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# **Economic Development Department**

## **Strategic Plan**

**2011/12 – 2015/16**

**March 2011**

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## **FOREWORD BY THE MINISTER**

On 8 January 2011 President Jacob Zuma said that “Political emancipation without economic transformation is meaningless. That is why we have to commit ourselves to economic freedom in our lifetime... We have put in place a New Growth Path that will identify areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally; and develop a policy package to facilitate employment creation in these areas...”

In his State of the Nation Address on 10 February 2011, President Zuma said “We have declared 2011 a year of job creation through meaningful economic transformation and inclusive growth. We have introduced a New Growth Path that will guide our work in achieving these goals, working within the premise that the creation of decent work is at the centre of our economic policies.” The Economic Development Department (EDD) is playing a key role in coordinating state and non-state actors towards this end.

The outcomes-based approach was developed by the Presidency and approved by Cabinet in January 2010. It has helped government move away from reporting on activities to reflecting on the outputs needed to realise outcomes that are desirable for society. Outcome 4 is “Decent Employment Through Inclusive Growth”, which echoes the 2009 electoral mandate of economic transformation. The Ministers responsible for coordinating economic matters (Ministers of Economic Development, Finance, and Trade and Industry) signed the Delivery Agreement for Outcome 4 on 20 October 2010.

The New Growth Path (NGP), a 10-year vision, and Outcome 4, linked to government’s term, will absorb much of EDD’s time and energy over the medium term. In addition this Strategic Plan will guide EDD’s activities and outputs. There is a great deal of synergy across these strategic frameworks, and by focusing on a small number of key deliverables, EDD will be able to make the required impact. EDD is a small and growing Department, and capacity is being built even as we deliver on our mandate.

A critical area of our work is oversight over three Development Finance Institutions (the Industrial Development Corporation, Khula Enterprise Finance Ltd and the South African Micro-finance Apex Fund) and three Economic Regulatory Bodies (the Competition Commission, the Competition Tribunal and the International Trade Administration Commission). Through these entities EDD pursues key government objectives: facilitating development financing at concessionary rates for entrepreneurs and small, medium and micro enterprises; reducing anti-competitive practices in the economy through investigation and prosecution of offenders in key sectors; and ensuring a sound trade administration regime.

Critical to our success in implementing these strategic frameworks will be effective coordination within the state across the spheres of government and its agencies, as well as trusting partnerships with non-state actors, in particular business, labour and civil society. Job creation will remain government’s primary focus for 2011 and in the medium term, until such time as we have significantly addressed the challenges of unemployment, poverty and inequality.

**Mr Ebrahim Patel**

**Minister of Economic Development**

# **WORD OF WELCOME FROM THE DEPUTY MINISTER**

I joined the Ministry and Department on 2 November 2010. I am very pleased to have joined this hardworking team that is charged with the crucial task of promoting economic development in this country. I have acclimatised myself with the current plans of the Department and continue to own and champion all areas of the Strategic Plan.

As part of this Economic Development Department team, we continue to try harder to achieve the objectives set by the Movement and ourselves. What we seek to do is complex. The dilemmas and choices are real. However the enormity of the task at hand propels us to seek effective and efficient methods and strategies towards achieving our goals. We do this because we have to get it right the first time as the risk of failure is too enormous to contemplate.

We are charged with the implementation of the New Growth Path, which aims to create 5 million jobs in the next ten years. President Zuma said in his State of the Nation Address on 10 February 2011 that “All government departments will align their programmes with the job creation imperative. The provincial and local spheres have been requested to do the same. The programmes of the State Owned Enterprises and development finance institutions should also be more strongly aligned to the job creation agenda.” EDD will coordinate and drive those efforts.

Our actions will directly impact on most government Departments, sometimes leading to processes of policy and institutional review and where necessary changes being effected. Some actions will affect not only government but also our social partners in the form communities, business and labour. Lastly, the clarion call has been made to make this as the year of job creation – let us all ignore this no more.

**Mr Enoch Godongwana**

**Deputy Minister of Economic Development**

## **DIRECTOR-GENERAL'S OVERVIEW**

EDD is a young and vibrant organisation with a massive task to perform. The Department is at the heart of government's efforts to reduce unemployment, poverty and inequality. The principal outputs to date have been the New Growth Path and the Outcome 4 Delivery Agreement. That we have secured consensus in government and broad support for these two documents is an achievement in itself but much work lies ahead.

Recruitment remains a vital focus for the organisation and we will move from 61 currently to 129 in the 2011/12 financial year to 142 in the 2012/13 financial year. These numbers are defined by the budget currently available. We face constraints including an acute shortage of accommodation on the dti campus and limited capacity in corporate functions that support the line-function programmes.

As new staff arrives, EDD is able to allocate personnel to meet the requirements of its Strategic Plan. The programme structure is a contraction of the organogram, which makes allowances for an incremental activation of components. In meeting our needs going forward, we will also have to take funding constraints into account. A review of the organogram is underway to bring the complete structure into alignment with the budgetary constraints.

One of the critical challenges in providing support to the staff implementing the line-function programmes is to establish a solid foundation of corporate services. Sound human resource practices, financial management and internal controls, supply chain management and asset management and a strong internal audit function are essential to overall organisational health. This capacity will be strengthened over the medium term.

EDD will be making a contribution to Outcome 4 "Decent Employment Through Inclusive Growth" in the development and implementation of the New Growth Path (NGP); analysis of data on income distribution; conclusion of a social pact on decent work; strengthening the implementation of the *Framework for South Africa's Response to the International Economic Crisis*; spatial programmes; a focus on the jobs driver sectors, including the Green Economy; a multi-pronged strategy to reduce youth unemployment; an improved cost structure in the economy; and improved integration of 2<sup>nd</sup> economy activities into the mainstream economy in order to create and support sustainable livelihoods.

EDD is gearing itself to meet these commitments. Already some progress has been made in the development of frameworks and strategies and drafting of implementation plans. Some of the work has been carried out by EDD since its establishment including the Framework Agreement, which administers support to distressed companies and companies seeking to avoid retrenchments. A great deal of work remains. Given the scope of the challenge, EDD will need to coordinate public and private sector efforts to ensure decent employment through inclusive growth.

**Prof Richard Levin**

**Director-General: Economic Development Department**

## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

Was developed by the management of the Economic Development Department under the guidance of Minister Ebrahim Patel;

Takes into account all the relevant policies, legislation and other mandates for which the Economic Development Department is responsible; and

Accurately reflects the strategic outcome oriented goals and objectives which the Economic Development Department will endeavour to achieve over the period 2011/12 to 2013/14.

**Zweli Momeka**  
**Chief Financial Officer**

Signature: 

**Robert Shaw**  
**Chief Director: Office of the DG**

Signature: 

**Prof Richard Levin**  
**Accounting Officer**  
**Approved by:**

Signature: 

**Mr Ebrahim Patel**  
**Executive Authority**

Signature: 

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# PART A: STRATEGIC OVERVIEW

## 1 Vision

Decent work through meaningful economic transformation and inclusive growth

## 2 Mission

The Economic Development Department (EDD) aims to–

- co-ordinate the contributions of government departments, state entities and civil society on economic development;
- contribute to efforts that ensure alignment between the economic policies and plans of the state and its agencies and government’s political and economic objectives and mandate; and
- promote government’s goals of advancing economic development with decent work opportunities.

## 3 Values

The Economic Development Department promotes the Constitution, with special reference to the chapters on human rights, cooperative governance and public administration, including these key basic values and principles governing public administration (section 195(1)). EDD upholds the following values:

- Promotion of decent work for all citizens.(opportunity to work and quality of employment)
- Social partnership and dialogue
- Equity and development
- Sustainability (environment, social and economic)

## 4 Legislative and other mandates

### 4.1 Constitutional mandates

Provisions in the Bill of Rights relating to equality (section 9); human dignity (section 10); freedom of trade, occupation and profession (section 22); and chapter 3 of the Constitution dealing with intergovernmental relations inform the Department’s work.

### 4.2 Executive mandate

The Economic Development Department (EDD) was formally established on 7 July 2009, following President Zuma’s announcement of a new structure for national government. The President stated on 10 May 2009 that “Cabinet... has been reorganised to achieve better alignment between the structure, our electoral mandate... and the developmental challenges that need to receive immediate attention from government”.

In line with this, the President announced that “[a] new department of Economic Development has been established to focus on economic policy making”.

In his State of the Nation address on 3 June 2009, the President stated: “The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job-creation initiatives. In line with our undertakings, we have to forge ahead to promote a more inclusive economy.”

During the Presidency Vote on 24 June 2009, the President stated: “The Economic Development portfolio will have a strong domestic focus and will address, amongst others, matters of macro and micro-economic development planning.”

The new Department is, therefore, part of a new configuration of government that centres on the four inter-connected areas of policy-development, planning, effective implementation and continuous monitoring and evaluation.

The Department is responsible for developing economic policy with a broad, cross-cutting focus so that macro and micro-economic policy reinforce each other and are both aligned to the electoral mandate. The Department will also be responsible for economic development planning and will work collegially with other departments to ensure coordination around a programme that places decent work at the centre of government’s economic policies in order to secure better employment outcomes.

President Zuma in his State of the Nation Address on 10 February 2011 emphasised that government’s main priority was decent work through meaningful economic transformation and inclusive growth, which are at the heart of EDD’s economic development mandate.

#### **4.3 Political mandate**

The political mandate from the electorate includes the following:

- **To make the creation of decent work opportunities and sustainable livelihoods, the primary focus of government economic policies.** Government will make maximum use of all the means at the disposal to achieve this including the programmes of development finance institutions and regulatory bodies, through government procurement and public incentive rules, in industrial, trade, competition, labour market and other policies.
- **To ensure that macro-economic policy is informed by the priorities in the electoral mandate and actively promotes creation of decent employment, economic growth, broad-based industrialisation, reduced income inequality and other developmental imperatives.** Economic policy will include measures to decisively address obstacles that limit the pace of employment creation and poverty eradication, and government will intervene in favour of more sustainable and inclusive growth for all South Africans.
- **To ensure that state-led industrial policy leads to the transformation of the economy.** Adequate resources will be provided to strengthen the state-led industrial policy programme, which directs public and private investment to support decent work outcomes, including employment creation and broad economic transformation. The programme will target labour-intensive production sectors and encourage activities that have high employment effects. It will include systematic support for co-operatives by way of a dedicated support institution and small business development; supporting investment in productive sectors; and working together with countries in southern Africa to invest in the regional economy.



- **To implement special sector programmes embracing industrial, trade and other measures backed by adequate resources.** This will include the strengthening of the manufacturing, mining and other vulnerable sectors, and tide them through the period of the global economic crisis, saving and growing jobs in the clothing and textile sector, strengthening the automobile and components sector, expanding the food industry and other sectors.
- **To ensure that a comprehensive package of measures is introduced to promote beneficiation programmes,** to ensure that the natural wealth of the country is shared, and developed locally, and to accelerate the creation of decent work opportunities in manufacturing and services.
- **To engage the private financial sector in order to facilitate its transformation and diversification** including the development of the co-operative financial institutions as well as ensuring that the sector contributes to investment and developmental priorities of the country.
- **To develop programmes to promote the important role of mining and agriculture in employment, meeting basic needs and community development,** and commit to continued transformation of these sectors to achieve national goals. Furthermore, government will ensure meaningful benefits for communities who gave up their land for mining activities.
- **To support tourism and other services** in order to expand work opportunities.
- **To develop and invest in a programme to create large numbers of 'green jobs',** namely employment in industries and facilities that are designed to mitigate the effects of climate change.
- **To ensure that the mandates of development finance institutions are clear and truly developmental** and that their programmes contribute to decent work outcomes, achievement of the country's developmental needs and sustainable livelihoods.
- **To lead a massive public investment programme for growth and employment creation.** In the period ahead, government will accelerate and expand its investment in public infrastructure. This will include expanding and improving the rail networks, public transport, and port operations, dams, housing construction, information and communications technology and energy generation capacity as well as education and health infrastructure, and in the process create additional decent work opportunities whilst meeting the basic needs of the society.
- **To step up a massive programme on expanded public works linked to infrastructure and meeting social needs** with home-based care, crèches, school cleaning and renovation, community gardens, removal of alien vegetation, tree planting and school feeding.
- **To address quality of employment issues,** government will introduce laws to regulate contract work, subcontracting and out-sourcing, address the problem of labour broking and prohibit certain abusive practices. Provisions will be introduced to facilitate unionisation of workers and conclusion of sectoral collective agreements to cover vulnerable workers in these different legal relationships and ensure the right to permanent employment for affected workers. Procurement policies and public incentives will include requirements to promote decent work.
- **To create an environment for more labour-intensive production methods as well as procurement policies that support local jobs and building public-private partnerships.**

- **To vigorously implement broad-based economic empowerment and affirmative action policies** and adjust them to ensure that they benefit broader sections of the South African people, especially workers, youth, women and people with disabilities. Policies will, in addition, actively promote skills development and equity at the workplace.
- **To launch a much larger national youth service programme** focusing on access to funding and employment creation, which will be linked to skills development opportunities and build decent work opportunities for young people.

#### 4.4 Framework Agreement

On 19 February 2009, government and social partners in NEDLAC agreed on a *Framework for SA's Response to the International Crisis*. The framework outlines bold, immediate and urgent interventions to ensure that the South African economy and society are buffered against the full impact of the international economic crisis. These include:

- maintaining high levels of public investment in infrastructure to support private and public job preservation and creation;
- deploying macroeconomic policies in combination and aggressively, where required, to address the economic crisis;
- utilising industrial and trade policies to rebuild local industrial capacity and avoid the erosion of the country's manufacturing base;
- utilising a combination of measures on public employment, private sector initiatives, including training, to avoid massive job losses; and
- scaling up social interventions to address the jobs challenge and ensure social protection.

#### 4.5 Legislative mandates

The Department is responsible for the following entities:

- three regulatory bodies:
  - the Competition Commission;
  - the Competition Tribunal; and
  - the International Trade Administration Commission (ITAC)); and
- three development finance institutions:
  - the Industrial Development Corporation (IDC);
  - Khula Enterprise Finance Limited (Khula); and
  - the South African Micro-finance Apex Fund (Samaf)).

In line with these responsibilities the Department administers the following legislation:

- The Industrial Development Corporation Act, 1940 ( Act 22 of 1940);
- The Competition Act, 1998 (Act 89 of 1998); and
- The International Trade Administration Act, 2002 (Act 71 of 2002), save for item 2 of Schedule 2 of this Act read with section 4(2) of the Board on Tariffs and Trade Act 107 of 1986, which is administered by the Minister of Trade and Industry.

#### **4.6 Policy mandates**

EDD is responsible for developing economic policy with a broad, cross-cutting focus so that macro- and micro-economic policy reinforce each other and are both aligned to the electoral mandate. The Department is also responsible for economic development planning and works collegially with other departments to ensure coordination around a programme that places decent work at the centre of government's economic policies.

At its January 2010 Lekgotla, Cabinet adopted a new outcomes-based approach to monitoring and evaluation of government's performance. The Economic Ministers (Minister Gordhan, Minister of Finance; Minister Davies, Minister of Trade and Industry; and Minister Patel, Minister of Economic Development) led the development of Outcome 4: Decent Employment through Inclusive Growth. A Delivery Agreement was developed for the outcome, which was discussed at the July 2010 Cabinet Lekgotla. The Delivery Agreement for Outcome 4 was signed by the relevant Ministers on 20 October 2010. The implementation of the Delivery Agreement is an important focus for the Department.

On 25 October 2010 Cabinet adopted the New Growth Path (NGP), a strategy promoting decent work and inclusive growth. The NGP identifies key sectors in the economy with high jobs potential that will be supported by government. It further identifies key policy interventions to create an environment conducive to economic growth and job creation. Finally, it advocates a process of social dialogue to secure dialogue from key stakeholders in society. The implementation of the NGP is a central focus of EDD work in the 2011/12 financial year.

#### **NEW GROWTH PATH**

The New Growth Path (NGP) is more than a list of sectors that have been identified. The following sets out a brief summary of the programme.

The NGP sets an ambitious jobs target of 5 million new jobs by 2020 and directs that economic policy should actively pursue jobs goals. The IDC has been identified as a key institution in the achievement of this goal.

The NGP has a number of key organising principles that would need to be referred to in the strategic plans of agencies, as well as integrated in the work of the agencies.

These organising principles include:

- a) improving the labour absorption capacity of the economy, both in the absolute number of jobs created as well as in the labour intensity of economic growth, ie the number of jobs per 1% of GDP growth or per R1 billion of investment

- b) rebuilding the productive capacity of South Africa, among other through a stronger focus on key real economy sectors and improving their performance
- c) integrating green consideration in economic growth, both by decreasing the carbon emission of economic activities as well as actively identifying new opportunities in the green economy
- d) focusing on the opportunities on the African continent for South Africa, and supporting both logistics and industrial opportunities elsewhere on the continent that can strengthen South Africa's own employment and economic development
- e) improving the coherent and linkages between different sectors (for example between infrastructure components and local manufacturing capacity) as well as between public institutions (e.g. the IDC and Eskom) to ensure that the jobs and development opportunities are maximised
- f) promoting social partnerships between business, labour and government as critical instruments to drive the jobs goals

In addition to these key organising principles, there are number of areas that are identified for particular focus and these include

- o lowering the cost of capital for industrial enterprises and manufacturing activities
- o improving skills development across the economy, including through the work of the DFI's
- o strengthening competitiveness in the economy and tackling inherent problems of monopolies and price-fixing
- o supporting the growth of smaller businesses as well as cooperatives as a means of drawing more South Africans into entrepreneurial activities and improving job creation
- o focusing trade policy on the opportunities in fast growing economies, including through rebalancing trade with stronger exports of manufactures goods
- o strengthening rural development through both the location of industrial activity as well as supportive infrastructure that can unlock opportunities for rurally based citizens
- o addressing the key development goals of women empowerment, BB-BEE, youth employment and local economic development
- o improving the performance of development finance institutions, including the cost of their services, turnaround times for sign off on key projects and the level of capital that they can mobilise for the identified activities set out in the New Growth path.

## **4.6 Planned policy initiatives**

As part of the implementation of the NGP, the Department will develop strategies and implementation plans in cooperation with the relevant government departments and agencies:

- Strengthening competition policy
- Procurement reform to support local procurement
- Implementation of a revised broad-based BEE framework
- Skills enhancement and reform of the skills system
- Small business development
- Developmental trade strategy implementation
- Improving the regulatory framework
- Promoting a competitive exchange rate
- Social dialogue
- Addressing costs pressures in the economy

## **5 Situational analysis**

The Economic Development Department was established on 7 July 2009 in terms of the Public Service Act, 1994 (Proclamation 103 of 1994), following the creation by President Zuma of a new portfolio of Economic Development on 10 May 2009 and the appointment of Mr Ebrahim Patel as Minister and Ms Gwen Mahlangu-Nkabinde as Deputy Minister. The Department secured short-term and medium-term budgets, developed a Strategic Plan and an organogram, among other activities in the first nine months of its existence.

In February 2010 the Director-General, Prof Richard Levin, was appointed and he developed and implemented the recruitment plan. Key senior staff was appointed. Although the Department was involved in a range of activities, the core focus was the development of Outcome 4 on decent employment and inclusive growth and the New Growth Path. The outcomes approach was developed by the new Administration to elevate M&E in government to the levels of outcomes and impact rather than a focus on outputs and activities.

In relation to economic development, the challenges of poverty, inequality and unemployment informed the development of the New Growth Path strategic framework and the Outcome 4 Delivery Agreement. Recent statements by President Zuma have championed the implementation of the NGP and Outcome 4.

In terms of the service delivery programmes of the Department (Economic Policy Development; Economic Planning and Coordination; and Economic Development and Dialogue), given capacity constraints and in the nature of the work, EDD officials will work closely with other departments and with government agencies to achieve its mandate. EDD, together with the dti and the National Treasury, work within the Economic Sectors and Employment Cluster and the Infrastructure Cluster.

### **5.1 Performance environment**

South Africa's economic growth since 1994 has been on a par with all middle income countries except China and India. However, unemployment is far higher, reflecting a long-term decline in the employment

ratio from the late 1970s. Income inequality is among the worst in the world. The downturn from late 2008 wiped out over a million jobs, returning unemployment to levels of the early 2000s. This is the primary challenge that the Economic Development Department was established to address.

The NGP sets a target of 5 million new jobs by 2020, which requires that employment climb an estimated 3.4% per year, on average, over the next ten years. In implementing the NGP, the Department and the Economic Cluster of Departments will introduce targeted measures to support employment-creating activities; refine and implement the crosscutting package of macro and micro economic policies to ensure equitable, competitive and dynamic growth; strategies to support African regional development and South-South relations; and promote social dialogue and partnerships to ensure realistic and cost-effective measures and support implementation.

## 5.2 Organisational environment

Currently the Department has over 70 staff and continues to recruit new staff. There are some challenges, including accommodation on the dti campus, the time it takes to fill posts and consequently the Department's capacity to implement projects and programmes. A Chief Financial Officer and Chief Director: Human Resource Management have been in place since July 2010 and an Internal Auditor was appointed in November 2010. The Corporate Services staff has worked with the dti and established systems within EDD to manage the procedures required in terms of legislation and regulations.

The Department has 129 funded posts in 2011/12, 140 funded posts in 2012/13 and 140 funded posts in 2013/14. Areas in which capacity will need to be built as a matter of urgency include: economic sectors, oversight of entities; planning and reporting support; policy development; and top management.

## 5.3 Description of the strategic planning process

An intensive planning process was undertaken between May 2009 and March 2010, during which period the Department's first Strategic Plan (2010/11 to 2012/13) was developed. A draft was in place by September 2009 and this was consulted upon with stakeholders and refined. The draft was further refined and finalised for tabling on 3 March 2010. It was presented to the Portfolio Committee on Economic Development on 5 March 2010.

The 2011/12 to 2015/16 Strategic Plan, which updates the 2010/11 to 2012/13 Strategic Plan, was discussed at a strategic planning session held on 9 February 2011.

## 6 Strategic outcome oriented goals of the institution

*State the institution's strategic outcome oriented goals.*

<b>Strategic Outcome-Oriented Goal</b>	Promote decent work through meaningful economic transformation and inclusive growth
<b>Goal statement</b>	Provide participatory, coherent and coordinated economic policy, planning and dialogue for the benefit of all South Africans

## Outcome indicators:

The indicators for outcomes reflect Outcome 4: Decent employment through inclusive growth. Success in these areas requires both that all government agencies systematically implement the New Growth Path and that the global economy continues to grow. EDD contributes by monitoring progress in supporting competitiveness, employment creation and equity in the public and private sectors and by assisting in defining more effective economic strategies to achieve those ends.

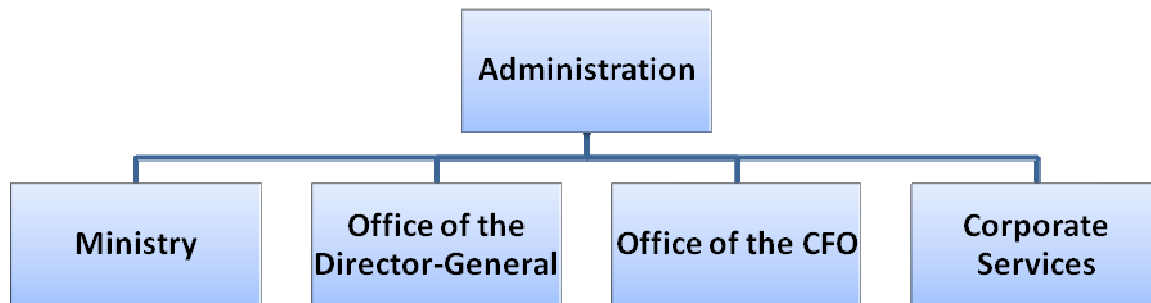
## The indicators include:

1. Number of jobs created / reducing unemployment
2. GDP growth
3. Employment ratio or absorption rate
4. Distribution of earned income
5. Households in poverty

## PART B: STRATEGIC OBJECTIVES

### 7.1 Programme 1- Administration

**Programme purpose:** Coordinate and render an effective, efficient, strategic support and administrative service to the minister, deputy minister, director-general, the department and its agencies.



#### 7.1.1 Strategic objectives

State the institution's strategic objectives for the programme.

<b>Strategic Objective 1</b>	Provide strategic support and administrative service to the Minister and the Deputy Minister
<b>Objective statement</b>	This sub-programme will provide efficient and effective support to the Minister and Deputy Minister in their executive obligations and engagements with Cabinet, Parliament, government ministries and departments, provincial departments of economic development and provincial and municipal executives and legislatures, government entities and SOEs, international economic agencies, foreign economic representatives, stakeholders including social partners, communities, the media and the public.
<b>Baseline</b>	Staff in place and performing their functions.

<b>Strategic Objective 2</b>	Provide strategic support and administrative service to the Director-General
<b>Objective statement</b>	This sub-programme will provide strategic advice and support on legislation, policies, policy alignment and co-ordination; ensure compliance regarding planning and reporting requirements; support the Department's participation in the cluster system; provide support to the Ministry and departmental branches on operational and administrative matters; ensure effective document flow; and provide sound internal audit and risk management services.
<b>Baseline</b>	Support service being rendered. Staff in place. Additional staff required...



<b>Strategic Objective 3</b>	Provide operational and administrative support to EDD
<b>Objective statement</b>	This sub-programme will provide efficient and effective legal services; human resource management; information technology services; financial management and related services; communication and events management services
<b>Baseline</b>	Receiving support from the dti in corporate services; in the process of building own capacity. 9 EDD staff in place.

## 7.1.2 Resource considerations

### Budgetary trends

No major increase in budget for Programme 1 is anticipated. Standard increases have been applied to the 2010/11 allocation.

<b>Programme 1</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Budget MTEF (Rm)</b>	55,031	60,530	63,741

### Personnel trends

The intention is to hire up to 62 staff in Programme 1 by 2011/12, which will remain constant over the MTEF. As at 31 January 2011 there were 21 permanent, 7 contract and 4 seconded staff members in Programme 1 (total 32).

<b>Programme 1</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Projected personnel numbers</b>	62*	62*	62*

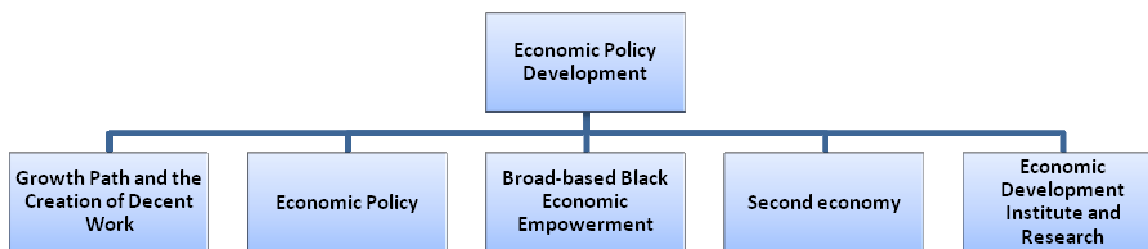
\*Maximum targeted numbers

## 7.2 Programme 2 - Economic Policy Development

**Programme purpose:** Strengthen the economic development policy capacity of government; review, develop and propose the alignment of economic policies; and develop policies aimed at broadening participation in the economy and creating decent work opportunities.

The programme consists of the following sub-programmes:

1. Growth Path and Creation of Decent Work
2. Economic Policy
3. Broad-Based Black Economic Empowerment
4. Second Economy
5. Economic Development Institute and Research



### 7.2.1 Strategic objectives

<b>Strategic Objective 1</b>	Coordinate the implementation of the New Growth Path
<b>Objective statement</b>	This sub-programme will develop papers and policy proposals and hold of policy platforms; consult with departments, municipalities, public entities and SOEs; establish an economic development index; and generate fact sheets, policy briefings, policy proposals and working papers.
<b>Baseline</b>	<p>As at December 2010:</p> <ul style="list-style-type: none"> <li>• Number of policy and analytical papers on economic policy challenges: 9 (annual target of 10)</li> <li>• Number of policy platforms on economic challenges: 8 (annual target of 10)</li> </ul> <p>New Growth Path launched on 23 November 2010.</p>

<b>Strategic Objective 2</b>	Develop economic policies and sector strategies
<b>Objective statement</b>	This sub-programme will identify macro-economic and micro-economic policy options, outline and analyse future paths of the economy under a different mix of policies in a consistent manner; quantitatively analyse the likely impact of policy options and shocks on the main growth and development index; and analyse the impact of uncertainty on the economy by showing how the system will respond to different development in external factors such as oil prices or world trade.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Number of policy and analytical papers on economic policy challenges: 9 (annual target of 10)</li> <li>• Number of policy platforms on economic challenges: 8 (annual target of 10)</li> </ul>

<b>Strategic Objective 3</b>	Promote Broad-Based Black Economic Empowerment (B-BBEE)
<b>Objective statement</b>	This sub-programme will work to ensure that the economy is structured and transformed to enable the meaningful participation of the majority of its citizens and to further create capacity within the broader economic landscape at all levels
<b>Baseline</b>	Participation in three meetings of the Presidential Advisory Council on BBEE.

<b>Strategic Objective 4</b>	Transform and mainstream the second economy
<b>Objective statement</b>	This sub-programme will develop policies that will transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and included in the country's tax and other arrangements.
<b>Baseline</b>	Initial research and consultation has been undertaken on: a multi-pronged strategy to reduce youth unemployment; a strategy to integrate second economy activities into the mainstream economy; and a cooperatives strategy.

<b>Strategic Objective 5</b>	Establish an Economic Development Institute
<b>Objective statement</b>	This sub-programme will provide a platform for economic researchers and practitioners to collaboratively produce research and policy papers, to provide analysis of data collected by the state and other institutions and to popularise and make accessible issues of economic policy.
<b>Baseline</b>	Work on this objective has been deferred to the 2011/12 financial year, but related work includes the planning of an Economic Development Conference and the establishment of an Economic Advisory Panel.

## 7.2.2 Resource considerations

### Budgetary trends

No major increase in budget for Programme 2 is anticipated. Standard increases have been applied to the 2010/11 allocation.

<b>Programme 2</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Budget MTEF (Rm)</b>	23,327	29,322	30,886

### Personnel trends

The intention is to hire at least 20 staff in Programme 2 by 2011/12, which will grow to 26 in 2012/13 and 2013/14. As at 31 January 2011 there were 2 permanent and 11 contract staff members in Programme 2 (total 13).

<b>Programme 2</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Projected personnel numbers</b>	20*	26*	26*

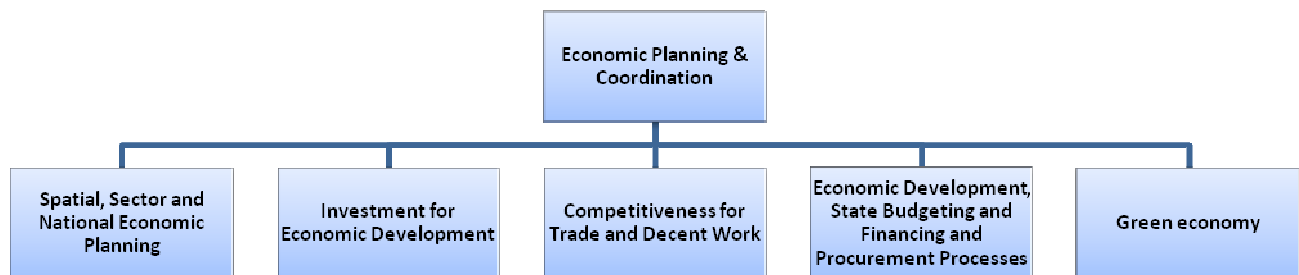
\*Minimum targets set

### 7.3 Programme 3 - Economic Planning and Coordination

**Programme purpose:** Promote economic planning and coordination through developing economic planning proposals; provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies; and contribute to the development of the green economy.

This programme consists of the following sub-programmes:

1. Spatial, Sector and National Economic Planning
2. Investment for Economic Development
3. Competitiveness and Trade for Decent Work
4. Economic Development, State Budgeting and Financing and Procurement Processes
5. Green Economy



### 7.3.1 Strategic objectives

*State the institution's strategic objectives for the programme.*

<b>Strategic Objective 1</b>	Develop Sector, Spatial and National Economic Plans
<b>Objective statement</b>	This sub-programme will develop economic plans for South Africa; promote the development of spatial economic development action plans, particularly for key and distressed areas; build the coherence of provincial and local economic development plans; and promote economic development in major sectors of the economy.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Number of engagements with provincial and/or local government: 10 (annual target of 10)</li> <li>• Number of sector plans produced or reviewed: 4 (annual target of 5)</li> <li>• Number of spatial plans produced or reviewed: 5 (annual target of 10)</li> </ul>

<b>Strategic Objective 2</b>	Promote Investment for Economic Development
<b>Objective statement</b>	This sub-programme will provide oversight and strategic direction to the Industrial Development Corporation (IDC), the Khula Enterprise Finance Limited (Khula) and the South African Micro-Finance Apex Fund (SAMAF); and channel and direct public investment and, where feasible and appropriate, private investment, into economic development to support decent work outcomes.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Number of strategic engagements with development finance institutions and/or economic regulatory bodies: 10 (annual target of 6)</li> </ul>

<b>Strategic Objective 3</b>	Promote Competitiveness and Trade for Decent Work
<b>Objective statement</b>	This sub-programme will provide oversight of and policy and strategic direction to Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa (ITAC); promote African and regional economic development; engage with international economic agencies and multi-lateral institutions; and pursue economic opportunities with major economic groupings including the Brics, EU and the USA.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Number of strategic engagements with development finance institutions and/or economic regulatory bodies: 10 (annual target of 6)</li> </ul>

<b>Strategic Objective 4</b>	Leverage State Budgeting and Financing and Procurement Processes
<b>Objective statement</b>	This sub-programme will undertake research and analysis on government's developmental programmes and processes to ensure alignment with the NGP and will identify opportunities for improving local procurement and production.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Value of special financing facilitated for small businesses, targeted growth sectors and</li> </ul>

	<p>companies in distress R2,379bn (annual target of R2bn)</p> <ul style="list-style-type: none"> <li>Number of interventions promoting economic development through leveraging state expenditure and procurement: 5 (annual target of 10)</li> </ul>
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<b>Strategic Objective 5</b>	Grow the Green Economy
<b>Objective statement</b>	This sub-programme will identify, develop and support projects, incentives and other measures to promote industries that create jobs and have lower or no carbon emissions in energy, agriculture, manufacturing and service sectors, especially tourism.
<b>Baseline</b>	Joint project with the ILO on greening the construction sector. Co-hosted the Green Economy Summit. Green Economy chapter in the NGP. Workshop with business held.

### 7.3.2 Resource considerations

#### Budgetary trends

For the most part, no major increase in budget for Programme 3 is anticipated. Standard increases have been applied to the 2010/11 allocation. Two special allocations have been made: an allocation of R55 million for a pilot of Khula Direct, and an allocation of R250 million over the medium-term period to the IDC to establish an Agro-processing Competitiveness Fund.

<b>Programme 3</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Budget MTEF (Rm)</b>	499,898	566,559	599,450
<b>Transfers</b>	464,823	524,266	554,931
<b>Excluding transfers</b>	35,075	42,293	44,519

#### Personnel trends

The intention is to hire 33 staff in Programme 3 by 2011/12, which will rise to 38 in 2012/13 and 2013/14. As at 31 January 2011 there were 4 permanent and 7 contract staff members in Programme 1 (total 11).

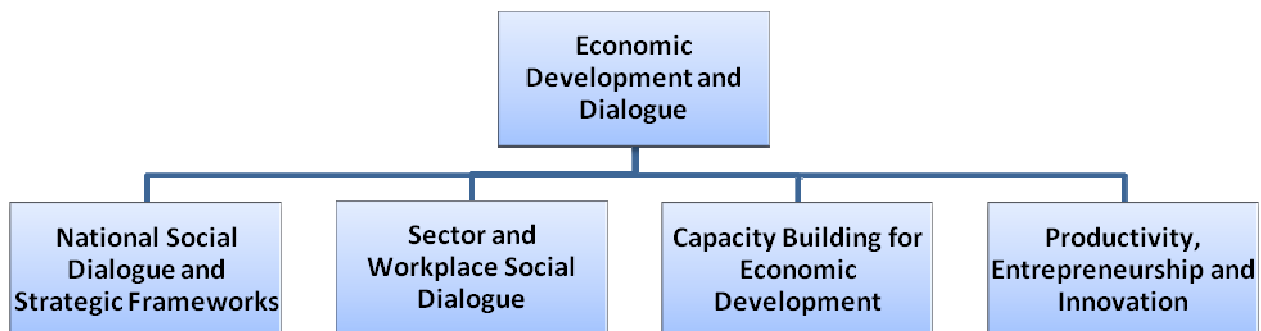
<b>Programme 3</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Project personnel numbers</b>	33	38	38

## 7.4 Programme 4 - Economic Development and Dialogue

**Programme purpose:** Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.

The programme consists of the following sub-programmes:

1. National Social Dialogue and Strategic Frameworks
2. Sector and Workplace Social Dialogue
3. Capacity Building for Economic Development
4. Productivity, Entrepreneurship and Innovation



### 7.4.1 Strategic objectives

<b>Strategic Objective 1</b>	To Lead National Social Dialogue and Implement Strategic Frameworks
<b>Objective statement</b>	This sub-programme will coordinate government's policy input and contributions to social dialogue on economic development matters and consult with the relevant departments; negotiate national economic development and decent work pacts; and coordinate the implementation of the Framework Agreement.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>• Social dialogue and capacity building engagements held 21 (annual target of 10); Framework Agreement implemented since February 2009</li> </ul>



<b>Strategic Objective 2</b>	Engage in Sector and Workplace Social Dialogue
<b>Objective statement</b>	This sub-programme will develop partnership agreements in key sectors and workplaces through the process of social dialogue.
<b>Baseline</b>	As at December 2010: <ul style="list-style-type: none"> <li>Number of economic development agreements (sectoral, workplace and national) facilitated with social partners: 5 (annual target of 10)</li> </ul>

<b>Strategic Objective 3</b>	Support Capacity building for Economic Development
<b>Objective statement</b>	This sub-programme will promote the research output and knowledge by the social partners through the establishment and administration of a Social Partner Fund or equivalent mechanism; periodically convene an Economic Development Advisory Panel; create and coordinate knowledge networks; and convene and host an annual conference.
<b>Baseline</b>	Initial work on capacity building has been done. The Economic Advisory Panel has been established and has met three times. Informal knowledge networks have been created. Preparations to host the inaugural Economic Development Conference are underway.

<b>Strategic Objective 4</b>	Foster Productivity, Entrepreneurship and Innovation
<b>Objective statement</b>	To develop a policy framework for the increasing productivity, enhancing innovation and entrepreneurship.
<b>Baseline</b>	Input on productivity pacts in the NGP.

## 7.4.2 Resource considerations

### Budgetary trends

No major increase in budget for Programme 1 is anticipated. Standard increases have been applied to the 2010/11 allocation.

<b>Programme 4</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Budget MTEF (Rm)</b>	16,284	18,294	19,257

### Personnel trends

The intention is to hire at least 14 staff in Programme 1 by 2011/12, 16 in 2012/13 and 16 in 2013/14. As at 31 January 2011 there were 1 permanent and 6 contract staff members in Programme 4 (total 7).

<b>Programme 4</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Projected personnel numbers</b>	14*	16*	16*

\*Minimum targets set

## 7.5 Risk management

### 7.5.1 Internal risks

#### 1. Staff turnover

EDD remains understaffed. Senior managers are in some instances doing the detailed work that would in the ordinary course be delegated to junior officials in addition to their more strategic work. This heightens the risk associated with the loss of key staff. This risk is mitigated by providing a positive, supportive environment in which constraints are acknowledged and addressed as far as possible.

#### 2. Building a fully capacitated staff establishment

Certain key posts have not yet been filled, some of which are crucial to reducing risks relating to internal controls, asset management, compliance with regulatory requirements etc. The pace of recruitment also impacts on the *ability* to recruit in the case of the Human Resource Management Chief Directorate. It could also place additional burdens on incumbent staff. The risk is mitigated by developing and implementing a recruitment plan and prioritising key posts.

#### 3. Internal controls

The public service is a highly regulated environment and practices and procedures have been put in place to reduce the risk of maladministration and corruption and to expose them where they occur. Where internal controls are inadequate it is possible that corruption and maladministration will go unnoticed or will only be identified some time afterwards. A rigorous system of internal controls and an effective internal audit unit should reduce this risk. A Director: Internal Audit was appointed in November 2010 and has produced a series of reports for the Director-General.

#### 4. Asset management

Poor asset management is the single most significant factor in qualified audits in the public service. EDD is working in a transitional environment, in which some assets are managed by the dti (eg IT equipment). EDD must establish the systems and procedures for proper asset management or risk thefts and losses. The risk is mitigated by establishing systems and procedures in the shortest possible time.

#### 5. Accommodation

EDD is accommodated on the dti campus. Space is very limited on the campus which houses the dti and a number of agencies, some of which now report to EDD. The relocation of CIPRO off campus will alleviate the situation and release a block for EDD's use. However there have been delays in CIPRO's move. The continued expansion of the Department is at risk under the current circumstances, and this risk is best mitigated through constructive engagement with the dti and EDC property managers.

## 7.5.2 External risks

### 1. Coordination across government

Much of EDD's work involves coordination with other government departments, including provincial departments of economic development, municipalities, in particular metros, public entities and state-owned enterprises. Coordination across government is often challenging, and the associated risk is that projects and programmes will fail to have the necessary impact. Coordination relates both to policy and implementation. The risk is best mitigated through functioning intergovernmental structures, including the President's Coordinating Council, MinMecs and municipal intergovernmental structures.

### 2. Engagement with social partners

The NGP cannot be implemented by government alone. The active participation of all social partners is essential to the NGP's success. Business, labour and civil society all have a critical role to play. If there is serious discord among social partners, the targets in the NGP will not be fully realised. Social pacts between the social partners must be negotiated. The risk may be mitigated by functioning Nedlac structures and other negotiating structures of the social partners.

### 3. Research and Monitoring & Evaluation

Economics is a very data-rich field and accurate statistics are required to inform the critical decisions government must make. The capacity to perform quantitative analysis will require enhanced skills to develop short, action-oriented outputs. Similarly it will be necessary to monitor and evaluate progress towards the jobs targets based on accurate information. If there are challenges in collecting or analysing the data there is a risk that government will take ill-advised decisions based on faulty data. The risk may be mitigated by building capacity internally and in-sourcing capacity where required to ensure sound data collection and analysis.

## PART C: LINKS TO OTHER PLANS

### 8. Public entities

The Department is responsible for the following entities (with effect from 1 April 2010 unless otherwise stated):

- three regulatory bodies:
  - the Competition Commission;
  - the Competition Tribunal; and
  - the International Trade Administration Commission (ITAC)) (with effect from 23 July 2010); and
  
- three development finance institutions:
  - the Industrial Development Corporation (IDC);
  - Khula Enterprise Finance Limited (Khula); and
  - the South African Micro-finance Apex Fund (Samaf)).

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

## 8.1 Competition Commission

The Competition Commission is mandated by the Competition Act 89 of 1998 to prosecute anti-competitive conduct, including horizontal restrictive practices such as cartels and bid-rigging, vertical restrictive practices such as exclusive agreements and resale price maintenance, and abuse of dominance, including excessive pricing, exclusionary conduct and price discrimination. The Commission also controls mergers to prevent market concentration by making recommendations on large mergers to the Tribunal, approving intermediate mergers and acquiring notification of small mergers. It advocates for pro-competitive legislation, policy and behaviour.

The Commission's programmes include:

- *Mergers and acquisitions* reviews, investigates and analyses mergers to ensure that a transaction does not prevent or lessen competition to the detriment of consumers and the public interest;
- *Enforcement and exemptions* investigates complaints of restrictive horizontal and vertical practices, abuse of dominant positions, and reviews exemption applications;
- *Legal Services* prosecutes anti-competitive behaviour and litigates cases before the Competition Tribunal and other courts;
- *Policy and Research* assists with economic analysis in complex cases, conducts market studies on the existence and implications of possible anticompetitive behaviour, and develops economic briefs and reports.

The Commission has registered considerable success in its investigations into the food supply chain; key inputs, namely fertilizer, grain silos and tinplate; and the construction supply chain. Major penalties awarded included those against Sasol (R251 million) and Pioneer Foods (R695 million). The Commission's work continues to expand and it was allocated additional funds in the Adjusted Budget 2010/11.

## 8.2 Competition Tribunal

The Competition Tribunal was established on 1 September 1999 in terms of the Competition Act 89 of 1998. The Tribunal is an adjudicative body and hears referrals from the Competition Commission (mergers and prohibited practices), consumers, firms and trade unions (mergers, interim relief, complaint referrals). It hears cases of mergers and prohibited practices (cartels, anti-competitive practices, abuse of dominance).

The Tribunal has set itself four strategic outcomes that enable it to operate within their mandate as a credible institution within the Public Service and pursue its commitment to educate and inform the public. In brief these objectives/outcomes are:

- To promote and maintain competition within South Africa by holding hearings and adjudicating matters;
- To educate and create awareness of competition matters to our stakeholders;
- To enhance the expertise of Tribunal members and staff; and
- To improve the Tribunal's service to customers.

The Tribunal consists of 10 panel members – appointed by the President of South Africa – 3 of these being full-time and 7 being part-time. The members are supported by a secretariat staff of 14 with 5 of these being case managers who deal with specific cases.

### **8.3 International Trade Administration Commission (ITAC)**

ITAC was established in terms of the International Trade Administration Act 71 of 2002. ITAC's mandate is to establish an efficient and effective system for the administration of international trade. It advises the Minister on policy, regulations and investigations on import tariffs, trade remedies (anti-dumping duties, countervailing duties and safeguards), and import and export control measures. It administers industry rebates and drawbacks and permits including MIDP, TCIDP duty credits/drawbacks and verifications, and import and export permits. Finally it conducts inspections in respect of certain functions.

Alignment of the work of ITAC to the NGP and its high-impact industrial policy, through its revised core business policies, will be a priority. ITAC's tariff recommendations will be carefully designed to promote domestic manufacture, job retention and creation, and international competitiveness, and will be made conditional on a commitment by beneficiaries on performance measured against government's set policy objectives. The New Growth Path places employment creation at the centre of economic policy, identifying a number of job drivers of which, given its trade instruments, the following are of relevance to ITAC: manufacturing, infrastructure development; the green economy; agriculture and agro processing; minerals beneficiation; and the regional economy.

### **8.4 Industrial Development Corporation (IDC)**

The IDC is a state-owned development finance institution, established in 1940 by an Act of Parliament (Industrial Development Corporation Act, 1940 (Act No. 22 of 1940)). The IDC was established to spearhead the development of domestic industrial capacity, especially in light of the shortages of manufactured goods experienced as a result of the disruption of trade between Europe and South Africa during the Second World War. Over the 70 years of the IDC's existence, the Corporation's role and focus have changed over time.

The IDC, as a publicly-owned development finance institution, is a key lever available to government in promoting sustainable economic development. The IDC, as a major financier of industrial development,

has a critical role to play in implementing a broad-based industrialisation strategy. Based on its extensive investments and involvement in various sectors, the IDC has detailed knowledge of the real economy, capacity to assist in promoting appropriate sector development strategies, and considerable research and technical ability, which are invaluable in promoting government's economic development agenda.

To more effectively support the NGP and its manufacturing driver, IPAP2, the IDC is restructuring its operations to increase its focus on the priority sectors and stopping activities in sectors not aligned to these policies. IDC's operational units will consist of:

- Green Industries;
- Agro-Industries;
- Metal, Transport and Machinery Products;
- Chemicals and Allied Industries;
- Forestry and Wood Products;
- Textiles and Clothing;
- Mining and Minerals Beneficiation;
- Tourism;
- Media and Motion Pictures;
- Information and Communication Technologies;
- Healthcare;
- Venture Capital; and
- Strategic High Impact Projects and Logistics.

President Zuma announced that government was considering merging the three agencies Khula, the SA Micro-finance Apex Fund and the IDC's small business funding into a single unit.

## **8.5 Khula Enterprise Finance Limited (“Khula”)**

The marginalisation of small and medium business from the mainstream economy is a function of, amongst others, apartheid economic structures, excessive economic concentration, and the unavailability of affordable finance from the private financial sector. Government's goal of broad-based and inclusive economic development, therefore, has as a key element the provision of affordable finance to small and medium business and co-operatives.

Khula Enterprises Finance Limited (“Khula”) is a state-owned development finance institution (DFI), established in 1996. Khula is mandated to increase access to finance for South African small, medium and micro enterprises (SMMEs) and its model encompasses three core activities: credit indemnities for retail finance institutions (RFIs); wholesale lending; and support services. These core activities are complemented by property rentals to SMMEs and investments by the entity.

The strategic priorities for the entity in relation to these core activities are to improve access to finance and to roll out and implement Khula Direct. The planned target is to approve a further R276 million and disburse R 573 million to SMME's over the next three financial years to 2013/2014.

Since 2008 Khula has been planning a move into direct retail lending under the banner Khula Direct. Research has shown that there is a significant portion of the SMME market that is underserved by financial institutions and Khula plans to correct this market failure by offering loans directly to SMMEs. A pilot project has been approved for 2011/2012 and R55 million has been allocated to fund this trial.

## **8.6 The South African Micro-finance Apex Fund (SAMAF)**

The South African Micro-Finance Apex Fund (SAMAF) has been operational since 2006 and provides wholesale funding and capacity building support to on-lending financial intermediaries for the provision of affordable financial services to the enterprising poor in South Africa.

SAMAF focus is on establishing a network of sustainable micro-finance institutions. SAMAF will provide loans amounting to R230 million over the medium term to on-lending financial intermediaries for the benefit of the enterprising poor in South Africa as it continues to build a vibrant micro-finance industry to ensure the growth of micro-small businesses in order to reduce poverty and unemployment.

SAMAF has implemented a major review and evaluation to assess the efficiencies and effectiveness of its operating model in achieving its mandate. The results of this evaluation identified binding constraints, lessons learnt and best practice benchmarking standards to stimulate the developmental micro finance sector in South Africa. SAMAF aligned its efforts and will focus on improved support for Financial Intermediaries and Financial Services Co operatives, as well as extension of services to remote and rural areas with an appropriate provincial focus.



## Part D: Programme Outputs and Activities

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
1	<b>Ministry</b>	Effective, efficient, strategic support and administrative service to the Minister and the Deputy Minister.	<ul style="list-style-type: none"> <li>• the management of all matters pertaining to the Ministry's executive obligations;</li> <li>• the management and co-ordination of all contributions to and from cabinet and the presidency;</li> <li>• support for the Ministry's engagement with the EDD, other government ministries and departments, Parliament, provincial departments of economic development and provincial and municipal executives and legislatures;</li> <li>• support for the Ministry's engagement with international economic agencies and foreign economic representatives and</li> <li>• support for the Ministry's engagement with stakeholders, including the social partners, communities, the media and the public in general.</li> </ul>
1	<b>Office of the Director-General</b>	Effective, efficient, strategic support and administrative service to the Director-General and the EDD.	<ul style="list-style-type: none"> <li>• provide strategic advice and advice on legislation, policies, policy alignment and co-ordination;</li> <li>• render a Parliamentary service;</li> <li>• support the Department's participation in the cluster system;</li> <li>• liaise with the Ministry and departmental branches on operational and administrative matters;</li> <li>• ensure effective document flow between the office of the Director-General, Ministry and</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
			<ul style="list-style-type: none"> <li>departmental branches; and</li> <li>the provision of sound internal audit and risk management services.</li> </ul>
1	<b>General Management Services</b>	Effective, efficient, strategic support and administrative service to the EDD	<ul style="list-style-type: none"> <li>corporate governance services, including planning and reporting;</li> <li>the provision of competent legal services;</li> <li>the management of human resources;</li> <li>the provision of effective information technology services;</li> <li>the provision of effective communication and event management services;</li> <li>the provision of financial management and related services, including supply chain management;</li> <li>the provision of a communication strategy and related support services, including campaigns, events and protocol matters; and</li> <li>the provision of other corporate services.</li> </ul>
2	<b>Growth Path and Creation of Decent Work</b>	<p>Papers and policy outputs on the Growth Path</p> <p>Policy platforms on the Growth Path</p> <p>Economic Development Index</p> <p>Papers and policy work on Economic Development and Decent Work</p>	<ul style="list-style-type: none"> <li>Drafting papers on the Growth Path</li> <li>Identification of issues to be addressed in papers</li> <li>Conferences, workshops and consultations with domestic stakeholders and international persons or bodies</li> <li>Drafting fact sheets, policy briefings and policy proposals and working papers</li> <li>Convening cluster discussions on the Growth Path</li> <li>On-going policy work</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
2	Economic Policy	<p><b>Workstream 1: Macro Economic Policy</b></p> <p>Identification of pertinent policy issues for South Africa with due regard to the lessons from international experiences, the priorities for African development and the challenges posed by the global economic crisis</p> <p>Summaries of key debates and issues</p> <p>Recommendations to cabinet on policies and their alignment as well as coherence to the growth path</p>	<ul style="list-style-type: none"> <li>Identifying policy issues</li> <li>Analysis of data collected by other departments and state entities</li> <li>Consultation with experts and stakeholders</li> <li>Drafting fact sheets, policy briefings and policy proposals, working papers and cabinet memorandums</li> </ul>
		<p><b>Workstream 2: Micro Economic Policy</b></p> <p>Identification of pertinent policy issues for South Africa with due regard to the lessons from international experiences, the priorities for African development and the challenges posed by the global economic crisis</p> <p>Summaries of key debates and issues</p> <p>Recommendations to cabinet on policies and their alignment as well as coherence to the growth path.</p>	<ul style="list-style-type: none"> <li>Identifying policy issues to be determined</li> <li>Analysis of data collected by other departments and state entities</li> <li>Consultation with experts and stakeholders</li> <li>Drafting fact sheets, policy briefings and policy proposals, working papers and cabinet memorandums</li> <li>Economic intelligence database on real economy entities, economic entities that the state has a shareholding in, provides incentives to or which have received state support</li> </ul>
		<p><b>Workstream 3: Economic Modelling</b></p> <p>Analysis of future paths of the economy under different mix of</p>	<ul style="list-style-type: none"> <li>Research and production of models</li> <li>Drafting of working papers and policy briefings.</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
		<p>policies in a consistent manner.</p> <p>Quantitative analysis of the likely impact of policy options and shocks on the main growth and development index.</p> <p>Analysis of the impact of uncertainty on the economy by showing how the system will respond to different developments in external factors such as oil prices or global growth.</p>	
2	<b>Broad-Based Black Economic Empowerment</b>	<p>Papers on amendments to policies and scorecards</p> <p>Papers on the impact of BEE policies and scorecard</p> <p>Producing an index of empowerment</p>	<ul style="list-style-type: none"> <li>• Review of policies</li> <li>• Drafting of policies and amendments to existing policies</li> <li>• Close consultation with the dti and other departments</li> </ul>
2	<b>The Second Economy</b>	<p>Policies to transform the second economy</p> <p>Policies to overcome marginal and survivalist activities</p> <p>Mapping of linkages between the first and second economy</p>	<ul style="list-style-type: none"> <li>• Research and commissioning research</li> <li>• Inter-sectoral process, including close coordination with the Department of Rural Development</li> <li>• Analysis of trends</li> <li>• Publications</li> <li>• Drafting fact sheets, policy briefings and policy proposals, working papers and cabinet memorandums</li> </ul>
2	<b>Economic Development Institute and Research</b>	<p>Research and policy papers</p> <p>Statistical and other analysis of data gathered by other departments and</p>	<ul style="list-style-type: none"> <li>• Development of concept document</li> <li>• Legal establishment</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
		<p>entities</p> <p>Popular and accessible publications and programmes on economic development issues</p>	<ul style="list-style-type: none"> <li>• Appointment of director and staff</li> <li>• Launch</li> <li>• Drafting fact sheets, policy briefings and policy proposals and working papers</li> <li>• Resource centre on economic development</li> <li>• Hosting of seminars and workshops</li> <li>• Commissioning research</li> <li>• Create database of global and local Economic development initiatives and institutions</li> <li>• Booklets and programmes aimed at state officials, shop stewards, managers and the public</li> </ul>
3	<b>Spatial, Sector and National Economic Planning</b>	<p><b>Workstream 1: National Economic Planning</b></p> <p>Economic planning proposals for South Africa</p> <p>Ensuring coherence of macro and micro economic plans</p> <p>Ensuring coherence of state entities' policies and plans with the economic development policies and plans of the state</p>	<ul style="list-style-type: none"> <li>• Drafting economic plans</li> <li>• Evaluating the economic development impact of the programmes of state entities</li> <li>• Convening conferences, meetings and workshops with state entities and relevant national departments</li> <li>• Consulting the relevant state entities and national departments</li> <li>• Promoting the alignment of the policies of state entities with those of the state entities.</li> </ul>
		<p><b>Workstream 2: Spatial Economic Development Action Plans</b></p> <p>Framework Plan for Spatial Economic Development</p>	<ul style="list-style-type: none"> <li>• Include following in inter-sectoral process: Rural Development and Land Reform. Co-operative Governance and Traditional Affairs, SALGA, Provincial governments, key municipalities, Treasury, the dti</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
		<p>Assistance to provinces and local government with the development of regional and local economic plans</p> <p>Identifying criteria and listing key areas and distressed areas</p> <p>Spatial economic initiatives</p>	<ul style="list-style-type: none"> <li>• Develop criteria for distressed areas and identify distressed regions and other key areas requiring spatial developmental plans</li> <li>• consult national and provincial departments and local governments</li> <li>• convening consultative forums</li> <li>• draft a framework plan</li> <li>• assist with the drafting of specific regional or spatial plans</li> </ul>
		<p><b>Workstream 3: Coherence of Provincial and Local Economic Development Plans and Agencies</b></p> <p>Convening MINMEC</p> <p>Identifying corridor opportunities across provinces</p> <p>Identifying economic clusters across sectors and regions</p> <p>Identifying competitive advantages in each province and the linkages between them</p> <p>Building strategic relationships with SALGA and the metro's</p>	<ul style="list-style-type: none"> <li>• Convene quarterly meetings of MINMEC</li> <li>• Develop programme for MINMEC</li> <li>• Conference on regional and local economic development</li> <li>• Interactions between provincial development agencies to strengthen their roles</li> <li>• Build coherence and links between national and provincial development agencies</li> <li>• Identify social partnership opportunities to promote economic development opportunities</li> </ul>
		<p><b>Workstream 4: Sector Economic Development</b></p> <p>Policy frameworks for major sectors of the economy</p> <p>Promoting rural economic</p>	<ul style="list-style-type: none"> <li>• Research and commissioning research</li> <li>• Inter-sectoral process, including close coordination with the Department of Rural Development and Land Reform</li> <li>• Analysis of trends in a sector</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
		development	<ul style="list-style-type: none"> <li>• Publications</li> <li>• Drafting fact sheets, policy briefings and policy proposals, working papers and cabinet memorandums</li> <li>• Co-ordinate with the dti on industrial policy framework</li> </ul>
3	<b>Investment for Economic Development</b>	<p><b>Workstream 1: Development Finance Institutions</b></p> <p>Oversight and strategic direction to IDC, Khula and SAMAF</p>	<ul style="list-style-type: none"> <li>• Meetings, workshops and consultations with the development finance and investment institutions</li> <li>• Consultation with National Treasury and the dti</li> <li>• Aligning and building coherence between the institutions' policies and strategic plans with those of the State</li> <li>• Reviewing appropriate governing structures and operations</li> <li>• Research papers on the role and evaluation of development finance and investment institutions</li> </ul>
		<p><b>Workstream 2: Investment and Development</b></p> <p>Analysis of the investment of SOEs, retirement funds and PIC for development and policy initiatives to align those</p> <p>Implementation of 2003 Growth and Development Summit agreements with regard to investment into development activities</p>	<ul style="list-style-type: none"> <li>• Analysis report to be conducted</li> <li>• Investigation of appropriate instruments</li> <li>• Inter-sector process to foster alignment of SOEs' and PICs' investment decisions with that of the state</li> </ul>
3	<b>Competitiveness and</b>	<b>Workstream 1: Economic</b>	<ul style="list-style-type: none"> <li>• Meetings, workshops and consultations with the regulatory bodies</li> </ul>

PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
	Trade for Decent Work	<p><b>Regulatory Bodies</b></p> <p>Oversight of the Competition Commission, Tribunal and ITAC, including their governance, supervision and appointment of senior staff</p> <p>Policy development for these economic regulatory bodies</p>	<ul style="list-style-type: none"> <li>• Consultation and co-ordination with the dti on industrial and trade policies</li> <li>• Identifying trends in trade and competition and anti-trust commissions and policy internationally</li> <li>• Aligning and building coherence between their policies and strategic plans with those of the state</li> </ul>
3		<p><b>Workstream 2: Continental and International Interface</b></p> <p>Promotion of African and regional economic development and policies, including in respect of the African Union (AU) an other regional groupings</p> <p>Contribution to the work of other lead departments responsible for international economic agencies and multilateral institutions</p> <p>Identifying opportunities to build economic opportunities with major economic groupings</p>	<ul style="list-style-type: none"> <li>• Drafting of papers and cabinet memoranda, including papers and memoranda on African and Southern African economic development strategies</li> <li>• Analysis of full economic relations with major economic groupings</li> <li>• Identify policy objectives that will promote economic development in South Africa</li> <li>• Meetings with relevant government departments</li> <li>• Building a database of relevant economic activity</li> <li>• Engagement with the AU, meetings of regional institutions and conferences</li> <li>• Participate with other lead departments in building economic opportunities and outcomes in relation to major economic groupings such as China, India, Brazil, the European Union (EU) and the United States of America (USA).</li> </ul>
3	Economic Development, State Budgeting and Financial and Procurement Processes	<p><b>Workstream 1: Economic Development, State Budgeting and Financing Processes</b></p> <p>Contribution to, evaluation of and</p>	<ul style="list-style-type: none"> <li>• Quantitative and qualitative analysis of the impact of funding and budget requests in the light of government's developmental priorities</li> </ul>



PROG	SUB-PROGRAMME	KEY OUTPUTS	ACTIVITIES
		support to the budgetary and public finance processes in regard to the developmental priorities of the government.	
		<p><b>Workstream 2: Procurement and Development</b></p> <p>Contribution to the work of Proudly South Africa (PSA) in order to ensure that a wider consumer campaign is developed to promote local purchases.</p> <p>Monitoring local procurement within the state (at all levels)</p> <p>Identification of opportunities to improve local procurement</p> <p>Linking businesses and investors with government support obtainable from other departments (for example dti, DST and DOA) in order to improve their supply-capacity.</p>	<ul style="list-style-type: none"> <li>• Development of guidelines to ensure that local procurement is linked to measures to improve the performance of enterprises and to promote equity objectives, including broad-based black economic empowerment.</li> <li>• Contribution to Proudly South African, including performance indicators for PSA.</li> </ul>
4	<b>National Social Dialogue and Strategic Frameworks</b>	<p><b>Workstream 1: Social Partnering and National Social Dialogue</b></p> <p>Negotiation of economic development and decent work pacts</p> <p>Coordinating government's policy input and contributions to social dialogue on economic development</p>	<ul style="list-style-type: none"> <li>• Meetings and consultations with NEDLAC</li> <li>• Consultation and negotiation with social partners</li> <li>• Setting up inter-sectoral process and consultations</li> </ul>

		matters	
		<p><b>Workstream 2: Implementation of Strategic Frameworks</b></p> <p>Successful implementation of the Framework Agreements together with the social partners</p>	<ul style="list-style-type: none"> <li>• Co-ordinate implementation of Framework Agreement on SA's Response to the Global Economic Crisis</li> <li>• Co-ordinate other framework agreements</li> </ul>
4	<b>Sectoral and Workplace Social Dialogue</b>	<p>Identification and establish of forums</p> <p>Development of partnerships agreements in keys sectors and workplaces.</p>	<ul style="list-style-type: none"> <li>• Identifying appropriate forums</li> <li>• Convening forums</li> <li>• Providing support in social dialogue e.g. secretarial, logistical and research</li> </ul>
4	<b>Capacity Building for Economic Development</b>	<p><b>Workstream 1: Capacity Building of Social Partners</b></p> <p>Establishment and administration of a Social Partner Fund or equivalent to promote research and knowledge, particularly at sector level of economic development, growth, equity, productivity</p>	<ul style="list-style-type: none"> <li>• Establishing fund and/or related activities</li> <li>• Administering fund and/or related activities</li> </ul>
		<p><b>Workstream 2: Harnessing Economic Development Expertise</b></p> <p><u>Advisory Panel:</u></p> <ul style="list-style-type: none"> <li>• Establishment</li> <li>• Regular meetings of advisory panel and its committees</li> <li>• Policy advice to government</li> <li>• Identification of key economic</li> </ul>	<p><u>Advisory panel</u></p> <ul style="list-style-type: none"> <li>• Convening panel</li> <li>• Identification of issues to be addressed</li> <li>• Meetings and workshops of the panel and its committees</li> <li>• Reports of the panel meetings</li> </ul>

		<p>challenges drawing on international, regional and national trends</p> <p><u>Knowledge Networks</u></p> <ul style="list-style-type: none"> <li>• Creating and coordinating knowledge networks</li> <li>• Policy advice to government</li> <li>• Identification of key economic issues</li> <li>• Ensuring policy coherence in research work in different institutions</li> <li>• Building coherence on economic development matters within the state and state entities</li> <li>• Technical papers</li> </ul> <p><u>Annual Conference:</u></p> <p>Conference bringing together economic development practitioners, policy makers and researchers to foster research and policy coherence and debate key issues</p>	<p><u>Knowledge networks</u></p> <ul style="list-style-type: none"> <li>• Coordinate networks of economic development economists within the state, state entities, Reserve Bank, state research institutions like the CSIR and HSRC, universities and social partners</li> <li>• Convening workshops, conferences and meetings of these networks</li> <li>• Web-based discussion forum</li> </ul> <p><u>Annual Conference</u></p> <ul style="list-style-type: none"> <li>• Establishing programme</li> <li>• Commissioning papers</li> <li>• Marketing conference</li> <li>• Hosting conference</li> <li>• Conference publication</li> </ul>
4	<b>Productivity, Entrepreneurships and Innovation</b>	<p>Policy frameworks for increasing productivity, enhancing innovation and entrepreneurship</p>	<ul style="list-style-type: none"> <li>• Development of policy frameworks</li> <li>• Meetings and consultations with Productivity South Africa</li> <li>• Research</li> <li>• Meetings and consultations with social partners</li> </ul>