Aligning Services to the PGDP in the Eastern Cape

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KEY CHALLENGES AND OPPORTUNITIES

Principal, structural and functional

Principal

- Spatial bifurcation between east and west (two economies)
- Developing and diversifying the productive capabilities
Structural

- Poverty is widespread and deep
- Income distribution is skewed
- Low growth performance
- Low labour absorption by the economy
- Labour market fragmentation
- Underdevelopment of agriculture in the North-East
- HIV and AIDS
KEY CHALLENGES AND OPPORTUNITIES cont.

- Functional constraints
  - Co-ordination failures, state and markets
  - Public investment is low
  - Fiscal constraints (87% of fiscus on social needs, 13% on economic sectors)
  - Investment decisions by parastatals in infrastructure development inadequate
  - No clear industrial strategy
  - Incomplete state transformation particularly at local level
PRINCIPLES GUIDING PGDP DEVELOPMENT

- State facilitated growth - necessary partnerships
- Efficiency and efficacy of the state to support growth and development
- Local government needs to be built as a primary site of delivery
- Financing the PGDP, planning and budgeting, private banks, national government and the donor community
- An active industrial strategy
- Building the 2nd economy and link to the 1st economy
QUANTIFIED VISION OF THE PGDP

- Economic growth rate of 5-8% per annum
- 80% reduction in the number of households living below the poverty line by 2014
- Food self-sufficiency of the Province by 2014 with a particular focus in OR Tambo and Alfred Nzo DMs
- Clean water for all by 2008
- Elimination of sanitation backlogs by 2010
- Millennium Development Goals
APPROACH AND RATIONALE FOR PROGRAMME CHOICE

- The stimulation of effective demand
- Crowding - in public and private investment
- More effective mix between export orientated and inward industrialization;
- Proactive and targeted approach to redistribution and equity in a manner that incrementally moves away from a short term welfare approach to one that fully and in a sustainable manner accommodates the poor into the mainstream of the economy;
- Optimise job creation and economic opportunities within the current social and infrastructure spend through targeted procurement and supply management
Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to pro-poor programming

Agrarian transformation and establishment of food security

Consolidation, development and diversification of manufacturing base & tourism potential

Public Sector & Institutional Transformation

Human Resource Development

Infrastructure Development

SIX PLANKS OF E.C. PGDP
PGDP PROGRAMMES 2005-2008

**AGRARIAN TRANSFORMATION**
- Massive Food Production
- Siyazondla Homestead Production Programme
- Comprehensive Nutrition Programme
- Agriculture Infrastructure Programme

**FIGHTING POVERTY**
- Expanded Public Works Programme
- Water and Sanitation Programme
- Housing Programme
- Comprehensive HIV, AIDS and TB
PGDP PROGRAMMES 2005-2008 cont..

PUBLIC SECTOR TRANSFORMATION
- Improved Service Delivery Programme
- Local Government Capacity Development Programme
- Strengthening the Centre of Government Programme

INFRASTRUCTURE DEVELOPMENT
- Strategic Infrastructure Programme
MANUFACTURING DIVERSIFICATION AND TOURISM

- Automotive Industry Development Programme
- Industrial Support Programme
- Enterprise Development Finance Programme
- Agro-processing Support Programme
- Tourism Development Programme
- Timber Industries Development Programme
- 2010 Cultural Industries Programme
- ICT Development Programme
PGDP PROGRAMMES 2005-2008 cont..

- HUMAN RESOURCE DEVELOPMENT
  - Skills Development Programme
  - Scarce Skills for the Public Sector Programme
  - FET Transformation Programme
  - ABET Programme
  - Early Childhood Development Programme
  - Provincial Learnership Programme
Aligning MTSF, PGDP, IDP

- Rapidly increase investment in infrastructure in former Bantustans
- Facilitate economic activity in 2nd economy through value chain linkages and LED support
- Increase land reform and agricultural support
- Increase social services, income support and human development
- Improve the managerial, planning, monitoring and delivery capacity of the State
Achievements to Date

- Solid analysis of development landscape and challenges
- 10 year strategy completed (Framework for growth and development 2004-2014)
- Widespread political support (at national, provincial and local levels)
- Widespread support among social partners
Achievements to Date

- Clear targets set (that incorporate millennium development goals)
- 27 programmes developed in 6 strategic focus areas
- Manual monitoring and reporting system developed
- Recruitment of DDG to build PCMU
- Setting of the Budget Planning Task Team
Next Steps Forward

- Sector strategies (Industrial Strategy; Infrastructure Demand Plan)
- Spatial plan – conceptualization of development corridors and nodes (with anchor projects)
- 2nd Economy – build linkages to the 1st Economy
Next Steps Forward

- Programming – baseline indicators; measurable targets; budgets; spatial disaggregating of budgets and targets; institutional arrangements
- PDGP Alignment - alignment of 5 year strategic and performance plans; fiscal alignment; MTSF/ PGDP/ IDP alignment
- Strengthening Centre of Government – PCMU
Next Steps Forward

- Institutional audits – implementation capacity audits for all priority programmes
- Institutional restructuring – reconfiguring departments and public entities to implement PGDP programmes
- Programme/project management support (with mentoring)
- Capacity building
Next Steps Forward

- Monitoring, Evaluation and Reporting
- Mainstreaming – gender; HIV and AIDS; environment
- Communications – targets; successes; customer care