



**KZN ECONOMIC DEVELOPMENT**  
**Department:**  
**Economic Development**  
**PROVINCE OF KWAZULU-NATAL**

# **DEPARTMENTAL STRATEGIC PLAN**

## **FOR THE PERIOD 2005-2009**

# 2005-2009 DRAFT STRATEGIC PLAN OF THE KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT

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## **PART A : STRATEGIC OVERVIEW**

### **1.1 STATEMENT OF POLICY AND COMMITMENT BY MEC FOR FINANCE AND ECONOMIC DEVELOPMENT : HON. DR ZWELI MKHIZE**

#### ***“CREATING WORK AND FIGHTING POVERTY – FROM FOOD SECURITY TO ECONOMIC GROWTH”***

This strategic plan of our Department reflects a new focus and drive for effective delivery around those interventions which we believe :

- a) will make a meaningful **impact** in terms of economic growth,
- b) will lead to greater levels of **empowerment and job creation**,
- c) will build a stronger partnership between the public and private sectors around specific economic strategies.

Our strategic plan has been developed with our eyes firmly fixed on the priorities of the province and the interpretation of these as outlined in our Provincial Growth and Development Strategy.

It is common cause that the economy has been placed on a stable and solid growth path through a very sound macro-economic policy, which has been implemented at national level. But it has also been agreed by all social partners that more needs to be done to address market failures and in particular, to stimulate much higher levels of employment across the country. Job creation, in all its forms will thus continue to be a priority for the forthcoming term of Government. This job creation focus needs to be pursued in all three spheres of Government, and more effective and structured partnerships with all key stakeholders will be critical to the success of this drive. Creating jobs and eradicating poverty, of necessity requires collaboration with everyone who can make a contribution to this co-ordinated job creation programme.

At provincial level, we seek to stimulate job creation in the context of a dual economy. One economic that is a wealthy, regulated, first world and modern economy, and on the other hand, a poor, marginalized, unregulated informal economy which is characterized by high unemployment levels and “survivalist” economic activity. A job creation strategy must thus be about more effectively bridging the gap between these two economies. In summary, this gap needs to be bridged by Government playing a more active role in supporting the “mainstreaming” of the informal economy and stimulating labour-intensive economic activity and especially new small business development. What this means is

implementing more substantial programmes at provincial and local levels to invest in infrastructure, drive and co-fund catalytic economic projects, implement a coherent human resource development strategy which talks to the labour market needs, address the HIV/Aids pandemic and provide business growth support so that entrepreneurs, organized communities, women's groups and co-operatives and youth in both urban and rural areas can move from the level of survivalist activity to real competitive and sustainable business.

The KwaZulu-Natal Department of Economic Development has therefore reformulated its strategic plan for the next 4 years in line with the key new economic growth and development priorities of Government.

### ***Poverty Alleviation and Accelerated Local Economic***

Local Economic Development (LED) is about stimulating integrated economic growth and development within localized target areas. Thus LED has both short and long terms objectives. In the short term an LED programme seeks to create employment opportunities though linking community needs with economic project opportunities. Communities identify their development backlogs and areas of infrastructural need, including roads, schools, clinics, training colleges, community halls/facilities, houses, police stations, etc. These initiatives are planned to dovetail with the local IDP processes, but with specific focus on fast-tracking the economic component and job creation impact of the IDP. ***The EU Funded LED Programme*** gets under way this year and runs for a five year period. The programme will develop long terms strategic models for promoting successful LED while real economic projects are packaged and implemented within these areas. The programme also emphasizes an integrated, locally-driven economic growth approach, and through the programme provincial and municipal stakeholders will build their capacity to manage sustainable LED strategies for the long-term.

### ***Support for the KZN Growth Fund and Catalytic Projects***

The province is not short of potential economic projects which, if implemented, would have many positive spin-offs for job creation and empowerment. Many catalytic economic projects also have the potential to unlock a much more significant number of further developments. The Dube Tradeport, incorporating King Shaka International Airport is an example of this type of project, where the initial investment by Government into such a public-private partnership, in turn can unlock much greater levels of private

investment. The Department will work on the process for the identification and packaging of further catalytic projects. Finalising the role of a re-positioned Ithala will be key aspect of the new framework for financing projects, BEE & SMMEs.

### ***The need for finance for accelerated BEE participation in the economy***

At national levels, significant resources have been dedicated to support greater Black Economic Empowerment in the economy. The Province will in the immediate term need to develop clear strategies for co-operation with the institutional vehicles through which national Government funds will flow, such as the National Empowerment Fund, Khula Enterprise, Umsobomvu Youth Fund, Industrial Development Corporation and others.

### ***Implementing an accelerated Trade Gateway Programme***

A clear and convincing argument has been accepted for the Province building on its comparative strength in the area of being southern Africa's trade gateway to the world. The Accelerated Trade Gateway Programme is therefore about having a coherent and well-resourced action plan for strengthening the region's economic position. The elements of this action plan include :

- immediate implementation of the Dube Tradeport
- encouraging the fast-tracking of the concessioning of the Durban Container Terminal to the benefit of Durban and the Province
- accelerating the implementation of the Richards Bay Industrial Development Zone.

### ***Implementing a sector development programme***

The Province has now developed an Industrial Development Strategy which clearly points to those industries in the KZN which need to be supported in their growth and in the development of their job creation capacity through a structured sector development programme. These include agriculture and agro-processing, tourism, clothing/textile, wood products, creative industries (arts, crafts, film), and the Information and Communication Technology sector. This sector development programme is aimed at facilitating the process of the targeted industries becoming globally competitive and growing through new investment. The programme looks at all aspects of competitiveness, and builds a set of partnerships between the leadership of industries and Government. One of the issues that will also be dealt with in the sector programme is the advancement of BEE and women's empowerment in the leading industrial sectors in KZN.

### ***Implementing a new Integrated Business Support Programme***

As much as we recognize that smme formation is a critical feature of the Governments strategy to promote job creation, clearly not enough has been done to ensure that entrepreneurs or aspirant business people, most especially from Black communities, have access to the types of support services which will increase the rate of take-up of business opportunities and the rate of success of start-up ventures. In the rural areas in particular there is a need to have facilities available for new business development. The roll-out of the new national small business support framework, through the ***Small Enterprise Development Agency*** (SEDA) will be one of the priorities for the Department. The SEDA programme is expected to deliver business support service to back up the sector development and LED work at local levels across the province.

### ***Conclusion***

The successful implementation of this strategic plan, I believe, will take us many strides towards the attainment of that vision, and I commit our Department staff to playing a value-adding role in the implementation of this plan. Let us together take the Province forward....from food security...to economic growth.

**DR ZWELI MKHIZE : MPP**

**KWAZULU-NATAL MEC FOR ECONOMIC DEVELOPMENT**

## **OVERVIEW BY THE ACCOUNTING OFFICER**

To ensure improved service delivery and to embrace change, the department's strategic plan was continuously reviewed and this has had positive results. This strategic plan and its corresponding budget therefore reflect a new determination on our part to be focused. We have selected areas for intervention and use of the resources voted to us, and have further started to put in place the performance measures in each area so that we can constantly review and assess the correctness of the choices we have made and adjust accordingly. We thus commit ourselves to a new openness to assessment and criticism as to the effectiveness of what we do and the value we add through use of the public resources made available to this Department.

The six programmes (described in the table below) therefore reflect the focus areas and work we have laid out for the coming five year period.

This strategic plan will be reviewed annually in order to improve on it. As Accounting Officer I encourage all stakeholders and partners to freely give us your views on this strategic plan and your assessments of how the Department is implementing this plan, so that we may improve on it and again provide better service to the people of the province.

The programme structure reflects the department's attempts to address 2 economies – hence two inter-related divisions are proposed. One dealing with ways of making the “first economy” grow and create new jobs and smmes, and the second, supporting new venture creation and mainstreaming.

## PROPOSED PROGRAMME STRUCTURE : 2005 – 2009

Programme	Sub-programme	Main Sub-programme Objective
<b>Trade Programme Sector Development Programme</b>	Growth Fund	Fund for catalytic economic infrastructure
	Investment & Export Support (Ithala & TIKZN)	Leveraging investment and trade services support (TIKZN). Business financing (Ithala)
	Trade Gateway	Enhance logistical and transportation infrastructure and reduce the costs of doing business
	Sector Development	Enhancing competitiveness of firms in selected sectors
	Agri-business	Development of market intelligence & piloting of niche market agri-industry & beneficiation opportunities
	KZN Labour Market Strategy	Development and facilitation of strategy to strengthen match between labour market supply & demand
	Economic Information Management	Research, Policy, Impact measurements, economic information management
	Liquor License Regulation	Admin support to Liquor Board
	Consumer Protection Services	Provision of consumer protection services and education
<b>Integrated Economic Empowerment Programme</b>	Black Economic Empowerment	Support services for black entrepreneurs
	Co-operatives Promotion and Support	Promotion, support and development of co-operatives
	Informal Economy	Implementation of the KZN Informal Economy Policy
	Integrated Business Support	Provision of business support services for SME's
<b>Local Economic Development Programme</b>	LED Monitoring & Evaluation	Effective networking, output and impact monitoring of the LED program and sharing of lessons learnt.
	Local Economic Empowerment	Creation of jobs through developing an enabling local economic environment
<b>Strategic Management Services Programme</b>	Legal	Legal Support services & legislation
	Marketing /Communication & IT	Branding, Marketing, Communications, Conference & event management and IT Support
	Human Resources	Human Resources Management and Internal Human Resources Development
	Administration	Centralized administration (offices, assets, systems)
	Business Rehabilitation Trust Fund	Management support to the Fund.
	Finance & Procurement	Financial, budgeting and procurement support services



## **2.1 VISION**

***For KwaZulu-Natal to be a thriving, empowered and globally competitive economy.***

This will ensure that by the year 2020 KwaZulu-Natal will be a thriving, globally competitive economy that will house dynamic industrial and service sectors, with a world class tourism destination characterized by excellent service standards. There will be a high level of employment, raising the quality of life and an economic environment supporting empowerment and creating prosperity for all.

## **2.2 MISSION AND STRATEGIC GOALS**

***To formulate and implement strategies that creates an environment conducive to sustainable economic development in KwaZulu-Natal.***

This mission will be achieved by pursuing the following high-level departmental strategies:

1. Facilitate the creation of sustainable jobs and empowerment through high impact flagship projects;
2. Co-ordinate economic support for those projects;
3. Promote industrial development and stimulate the international competitiveness of the KZN economy;
4. Provide meaningful support to the regeneration of small town economies and townships and rural areas thru LED;
5. Support SMME development.

### **Support Functions**

In order to ensure that the above-mentioned core functions are attained, the Department upholds the principle of:

- a) Enhancing effective and efficient business processes;
- b) Effective management and co-ordination of those public entities which report to the Department as instrument of delivery and co-ordination;
- c) Facilitating the appropriate participation of relevant public and private institutions in implementation of the strategies of the Department.

## 2.3 VALUES

The agreed Departmental values are:

- Integrity
- Learning
- Communication
- Respecting diversity
- Service excellence
- Accountability
- Innovation

## 2.4 DESCRIPTION OF THE STATUS QUO

### ***Summary of the service delivery environment and challenges***

We are relatively familiar with the strengths, weaknesses, opportunities and threats of KwaZulu-Natal as regards economic development. There are numerous issues within each category, but key ones which stand out include:

**Black Economic Empowerment:** Despite the development of a range of policy positions on BEE intended to increase the participation of blacks in the mainstream economy, the implementation of these policies has become a major and urgent challenge for all spheres of government.

**Financing of emerging black SMME:** The criteria required by financial institutions to fund and loan capital to black SMME and entrepreneurs are too rigid. Such policies impact negatively on our programmes and strategies to harness the development and growth of SMME's in the province

In addition, the threat and impact of HIV/Aids on the economy will adversely affect human and intellectual capital. A stronger partnership between business and government is critical to ensure reduce the effects of HIV/AIDS.

Nevertheless, there are positive factors that provide a fertile environment for economic growth to take place. They are:

- Impressive national financial fundamentals which attract investment to the province
- A greater understanding of government policies by business, leading to business and consumer confidence
- Rich and diverse cultural heritage which boast tourism industry
- Location of the province and the economic infrastructure related to transport and logistics due to two big harbours

## **Summary of organizational environment and challenges**

The underlying implication of having a dynamic and increasingly effective strategic plan is that the structures of the organization will be constantly reviewed to assess their synergy with the organizational objectives and implementation strategies.

Consequently the Department has completed the process of reviewing its organizational structure and the deployment of skills. Need to attract skills / professionally with culture and flexibility to be responsive to unplanned needs.

## **2.5 Description of the Strategic Planning Process**

At the centre of organizational effectiveness, the department adopts the principles of inclusiveness and participatory democracy. The values mentioned earlier are key drives in the planning and the execution of strategy. The strategic planning process is divided into three phases. The first phase is called the scene setting phase with the MEC setting his outcomes or strategic thrust for the department. All managers participate in this phase. The MEC then addresses staff on the achievements of the previous year as well as on the key areas he/she will be pursuing in the coming year. The second phase is the determining of outputs to meet the strategic thrust of the MEC. The outputs are determined by the executive management. This phase is preceded by chief directorate workshops held to assist executive management to determine the outputs for the financial year.

The third phase consists of a workshop to decide on final outputs. The workshop is attended by all managers [senior and middle management]. The executive management allocated resources to each output. The responsibility managers and their teams work together to cost each output and develop a detailed project plan with performance indicators and timeframes. Detailed project plan form the basis for the performance agreements with all staff.

The fourth phase involves meaningful engagement and consultation with the stakeholders and partners of Government. These include our sister provincial departments, national departments and parastatals, organized business, labour and development organizations, etc. Through such consultation, the Departmental strategic plan is again refined before submission to Provincial and National Treasury.

## **PART B: PROGRAMME AND SUB-PROGRAMME PLANS**

### **2.6 STRATEGIC OBJECTIVES**

In order to achieve our core functions, the following objectives constitute the strategies we employ to meet our constitutional mandate:

- a) Be a one-stop economic information shop;
- b) Contribute to the formulation of economic policy development and articulate the economic development strategy for KZN;
- c) Develop tourism as a key sector of the economy;
- d) Facilitate the increase in trade between the province and other economic regions;
- e) Promote economic development through the championing of public-private-partnerships;
- f) Promote and facilitate economic empowerment programmes;
- g) Promote technological innovation and increasing competitiveness in key sectors of the economy;
- h) Champion initiatives which improve the province's logistics capabilities and enhance key supply chains;
- i) Provide integrated economic project support for selected categories of projects;
- j) Provide an effective and efficient consumer protection service;
- k) Ensure effective and prudent business regulation in the province.

### **2.7 PERFORMANCE TARGETS**

Through the implementation of the strategies of the Department, the following targets would have been achieved by the year 2008

- a) KwaZulu-Natal will have attracted at least R1.5 billion of fixed direct investment;
- b) The value of exports from the province will have increased to more than 20% of the national;
- c) We will be at an advanced stage in the establishment of the Dube Tradeport, incorporating King Shaka International Airport and the establishment of a world-class multi-modal logistics platform;
- e) The Department will have firmly established the Small Enterprise Development Agency (SEDA) framework, having a local effective SEDA office in every district;
- f) The Department will have developed a framework for black economic empowerment and facilitated the implementation of that framework, resulting in measurable increases in BEE.

- g) The Department have implemented a new Liquor Licensing and Consumer Protection framework resulting in effective services as regard consumer protection and business regulation;
- h) The Department would have facilitated the implementation of substantial local economic development initiatives in all key District Council (DC) areas of the province;
- i) The Department and its partners will have facilitated the development of a functional and successful Industrial Development Zone (IDZ) as Richards Bay;
- j) The Department will have played a lead role in supporting the Provincial Growth and Development Strategy (PGDS) implementation strategies, especially in driving the programme affecting the Economic Cluster of the Provincial Executive Council.

### **2.7.1 Criteria in Deciding On Programmes for Achieving the Objectives and Targets**

The strategies and programmes which the Department will use to achieve the key objectives will be selected on the basis that they offer the best opportunity for making the **maximum impact** as regards:

- a) economic value added
- b) the creation of sustainable employment and income generating opportunities;
- c) the economic empowerment of those historically disadvantaged or marginalized;
- d) the building of an increasingly high local skills base;
- e) the development of a relevant economic information management capacity
- f) The strengthening of a socially and environmentally responsible approach to economic development.

### **2.8 Measurable Objectives, Performance Measures and Performance Targets**

The objectives, performance measures and targets for each of the delivery oriented programmes of the department are presented in the following tables.

## **PROGRAMME 1: STRATEGIC MANAGEMENT SERVICES PROGRAMME**

### **SUMMARY:**

Programme 5 consist of the following sub-programmes:

<b>Sub-Programme 1:</b>	<b>Finance and Procurement</b>
<b>Sub-Programme 2:</b>	<b>Legal Services</b>
<b>Sub-Programme 3:</b>	<b>Marketing/ Communication &amp; IT</b>
<b>Sub-Programme 4:</b>	<b>Human Resources Management</b>
<b>Sub-Programme 5:</b>	<b>Administration</b>
<b>Sub-Programme 6:</b>	<b>Policy and R&amp;D (HOD Office)</b>

These programmes will provide support in terms of financial, budget, procurement services. It will also provide Legal Services and communication services including branding, marketing, and management of IT. Sub-programme 4 will deal with Human Resources Management and Internal Human Resources Development. Sub-programme 6 will essentially be responsible research services and policy development.

## PROGRAMME 2 : TRADE AND SECTOR DEVELOPMENT

### PROGRAMME OBJECTIVES :

#### Sub-Programme 1: Development of the Trade Gateway

**Sub-programme Objective:** To enhance logistical and transportation infrastructure in KZN, leading to reduction in the real costs of conducting business, and positioning the Province as the preferred “Trade Gateway” of southern Africa.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>The Dube Tradeport (DTP) initiative</b>	The successful establishment of the Tradeport as envisaged and successful leveraging of private sector investment therein.	Projected : <ul style="list-style-type: none"> <li>• achievement of land &amp; airport license</li> <li>• achievement of Treasury Approval One (PFMA)</li> </ul>	a) Successful conclusion of PPP agreement b) Completion of Masterplanning c) Commencement of airport construction	a) Construction of Tradeport on schedule & within projected costs b) Effective marketing of zone for investment	a) Construction of Tradeport on schedule & within projected costs b) Attraction of new investment as per projections.	a) Construction of Tradeport on schedule & within projected costs b) Attraction of new investment as per projections.
<b>The Richards Bay Industrial Development Zone (IDZ)</b>	The successful establishment of the IDZ as envisaged and successful leveraging of private sector investment therein.	Projected : <ul style="list-style-type: none"> <li>• agreement on business plan and funding formula for Phase 1 of IDZ</li> </ul>	a) Implementation of Phase 1 development plan on schedule & to projected costs b) Effective marketing to	a) Implementation of Phase 2 development plan on schedule & to projected costs b) Effective marketing to	a) Implementation and continuous management of IDZ funding mechanism b) Achievement of targets for new fixed	a) Implementation and continuous management of IDZ funding mechanism b) Achievement of targets for new fixed

			investors – confirmed pipeline.  c) Agreed plan for Phase 2 development & funding.	investors – confirmed pipeline.  c) Agreed plan for Phase 2(b) development & funding.	investment in IDZ	investment in IDZ
<b>John Ross Highway</b>	Establishment of an effective management structure to facilitate agreements reached regarding the construction of JRH	New Output	a) Appointment of team to undertake design	a) Assessment of feasibility  b) Implementation of a business management system to ensure effectiveness of programme	a) Post-construction review  b) Monitor and maintain linkages between this development and the Dube Tradeport initiative	Operationalisation of highway  b) Monitoring and evaluation of performance
<b>Integrated Freight Rail Link</b>	a) No. of agreements reached regarding implementation of IFRL  b) No. of recommendations fulfilled.  c) Establishment of an effective management structure to oversee establishment of the rail link	New Output	a) Define, co-ordinate and facilitate potential ventures	a) Establishment of an effective management structure to facilitate agreements reached regarding the creation of the platform for growth	a) Implementation of operational plan	Monitor targets to ensure compliance with initial recommendations



## Sub-Programme 2: KwaZulu-Natal Growth Fund

**Sub-programme Objective :** To facilitate the establishment and effective functioning of a capital fund of the Provincial Government targeted at strategic infrastructural and economic projects which will unlock catalytic economic projects and large-scale private sector investment.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/7 Target	2007/08 Target	2008/09 Target
<b>Development of the KZN Growth Fund</b>	<ul style="list-style-type: none"> <li>Establishment of fund and development of fund management systems</li> <li>Extent of successful project investments made by the Fund</li> </ul>	New output	a) Establishment and marketing of Fund b) Development of first set of project financing agreements c) Development of "pipeline" of future projects	a) Win support for continued Provincial investment in the Fund b) Maintain targeted rates of leveraging of private investment c) Monitoring & reporting of success of first round of project investments	a) Win support for continued Provincial investment in the Fund b) Maintain targeted rates of leveraging of private investment c) Monitoring & reporting of success of second round of project investments	a) Win support for continued Provincial investment in the Fund b) Maintain targeted rates of leveraging of private investment c) Monitoring & reporting of success of third round of project investments

### Sub-Programme 3: Investment & Export Promotion

**Sub-programme Objective:** To promote increased fixed investment into the province and provide appropriate local trade support services which boost exports from local companies.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>Implementation of the KZN Trade and Investment Promotion Strategy through the public entity : <i>Trade and Investment KZN</i></b>	<ul style="list-style-type: none"> <li>Levels of new fixed investment achieved through interventions by TIKZN</li> <li>Level of increase in exports from KZN</li> </ul>	a) R1.3 billion new fixed investment achieved b) New export platform developed	a) R1.5 billion new fixed investment b) 15% p.a. increase in KZN exports, by value.	a) R1.5 billion new fixed investment b) 15% p.a. increase in KZN exports, by value.	a) R1.5 billion new fixed investment b) 15% p.a. increase in KZN exports, by value.	a) R1.5 billion new fixed investment b) 15% p.a. increase in KZN exports, by value.
<b>Support for new investment and business development through Ithala Development Finance Corporation</b>	<ul style="list-style-type: none"> <li>No. of new smmes established &amp; expansions</li> <li>No. of new jobs created</li> <li>Extent of empowerment of black people and women through transactions</li> </ul>	a) 600 b) 6000 c) R400 million invested in BEE Financing	a) 800 b) 9000 c) R600 million invested in BEE Financing	a) 900 b) 10 000 c) R700 million invested in BEE Financing	a) 1000 b) 12 000 c) R800 million invested in BEE Financing	a) 1 100 b) 14 000 c) R900 million invested in BEE Financing

## Sub-Programme 4: Sector Development

**Sub-programme Objective:** To provide strategic support services which impact on the growth of selected lead sectors of the economy within KZN, with the aim of stimulating greater employment creation and increasing international competitiveness.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>Strategy to support the development of the KZN arts &amp; crafts sector</b>	To establish a cluster programme to develop the local industry	Implementation of 3 projects which support the marketing, product and business capacity development in the arts & crafts sector	Implementation of 4 projects which support the marketing, product and business capacity development of 300 crafters	Implementation of 5 projects which support the marketing, product and business capacity development of 450 crafters	Implementation of 6 projects which support the marketing, product and business capacity development of 600 crafters	Develop revised strategy for the this sector
<b>Strategy to promote the competitiveness of the Clothing &amp; Textiles Sector</b>	To establish a cluster programme to promote the competitiveness of the local industry	Implementation of 2 projects which: <ul style="list-style-type: none"> <li>Establish provincial forum to identify &amp; assist industry in realizing potential opportunities in new &amp; niche markets</li> <li>Assist</li> </ul>	Implement cluster intervention strategy comprising 4 projects including: <ul style="list-style-type: none"> <li>Detailed benchmarking exercise</li> <li>Policy &amp; regulatory analysis</li> <li>Build linkages, with 2 support institutions</li> <li>Identify niche opportunities &amp; comparative advantage including linkage to Trade</li> </ul>	Implement full cluster intervention strategy comprising 6 projects which: <ul style="list-style-type: none"> <li>Support provincial marketing &amp; branding</li> <li>Implement project to realise niche opportunities &amp; comparative advantage</li> </ul>	Implement full cluster intervention strategy comprising 8 projects which: <ul style="list-style-type: none"> <li>Develop eThekwin &amp; uMsunduzi Clothing Manufacturing Support Centre</li> <li>Support provincial marketing &amp; branding</li> </ul>	Develop revised strategy for this sector

		Newcastle & Ladysmith clothing manufacturers develop framework for Clothing Manufacturing Centre	Gateway & provincial logistics capabilities ▪ Establish Newcastle & Ladysmith Clothing Manufacturing Support Centre	including local clothing design competence ▪ Develop BEE strategy ▪ Support Newcastle & Ladysmith clothing manufacturing support Centre	▪ Implement project to realise niche opportunities & comparative advantage ▪ Implement BEE strategy	
<b>Strategy to promote the development of the KZN Creative Industries</b>	To support initiatives designed support the development of a Film Industry in KZN	To support the establishment of KZN Film Commission.	Support for the Film Commission in KZN	Support for the Film Commission in KZN	Support for the Film Commission in KZN	Develop revised strategy for the industry
<b>Strategy to promote the competitiveness of the Wood &amp; Wood Products Sector</b>	To establish a cluster programme to promote the sector & encourage competitiveness	Implement 3 projects which : ▪ Establish provincial forum to grow industry ▪ Develop capacity of BEE SMME's ▪ Initiate industry marketing programme	Implement cluster intervention strategy comprising 4 projects including: ▪ Detailed benchmarking ▪ Build linkages, with 2 support institutions ▪ Establish provincial marketing company to enhance SMME export capacity ▪ Implement BEE strategy	Implement cluster intervention strategy comprising 6 projects , incl: ▪ Feasibility for eThekwini Design School to enhance production & technology use ▪ Support provincial marketing & branding ▪ Support SMME export capacity ▪ Establish 4 local area clusters	Implement cluster intervention strategy comprising 6 projects including: ▪ Establish eThekwini Design School ▪ Support provincial marketing & branding ▪ Support SMME export capacity Support projects arising from 4 local area clusters	Develop revised strategy for this sector

## Sub-Programme 5: Agri-business

**Sub-programme Objective:** To facilitate the development of market intelligence and piloting of niche market agri-industry and beneficiation opportunities

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>Market Information and Logistics</b>	1. No. of Feasibility Studies 2. No. of marketing reports 3. Systems development	1. Market information system feasibility completed	1. Development of market information system 2. Produce 2 quarterly reports 3. Analysis of Agriculture logistic requirements in KZN	1. Maintain market information system 2. Produce 4 quarterly reports 3. Support for the development of logistical requirements	1. Maintain market information system 2. Produce 4 quarterly reports 3. Support for the development of logistical requirements	1. Maintain market information system 2. Produce 4 quarterly reports 3. Support for the development of logistical requirements

<b>agribusiness Sector Development</b>	1. No. of Feasibility Studies 2. No. of Business Plans 3. No. of Pilots Projects facilitated 4. Funds leveraged (ration on investment) 5. New BEE opportunities identified	1. 4 Feasibility Studies around niche products 2. 3 Business Plans on incubators and core estates initiated 3. 2 proposals for additional funding initiated 4. 2 BEE opportunities identified	1. 4 Feasibility Studies around niche products 2. 3 Business Plans for the development of agriprocessing initiatives 3. 2 proposals for funding initiated 4. 2 BEE opportunities identified 5. Establishment of 1 agriprocessing incubator initiated	1. 4 Feasibility Studies around niche products 2. 3 Business Plans for the development of agriprocessing initiatives 3. 2 proposals for funding initiated 4. 2 BEE opportunities identified 5. Establishment of 1 agriprocessing incubator initiated	1. 4 Feasibility Studies around niche products 2. 3 Business Plans for the development of agriprocessing initiatives 3. 2 proposals for funding initiated 4. 2 BEE opportunities identified 5. Establishment of 1 agriprocessing incubator initiated	1. 4 Feasibility Studies around niche products 2. 3 Business Plans for the development of agriprocessing initiatives 3. 2 proposals for funding initiated 4. 2 BEE opportunities identified 5. Establishment of 1 agriprocessing incubator initiated
<b>Sector Research and Analysis</b>	1. No. of Sector Studies undertaken	3 sector studies initiated	4 sector studies completed	2 sector studies completed	2 sector studies completed	2 sector studies completed
<b>Policy and Partnership Development</b>	1. Strategic plan for agric 2. No. of Memoranda of Understanding 3. No of Policies developed	1. Draft MOU with Dept of Agriculture, KZN	1. Strategic Plan for agriculture developed 2. 1 memoranda of understanding with strategic partners	1. 1 memoranda of understanding with strategic partners 2. 1 policy submitted to cabinet	1. 1 memoranda of understanding with strategic partners 2. 1 policy submitted to cabinet	1. 1 memoranda of understanding with strategic partners 2. 1 policy submitted to cabinet

## Sub-Programme 6: Consumer Protection Services

**Sub-programme Objective:** To promote efficient and effective consumer protection in the Province

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>Consumer Information</b>						
<b>Develop an information program to assist consumers to make informed choices when entering into funeral policy contracts.</b>	1 Business and Project Plan. 1 Operational Plan. No of Consumers Informed.	31 March 2005	Ongoing	Ongoing	Ongoing	Ongoing
	1 Manual					
	No of reports					
<b>Develop an Information Program to inform consumers on the dangers of investing in pyramid schemes and get rich quick schemes.</b>	1 Operational Plan implemented 1 Business Plan 1 Manual	31 March 2005	Ongoing	Ongoing	Ongoing	Ongoing
<b>Rural Consumer Information Strategy Document.</b>	Business / Operational Plan implemented	31 March 2005	N/A	N/a	N/A	-

<b>Advertising on Billboards/Multi Purpose Digital Systems/ Commuter Transport and Community Radio Stations</b>	1 Business Plan 1 Operational Plan No Of Consumers influenced	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Consumer Education						
Education Programme on Debt Management for Workers	One Manual One Operational Plan One Business Plan Number Of Consumers reached	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
World Consumer Rights Day (Educating Ngo's and Civics on how to improve relationships between Consumers and Industry)	One Business Plan One Operational Plan One Advertising Campaign Number of Consumers Influenced	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Consumer Education Syllabus for Learners	One Proposal Business Plan Operational Plan Number of educational institutions Influenced	N/A	Project Commences 31 March 2006	Project Completed 31 March 2007	Implementation	



Complaints/ Handling/ Legislation						
Assisting Consumers (Complaints Handling)	One Operational Plan One Business Plan Number of Consumers Assisted Redress Provided	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Consumer Legislation	One Bill/Act Regulations One Operational Plan Number of Consumers Assisted through legislation	Drafts (1-7) 31 March 2004 Ongoing	Legislation Passed 31 March 2005	Tribunal 31 March 2006	Ongoing.	Ongoing
KZN Business Rehabilitation Trust Fund (the Trust Fund)	<p>Increased number of the Trust Fund beneficiaries securing loans from financial institutions</p> <p>Effective mentorship programme to assist small businesses access finance</p> <p>Establishment of an effective management and governance structure of the Trust Fund</p> <p>Review and recommendations on the future of the Trust Fund after 2007</p> <p>Effective monitoring, reporting and evaluation mechanism to measure the impact of the programme</p>	<ul style="list-style-type: none"> <li>Extended life of the KZN Business Rehab. Trust Fund</li> <li>Assist 50 beneficiaries of the Fund to access trade credit guarantees</li> <li>Assist 10 beneficiaries of the Trust Fund to access loans from the banks</li> <li>Establish an effective management and governance</li> </ul>	<p>Facilitate the establishment of a new SMME fund</p> <p>Facilitate access to effective mentorship programme by small businesses to improve access to finance</p> <p>Assist 60 beneficiaries of the Fund to access trade credit guarantees</p> <p>Assist 20</p>	<p>Promote and disseminate information on the new SMME Fund</p> <p>Assist 70 beneficiaries of the Trust Fund to access trade credit guarantees</p> <p>Assist 20 beneficiaries of the Trust Fund to access loans from the banks</p> <p>Facilitate</p>	<p>Facilitate access to effective mentorship programme by small businesses to improve access to finance</p>	<ul style="list-style-type: none"> <li>Review of the Rehabilitation Trust Fund</li> </ul>

		structure of the Trust Fund	beneficiaries of the Trust Fund to access loans from the banks	access to effective mentorship programme by small businesses to improve access to finance		
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## Sub-Programme 7: Liquor License Regulation

**Sub-programme Objective:** To create an environment in which trade and industry can flourish, where regulations aim at protecting the public interest are carefully balanced against the need for an efficient regulatory environment.

Output	Performance Measure	2004/5 Target	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Strategy to control and regulate the retail liquor industry in KZN						
Pre-screening of applications	No. of pre-screened applications	ongoing	ongoing	ongoing	Ongoing	Ongoing
Liquor education & awareness programmes	No. of people reached	ongoing	ongoing	ongoing	Ongoing	Ongoing
Business Plan – New Liquor Licensing Authority	Completeness of plan	31 March 2005				

	Time frame accomplished	31 March 2005				
<b>Implementing the business plan &amp; Liquor Licensing Authority</b>	Implementation of Business Plan	N/A	31 July 2005	ongoing	Ongoing	Ongoing
<b>Policy Study – Promotion of access to information Act</b>	Quantity & quality of information provided to stakeholders	N/A	31 October 2005 Completed			
<b>Performance management system for the Liquor Authority</b>	Successful implementation of the PMS	N/A	30 June 2005	30 June 2005	30 June 2005	
<b>Conversion of the Liquor Licences in terms of the New ACT</b>	No. of existing licences converted	N/A	ongoing	ongoing	ongoing	

## PROGRAMME 3: INTEGRATED ECONOMIC EMPOWERMENT

### *Programmes Objectives :*

### Sub-Programme 1: Integrated Business Support

**Sub-programme Objective:** To provide effective strategic leadership, direction and coordination to SME support programmes to stimulate economic growth in KwaZulu-Natal

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Programmes to facilitate or improve SMME Access to Finance	<ul style="list-style-type: none"> <li>Model for village banking and/or micro finance</li> <li>Number of SMME loans facilitated and approved by the financial institutions/banks</li> <li>Effective mentorship programme to assist small businesses access finance</li> </ul>	<ul style="list-style-type: none"> <li>Develop new schemes/fund to facilitate or improve SMME access to finance</li> <li>Establish forum of banks to deal with SMME access to finance</li> <li>Assist five entrepreneurs access loans from the banks</li> </ul>	<ul style="list-style-type: none"> <li>Promote and disseminate information on the Centralized Provincial Poverty Alleviation Fund</li> <li>Assist 10 entrepreneurs access loans from the banks</li> </ul>	<ul style="list-style-type: none"> <li>Assist 10 entrepreneurs access loans from the banks</li> <li>Facilitate access to effective mentorship programme by small businesses to improve access to finance</li> </ul>	<ul style="list-style-type: none"> <li>Assist 15 entrepreneurs access loans from the banks</li> <li>Facilitate access to effective mentorship programme by small businesses to improve access to finance</li> </ul>	<ul style="list-style-type: none"> <li>Review of SMME Finance Strategy</li> </ul>

		<ul style="list-style-type: none"> <li>Facilitate access to effective mentorship programme by small businesses to improve access to finance</li> </ul>	<ul style="list-style-type: none"> <li>Continue support for forum of banks to deal with SMME access to finance</li> <li>Facilitate access to effective mentorship programme by small businesses to improve access to finance</li> </ul>			
Small Enterprise Development Agency Roll-out including the One Stop Shop small business service centre	<p>Improved performance and effectiveness of SEDA Business Service Centres</p> <p>Facilitate the establishment of a One Stop Shop Small Business Service Centre in partnership with Japan International Cooperation Agency (JICA) and other key stakeholders</p> <p>Facilitate the establishment of the KZN Training Centre in partnership with JICA and other key stakeholders</p> <p>Effective monitoring, reporting</p>	<ul style="list-style-type: none"> <li>Implementation of a new business management system to ensure sustainability and effectiveness of SEDAs</li> <li>Implementation of a capacity building plan to improve performance and sustainability of SEDAs</li> <li>To facilitate the establishment of</li> </ul>	<p>Implement effective mechanism for monitoring and evaluating performance of SEDAs</p> <p>Implementation of a Capacity Building and Sustainability Plan to raise effectiveness and service delivery</p>	<p>Maintenance and continuous review/improvement of the performance of the One Stop Shop Small Business Service Centre</p> <p>Maintenance of a management information system within the SEDA</p> <p>Provide</p>	<p>Maintenance and continuous review/improvement of the performance of the One Stop Shop Small Business Service Centre</p> <p>Maintenance of a management information system within the SEDA</p>	Review of the effectiveness of the SEDAs

	and evaluation mechanism to measure the impact of the programme	<p>tender Advice Centres (TACs) in Port Shepstone and Ladysmith</p> <ul style="list-style-type: none"> <li>Initiate and complete the first phase of the research with JICA towards the establishment of a One Stop Shop Small Business Service Centre, and</li> <li>Complete the official application process for the JICA Technical Assistance programme for the One Stop Shop Small Business Service Centre</li> <li>Facilitate the integration of business support services in KZN in line with the national strategy (within the Dept. of Trade and Industry)</li> <li>Finalize (through diplomatic</li> </ul>	<p>capacity of SEDA</p> <p>Provide strategic direction and promote effective coordination to SMME support services (e.g. through instruments such as the SMME Service Provider Forum)</p> <p>Maintenance of a management information system within the SEDAs</p> <p>Conduct, in partnership with JICA, full scale study/research and establish the One Stop Shop Small Business Service Centre</p> <p>Facilitate the integration of business support services in KZN in line with the national strategy</p>	<p>strategic direction and promote effective coordination to SMME support services (e.g. through instruments such as the SMME Service Provider Forum)</p> <p>Facilitate the integration of business support services in KZN in line with the national strategy (within the Dept. of Trade and Industry)</p> <p>Facilitate the establishment of the KZN Training Centre</p>	<p>Provide strategic direction and promote effective coordination to SMME support services (e.g. through instruments such as the SMME Service Provider Forum)</p> <p>Facilitate the integration of business support services in KZN in line with the national strategy (within the Dept. of Trade and Industry)</p> <p>Facilitate the establishment of the KZN Training Centre</p>	
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		<p>channels) the submission of the application form for Japan's General Grant Aid for the KZN Training Centre</p> <ul style="list-style-type: none"> <li>Provide strategic direction and promote effective coordination to SMME support services (e.g. through instruments such as the SMME Service Provider Forum)</li> </ul>	<p>(within the Dept. of Trade and Industry)</p> <p>Provide strategic direction and promote effective coordination to SMME support services (e.g. through instruments such as the SMME Service</p> <p>Facilitate the development of feasibility study and business plan for the KZN Training Centre</p>			
<p>Entrepreneurship Support and Promotion (focusing on Youth, Women and the Disabled)</p>	<ul style="list-style-type: none"> <li>No of youth operated businesses</li> <li>Establishment of a youth business incubator/technology training centre</li> <li>Number of young entrepreneurs trained in business management and technical skills</li> <li>No. of new successful business start – ups</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate the development of 20 youth-owned enterprises</li> <li>Establishment of a youth business incubator/technology training centre</li> <li>Entrepreneurial training provided to some 100 young people</li> <li>Entrepreneurial</li> </ul>	<p>To facilitate the development of 30 youth-owned enterprises</p> <p>Maintenance of a youth business incubator/technology training centre in partnership with other key stakeholders</p> <p>Entrepreneurial training provided</p>	<p>To facilitate the development of 40 youth-owned enterprises</p> <p>Maintenance of a youth business incubator/technology training centre in partnership with other key stakeholders</p>	<p>To facilitate the development of 50 youth-owned enterprises</p> <p>Maintenance of a youth business incubator/technology training centre in partnership with other key stakeholders</p> <p>Establish effective</p>	<p>Review of the Entrepreneurship Support Strategy</p>

	<ul style="list-style-type: none"> <li>No. of schools and tertiary institutions teaching entrepreneurship</li> </ul>	training provided to 1200 young pupils in schools	to 150 young people  Establish effective entrepreneurship training programme in schools  Entrepreneurial training provided to 1200 young pupils in schools	Establish effective entrepreneurship training programme in schools  Entrepreneurial training provided to 1200 young pupils in schools	entrepreneurship training programme in schools  Entrepreneurial training provided to 1200 young pupils in schools	
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## Sub-Programme 2: Black Economic Empowerment

**Sub-programme Objective:** To develop and empower previously disadvantage groups as part of economic development for KZN

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>BEE Strategy</b>	Annual Operational Plan implemented	85%	85%	85%	85%	85%
	No. of feasibility studies	1	-	-	-	-
	No of new Partnerships	-	1	1	1	1
	Systems development	0	1	1	1	1
<b>Monitoring Private &amp; Public Procurement</b>	Annual Operational plan implemented	85%	85%	85%	85%	85%
	No. of feasibility studies	2	2	2	2	2
	No. of business plans	1	2	1	2	1
	No. of pilots projects facilitated	2	2	2	2	2



	No. of new Partnerships	-	1	1	1	1
<b>One Stop Shop</b>	<input type="checkbox"/> Annual Operational Plan implemented	85%	85%	85%	85%	85%
	<input type="checkbox"/> No of Feasibility Studies	6	3	5	3	3
	<input type="checkbox"/> No of Business Plans	1	2	2	2	2
	<input type="checkbox"/> No of Pilots Projects facilitated	1	2	1	2	2
	<input type="checkbox"/> No of new Partnerships	1	1	1	1	1
	<input type="checkbox"/> Funds leveraged	1:2	1:2	1:2	1:2	1:2
	<input type="checkbox"/> New BEE opportunities identified	4	4	4	4	4
<b>Partnerships.</b>	<input type="checkbox"/> Annual Operational Plan implemented	85%	85%	85%	85%	85%
	<input type="checkbox"/> No of Industry Studies	4	2	2	2	2
	<input type="checkbox"/> New BEE opportunities identified	4	2	2	2	2
<b>Support for KZN BEE Advisory Com</b>	<input type="checkbox"/> Annual Operational Plan implemented	-	85%	85%	85%	85%
	<input type="checkbox"/> No of Feasibility Studies	-	3	1	3	1
	<input type="checkbox"/> No of Business Plans	-	2	2	2	2
	<input type="checkbox"/> No of Pilots Projects facilitated	-	1	2	1	2
	<input type="checkbox"/> No of new	-	1	1	1	1

	Partnerships					
	<input type="checkbox"/> Funds leveraged	-	1:2	1:2	1:2	1:2
	<input type="checkbox"/> New BEE opportunities identified	-	2	2	2	2
<b>Sector Interventions</b>	<input type="checkbox"/> Input into national studies	-	1	1	1	1
	<input type="checkbox"/> Input into provincial studies	-	1	1	1	1
	<input type="checkbox"/> Strategic partnerships	-	1	1	1	1
	<input type="checkbox"/> Industry Forums	-	2	2	2	2

## PROGRAMME 4: LOCAL ECONOMIC DEVELOPMENT PROGRAMME

### Sub-Programme 1: Local Economic Empowerment

**Sub-programme Objective:** Maximize impact of government in creating employment, stimulating SME development, enhancing local competitiveness through linking community needs with economic opportunities.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>LED Enabling Environment Improved</b>	<ul style="list-style-type: none"> <li>▪ Business Enabling Fund Activated (BEF)</li> <li>▪ Effective partnership based LED processes established in four learning areas (Umkhanyakude, Uthungulu, Ugu, Umgungundlovu) + Zululand, uThukela, Sisonke &amp; Amajuba</li> <li>▪ No. of Local Government capacity building projects completed</li> <li>▪ Improvement in local &amp; provincial government business processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ BEF Manual, systems establishment, approvals and launch</li> <li>▪ PACA processes completed in four learning areas established</li> <li>▪ Process for PACA roll out in other districts + Area 5</li> <li>▪ Needs assessment</li> </ul>	<ul style="list-style-type: none"> <li>▪ At least 5 capacity building projects funded for government public entities</li> <li>▪ Partnership processes in four learning areas established</li> <li>▪ PACA processes for Area 5 + four districts</li> </ul>	<ul style="list-style-type: none"> <li>▪ At least 10 capacity building projects funded for government public entities</li> </ul>	<ul style="list-style-type: none"> <li>▪ At least 10 capacity building projects funded for government public entities</li> </ul>	<ul style="list-style-type: none"> <li>▪ At least 10 capacity building projects funded for government public entities</li> </ul>

		for four learning areas (Umkhanyakude, Uthungulu, Ugu & Umgungundlovu) + scooping of accredited institutions providing LED training	complete + partnership processes established			
<b>Pro Poor Investment Facilitated</b>	<ul style="list-style-type: none"> <li>Local Competitiveness Fund (LCF) is activated.</li> <li>SME Finance Facility established</li> <li>No. of projects supported in Sisonke, Zululand, Amajuba and uThukela + four learning areas (Umkhanyakude, Uthungulu, Ugu &amp; Umgungundlovu)</li> </ul>	<ul style="list-style-type: none"> <li>LCF Manual Complete and approved, systems established</li> <li>Agreements on Finance Facility concluded</li> <li>Ingwe Rail Tourism project funded</li> <li>4 projects funded in Amajuba</li> <li>3 projects funded in uThukela</li> <li>1 project complete in Ugu</li> </ul>	<ul style="list-style-type: none"> <li>LCF Launched &amp; At least 10 job creation projects funded</li> <li>Finance facility launched</li> <li>Ingwe Project complete</li> <li>Projects in districts completed.</li> </ul>	<ul style="list-style-type: none"> <li>At least 10 job creation projects funded</li> <li>At least R30m in SME financing</li> </ul>	<ul style="list-style-type: none"> <li>At least 10 job creation projects funded</li> <li>At least R30m in SME financing</li> </ul>	<ul style="list-style-type: none"> <li>At least 15 job creation projects funded</li> <li>At least R30m in SME financing</li> </ul>
<b>Improved Economic Governance</b>	<ul style="list-style-type: none"> <li>LED Strategy Complete</li> <li>No of IDP's Aligned</li> </ul>	<ul style="list-style-type: none"> <li>LED Draft Strategy complete</li> <li>1 IDP alignment</li> </ul>	<ul style="list-style-type: none"> <li>LED Strategy adopted by Provincial</li> </ul>	<ul style="list-style-type: none"> <li>Implementat-ion of LED Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Implemen-tation of LED Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Implemen-tation of LED Strategy</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Area Offices established and operational</li> <li>▪ Sub-regional Operations established</li> <li>▪ Co-operation Agreements concluded with DPLG, DTLGA and 3 Cities</li> <li>▪ Manual for Funding Criteria and business planning complete</li> </ul>	<p>workshop held</p> <ul style="list-style-type: none"> <li>▪ Area Offices scoped + lease agreements concluded</li> <li>▪ Requirements for sub-regional operations scoped and staffing requirements identified - included in strat plan changes and organogram.</li> <li>▪ Initial meetings held with 3 cities.</li> <li>▪ Manuals for funding and business planning complete.</li> </ul>	<p>government</p> <ul style="list-style-type: none"> <li>▪ Eight district IDP's aligned + local municipalities contained therein</li> <li>▪ Area Offices operational</li> <li>▪ Job descriptions, evaluations and appointments of staff made for sub regional operations</li> <li>▪ Agreements concluded with three cities, DPLG and DTLGA</li> <li>▪ Manuals published and distributed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Area 5 + outstanding district IDP's aligned</li> <li>▪ Sub-regional teams operational</li> <li>▪ Manuals updated</li> <li>▪ Implementation of Co-operation Agreements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual IDP alignment</li> <li>▪ Annual manual updates</li> <li>▪ Implementation of co-operation agreements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual IDP alignment</li> <li>▪ Annual Manual updates</li> <li>▪ Implementation of Co-operation Agreements</li> </ul>
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## Sub-Programme 2: Monitoring and Evaluation Unit

**Sub-programme Objective:** Effective networking, output and impact monitoring of the LED program and sharing of lessons learnt.

Output	Performance Measure	2004/5 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
<b>Mechanism for Monitoring, Research and Learning established</b>	<ul style="list-style-type: none"> <li>Establishment of Monitoring, Research and Learning Facility</li> <li>Partnership with tertiary institutions facilitated</li> <li>LED network established</li> <li>LED Centre for Excellence established</li> <li>No. of students involved in research related skills transfer</li> </ul>	<ul style="list-style-type: none"> <li>Initial Baseline study complete</li> <li>MLRF Scoping study complete and approved</li> <li>1 workshop held with tertiary education institutions to discuss the facility</li> <li>TOR for establishment of facility complete</li> <li>International Tender launched</li> </ul>	<ul style="list-style-type: none"> <li>Tender adjudication complete and SP appointed</li> <li>1<sup>st</sup> Quantitative survey of four learning areas complete and measurement baseline set</li> <li>DED staff employed to manage facility</li> <li>2 quarterly reports produced + 2 research papers</li> </ul>	<ul style="list-style-type: none"> <li>First LED Week held</li> <li>Mid Term Review of LED Program</li> <li>Participatory M&amp;E systems and processes established</li> <li>4 quarterly reports produced + several research papers</li> <li>LED networking forums established</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> LED Week held</li> <li>PME continues</li> <li>4 Quarterly reports published + 2 research papers completed</li> <li>Feasibility on institutional home for LED Centre of Excellence</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> LED Week held</li> <li>2<sup>nd</sup> Quantitative survey completed</li> <li>Program Review and Impact analysis document produced</li> <li>LED Centre of Excellence established</li> </ul>

## **2.9 Co-ordination, Co-operation and Outsourcing Plans**

### **2.9.1 *Interdepartmental Linkages***

Being an economic development driver in the province, the department links with other government departments to ensure that economic growth takes place within the context of social, spatial and political framework. However, in the order of priority, the department has stronger links with the national departments of: Trade and Industry, Environmental Affairs and Tourism, Treasury, Transport and Public Enterprises.

### **2.9.2 *Local Government Linkages***

The nature of our mandates requires us to identify business opportunities throughout the province. This translates to us building a stronger partnership with local government at district council and local municipal levels. In particular, the economic aspect of IDP require an overarching agency to ensure that economic growth is evenly spread, professional coordinated to attract relevant trade and investment, in both the urban and rural settings.

### **2.9.3 *Public Entities***

The implementation arm of key departmental strategies is public entities created by the department. Nevertheless, other national entities such as Telkom have a liaison and consultative relationship with the department.

### **2.9.4 *PPP, Outsourcing***

The procurement of Public/Private Partnerships (PPP) will be in accordance with the prescripts as laid down by National treasury and as entrenched in the Public Finance Management Act and the Treasury Regulations.

## 3 PART C: BACKGROUND INFORMATION

### 3.2 Analysis of Service Delivery Environment

The environment within which the Department works is complex. As such, there are a multitude of factors that have to be taken into consideration in formulating the Department's strategic plan. It is not our intention to analyse each and every factor in the environment which impacts on our area of business in this document as such analysis would be a lengthy and complex exercise which may not help in us trying to define our core business in a concise way and in this time-bound process. Furthermore, in reality as soon as we have completed a document, it would be out of date, because the environment changes constantly. Analysis of the environment and adjusting our business accordingly should also be an on-going and dynamic process – built into the way we think, work and plan.

Notwithstanding this, it is important for the purposes of defining our strategic plan, to mention one or two of the most critical factors that influence our decision-making.

#### 3.2.1 *National Environment*

Being part of the provincial sphere of Government, the biggest environmental factor for our Department is perhaps the macro-economic framework set mostly by national government. Our Government has decided to open the South African economy and pursue a policy of engagement with globalization. South Africa's "*Growth, Employment and Redistribution*" (*GEAR*) economic policy is therefore a key starting point in terms of what an Economic Development Department at provincial level should focus on. Amongst other things, *GEAR* adopts an investment-led economic growth strategy, where Government, in partnership with the private sector and other social partners:

- will seek to attract fixed local and foreign investment
- will encourage investment particularly in employment creating and beneficiating (value-adding) opportunities
- will encourage greater trade with world markets, especially exports from SA
- will support increasing international competitiveness of local industry and focus on sectors with competitive and comparative advantages, especially as regards trends in the "new economy"
- will encourage and support the development of the SMME sector and the development of the country's human resources to fit with the growth strategy.

Many of the tools for implementing this strategy rest at a national level (e.g. investment incentives managed by DTI, or skills development incentives managed by Department of Labour). However, there are a number of opportunities for provincial



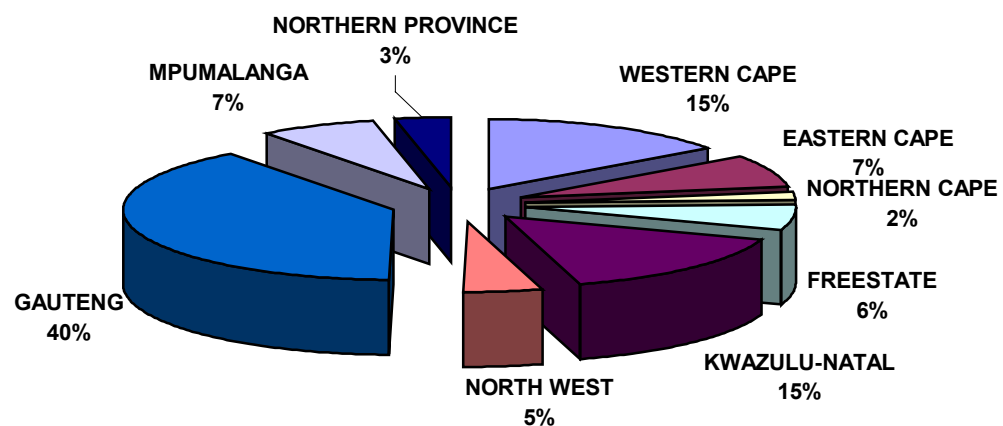
government and its partners to be proactive in using these tools and strategies to facilitate accelerated economic development and empowerment within a province.

We are relatively familiar with the strengths, weaknesses, opportunities and threats of KwaZulu-Natal as regards economic development. There are numerous issues within each category, but key ones which stand out include:

**Strengths:**

- two leading harbours, good transport infrastructure, richly diverse economy, strong industrial and manufacturing base, significant agricultural sector, impressive tourism assets and leading domestic tourist destination, rich cultural heritage, large human resource base, growing small business sector, physical location (SADC) etc.

### **% GDP per Province, 2001**



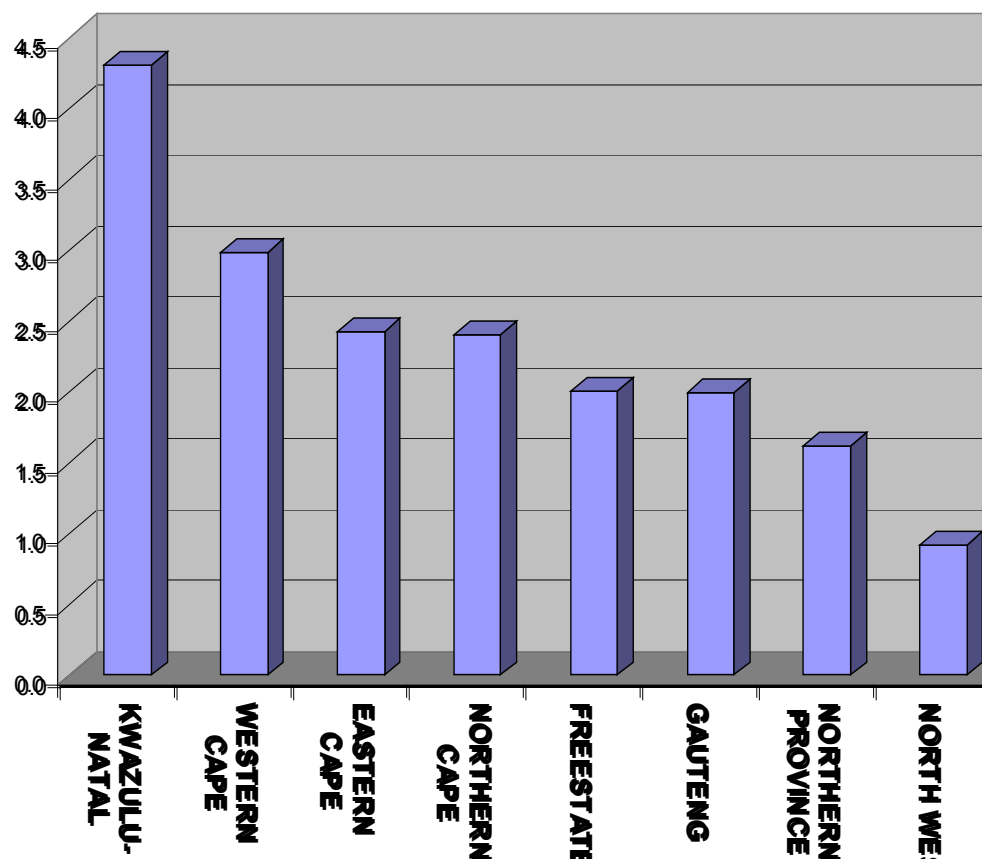
**Weaknesses:**

- high levels of poverty, enormous backlogs in basic services to people, low levels of competitiveness in some sectors, low skills base and high level of illiteracy, difficulties accessing capital, inappropriate spatial economic planning of the past, poor image as regards foreign investment, limited development in information technology and innovation, etc.

#### Opportunities:

- image of stable province (government), wide range of tourism opportunities, growing ability of some firms/sectors to compete and export, enormous potential for agri-processing, cultural richness and traditional knowledge systems (e.g. arts, culture, medicine), large and willing labour force, opportunities arising from international trade agreements and laws e.g. AGOA, etc.

**Average annual % Real GGP Growth, 1995 - 2000**



#### Threats:

- HIV/Aids rate, poverty, imbalance in urban vs rural development, continuing image as “no-action” province as regards economic development, increasing unemployment rate, continuing decline in employment-intensive sectors, perceptions regarding crime and corruption, continuing gap between rich and poor – lack of visible empowerment, continuing problems with access to capital, skills development and resources (land, information, equipment, etc.), continuing lack of integrated service delivery by Government; etc.

These are just some of the key issues that have to be addressed to significantly improve economic development in the province.

### **3.3 Organisational Information**

The new era consists of an approach to operate at a high level by driving economic development at strategic level. Consequently this suggests that the process of transforming the manner in which we operate was launched. At the centre of transformation is the acknowledgement that for economic development to make a difference in the lives of the people is must leverage resources from key stakeholders. Therefore the department needed to recruit high skilled personnel to conceptualise new initiative, leverage funding for these initiatives, and ensure the Black Economic Empowerment takes place. In implementing the high order strategic and dynamic plan that is flexible and adapting to new economic challenges, the department developed a human resource development plan and organogram that will articulate the new approach. Firstly, the department conducted a skills audit and completed personnel profile to identify existing skills and match it to the strategic plan. A plan for addressing scarce skills has been developed and is now being implemented.

#### **3.3.1 *Organisational design***

Higher Level Structure of the Department in terms of the new Strategy, is presented in the attachment.

#### **3.3.2 *Delegations***

Delegations have been cascaded to deputy manager levels. The monitoring took place through the consultative condition attached to all delegations. Secondly monthly reports of managers indicate how and what delegation has been executed.

### **3.4 Asset Management Plans**

During the course of the financial year the entire asset holdings of the department was systematically catalogued and recorded onto a fixed asset register in the form of an electronic database. This has laid the groundwork for more detailed asset management policy and application. The department will draft detailed usage and asset replacement policy, which will be applied to all departmental assets. Currently the department's asset holdings are limited to electronic equipment, furniture and mot vehicles.

### 3.5 Performance Management System

#### Principles underlying performance management

The department of Economic Development and Tourism has adopted a motto that says, it is a **Results-driven and Learning Organisation**. This assertion implies that the organisational and individual performance and development cannot be delinked. Therefore, our department performance system measures both the organisational effectiveness, as well as individual contribution in achieving the desired impact.

The underpinning approach to this system is the concept of principle-centred leadership which espoused the following values:

- Alignment [SYSTEM] each of the units and components of the organisation act in harmony with each other
- Empowerment [STYLE] [balancing management control with empowering release
- Trust [PEOPLE] the degree of trust drives organisational design, governs the conditions of empowerment and influence alignment
- Trustworthiness [SELF] organisational effectiveness is built on the foundation of individual maturity and effectiveness

In addition, the department has endorsed and adopted a performance management framework suggested by the Department of Public Service and Administration which:

- Focuses on achievement of goals and strategies based on public interests
- Prioritise transparency and accountability
- Recognised that policy, plan and strategy must be continuously assesses against all government policy
- Recognises that commitment stems from bottom up approaches
- Recognising the significance of delegating authority with responsibility to the lowest possible level consistent with requirements of co-ordination
- Promoting a share-sense of responsibility among all staff for the achievement of organisational effectiveness
- Promote ongoing learning on strategy and outputs
- Promote flexibility to allow adaptations and innovations
- Treat issues of organisation and management as means and not ends
- Empower managers to create an enabling environment for goals and strategies to be achieved

This set of principles makes performance development and management more than an appraisal system but rather a system that links broader systems and processes in the entire organisation in particular and the public sector generally. At the

organisational level, it linked individual and team performance to strategic goals. At the individual level, it links all the people management and development processes to the strategic goals.

### **3.5.1 Framework for setting and assessing performance**

The department has adopted a results-driven system: The mainstay of the system will be project and process based. This is essentially a project team model. It involves the determining of key strategic issues facing the department and forming project teams to work on them within specific budgetary and timeframes.

This model is suited for our mandate, vision, objectives and, as well as our human resource development strategy. Therefore the department has adopted a two-pronged performance measurement system, namely, the project team model and the cascading model.

The project team model is applied in business units that carry the primary mandates of the department. The cascading model is best suited for the support units such as corporate service. However there are instances where the models can be applied in both contexts depending on the nature of work that has risen in the unit. The principle of flexibility in this instance ensures that there is ongoing innovation, adaptation and modification.

The performance measurement for senior managers is determined by the Minister of Public Service and Administration. The department has modified the system to include the assessment of projects assigned to managers at level 13.

The managers at level 14 upwards will also include the overall performance of the organisation. This is directly linked to public accountability and the performance of managers in driving and setting pace for strategic goals.

The project team base models requires each member of the team to have a performance contract which will spell out the role and key performance indicators for each member. The KPI will be assessed on quarterly basis to determine progress and relevant intervention. KPI will have a greater weighting than generic performance standards. This is significant since KPI are directly linked to the overall strategy of the organisation.

The cascading model in corporate service will also include the KPI and generic standards. In similar breath the KPI will carry a heavy weighting than the generic standards. The department is piloting the system in this financial year.