



STORE

WORKSHOP

A STRONG AND INCLUSIVE ECONOMY

## Priority 2: Economic Transformation and Job Creation

# INTRODUCTION

The NDP Vision 2030 is government's blueprint to unite all South Africans to address the triple challenges of unemployment, inequality and poverty. While this is a long-term project, several medium-term initiatives are needed to reach longer-term goals. The most pressing problem facing South Africa today is the absence of faster and sustained inclusive growth. These dual imperatives are prerequisites for addressing the triple challenge. Over the next five years, we will prioritise economic transformation and job creation through a set of focused, interlinked programmes, described below.

We urgently need to improve South Africa's productive capacity, human capital and state capability. This needs to happen inclusively through broad-based investments to address unemployment and livelihood insecurities facing our people. Faster and inclusive growth is key to improving and sustaining higher living standards, and successfully reducing the inequalities that still puncture our economy. We have laid out preconditions for accelerating delivery through transformative innovation, 4IR, overcoming challenges with SOEs and ensuring a supportive macroeconomic environment for investment. Specific redress interventions are also needed to broaden opportunity and employment for women, the youth and people with disabilities through dedicated economic inclusion, education and skills development initiatives.

### **Economy and jobs**

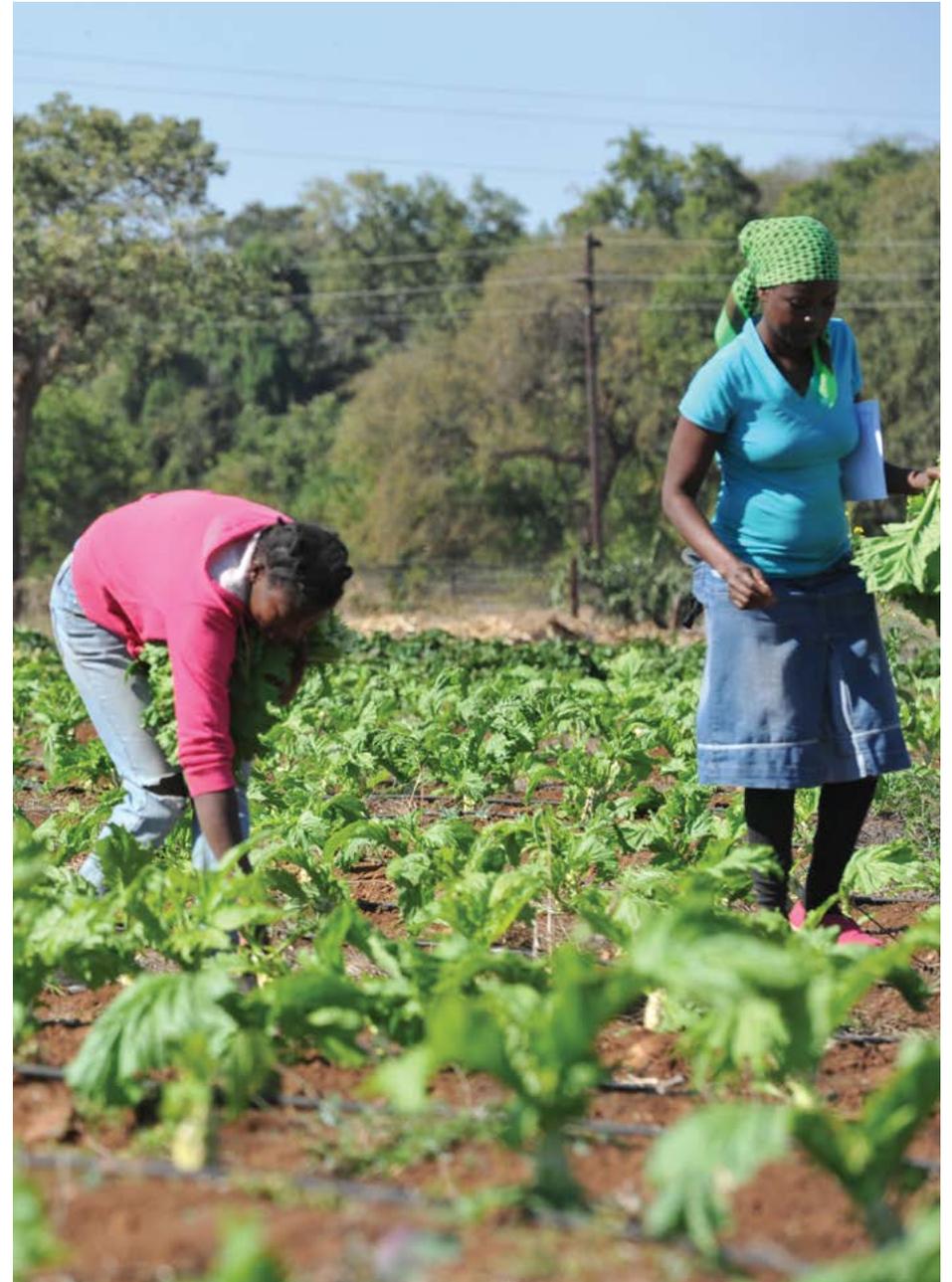
Sustainable long-term growth is needed to sharply reduce unemployment. This requires both broad structural reforms as well as targeted interventions. As we navigate an uncertain global environment and local fiscal constraints, we need to rebuild confidence and galvanise investment. A number of interventions have already been announced through the President's Stimulus Package, the Jobs Summit and the Investment Conference. These must be fast-tracked and implemented fully so that the country can start reaping the benefits. The additional interventions to support priorities over the next five years require partnerships with social and private parties to achieve better growth opportunities.

### **Operation Phakisa - accelerating delivery through transformative innovation**

Operation Phakisa aims to accelerate the delivery of key national developmental priorities contained in the NDP. Government has created seven Operation Phakisa Labs in the following sectors: oceans economy; health; ICT in basic education; mining; biodiversity; agriculture, land reform and rural development; and chemicals and waste. Two more labs focusing on technical and vocational education and training (TVET) colleges, and water and sanitation will be convened over the next five years. The current estimates are that Operation Phakisa projects will create a cumulative 402 000 jobs by 2024.

- **Oceans Economy Lab** was convened in July–August 2014, led by the Department of Environment, Forestry and Fisheries (DEFF), in partnership with the Department of Mineral Resources and Energy (DMRE), the Department of Transport (DoT), the Department of Agriculture, Rural Development and Land Reform (DARDLR) and the Department of Health (NDOH) is estimated to contribute up to R177 billion to the GDP while creating more than one million jobs by 2033.
- **Ideal Clinic Realisation and Maintenance Programme** was convened in October–November 2014, led by NDOH. The aspiration of this delivery Lab is to transform 100 percent of all the 3 507 public health clinics (PHC) into Ideal Clinics by 2019, from a zero base and improve patient experience of health care. Developing and sustaining the ‘ideal’ PHC clinic requires that a number of components are in place and function well, including administration, Integrated Clinical Services Management, Medicines, Supplies and Laboratory Services, Human Resources for Health, Support Services, Infrastructure, Health Information Management, Communication, District Health System Support, Implementing Partners and Stakeholders.
- **Leveraging ICT in Basic Education** was convened in August–September 2015, led by the Department of Basic Education (DBE). The delivery Lab on Leveraging ICT has an aspiration to ensure access to ICT infrastructure and support through school connectivity and digital content while teachers and managers are professionally developed. This Lab was premised on the fact that ICT, as emphasised in the NDP, are tools that can assist in improving the quality of basic education. The NDP also recognises that the development of an ICT capable society requires the development of critical thinking and technological skills during school years.
- **Mining Lab**, galvanising growth, investment and employment creation along the mining value chain and mining-related communities – convened in Oct–Nov 2015, led by DPME in partnership with the DMRE and the Department of Trade, Industry and Competition (DTIC). The aspiration of the Operation Phakisa Mining was to galvanise growth, transformation, investment and employment creation along the entire mining value chain, in relevant input sectors and in mining related communities. Targets for this delivery Lab are set in specific initiatives. These targets include but are not limited to the following:
  - Attracting up to 6 percent investment in the South African mining cluster by 2020;
  - Reducing the turnaround time for applications and approvals from 200 days in 2016 to 100 days in 2020;
  - Increase in the number of direct jobs created as per investment, from zero in 2016 to 5 percent in 2020, with up to 979 888 additional jobs created;
  - Creation on up to 489 944 indirect jobs by 2020 from a zero base in 2020.
  - Improving access and operating costs to logistics infrastructure from 2 percent in 2016 to 10 in 2020;
  - Increasing the level of exploration in South Africa through the increase in the percentage of global expenditure from less than 1 percent in 2016 to 2.5 percent in 2020;
- **Biodiversity Economy** was convened from Apr–May 2016, led by DEFF. This Lab is comprised of two focus areas, namely: Wildlife and Bioprospecting. The Wildlife focus area of the Biodiversity Delivery Lab aspires to be an inclusive, sustainable and responsive wildlife economy that grows at 10 percent per annum until at least 2030, while providing a foundation for social well-being and maintaining the ecological resource base. It aspires to have an average annual increase of 10 percent to the GDP while creating 100 000 new jobs.

- **Agriculture, Land Reform and Rural Development** - convened in September–October 2016, led by the Department of Agriculture, Rural Development and Land Reform (DARDLR). This lab was convened with an aspiration to stimulate growth, foster job creation and instill transformation. Agriculture, forestry and fisheries was identified as a key sector to drive inclusive growth in rural economies with significant job creation opportunities. Its targets include creation of 1 million jobs, 600 000 jobs in communal areas and 300 000 jobs through commercial agriculture.
- **Chemicals and Waste Economy** - convened in July–August 2017, led by DEFF. Its aspiration is to reduce the negative environmental and health impact of waste and risks posed by chemicals; increase the commercialisation of the circular economy and create value from resources currently discarded as waste; and foster inclusive growth through positioning of South Africa as a globally competitive producer of sustainable products. Specific targets for this Lab include contributing to R11.5 billion to the GDP, create 127 000 jobs and 4 300 Small, Medium and Micro-Enterprises (SMMEs), grow the secondary resources economy by increasing local utilization and beneficiation of waste resources by 50-75 percent.



## The private sector's contribution to jobs and investment

The private sector is a key social partner to stimulate growth and serve as an investor for catalytic implementable projects. The Public Private Growth Initiative (PPGI) aims to develop a more coherent partnership with government and drive inclusive economic growth and job creation.

The PPGI has committed to projects and initiatives in the forestry, automotive, agriculture, tourism, construction, small businesses, aerospace, energy, financial, manufacturing, ICT and pharmaceuticals industries. These commitments are set out below:

**Table 2: Identified public private growth initiative projects**

Sector	Description	Estimated jobs	Investment (R billions)
Forestry	Expansion and modernisation and renewable energy	40 565	24.62
Automotive	Localisation of automotive components	16 000	16
Agriculture	Beefmaster	1 300	-
Renewable energy	Independent power producers in renewable energy development zones	33 000	140
Defence	Safety and security	2 000	2
Water economy	Municipality water and sanitation beneficiation	-	16
Global business	Various	30 000	-
Energy (fuel)	Clean Fuels 2 programme	16 000	55
Construction	South Africa's border posts	-	6
<b>Total</b>		<b>138 865</b>	<b>259.62</b>

### More decent jobs created and sustained

The NDP Vision 2030 set a target of reducing unemployment to 6 percent by 2030, resulting in a working labour force of 24 million. Over the last nine years an additional 2.5 million jobs have been created. This has resulted in an employed population of 16.3 million and an official unemployment rate of 27.6 percent (Q1 2019). Creating jobs, especially for the youth, will stop rising unemployment and break down the barriers for those excluded from the labour market. Government plans to facilitate the creation of at least 2 million jobs by 2024. A number of public and private-sector initiatives are planned to create these jobs.

### Investing for accelerated inclusive growth

The NDP sought to achieve average growth of 5.4 percent until 2030, which would mean economic growth would more than double between 2011 and 2030. The MTSF 2019-2024 targets 2-3 percent growth by 2024. Inclusive growth also ensures that the highly skewed distribution of productive assets, which is a source of inequality and social fragility, is more equitable. Black economic empowerment should be reviewed to ensure that it becomes truly broad-based.

Ensuring inclusive growth will also require addressing the vast amounts of money South Africa loses to the illicit economy each year – estimated at 10 percent of GDP. This has mainly been in the form of illicit exports, concealment of wealth abroad, and illicit financial flows – which have a well-established link to corruption, while reducing the tax base. Other activities include smuggling tobacco products, counterfeit textiles, drug trade, illicit mining of gold, diamonds and other minerals, ivory smuggling, and the poaching of endangered species like abalone and rhino.

### Industrialisation, localisation and exports

There will be a focus on industrialisation which enables economic growth and development. This is due to the multiplier effects of these industries

and their ability to create jobs, develop skills and support the development of new technologies. South Africa's manufacturing sector has been under significant strain. Its share of GDP has dropped from 21 percent in 1994 to 14 percent by 2018. This decline is the result of rising operational costs, insufficient skills, low business confidence, uncertain global conditions and policy uncertainty.

### Innovation

South Africa remains one of the most expensive countries in Africa in relation to broadband costs. The country has relatively low levels of ICT uptake, largely because data costs are high, access is low and efficiency is poor. This has affected our relative competitiveness and future growth potential. According to the Global Competitiveness Reports, South Africa was ranked 66th for ICT readiness and adoption in 2014, but has dropped to 89th position by 2019.

### Competitive and accessible markets

The South African economy has high levels of concentration, which create barriers to economic expansion, inclusion and participation. In 2018, the Competition Commission stated that the average share of dominant firms in priority sectors is 62 percent. Most of the country's markets have high barriers to entry and have traditionally been protected by natural trade barriers. This is a problem for smaller firms in particular, which struggle to find new demand in a stagnant economy and face barriers imposed by incumbents. The skills constraint exacerbates matters, particularly hurting manufacturers, SMME's and emerging entrepreneurs.

## Improved quality and quantum of investments

The NDP sets an infrastructure investment target of 30 percent of GDP by 2030, with public-sector investment reaching 10 percent of GDP. However, public-sector investment in both new and existing economic infrastructure falls short of what is needed to meet the country's economic and social requirements. In 2018, the National Treasury conducted a study on key inhibitors to growth, which demonstrated that lack of investment, poor management and operational inefficiencies in key network infrastructure

sectors, limit South Africa's growth potential. According to the Global Competitiveness Index (2019), the country ranks very poorly across key infrastructure sectors. Out of 141 countries, South Africa is ranked 107th for electricity access, 87th for reliability of water supply, 65th for efficiency of train services and 50th for efficiency of port services. This limits competitiveness by increasing the cost of doing business and hinders the expansion or creation of businesses.

## Implementation Plan: More decent jobs created and sustained

OUTCOME MORE DECENT JOBS CREATED AND SUSTAINED, WITH YOUTH, WOMEN AND PERSONS WITH DISABILITIES PRIORITISED							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing department
Create jobs through Job Summit Commitments, Operation Phakisa and other public sector employment programmes	To be funded in MTEF baseline	All entities with job creation programmes			Projects to be spatially mapped	National departments; provinces; municipalities	DEL, DPWI DPME
Implement Presidential comprehensive youth employment intervention	To be funded in MTEF baseline	NYDA	PPGI		Projects to be spatially mapped	National departments; provinces; municipalities	DEL, Presidency
Create an enabling environment for employment through policy and regulations.	To be funded in MTEF baseline	Not applicable	NEDLAC		Not applicable	National	DEL, DHA

## Monitoring Framework: More decent jobs created and sustained

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP

Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing department
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	Unemployment rate	27.6%	20-24%	Create jobs through Job Summit Commitments Operation Phakisa and other public sector employment programmes	Number of jobs created per year through Job Summit initiatives	New indicator	275 000 jobs created per year until 2024	DEL
					Number of Jobs created through Operation Phakisa	9 146	402 950 jobs created by 2024	DPME
					Number of work opportunities reported through other public employment programmes	4.4 million work opportunities	5 million work opportunities created by 2024	DPWI
				Implement Presidential comprehensive youth employment intervention	Number of youth NEET absorbed in employment	New indicator	1 million youth jobs by 2024	DEL, Presidency
				Create an enabling environment for employment through policy and regulations	Draft employment policy developed, consulted, piloted and implemented	New indicator	Employment policy drafted and implemented by 2024	DEL
					Revise the visa regime to support importation of critical skills, and improve processing turnaround time	Visa regime revised  85% of critical skills visas adjudicated within 4 weeks for applications processed within the RSA	Implementation of revised visa regime  95% of visa applications adjudicated in 4 weeks by 2022	DHA

## Implementation Plan: Investing for accelerated inclusive growth

OUTCOME INVESTING IN ACCELERATED INCLUSIVE GROWTH							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing department
Improve ease of doing business	To be funded in MTEF baseline	Companies and Intellectual Property Commission; SARS	PPGI	One-stop shops	Major cities and towns	National departments; provinces; municipalities	DTIC, NT
Demand skills planning to support growth	To be funded in MTEF baseline	Universities; TVET colleges	NEDLAC		Not applicable	National	DHET DEL
Ensure the macroeconomic policy alignment and coherence	To be funded in MTEF baseline	South African Reserve Bank, National Planning Commission, Centre of Scientific and Industrial Research, Universities	NEDLAC	Not applicable	Not applicable	National	NT, DTIC, DPME, DEFF, DMRE
SUB-OUTCOME: INCREASED OWNERSHIP AND PARTICIPATION BY HISTORICALLY DISADVANTAGED INDIVIDUALS							
Review broad-based black economic empowerment (B-BBEE) to support worker empowerment and establish legislation for worker, community and HDI ownership	To be funded in MTEF baseline	Not applicable	NEDLAC	Not applicable	Not applicable	National	DTIC
Ensure the implementation of the Employment Equity Act to eliminate gender and race wage disparity.	To be funded in MTEF baseline	Not applicable	NEDLAC		Not applicable	National departments; provinces; municipalities	DEL, DWYPD
Review the financial sector code to support transformation in the sector	To be funded in MTEF baseline	South African Reserve Bank	NEDLAC, Financial Sector Transformation Council; Business (financial sector)		Not applicable	National	NT, DTIC

OUTCOME INVESTING IN ACCELERATED INCLUSIVE GROWTH							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing department
SUB-OUTCOME: REDUCED ILLICIT ACTIVITY AND IMPROVED TAX COLLECTION							
Reduce illicit financial flows and misuse of tax havens	To be funded in MTEF baseline	Financial Intelligence Centre; South African Reserve Bank; South African Revenue Service, Financial Sector Conduct Authority; National Prosecuting Authority; Directorate for Priority Crime Investigation	Not applicable		Not applicable	National	NT, FIC
Reducing the illicit economy activities	Additional funding requested	South African Revenue Service; National Prosecuting Authority, South African Police Service	Not applicable		Not applicable	National, provincial and regional offices	NT

## Monitoring Framework: Investing for accelerated inclusive growth

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing department
Investing for accelerated inclusive growth	GDP	0.8% (2018)	2-3%	Improve the ease of doing business	World Bank Ease of Doing Business ranking	Ranked 82nd , 2019	Improve overall ranking to within the top 50 countries by 2024. Also achieve top 50 ranking on indicators such as Starting a Business, Trading Across Borders, Registering Property, Construction Permits, and top 25 ranking on Paying Taxes	DTIC, NT
				Demand skills planning to support growth	Skills Priority Plan developed	New indicator	Skills Priority Plan developed by 2020	DHET, DEL
				Ensure the macroeconomic policy alignment and coherence	Macroeconomic policy reviewed to support growth	Fiscal consolidation, inflation targeting 3-6%	Macroeconomic policy framework reviewed by 2022	NT, DTIC
					Framework for a just transition to a low carbon economy developed and implemented	New indicator	Framework for a just transition to a low carbon economy developed and implemented by 2022	NT, DPME, DEFF, DMRE
				Review B-BBEE to support worker empowerment and establish legislation for worker, community and HDI ownership	Legislation to establish threshold and conditions	New indicator	Legislation for worker, community and HDI ownership established by 2022	DTIC
					Percentage of B-BBEE transactions with worker and community ownership	New indicator	3% of transaction value accrue to workers and communities	DTIC
				Ensure the implementation of the Employment Equity Act (EEA) to eliminate gender and race wage disparity	Number of EEA inspections	2 063 EEA inspections conducted in 2018/19	1 640 EEA inspections conducted per year	DEL

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP

Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing department
Investing for accelerated inclusive growth	GDP	0.8% (2018)	2-3%	Review the financial sector code to support transformation in the sector	Financial sector code reviewed	Financial sector code	Financial sector code reviewed and implemented by end of 2020	NT, DTIC
				Reduce illicit financial flows and misuse of tax havens	Percentage reduction in illicit financial flows	New indicator	Reduction in illicit financial flows of 10% per annum	NT, FIC, FSCA, NPA, DPCI, SARS, SARB
				Reducing the illicit economy activities	Capacitate SARS through the establishment of the illicit economy unit	New indicator	Illicit economy unit established and fully functional	NT, SARS

### Implementation Plan: Re-industrialisation of the economy

OUTCOME RE-INDUSTRIALISATION OF THE ECONOMY AND EMERGENCE OF GLOBALLY COMPETITIVE SECTORS							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing department
Create a conducive environment that enables national priority sectors to support industrialisation and localisation, leading to increased exports, employment, and youth- and women-owned SMME participation	Additional funding requested for new priority sectors	Entities that support national priority sectors	Private parties in national priority sectors		Projects to be spatially mapped	National departments; provinces; municipalities	DTIC, All Departments identified as national priority sectors
Support localisation and industrialisation through government procurement	To be funded in MTEF baseline	Entities that support national priority sectors	Not applicable		Not applicable	National departments; provinces; municipalities	DTIC, NT

## Monitoring Framework: Re-industrialisation of the economy

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP								
Outcome	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Industrialisation, localisation and exports	Percentage growth for exports in national priority sectors (automotive, agriculture & agro-processing CTLF, chemicals, gas, steel and metal fabrication, tourism, ICT, defence, health, mining, renewables, green economy, oceans economy, creative industries)	New	4%	Create a conducive environment that enables national priority sectors to support industrialisation and localisation, leading to increased exports, employment, and youth- and women-owned SMME participation	Masterplans developed	Automotive and CTLF Masterplans	All master plans developed by end of 2021	DTIC, All Departments identified as national priority sectors
					National priority sectors grow contribution to GDP growth of 3% and exports increase by 4%	New indicator	Exports for national priority sectors increased by 4%	
					Complete the revitalisation of industrialisation parks	15 Industrial parks	All industrial parks revitalised	DTIC
				Support localisation and industrialisation through government procurement	Percentage compliance of government spend on designated products and services	New indicator	100% compliance	DTIC, NT

## Implementation Plan: Improve competitiveness through ICT adoption

OUTCOME IMPROVE COMPETITIVENESS THROUGH ICT ADOPTION							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing departments
Spectrum licensing, broadband rollout, and reducing the cost of communications	To be funded in MTEF baseline	Independent Communications Authority of South Africa; Sentech; Broadband Infraco	Private sector (ICT industry)		Not applicable	Not applicable	DCDT
Increased investment in gross expenditure on research and development	Additional funding required	Council for Scientific and Industrial Research			Not applicable	National	DSI
Commercialisation of Public Sector funded IP	To be funded in MTEF baseline	Council for Scientific and Industrial Research			Not applicable	National	DSI

## Monitoring Framework: Improve competitiveness through ICT adoption

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Improve competitiveness through ICT adoption	World Economic Forum Global Competitiveness Index for ICT adoption	Ranked 89th 2019	Ranked 70th	Spectrum licensing, broadband rollout and reducing the cost of communications	High demand spectrum allocated	Policy directive issued	4G coverage of high demand spectrum allocated by end of 2020 Inquiry into the licensing framework for 5G within 6 months after the World Radio Communications Conference 2019	DCDT
					Percentage increase in broadband penetration.	54% of population have access to internet	80% of population have access to the internet by 2024	DCDT
					Competitive reduction in data cost and the eradication of skewed price setting by dominant players	South Africa is ranked 31st in Africa for the price of 1G data based on the Competition Commission (2018)	South Africa will be the cheapest in Africa for 1G data by 2024	DCDT
				Increased investment in gross expenditure on research and development	Gross expenditure on research and development as a percentage of GDP	0.82% of GDP in 2016/17	1.1% of GDP by 2024	DSI
				Commercialisation of Public Sector funded IP	No. of disclosures which are licensed annually	15	35	DSI

## Implementation Plan: Competitive and accessible markets

OUTCOME							
COMPETITIVE AND ACCESSIBLE MARKETS THROUGH REDUCED SHARE OF DOMINANT FIRMS IN PRIORITY SECTORS AND EXPANDED SMALL BUSINESS							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing departments
Reduce high levels of economic concentration through rigorous implementation of the Competition Amendment Act and other regulations	To be funded in MTEF baseline	Competition Commission	Not applicable		Not applicable	National	DTIC
Facilitate the increase in number of functional small businesses with a focus on township economies and rural development	To be funded in MTEF baseline	Small Enterprise Development Agency	Not applicable		Not applicable	National Departments; Provinces; District Municipalities	DSBD, DTIC
Strengthen development finance towards SMME development	To be funded in MTEF baseline	Small Enterprise Finance Agency; Industrial Development Corporation	Not applicable		Not applicable	National Departments; Provinces; District Municipalities	DSBD
SMME development through incubation centres and digital hubs	To be funded in MTEF baselines	Small Enterprise Development Agency	Not applicable		Projects to be spatially mapped	National Departments; Provinces; District Municipalities	DSBD
Ensure inclusion of SMMEs in localisation and buy local campaigns	To be funded in MTEF baseline	Small Enterprise Development Agency	Not applicable		Not applicable	National Departments; Provinces; District Municipalities	DSBD, DTIC
Explore the introduce of measures (such as tax breaks) to support the establishment of new, youth owned start-ups	To be funded in MTEF baseline	Small Enterprise Development Agency, South African Revenue Service; Youth Development Agency	Private Sector		Not applicable	National Departments; Provinces; District Municipalities	DSBD, DTIC, NT

## Monitoring Framework: Competitive and accessible markets

2024 IMPACT: UNEMPLOYMENT REDUCED TO 20-24% WITH 2 MILLION NEW JOBS ESPECIALLY FOR YOUTH; ECONOMIC GROWTH OF 2-3% AND GROWTH IN LEVELS OF INVESTMENT TO 23% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Reduced concentration and monopolies and expanded small business sector	Percentage contribution of small business to GDP	35%	50%	Reduce high levels of economic concentration through rigorous implementation of the Competition Act and other regulations	Number of market inquiries into historically concentrated priority sectors	New indicator	Initiate one new market inquiry and implementation of recommendations of one concluded market inquiry per annum	DTIC
				Facilitate the increase in number of competitive small businesses with a focus on township economies and rural development	Number of competitive small businesses and cooperatives supported	New indicator	200 000 competitive small businesses and cooperatives supported	DSBD
				Strengthen development finance towards SMME development	Improved access to affordable finance for SMMEs and cooperatives	New indicator	At least 50% of national and provincial DFI financing to SMMEs and cooperatives	DSBD, DTIC, NT
				SMME development through incubation centres and digital hubs	Number of incubation centres and digital hubs established	73	270 established by 2024	DSBD
				Ensure inclusion of SMMEs in localisation and buy local campaigns	Provisions made in accords and interventions for SMMEs	New indicator	Localisation policy paper on SMMEs development and adopted by 2021	DSBD, DTIC
				Explore the introduction of measures (such as tax breaks) to support the establishment of new, youth owned start-ups	Number of youth business start-ups	New indicator	100 000 youth business start-ups per annum	DSBD, NT, DTIC

## Implementation Plan: Improved quality and quantum of investments

OUTCOME IMPROVE THE QUALITY AND QUANTUM OF INVESTMENT TO SUPPORT GROWTH AND JOB CREATION							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing departments
<b>SUB-OUTCOME: ESTABLISH INFRASTRUCTURE FUND</b>							
Improve the quality and rate of infrastructure investment	R50 billion required over five years	Development Bank of Southern Africa; Industrial Development Corporation, Government Technical Advisory Centre	Approved blended finance projects	Technical expertise	Projects to be spatially mapped	National	NT, Presidency, DPWI
<b>SUB-OUTCOME: SECURE SUPPLY OF ENERGY</b>							
Increase reserve margin to counter load shedding	Additional funding required	Eskom	Not applicable		Projects to be spatially mapped	Not applicable	DPE, DMRE
Explore embedded generation options to augment Eskom capacity	Additional funding required	Eskom	Approved private sector projects		Projects to be spatially mapped	National and municipalities	DPE, DMRE
Separation and unbundling of Eskom to eliminate cross-subsidisation and improve efficiency	Additional funding required	Eskom	Not applicable		Not applicable	Not applicable	DPE, DMRE
Diversify energy sources by implementing the approved Integrated Resource Plan	Additional funding required	Eskom	Approved private sector projects		Projects to be spatially mapped	National	DMRE
Strengthen NERSA's regulatory oversight of Eskom and relevant municipalities	To be funded in MTEF baseline	National Energy Regulator of South Africa	Not applicable		Not applicable	National and municipalities	DMRE
Security of supply and diversify liquid fuels	To be funded in MTEF baseline	Central Energy Fund			Not applicable	National	DMRE

OUTCOME IMPROVE THE QUALITY AND QUANTUM OF INVESTMENT TO SUPPORT GROWTH AND JOB CREATION							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs, and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing departments
<b>SUB-OUTCOME: WATER SECURITY</b>							
Diversify the water mix through implementation of Water and Sanitation Masterplan	To be funded in MTEF baseline	Water Boards; Water Services Authorities	Approved blended finance projects		Projects to be spatially mapped	National, regional and municipal offices	DHSWS
Develop, maintain and refurbish gauging stations to measure water quantity	To be funded in MTEF baseline	Water Boards; Water Services Authorities	Approved blended finance projects		Projects to be spatially mapped	National, regional and municipal offices	DHSWS
Reduce delays in water use licenses	To be funded in MTEF baseline	Water Services Authorities	Not applicable		Not applicable	National	DHSWS
<b>SUB-OUTCOME: INCREASE IN ACCESS TO AFFORDABLE AND RELIABLE TRANSPORT SYSTEMS</b>							
Increase competitiveness and access to transport modal networks through effective regulation	To be funded in MTEF baseline	Transnet; South African National Roads Agency Limited	Approved blended finance projects		Projects to be spatially mapped	National departments; provinces; municipalities	DoT, DPE
Expansion and maintenance of transport infrastructure as part of the Road Stimulus Package	To be funded in MTEF baseline	South African National Roads Agency Limited; Provincial and Municipal Roads Agencies	Not applicable		Projects to be spatially mapped	National departments; provinces; municipalities	DoT
Implement comprehensive rail modernisation and upgrade programme	Additional funding required	Passenger Rail Agency of South Africa	Not applicable		Projects to be spatially mapped	National	DoT
Finalise Road Freight Strategy Integrated Implementation Plan to facilitate transition from road freight to rail and the participation of private sector	To be funded in MTEF baseline	Transnet; South African National Roads Agency Limited; Provincial and Municipal Roads Agencies	Not applicable		Projects to be spatially mapped	National departments; provinces; municipalities	DoT, DPE
Develop strategy for the implementation of the "user pay principle"	To be funded in MTEF baseline	Not applicable	Not applicable		Not applicable	National	DoT
Reduce costs for priority sectors by increasing the efficiency of ports.	To be funded in MTEF baseline	Ports Regulator of South Africa; Transnet (National Ports Authority)	Not applicable		Not applicable	National	DoT, DPE

## Monitoring Framework: Improved quality and quantum of investments

2024 IMPACT: INVESTMENT TO REACH 23% OF GDP BY 2024 WITH THE PUBLIC SECTOR CONTRIBUTING 8% OF GDP AND THE PRIVATE SECTOR CONTRIBUTING 15% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Quality and quantum of investment to support growth and job creation improved	Investment in infrastructure secured and implemented	18.2% (2018)	8% public sector contribution  15% private sector contribution	Improve the quality and rate of infrastructure investment	Infrastructure Fund established and operationalised	New indicator	R100 billion Infrastructure Fund established and operationalised, with R5 billion leveraged by 2020	NT Presidency, DPWI
					Infrastructure expenditure	New indicator	R1 trillion invested by 2024	NT
Supply of energy secured	Increase infrastructure investment by public and private sectors	18.2% (2018)	8% public sector contribution  15% private sector contribution	Improve energy availability factor to ensure constant supply of electricity	Increased energy availability factor	73.74 %	Above 80% by 2024	DPE, DMRE
				Increase reserve margin to counter load shedding	Increased electricity reserve margin	4.3 %	15% by 2024	DPE, DMRE
				Explore embedded generation options to augment Eskom capacity	Additional megawatts commissioned	New indicator	1000 MW by 2024	DMRE, DPE
				Separation and unbundling of Eskom to eliminate cross-subsidisation and improve efficiency	Independent transmission company under Eskom Holdings established	New indicator	Transmission company established by 2024	DPE, DMRE

2024 IMPACT: INVESTMENT TO REACH 23% OF GDP BY 2024 WITH THE PUBLIC SECTOR CONTRIBUTING 8% OF GDP AND THE PRIVATE SECTOR CONTRIBUTING 15% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Supply of energy secured	Increase infrastructure investment by public and private sectors	18.2% (2018)	8% public sector contribution  15% private sector contribution	Diversify energy sources by implementing the approved Integrated Resource Plan 2019	Share of alternative energy sources	5.9 %	Share of alternative energy sources at 11 % by 2024	DMRE
				Strengthen NERSA's regulatory oversight of Eskom and relevant municipalities	Regulator's role and responsibility reviewed	New indicator	NERSA review completed with recommendations adopted by Cabinet and implemented by the end of 2020	DMRE
				Security of supply and diversify liquid fuels	Strategy and plan on liquid fuels reviewed and updated	Integrated Energy Plan (IEP)	Updated strategy and plan for liquid fuels by 2022	DMRE
					Feasibility study completed	Draft feasibility study	Feasibility study on new oil refinery completed by 2021 and final investment decision made	DMRE
Water security secured	Increase infrastructure investment by both public and private sectors	18.2% (2018)	8% public sector contribution  15% private sector contribution	Diversify the water mix through implementation of the Water and Sanitation Master Plan	National Water and Sanitation Master Plan developed	2017 National Water and Sanitation Master Plan	Implement the approved National Water and Sanitation Masterplan	DHSWS
				Develop, maintain and refurbish gauging stations to measure water quantity	Gauging stations developed, maintained and refurbished	New target	Additional gauging stations developed by 2024 and existing stations maintained and refurbished	DHSWS

2024 IMPACT: INVESTMENT TO REACH 23% OF GDP BY 2024 WITH THE PUBLIC SECTOR CONTRIBUTING 8% OF GDP AND THE PRIVATE SECTOR CONTRIBUTING 15% OF GDP								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Water security secured	Increase infrastructure investment by both public and private sectors	18.2% (2018)	8% public sector contribution  15% private sector contribution	Reduce delays in water use licenses	Timeframe for processing water use license applications	3-12 months depending on complexity	Timeframe for water use license applications reduced by 50% by 2020	DHSWS
Increase access to affordable and reliable transport systems.	Increase infrastructure investment by public and private sectors	18.2% (2018)	8% public sector contribution  15% private sector contribution	Increase competitiveness and access to transport modal networks through effective regulation	Single Transport Economic Regulator established and operationalised	Single Transport Economic Regulator Bill	Single Transport Economic Regulator established and operationalised by 2020	DoT
				Expansion and maintenance of transport infrastructure as part the Road Stimulus Package	Km of roads upgraded, refurbished and maintained	New target	Upgrading, refurbishing and maintenance of +- 20 000km of road network	DoT
				Implement comprehensive rail modernisation and upgrade programme	Rolling stock expansion and upgrade	PRASA rail modernisation	Roll out new rolling stock to various priority corridors	DoT, DPE
				Finalise Road Freight Strategy Integrated Implementation Plan to facilitate transition from road freight to rail and the participation of private sector	Percentage moved from road freight to rail  Private Sector Participation Framework	6.1 million tons  3 concessions	10% of road freight transferred to rail by 2024.  Private Sector Participation framework implemented by 2020	DoT
				Develop strategy for the implementation of the “user pay principle”	Compliance to user pay principle	New target	100% compliance with user pay principle by 2024	DoT
				Reduce costs for priority sectors by increasing the efficiency of ports	Corporatisation of Transnet National Ports Authority	New indicator	Transnet National Ports Authority Corporatisation completed by 2020	DPE, DoT

CROSS-CUTTING FOCUS AREAS

WOMEN



YOUTH

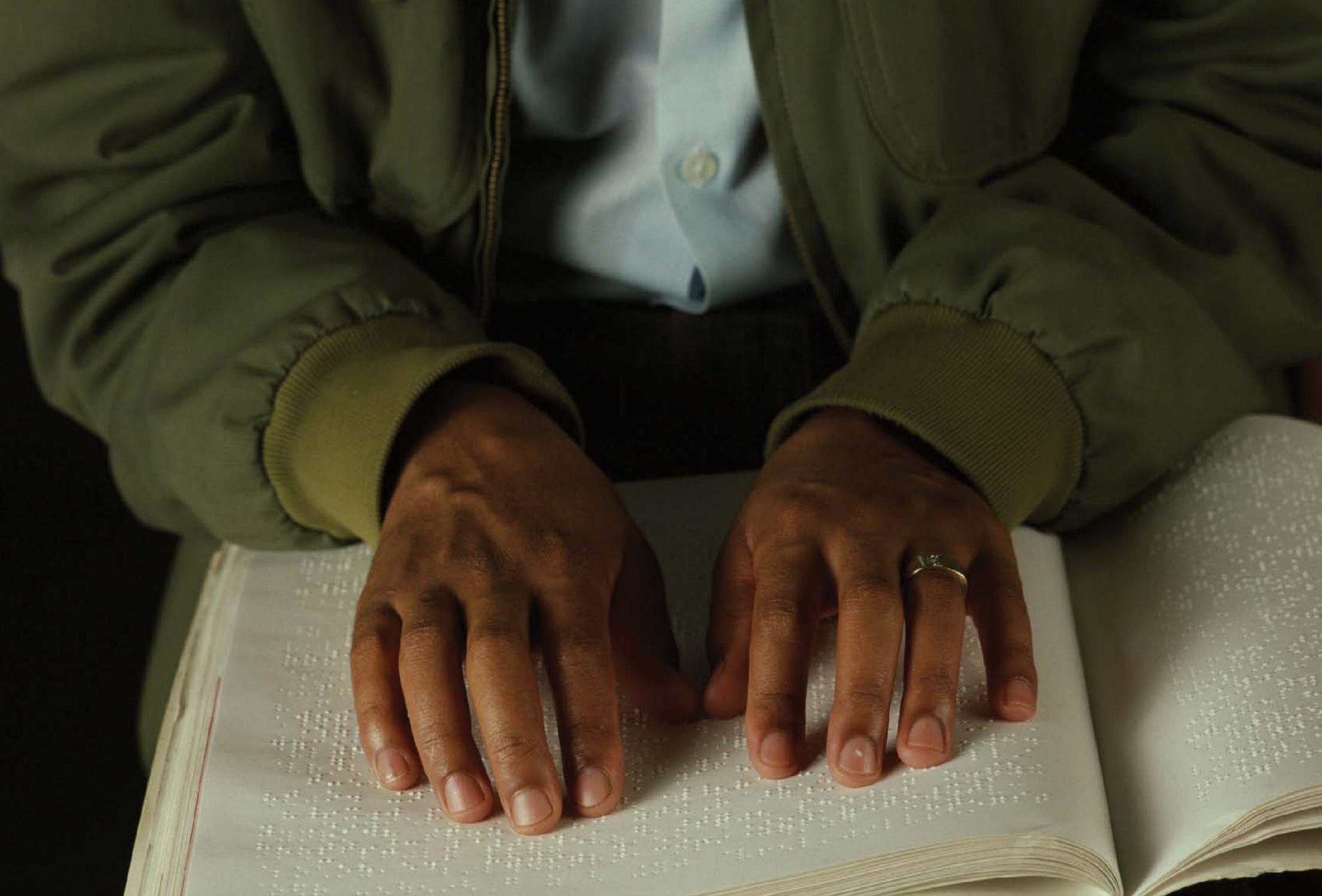


PEOPLE WITH DISABILITIES



## Implementation Plan: Increased participation, ownership and access to resources and opportunities by women, youth and persons with disabilities

OUTCOME INCREASED ECONOMIC PARTICIPATION, OWNERSHIP AND ACCESS TO RESOURCES AND OPPORTUNITIES BY WOMEN, YOUTH AND PERSONS WITH DISABILITIES							
Interventions	Resourcing (MTEF budget allocation)	Contribution by DFIs, SOEs and public entities	Investment, contribution and partnerships by the private sector, labour and civil society	Human capital, skills and technology requirements	Spatial planning reference and spatial action area in terms of the NSDF, PSDF and SDF	Provincial and district municipality	Lead and contributing departments
Develop, implement, support and monitor programmes for equitable job creation, representation and ownership by women, youth and persons with disabilities	To be funded through the MTEF Baseline	DWYPD will engage with relevant stakeholders	DWYPD in partnership with relevant stakeholders including through NEDLAC and PPGI	DWYPD will engage with relevant departments, civil society organisations and other entities to utilise their human capital, skills and technologies in driving this intervention	All 9 provinces	National, provincial, district and local municipalities as defined in the lead department's district model	DSBD DTI DWYPD DPWI DEL
Expand government spend on women, youth and persons with disabilities through preferential procurement	To be funded through the MTEF Baseline	DWYPD will engage with relevant stakeholders	DWYPD in partnership with relevant stakeholders	DWYPD will engage with relevant departments, civil society organisations and other entities to utilise their human capital, skills and technologies in driving this intervention	All 9 provinces	National, provincial, district and local municipalities as defined in the lead department's district model	NT DSBD DTIC DWYPD
Programmes to expand access to finance, incentives and opportunities for women, youth and persons with disabilities-led and owned businesses, including those in the informal sector	To be funded through the MTEF Baseline	DWYPD will engage with relevant stakeholders	DWYPD in partnership with relevant stakeholders	DWYPD will engage with relevant departments, civil society organisations and other entities to utilise their human capital, skills and technologies in driving this intervention	All 9 provinces	National, provincial, district and local municipalities as defined in the lead department's district model	DSBD DTI SARS DALRRD NT DWYPD
Programmes to expand access to and ownership of land by women, youth and persons with disabilities	To be funded through the MTEF Baseline	DWYPD will engage with relevant stakeholders	DWYPD in partnership with relevant stakeholders	DWYPD will engage with relevant departments, civil society organisations and other entities to utilise their human capital, skills and technologies in driving this intervention	All 9 provinces	National, provincial, district and local municipalities as defined in the lead department's district model	DALRRD DHS DWYPD



**Monitoring Framework: Increased participation, ownership and access to resources and opportunities by women, youth and persons with disabilities**

2024 IMPACT: TRANSFORMED, REPRESENTATIVE AND INCLUSIVE ECONOMY WHICH PRIORITISES WOMEN, YOUTH AND PERSONS WITH DISABILITIES								
Outcomes	Indicator	Baseline	Target	Interventions	Indicators	Baseline	Targets	Lead and contributing departments
Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities	Level of participation, ownership, employment, equity by sex/gender, age, disability, sector/industry, occupational level	QLFS, LMD, EE Report	50% increase for women, youth and persons with disabilities by 2024 in each indicator category	Develop, implement, support and monitor programmes for equitable job creation, representation and ownership by women, youth and persons with disabilities	Proportion of youth, women and persons with disabilities	25 Year Review reports	Minimum targets as defined for women, youth and persons with disabilities	DSBD DTIC DWYPD DPWI DEL
				Expand government spend on women, youth and persons with disabilities through preferential procurement	Percentage preferential procurement spend by sex/gender, age and disability	Black Women owned - 11.49% (2017/18)  Minority black women 9.68% in (2017/18)  Black Disabled Persons (R239M in 2017/18)	Minimum 40% target for Women, 30% for Youth and 7% for persons with disabilities	NT DSBD DTIC DWYPD
				Programmes to expand access to finance, incentives and opportunities for women, youth and persons with disabilities-led and owned businesses	Percentage funding by sex/gender, age and disability, industry/sector	Baseline unknown	Minimum targets as defined for women, youth and persons with disabilities	DSBD DTIC SARS DALRRD NT DWYPD
				Programmes to expand access to and ownership of land by women, youth and persons with disabilities	Percentage hectares of land by sex/gender, age and disability	Land Audit Report		DALRRD DHS DWYPD