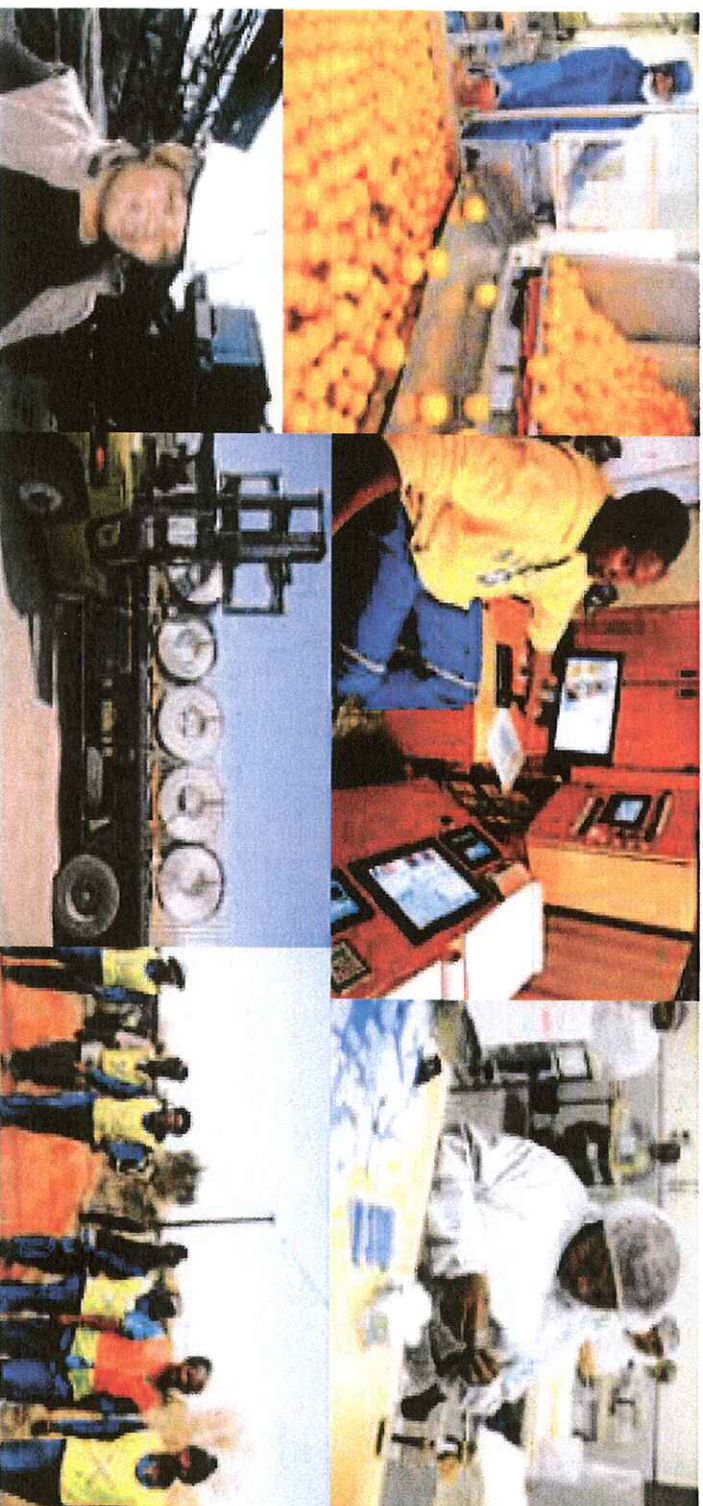




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REPUBLIC OF SOUTH AFRICA**

PERFORMANCE REPORT for Q2 2012/3 and Q3 2012/3



Presentation
to the
Portfolio
Committee
March 2013

Contents



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- Programme Structure
- Achievements of targets
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- Budget Expenditure
- Improving Performance

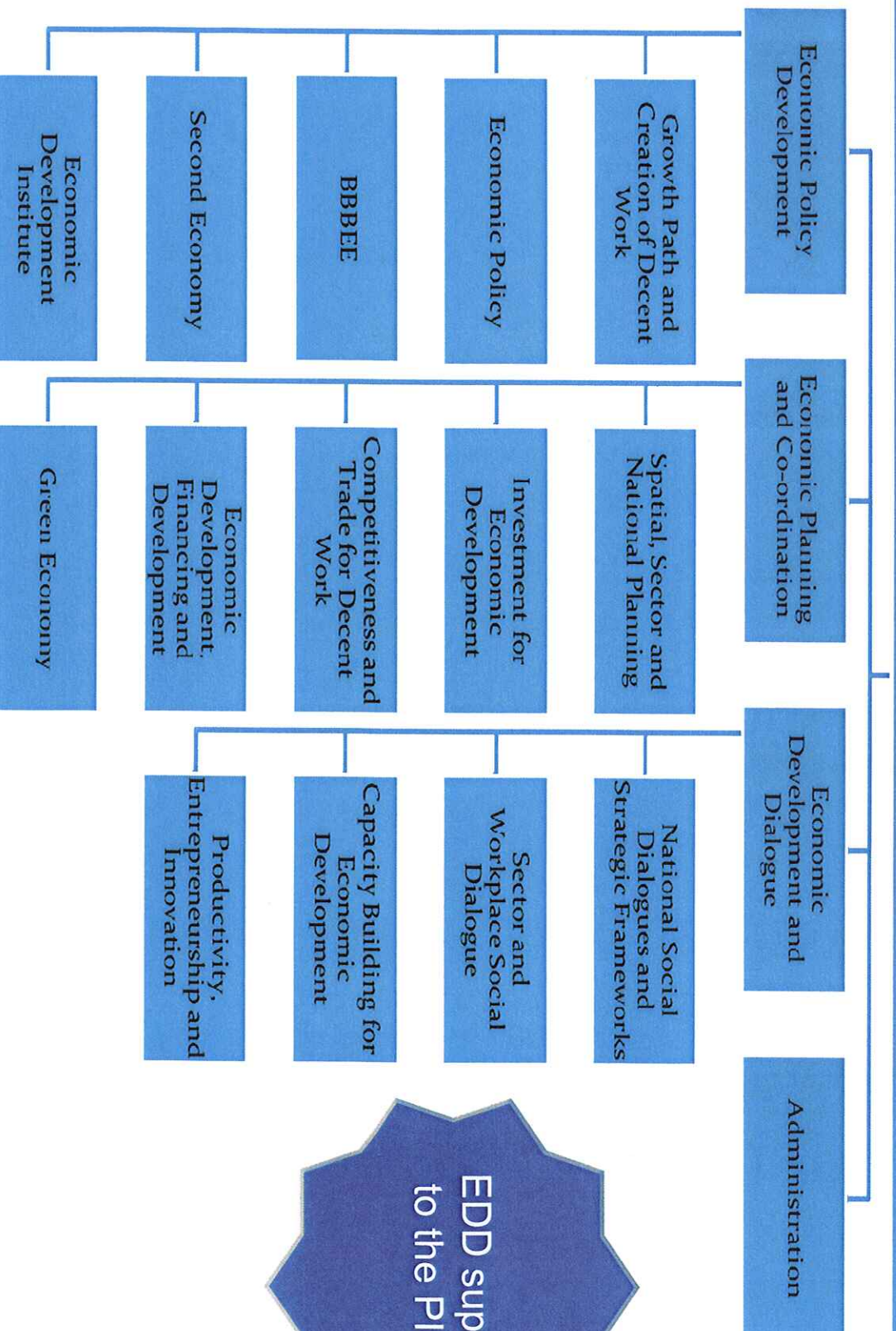
Programme Structure



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Overview of Programme Structure



**EDD support
to the PICC**

Achievement Of Targets



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TOTAL		
Number of Indicators	42	43
Number of targets achieved	11	8
Number of targets over achieved	15	14
Number of targets not achieved	1	7
No quarterly target set	15 (but work done on 3)	13 (but work done on 3)

Achievement Of Targets



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ADMINISTRATION	2 QUARTER	3 QUARTER
Number of Indicators	4	4
Number of targets achieved	1	1
Number of targets over achieved	3	1
Number of targets not achieved	0	2
No quarterly target set	0	0
ECONOMIC POLICY DEVELOPMENT	2 QUARTER	3 QUARTER
Number of Indicators	18	18
Number of targets achieved	3	5
Number of targets over achieved	4	1
Number of targets not achieved	0	2
No quarterly target set	11 (but work done on 2)	10 (but work done on 1)

Achievement Of Targets



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ECONOMIC PLANNING AND COORDINATION	2 QUARTER	3 QUARTER
Number of Indicators	10	10
Number of targets achieved	4	1
Number of targets over achieved	5	7
Number of targets not achieved	1	0
No quarterly target set	0	2 (but work done on 2)
ECONOMIC DEVELOPMENT AND DIALOGUE	2 QUARTER	3 QUARTER
Number of Indicators	10	10
Number of targets achieved	3	1
Number of targets over achieved	3	5
Number of targets not achieved	0	3
No quarterly target set	4 (but work done on 1)	1

Administration



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Purpose:

- *To coordinate and render effective, efficient, strategic support and administrative service to the Minister, Deputy minister, DG the department and its agencies*

APP objectives and measures

- Provide strategic support and administrative services to the Ministry
- Provide strategic support and administrative service to the DG
- Provide operational and administrative support to EDD

Q2 & Q3 Administration

Highlight Achievements



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- 9 Management meetings held against target of 8
- 13 nett staff appointments made (7 in 2Q and 6 in 3Q) which is
 - 8 more than targeted for the two quarters in Annual Performance Plan
 - By end of Q3, staff complement was 12% higher than at start of FY
- 1 audit report completed and 2 audits in progress
- Spending plan developed
- Strategic workshop held to develop new APP for 2013/14

Economic Policy Development



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Purpose:

- *To strengthen the economic development policy capacity of government*

APP strategic objectives

- Coordinate and Monitor Implementation of NGP
- Develop and Implement Inclusive Growth Strategies
- Policy Advice to support Cluster
- Ensure regular engagement on policy issues

Q2 & Q3 Policy



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- Platforms held on
 - carbon tax,
 - developments in productive sectors,
 - industrial policy in Africa,
 - financialisation,
 - BBBEE scorecard,
 - workplace restructuring,
 - NGP and HRD alignment ;
- Reports submitted jointly with National Treasury and the dti in the form of Cabinet Memo for
 - Cycle 7
 - Cycle 8
- Survey of public service contribution to job creation completed and input used in Cabinet Lekgotla presentation
- A draft Youth Employment agreement was presented to NEDLAC by the Minister on 2 July 2012; further engagement on youth employment strategy.

Q2 & Q3 Policy Achievements



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- A submission was developed on with proposals to make the new BBBEE Codes more Employment and Equity supportive.
- Gender
 - An analysis of women’s participation in the economy was conducted and inputs on Gender and the New Growth Path provided for the Women’s Parliament,
 - A memo on the draft Women Empowerment and Gender Equality (WEGE) Bill was developed.
- Guidelines for socio-economic impact assessment system were developed

Economic Planning and Coordination



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Purpose:

- *To develop economic planning proposals and the green economy, as well as provide oversight over DFIs and ERBs*

APP strategic objectives

- Develop and or review infrastructure, sector, spatial and national economics plans
- Promote investment for Economic Development
- Promote Competitiveness and Trade for decent work
- Leveraging finance and procurement processes
- Growing the Green Economy

Q2 & Q3 Planning

Highlight Achievements



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- In Q2 R71.6 million and in Q3 R54 m was committed by sefa for small business funding (SEFA launched in April 2012)
- In Q2 the IDC Distress Fund committed funds to the value of R64.3m to 5 companies, and in Q3 value of R260,2 m to 8 companies (the Textile & Clothing industry being the largest beneficiary.
- IDC has committed R2.1 billion for growth sectors
- Supported the footwear industry in finalizing footwear orders from SAPS and the Department of Rural Development for 97 774 pairs of shoes thereby preventing retrenchments
- Launch of a database of locally manufactured products funded by the EDD during the Proudly SA Buy Local Summit.
- Ongoing work with NT, DEA and DTI on Green Growth Strategy

Q2 & Q3 Planning

Highlight Achievements



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- Developed or reviewed progress in **Sectoral infrastructure Plans for Cabinet** –
 - SIP 6 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 Building
 - SIP 14 Higher Education Infrastructure
 - SIP 15 Expanding Access to Communication Technology
 - SIP 18 Water and Sanitation Infrastructure Master Plan

Q2 & Q3 Economic Planning Achievements



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- Developed or reviewed progress in **Spatial Infrastructure Plans for Cabinet**
 - SIP 1 Northern Mineral Belt with Waterberg,
 - 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 Projects,
 - SIP 7 Integrated Urban Space and Public Transport System,
 - SIP 16 SKA and MeerKAT
 - SIP 17 African Regional Integration
- Review of draft Cape Agulhas Local Municipalities Spatial Development Framework
- Review of George Local Municipalities Spatial Development Framework

Economic Development and Dialogue



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Purpose:

- *To promote social dialogue and build capacity among social partners, as well as implement strategic frameworks (accords)*

APP strategic objectives

- National Social Dialogue and Strategic Frameworks
- Sectoral and Workplace Dialogue
- Capacity Building for Economic Development
- Productivity, Entrepreneurship and innovation

Q2 & Q3 Development & Dialogue Highlight



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Achievements

- Participated in various forums engaging on local procurement - NEDLAC Trade and Industry Chamber engagement on the Business Leadership South Africa (BLSA) study on local procurement; Proudly SA business forums
- Facilitation of jobs saving intervention at SCAW Metals together with the CCMA and the dti to prevent job losses. Agreement between SCAW and NUMSA for no retrenchments was reached
- Three MoU's were finalised & signed by three trade unions with regards to their commitments contained in Local Procurement Accord
- Presidential Special Package developed (Oct 2012)
- Intervened in the impasse between SAPPJ and Home Affairs on the 24 December regarding 70 work permits for specialised welders.
- Knowledge networks focused on strategic integrated projects
- Productivity workshops held in October as part of Productivity Month



Financial Performance

Overview of Expenditure

- Initial allocation budget of R 672.7 million for 2012/13 financial year
- Total adjusted budget of R 696.5 million for 2012/13 financial year
- Expenditure R 165.4 million or 25% of the main appropriation of R 672.7 million in Q2; Expenditure for the 3rd quarter of 2012/13 is R 165.5 million or 24% of the adjusted appropriation of R 696.5 million
- Expenditure excluding transfers for the 2nd quarter of 2012/13 is R 24.2 million or 16% of the main appropriation of R 149.3 million; Expenditure excluding transfers for the 3rd quarter of 2012/13 is R 24 million or 14% of the adjusted appropriation of R 166.9 million
- Commitments as at 30 September 2012 amounts to R 2.8 million while commitments as at 31 December 2012 amounts to R 5.2 million

Financial Performance



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Overview of Revenue

- Revenue collection for the 2nd quarter of 2012/13 is R 123 million or 19% of budgeted revenue of R 631.5 million
- Revenue collection for the 3rd quarter of 2012/13 is R 382.4 million or 66% of adjusted budgeted revenue of R 580.4 million
- Main revenue generator is fines from penalties from Competition Commission and dividends from IDC



Financial Performance

Total Economic Development Department

YTD EXPENDITURE			
Per Programme	Act QUARTER 2 R'000	Act % Spent %	2012/13 Main App R'000
ADMINISTRATION	14,246	24%	60,065
ECONOMIC POLICY DEVELOPMENT	3,127	11%	29,056
ECONOMIC PLANNING AND CO-ORDINATION	145,917	26%	565,462
ECONOMIC DEVELOPMENT AND DIALOGUE	2,127	12%	18,149
TOTAL INCL. TRANSFERS	165,418	25%	672,732
TOTAL EXCL. TRANSFERS	24,244	16%	149,275

Per Item Classification	R'000	%	R'000
COMPESATION OF EMPLOYEES	15,218	17%	91,616
GOODS AND SERVICES	8,792	18%	50,153
DEPARTMENTAL AGENCIES AND ACCOUNTS	141,174	27%	523,457
PAYMENT OF CAPITAL ASSETS	234	3%	7,506
TOTAL INCL. TRANSFERS	165,418	25%	672,732
TOTAL EXCL. TRANSFERS	24,244	16%	149,275



Financial Performance

Departmental Receipts

ACTUAL RECEIPTS 2012/13			
	Act QUARTER 2 R'000	Act % Rec %	2011/12 Main App R'000
Departmental Receipts			
Sale of goods and Services	6	0%	-
Fines, penalties and forfeits	123,440	23%	530,369
Interest, dividends and rent on land	9	0%	101,124
Financial transactions in assets and liabilities	-449		
TOTAL	123,006	19%	631,493



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Financial Performance

Total Economic Development Department

Per Programme	YTD EXPENDITURE				
	Act	Act	2012/13 Budget		
			QUARTER 3% Spent Adj	Main	Adj
R'000	%	R'000	R'000	R'000	
ADMINISTRATION	13,676	26%	60,065	-7,765	52,300
ECONOMIC POLICY DEVELOPMENT	2,008	11%	29,056	-10,589	18,467
ECONOMIC PLANNING AND CO-ORDINATION	148,327	24%	565,462	47,543	613,005
ECONOMIC DEVELOPMENT AND DIALOGUE	1,439	11%	18,149	-5,403	12,746
TOTAL INCL. TRANSFERS	165,450	24%	672,732	23,786	696,518
TOTAL EXCL. TRANSFERS	24,011	14%	149,275	17,578	166,853

Per Item Classification	R'000	%	R'000	R'000	R'000
COMPESATION OF EMPLOYEES	16,346	26%	91,616	-27,727	63,889
GOODS AND SERVICES	6,944	7%	50,153	47,305	97,458
DEPARTMENTAL AGENCIES AND ACCOUNTS	141,439	27%	523,457	6,208	529,665
PAYMENT OF CAPITAL ASSETS	721	13%	7,506	-2,000	5,506
TOTAL INCL. TRANSFERS	165,450	24%	672,732	23,786	696,518
TOTAL EXCL. TRANSFERS	24,011	14%	149,275	17,578	166,853



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Financial Performance

Departmental Receipts

ACTUAL RECEIPTS 2012/13						
Departmental Receipts	Act QUARTER 3 R'000	Act % of Adj %	2012/13 Receipts			Post Adj R'000
			Main R'000	Adj R'000		
Sale of goods and Services	5	0%	-	-		0
Fines, penalties and forfeits	382,391	72%	530,369	-		530,369
Interest, dividends and rent on land	43	0%	101,124	-51,124		50,000
Financial transactions in assets and liabilities	1	0%	-	-		580,369
TOTAL	382,440	66%	631,493	-51,124		580,369

Improving Performance



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- From 4 Quarter,
 - Monthly Manco meeting receives performance report from each Branch and reviews expenditure level per budget programme
 - Developing an evidence file for work done on each indicator
 - Developing TIDs for indicators that are open to different interpretations so that reporting is aligned to that
- EDD had reported on the operational plan and not the APP in Quarters 1, 2 and 3. This has been corrected for 2nd Quarter and 3rd Quarter and is being corrected for 1 Quarter.
- APP and operational planning and spending plan based on costing of operational plan has received focused attention from December 2012 to date.
- Delivery on operational plan and spending plan to be monitored in monthly Manco meetings in 2013/14



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Siyabonga

