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Department/Umyango:

Economic Development, Tourism and Environmental Affairs
Ukuthuthukiswa komNotho, Ezokuvakasha nokoNgiwa Kwemvelo

PROVINCE OF KWAZULU-NATAL

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ANNUAL PERFORMANCE PLAN 2018/2019





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Economic Development, Tourism and
Environmental Affairs

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EXECUTIVE AUTHORITY'S FOREWORD



Mr Sihle Zikalala, MPL

MEC for Economic Development, Tourism and Environmental Affairs

The Annual Performance Plan (APP) for the 2018/2019 budget year comes at an opportune moment when the department and the provincial government at large have made significant inroads in implementing radical economic transformation programmes in the province.

We have ensured that the principles of radical economic transformation are entrenched in all the programmes and projects of the department. In our pursuit of economic transformation of the provincial economy, the department continues to exploit opportunities within our priority sectors such as agriculture, manufacturing, maritime and tourism.

The 2018/2019 APP also presents the department's programmes that will contribute towards radical economic transformation in the province. We will forge ahead with enterprise and cooperative programmes, township based industrial hubs, maritime and Aerotropolis developments. The APP also contains programmes the department is undertaking to promote trade and investment into the province whilst ensuring sound business practices through robust regulatory frameworks.

During the 2018/2019 budget period, the department will also strengthen oversight of public entities to ensure robust implementation of the aforementioned programmes whilst reinforcing corporate governance practices. The department is also finalising the rationalisation of public entities as part of the provincial government's ardent desire to consolidate functions and buttress operational efficiency of these entities.

During 2017-18 financial year, the department also reduced over-reliance on the use of consultants especially on research oriented programmes. As a result of this, the department has saved substantial resources that have been allocated towards strategic infrastructure projects such as Mkhuze Airport infrastructure upgrade and the recapitalisation of Ithala SOC Limited amongst others.

The ultimate goal of the department is to develop internal capacity to deliver government services. The restructuring of the organisational structure is at an advanced stage and should be approved within the 2018/2019 financial year. The revised structure is aligned to the strategy of the Department and provides for the requisite resources to implement our programmes.



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The department has also put in place programmes to strengthen governance within the department, improve project management, contract management and sound financial management. We are confident that the APP for the 2018/2019 budget year will go a long way in contributing towards our vision of radically transforming and sustain an inclusive economic growth in KwaZulu-Natal.

We shall never falter in our quest to push back the frontiers of poverty, inequalities and unemployment.



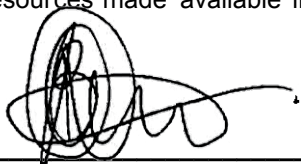
Mr Sihle Zikalala, MPL

MEC for Economic Development, Tourism and Environmental Affairs



Official Sign-off

It is hereby certified that this Annual Performance Plan was developed by the Management of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) under the guidance of the MEC for Economic Development, Tourism and Environmental Affairs, Mr Sihle Zikalala and was prepared in line with the current Strategic Plan of the Department and accurately reflects the performance targets which the Department will endeavour to achieve given the resources made available in the budget for 2018/2019 financial year.



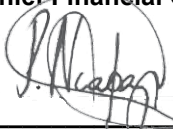
Ms Babalwa Mapisa
General Manager: Executive Support and Strategic Analysis

Date: 19/03/18



Mr Stephen Wust
Chief Financial Officer (Acting)

Date: 19/03/18



Ms Pumla Ncapayi
Head of Department
(Accounting Officer)

Date: 19 MARCH 2018

Approved by:


Mr Sihle Zikalala, MPL
Executive Authority

Date: 19/03/18



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ACRONYMS

ADR	Alternative Dispute Resolution
APP	Annual Performance Plan
APR	Annual Performance Report
B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CSP	Customised Sector Programme Policies
DTI	Department of Trade and Industry
DTP	Dube Trade Port
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Regional
HRM&D	Human Resource Management and Development
IDS	Industrial Development Strategy
IDZ	Industrial Development Zone
IEDS	Integrated Economic Development Services
IPAP	Industrial Policy Action Plan
KM	Knowledge Management
KZN EDTEA	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs
KZNWPSS	KwaZulu-Natal Wood Processing Sector Strategy
LED	Local Economic Development
MAPPPSETA	Media, Advertising, Publishing, Printing, Packaging Seta
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NSDP	National Spatial Economic Development Perspective
NTSS	National Tourism Sector Strategy
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PIDS	Provincial Industrial Development Strategy
PSEDS	Provincial Spatial Economic Development Strategy
RIDS	Regional Industrial Development Strategy
RLED	Regional Local Economic Development
R&D	Research and Development
SEZs	Special Economic Zones
SMME	Small, Medium and Micro Enterprise



PART A: STRATEGIC OVERVIEW**1. VISION, MISSION AND VALUES****VISION**

Attainment of a radically transformed, inclusive and sustainable economic growth for KwaZulu-Natal

MISSION

The mission of the Department is to:

- Provide leadership and facilitate integrated economic planning;
- Be a catalyst for economic transformation and sustainable development;
- Implement strategies that drive economic growth and promote sound environmental management;
- Create a conducive environment for trade, investment and tourism;
- Monitor and enforce sound business and consumer regulations.

VALUES

The Department commits to providing a favourable environment for its employees. We believe and promote the culture of Ubuntu and subscribe to the following values:

- Caring and Supportive;
- Ethics and Integrity;
- Accountability and Transparency;
- Commitment and Innovation.

2. STRATEGIC OUTCOME ORIENTED GOALS

The strategic focus for the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs during the 2015 to 2020 planning period has been to build a resilient KwaZulu-Natal provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities as well as building a vibrant organisation.

The table below outlines a summary of strategic goals for 2015 to 2020 as well as the strategic objectives that are key in driving each strategic intervention. These strategic goals inform the programmes of this Department for the afore-mentioned planning period.



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TABLE 1: KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS' STRATEGIC OUTCOME ORIENTED GOALS AND OBJECTIVES

Strategic Outcome Oriented Goal 1	Integrated economic planning and development in the Province
Goal Statement	<ul style="list-style-type: none"> An integrated infrastructure planning and development that advance SEZ/IEH, Maritime, Aerotropolis and productive use of land management; An efficient and effective business regulatory to increase trade and investment.
Goal Indicator	<ul style="list-style-type: none"> % increase in the number of bilateral strategic agreements signed with African and global partners for trade and investment initiative; % increase in the Rand Value of investment attracted to KwaZulu-Natal; % increase in the number of KwaZulu-Natal infrastructure projects that adhere to environmental principles/ standards; % increase in the value of investment committed by government and the private sector in research and innovation initiatives.
Links	MTSF Outcome 5 and PGDP Goal 1

Strategic Outcome Oriented Goal 2	Inclusive and sustainable economic growth that supports decent employment
Goal Statement	Increased economic growth that supports decent jobs, HDIs, SMMEs and social enterprises.
Goal Indicator	<ul style="list-style-type: none"> GDP-R; % increase in number of sustainable SMMEs and social enterprises; % increase in employment, income and economic opportunities for youth, women and people with disabilities of KwaZulu-Natal; Improve skills and capable workforce to support inclusive economic growth.
Links	MTSF Outcome 4 and PGDP Goal 1

Strategic Outcome Oriented Goal 3	Preferred tourism destination in the country
Goal Statement	<p>Accelerate global competitiveness of KwaZulu-Natal as a preferred tourism destination for domestic and global tourism through:</p> <ul style="list-style-type: none"> Improved KwaZulu-Natal tourism product and service offering in the sector; Improved KwaZulu-Natal tourism marketing and packaging; Improved KwaZulu-Natal tourism compliance with tourism legislation; A transformed KwaZulu-Natal tourism sector towards inclusive growth and employment.



Goal Indicator	<ul style="list-style-type: none"> • % increase in the number of tourists visiting KwaZulu-Natal; • % Increase in Tourism spending in KwaZulu-Natal; • % Increase in tourism marketing and packaging; • % increase in tourism sector contribution to KwaZulu-Natal GDP; • % increase of direct and Indirect jobs created within tourism sector; • % increase in KwaZulu-Natal tourism sector adherence to tourism sector code.
Links	Outcome 4 and PGDP Goal 1

Strategic Outcome Oriented Goal 4	Sustainable environmental management
Goal Statement	<p>Promote conservation of environmental assets and natural resources to yield sustainable development through:</p> <ul style="list-style-type: none"> • Enhanced governance systems and capacity; • Sustained ecosystems and efficient natural resource use; • An environmentally sustainable, low-carbon economy resulting from a well-managed just transition; • An effective climate change mitigation and adaptation response; • Improved sustainable human communities.
Goal Indicator	<ul style="list-style-type: none"> • % reduction in non-compliance with environmental legislation; • % reduction of identified ecosystems under stressed; • % reduction of greenhouse gases emitted to atmosphere; • % increase in community awareness and participation in the environmental decision making process; • Number of jobs opportunities facilitated through environmental management interventions.
Links	MTSF Outcome 10 and PGDP Goal 5

3. LEGISLATIVE AND OTHER MANDATES

The Department operates within national and provincial legislative, policy and strategic frameworks. Some of the national acts that are critical to the operations of the Department

Strategic Outcome Oriented Goal 5	Achieve institutional excellence responsive to the needs of the Province
Goal Statement	<ul style="list-style-type: none"> • Improved efficient, effective and accountable public sector Institution; • Improved corporative governance for robust business processes and system; • Improved sound financial management practise.
Goal Indicator	<ul style="list-style-type: none"> • Clean audits opinion on financial statements and performance information; • % increase in MPAT Standards Score to level 4 in all KPA's; • Percentage of targets achieved against those planned for in the Annual Performance Plan.
Links	MTSF Outcome 12 and PGDP Goal 6



are the Constitution of the Republic of South Africa, particularly Schedule 4 and 5 which stipulate the competences of the provincial government on matters of economic development and the Public Finance Management Act (PFMA) among other sector specific acts:

- Integrated National B-BBEE Strategy and KwaZulu-Natal B-BBEE Strategy;
- B-BBEE Act;
- B-BBEE Codes of Good Practice;
- National Small Business Act of 1996 as Amended
- Co-operative Amendment Act 6 of 2013;
- Informal Economic Policy;
- Industrial Policy Action Plan (IPAP);
- National Development Plan (NDP);
- Local Economic Development (LED) policy guideline;
- South Africa Trade policy framework;
- Green Economy Framework;
- Mining Beneficiation Strategy;
- National Spatial Economic Development Perspective (NSDP);
- Special economic Zones (SEZs) Bill and policy;
- National Environmental Management Act 107 of 1998;
- National Framework for Sustainable Development;
- National Climate Change Response Strategy;
- National Air Quality Management Strategy;
- National Waste Management Strategy;
- Tourism Act, Act No. 3 of 2014;
- White Paper on the Development and Promotion of Tourism;
- National Integrated Coastal Management Strategy;
- White Paper on Environmental Management Policy;
- National Environmental Management: Biodiversity Act 10 of 2004 (NEMBA);
- National Environmental Management: Protected Areas Act 57 of 2003 (NEMPAA);
- National Environmental Management: Integrated Coastal Management Act 24 of 2008 (ICMA);
- National Environmental Management: Waste Act 59 of 2008.

The provincial government is aligned to these acts and policies and the Department's mandate is further guided by the following national and provincial strategies, among others:

- Ithala Development Finance Corporation Act;
- Ordinance 15 of 74, KwaZulu-Natal Nature Conservation Management Act 9 of 1997;
- KwaZulu -Natal Tourism Act;
- KwaZulu -Natal Tourism Master Plan;
- Liquor Act;
- Business Act;
- Dube Trade Port Act;
- BEE Act;
- Film Commission Act;
- Trade and Investment Act;
- Consumer Protection Legislation;
- Provincial Growth and Development Strategy (PGDS);
- Provincial Spatial Economic Development Strategy (PSEDS);
- Draft Export Strategy;
- Industrial Development Strategy (IDS);
- Investment Promotion Strategy;
- Draft Green Economy Strategy;



- Airport Strategy;
- KwaZulu-Natal Small Enterprise Development Strategy;
- Co-operative Developments Strategy;
- Youth Economic Empowerment Strategy;
- Informal Economic Policy.

The emphasis in most of the abovementioned policies and provincial strategies is in addressing the triple challenges of *poverty*, *unemployment* and *inequality*. The main policy discussions are currently centred on the following:

- Job creation;
- Special Economic Zones (SEZ) and Industrial Economic Hubs (IEHs);
- Beneficiation/Value Addition;
- Infrastructure Development;
- Rural Economic Development;
- Skills Development;
- Economic Transformation;
- The KwaZulu-Natal Beach Tourism Policy;
- Trade Policy;
- Spatial Economic Development;
- Black industrialisation and
- Revitalisation of Township and Rural Economies.

The above acts, policies and strategies are critical to direct the vision and mandate of the Department. It is only through efficiency in the implementation of these legislations, policies and strategies that the Department can meaningfully contribute to the fight against the triple challenges of development.



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4. SITUATIONAL ANALYSIS

4.1 PERFORMANCE ENVIRONMENT

The Department is committed to making meaningful contribution to the KwaZulu-Natal vision 2030 of a ***“Prosperous province with a healthy, secure and skilled population, acting as a gateway to Africa and the world”***. Through the PGDS, a number of catalytic projects were identified to grow the provincial economy. The Province of KwaZulu-Natal has the strongest manufacturing and agriculture sectors in South Africa. The province boasts a highly advanced manufacturing sector, which contributes 16% of the province's GDP. Its manufacturing industry is diverse, combining strong light and heavy industries. This is because of its strategically located ports of Durban and Richards Bay which are the busiest and largest in the country.

With the two of largest ports in Sub-Saharan Africa, with a combined throughput of about 80% of South Africa total sea cargo and also located along the main North-South freight corridors, KwaZulu-Natal plays an important role in the country's logistics. The province, therefore, plays an extremely important role in international trade.

4.1.1 Global Economic Developments and Outlook

The global economy is expanding in a more synchronized manner, led by developed markets. The global cyclical upswing that began midway through 2016 continues to gather strength. Only a year and a half ago, the world economy faced stalling growth and financial market turbulence. The picture now is very different, with accelerating growth in Europe, Japan, China, and the United States. For the first time since 2007, all the OECD countries are growing and nearly three-quarters of them are seeing a pickup in growth for 2017. Canada was the growth leader among the G7 in the second quarter with an annualized 4.5% real GDP increase, its fastest in six years. At the same time, US second quarter growth was revised up from 2.6% to 3.0%.

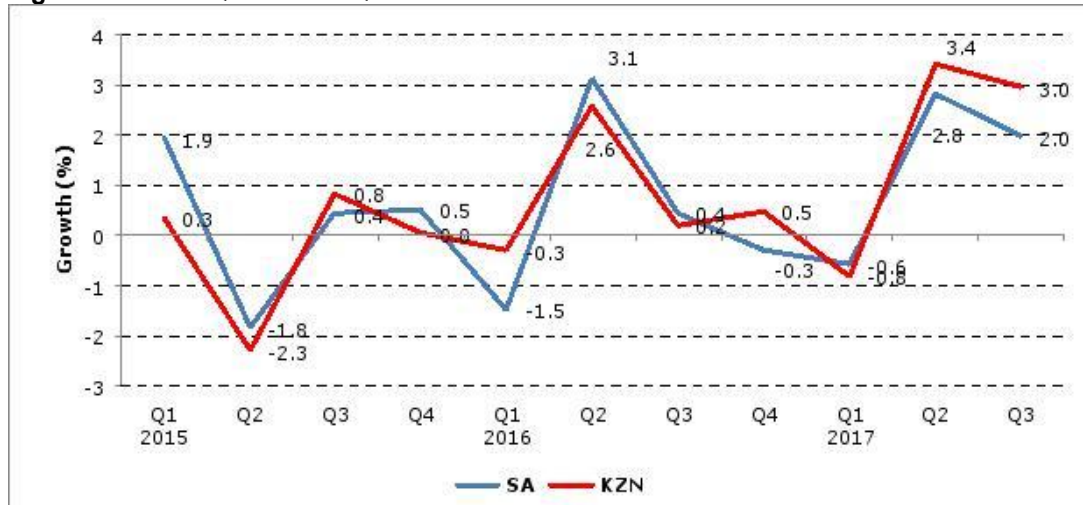
In the emerging world, China's growth is holding up while the hardest-hit economies are digging themselves out slowly. China had for the first time since 1999 had its sovereign credit rating downgraded by Standard & Poor's (S&P) risks citing from soaring debt, and revised its outlook to stable from negative. The sovereign rating was cut by one step, to A+ from AA-. Emerging and low-income commodity exporters, especially energy exporters, continue to struggle, as do several countries experiencing civil or political unrest, mostly in the Middle East, North and sub-Saharan Africa, and Latin America. Rising commodity prices and the rebound in world trades will help these economies in the next few years.

The global growth for 2017 was 3.6% and estimated at 3.7% in 2018. Notable pickups in investment, trade, and industrial production, coupled with strengthening business and consumer confidence, are supporting the recovery. Advanced Economies are expected to grow by 2.0% in 2018 after a 2.2% growth in 2017, while Emerging and developing economies grew by 4.6% in 2017 and projected to grow by 4.9% 2018.

4.1.2 National Economic Developments and Outlook

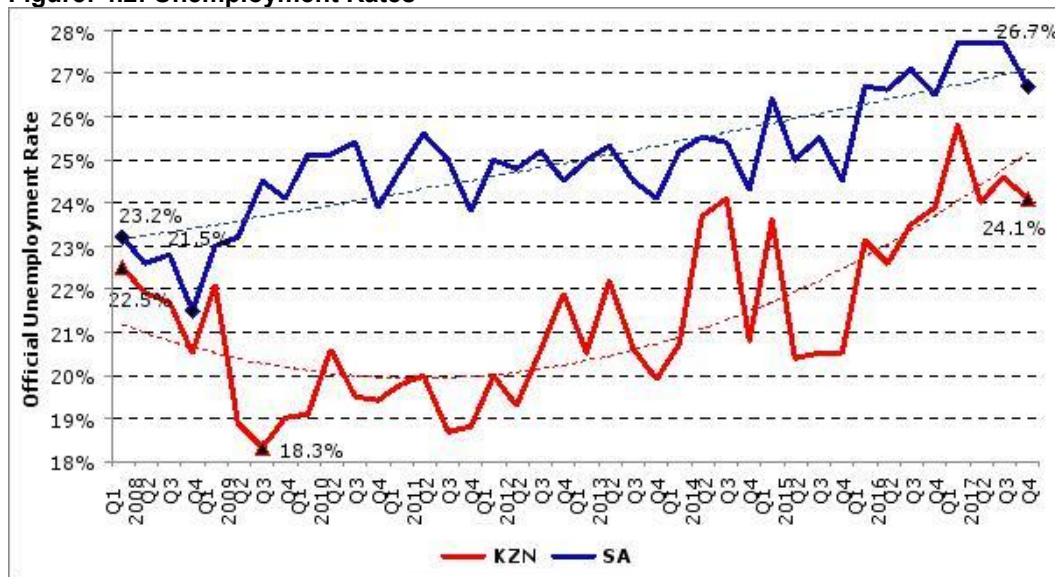
Improving the country's economic growth outlook ahead remains the government's biggest challenge. However, government alone will achieve little, therefore, business, labour and civil society need to come together to forge common solutions to growing the economy inclusively, and on a more radical and sustainable basis.



Figure 4.1: GDP Quarter-on-Quarter

Source: Stat SA and Quantec Research, 2017

South Africa's economy expanded again in the third quarter of 2017 down from the upwardly revised 2.8% growth in the second quarter. The third quarter growth was 2.0%, beating the market expectation of 1.5%. This was once again due to the magnificent performance in the agriculture, forestry and fishing industry as the country and province recover from drought.

Figure 4.2: Unemployment Rates

Within this context of relatively weak output expansion, just under two million jobs have been added over the last five years. There is a general upward trend and the gap between South Africa and KwaZulu-Natal is converging. The official unemployment rate in South Africa is based on the narrow definition of unemployment, which requires that the unemployed actively take steps to either find work or start a business within the reference period. In the fourth quarter of 2017, the official unemployment rate is estimated at 26.7%.



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4.1.3 KwaZulu-Natal Economic Developments

The KwaZulu-Natal regional economy grew by 3.0% in the third quarter of 2017, against a backdrop of splendid performance in the agricultural sector and rebound of the manufacturing sector. The province remains the second highest regional contributor to the National GDP following Gauteng. The economy of the province is driven primarily agriculture, transportation & logistics and manufacturing. In general, economic performance in 2017 was rather feeble owing to political uncertainties and low investment.

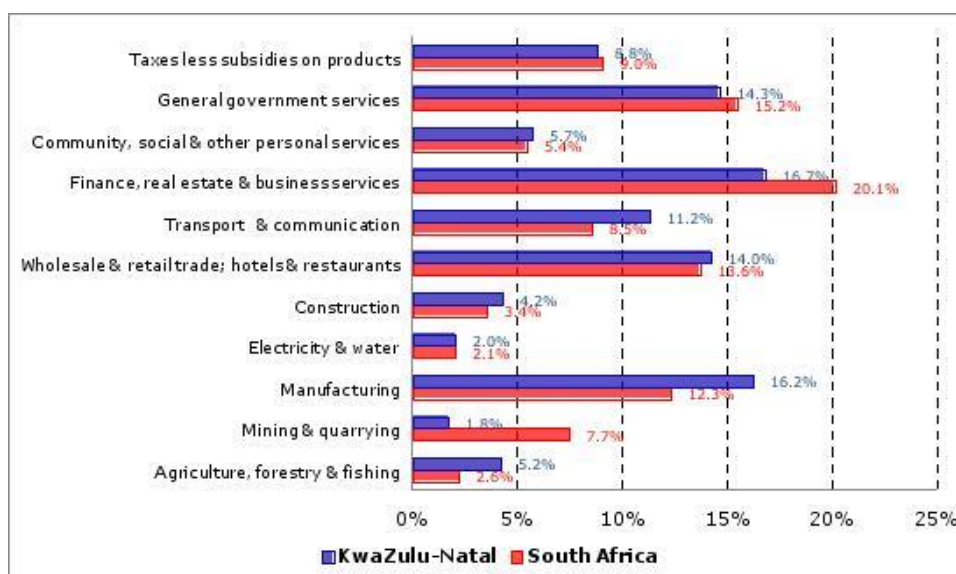


Figure 4.4: Sectoral Contribution (%) to GDP-R, 3rd Quarter 2017

Source: Quantec Research, 2017

The outlook for the economy and job market remains uncertain. Slower growth is forecast offset by the recovery in consumer spending on the back of lower inflation, the slight reduction in interest rates and firmer international commodity prices. However, this is unlikely to result in improvement on investment spending as business confidence remains depressed given the uncertain policy and political environments and the threat of further credit rating downgrades. The private sector is therefore likely to continue delaying major investment plans and capacity expansion in the short term, while public sector spending will be restricted by government caps. Therefore economic growth is likely to remain low while the unemployment rate is likely to remain high in the short term.

4.1.4 KwaZulu-Natal Environmental Management Outlook

As part of our obligation in terms of National Environmental Management Laws Amendment (NEMLA) Act (Act No. 25 of 2014), the Department is required to produce the KwaZulu-Natal Environmental Outlook Report. This section reflects the situation analysis emanating from our preliminary results of the draft report of November 2017 on key aspects relating to the environmental drivers, pressures, state, impact and response.

Fossil fuel-based industries with their emissions of greenhouse gases (GHGs) are contributing to the effects of climate change. One of the main pressures for climate change, the increase in temperature in particular, is the GHGs, as these trap heat in the atmosphere. The main gases that contribute to global warming are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Industrial emitters are concentrated in major centres, particularly



Durban, Richards Bay, Pietermaritzburg and Port Shepstone, with fewer activities in smaller towns. Domestic fuel burning is most common in low income and informal residential areas and contributes to poor indoor and ambient air quality through emissions of SO₂, NO₂, CO, PM₁₀ and several VOCs.

KwaZulu-Natal has an extensive road network, with linkages to the main South African urban centres, and a well-developed metropolitan network in its major cities, including Durban and Pietermaritzburg. The eThekweni Municipality baseline assessment highlights the significant contribution of motor vehicles to nitrogen oxides and carbon monoxide. The effects of GHGs emissions are not localised, but global, which consequently makes it more difficult for this province to directly influence the contribution and impact of such emissions.

Natural forests, grasslands and savannah play an important role in the sequestration of carbon. KwaZulu-Natal however experiences an increased loss of natural habitat to other land modifications and uses. Climate change is becoming increasingly apparent in this province. The effects of climate change are evident in the long-term changes in weather patterns, such as rainfall and temperature. The effects of climate change, in particular storms, floods and droughts, will have a considerable impact on the economy of KwaZulu-Natal. The costs associated with climate change impacts are likely to increase as the frequency and intensity of these extreme weather events increases.

The Department, working with all relevant stakeholders within the Province is mandated to oversee climate change and air quality issues. Guided by the National Climate Change Response Policy, the Province is expected to develop and implement practically appropriate Climate Change Response Strategies. In order to ensure an adequate and timely response to the effects of climate change, it is important to mainstream climate change responses into the fiscal budgetary process.

Currently, the financing for climate-related projects and events in the Province of KwaZulu-Natal remains limited. To address this financing issue in the province, one of the objectives of both the KwaZulu-Natal Climate Change Strategy and Green Economy Strategy should therefore include potential avenues of climate financing and how this financing can be used for various response options in line with global national, provincial and local government and development finance institutions.

Adequate waste management is an on-going challenge. Population growth, urbanisation, manufacturers' designing of items for single use and consumer behaviour for more modernised goods are drivers for increasing the quantity and complexity of waste. Unmanaged disposal of waste causes pollution and degradation of the natural environment, and poses health and other risks. Solid waste dumped in waterways may block water flow during heavy rains. Climate change will increase the risk of rainfall variability, resulting in more frequent and intense heavy rains in some areas. The blocking of water flow by solid waste during such heavy rains may lead to an increase in flooding, thereby potentially damaging livelihoods and infrastructure. Some landfills in KwaZulu-Natal have implemented initiatives to capture biogas (which is a GHG) for energy generation and are registered under the Clean Development Mechanism (CDM) for carbon credits.

The drivers for biodiversity loss have led to an increasing demand for natural resources and for land for agricultural, urban and industrial development; mining; and plantation forestry. Invasive alien plant infestations also contribute to biodiversity loss through the degradation and loss of natural habitat. Invasive alien plant species have the potential to impact significantly on the availability of freshwater resources, agricultural production and food security, economic development, human health and livelihoods in the province. Coastal habitats are under pressure from anthropogenic activities such as coastal development, resource extraction and mining. Continued population growth and demand for development along the coast are likely to result in these pressures continuing to grow, which may threaten



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important goods and services. Climate change may further magnify the impacts of these drivers.

In line with the Convention of Biological Diversity (CBD), Ecosystem-based adaptation (EBA) is adopted as the sustainable management, conservation and restoration of ecosystems to provide services that help people adapt to the adverse effects of climate change. In KwaZulu-Natal, several EBA-related projects exist. For example, the uMngeni Resilience Project is working with local communities in the uMngeni District to assist them to adapt to the effects of climate change by developing and implementing EBA measures, such as early warning systems, climate-smart agriculture and climate proofing settlements. Other initiatives include the uMngeni Ecological Infrastructure Partnership, Mhlathuze Water Stewardship Partnership, Enviro-Champs and Citizen Science Initiatives by WESSA and Groundtruth.

4.2 STRATEGIC INTERVENTIONS

Agriculture and Agri-Hubs

With a highly diversified agricultural sector, the province are leaders in the production of sugar cane and timber in South Africa. Amongst these businesses are Mondi, Sappi Limited, Tongaat Hullet and Crooks Brother. Many agro-processing opportunities exist within this sub-sector. Plans are at an advanced stage by the department of Agriculture and Rural development to develop Agri-hubs in the following districts; uThungulu, uMkhanyakude, uMzinyathi, Zululand, Amajuba, Ugu, Harry Gwala, uMgungundlovu, iLembe and uThukela. Agri-parks provide networks of contacts between producers, markets and processors, but also provide the physical infrastructure required for the transforming industries.

Automotive Sector

Automotive and electronic manufacturing of components thereof is well established in the Durban region. These businesses include Toyota, Samsung and Bell Equipment, including several major national suppliers. The Durban Automotive Cluster (DAC) is a partnership between eThekweni Municipality and the automotive industry in KwaZulu-Natal with the aim to grow and support this sector.

Plans by KwaZulu-Natal Provincial Government to develop a R11.5 billion automotive supply park/Autotropolis are at an advanced stage. About 1000 hectares of land have already been purchased in the south of Durban where the ASP will be located. The ASP will provide opportunities to small- medium enterprises (SMMEs) to participate in the supply and distribution of automotive components.

Mineral Beneficiation

Opportunities exist in the aluminum conversion and fabrication of products industry. Hulamin situated in Pietermaritzburg is a mid-stream aluminum semi-fabricator and a primary metal beneficiary, it exports 60% of its sales to customers around the globe. The company uses 25% of electricity in Msunduzi Municipality (Pietermaritzburg area). Rolled products is the largest operation in the Hulamin group, opportunities exist with full-fabrication to make products such as foil, packaging (cans, bottle screw caps), building & construction roof sheeting, automotive parts, tankers, electrical & electronics and general engineering.

South Africa exports a significant amount of semi-fabricated aluminium and imports the fabricated parts showing clear opportunity for investment in this sub-sector. However, bridging this gap will require investment in technology in the foundry and casting industry (as South Africa currently does not have the technology to cast automotive body parts), as well



as strengthening the domestic aluminium supply to foundries (which is where the secondary aluminium industry holds particular promise).

Special Economic Zones

The Department of Economic Development, Tourism and Environmental Affairs endeavours to develop industry oriented interventions to stimulate the local economy over the years. These include, inter-alia, various sector development programmes and other industrial stimuli as a means to drive industrial development thereby creating a globally sustainable and resilient regional economy in South Africa.

Two Special Economic Zones have been designated to the Province of KwaZulu-Natal by the National Department of Trade and Industry (DTI) – with one at Richards Bay's Industrial Development Zone (RBIDZ) and the other at Dube Trade Port near King Shaka International Airport.

Richards Bay Industrial Development Zone

The Richards Bay IDZ has managed to build an extensive investment pipeline portfolio of light and medium manufacturing enterprises. The portfolio comprises R4.5 billion Titanium Dioxide manufacturing plant, R2 Billion Biomass plant, R1.7 billion Kraft Paper Manufacturer to name a few. A R300 million PVC-O Water Pipe Manufacturer has commenced operations in the Zone, where some of their pipes are already being installed in the local municipalities as well in the African Sub-region. Secured and fully serviced customs compliant estate endowed with civil, electrical and ICT infrastructure. Consequently, the attractiveness of the Zone is displayed by the pleasing uptake of leased industrial space.

The Richards Bay Techno-hub will also be located within the RBIDZ. Richards Bay IDZ, located approximately 160 km north-east of Durban and 465 km South of Maputo on the eastern seaboard of South Africa, is strategically placed within the country's leading bulk port, handling in excess of 80 million tonnes annually. This industrial precinct has been designated as one of two of KwaZulu-Natal's Special Economic Zones (industry support measures) and is calling on investors to establish a **Metals Beneficiation Hub** (Aluminum, Titanium and Iron Ore). The hub will present numerous opportunities' through downstream application of finished products.

Dube Trade Port Industrial Development Zone

Located with the King Shaka International Airport precinct, the Dube Trade port IDZ/SEZs continues to be a magnet of major investments such the Samsung plant, DB Schenker amongst others. Earth works on the Phase two of the Trade Zones have already begun. **Agrizone** – This high-tech agricultural development, which forms part of the Dube Trade Port Industrial Development Zone, is host to the largest climate-controlled glass-covered growing area in Africa.

It aims to stimulate the growth of KwaZulu-Natal's perishables sector and affords the opportunity to achieve improved agricultural yields, consistent quality, year-round production and the superior management of disease and pests. The facility's primary focus is on the production of short shelf-life vegetables and other horticultural products which require immediate post-harvest airlifting and supply to both domestic and export markets. Phase 2 of the project is under way, Agrizone 2, 90 ha will be made available for farmers under this development.



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Durban Aerotropolis

Plans are afoot to develop the Durban Aerotropolis to be the first post 1994 city centered around King Shaka International Airport and driven by Dube Trade Port. The Aerotropolis initiative hinges primarily on the economies of speed combining both on the ground and in the air connectivity. The emergent airport city and major trade and business hub will serve as new gateway to enhance global supply chains both in passengers and cargo. This development will be the first Greenfield City purposely built to take advantage of the global supply links and become a trade centre for KwaZulu-Natal, attracting aviation-linked businesses of all types.

In November 2017, the KwaZulu-Natal Executive Council approved the Durban Aerotropolis Master plan. The plan presents opportunities for investment in office, retail, wholesale, hotel, recreational, logistics, merchandise, manufacturing, agro-processing, trade zone, research & technology, exhibition, conference and residential space in the near future. The development provides for public and private cooperation in strategic infrastructure programmes. The Durban Aerotropolis further presents KwaZulu-Natal manufacturers and entrepreneurs to develop products that are geared for exports.

Since its official opening in 2010, the state of the art King Shaka International Airport has continued to grow with passenger volumes of around 5 million and cargo of around 100 metric tons per annum. In recent times, new international Routes to the airport have been established through the work of the KwaZulu-Natal Route Development Committee. These include Qatar Airways to Doha, Turkish Airlines to Istanbul, Ethiopian Airlines to Addis Ababa and Pro-flight-Zambia to Lusaka. These are amongst other established routes including Emirates to Dubai and regional routes to Harare, Maputo and Mauritius.

A Master Plan for the Durban Aerotropolis is currently under development and a number of catalytic and priority projects amongst others have been earmarked and others are currently been implemented for the Durban Aerotropolis centered around KSIA.

Airport Rapid Rail Transit network, which entails the development of a fast/high speed-rail from KwaDukuza (Ballito) through to Dube Tradeport/KSIA Airport, Gateway/Umhlanga, and through to Durban CBD as well as potential extension to Pietermaritzburg and Johannesburg is being developed. This project is estimated to be valued at R30 billion and would create 20,000 construction jobs and 5,000 permanent jobs.

Aerotropolis Institute Africa, an educational organisation to give effect to the Durban Aerotropolis in terms of aerotropolis skills, the development of a knowledge base for African airports and the aviation industry alike. The Institute will develop training and course models on strategies for planning, designing, financing, developing, and administering these new airport-linked urban forms. The objective here would be to share best practices, new models, and thought leadership in airport city and aerotropolis planning, development, and operation. The University of KwaZulu-Natal (UKZN) has been appointed to develop courses and post graduate degrees specific to the development of the Aerotropolis, these include amongst others, aeronautical engineers, air traffic controllers, airport managers, pilots, logistics managers, aircraft electricians, avionics technicians etc.

The Province has a number of secondary Regional Airports ready for development, four of these airports, Newcastle, Richards Bay, Pietermaritzburg and Margate are in the process of establishing Techno Hubs at each site to serve as innovation centres in the province. The Development of regional airports are viewed as a catalyst for new investments and development in small towns as mini-airport towns. These can serve as feeder networks to King Shaka International Airport to transport tourists and high valued goods produced around the province.



Opportunities for development also exist at Mkhuze Airport situated close to the Mozambique and Swaziland borders and close to many Safari tourist attractions, Ladysmith Airport situated close to the main N3 corridor and Drakensburg Mountain Cable car, Ulundi Airport situated in the heart of Zululand and heritage sites and is en-route along the uMhlathuze-Ulundi-Vryheid corridor to Richards Bay Port.

Industrial Economic Hubs

The Department has embarked on establishing regional Industrial Economic Hubs, manufacturing industrial parks, to act as feeder systems and to establish strategic linkages with the two SEZs in the province. This initiative will enhance localization and re-industrialisation in the country. The KwaZulu-Natal's ten districts and the eThekweni Metro, have certain characteristics that give them a comparative advantage in specific sectors over other regions.

The establishment of the Industrial Economic Hubs in each region would take advantage of these characteristics and advantages that each region possesses. The District IEHs are targeting manufacturing sub-sectors such as automotive; leather, renewable energy, electronics, clothing and textile and agro-processing amongst others.

Techno-Hubs

The provincial hubs are currently implementing four techno-hubs in Pietermaritzburg, Port Shepstone, Newcastle and Richards Bay as instruments to develop technology and innovation in the province. It is envisaged that the regional hubs will be used and supported by technology and innovation "clusters" comprising interconnected companies, specialized suppliers, service providers, and associated institutions in a specific sector or industry.

Tourism Development

Tourism is one of the cornerstones for economic prosperity in the Province of KwaZulu-Natal. To ensure that we continue harnessing the growth of this industry, the Department is undertaking a process to repeal the current KwaZulu-Natal Tourism Act of 1996 as amended in 2002. The amended legislation will be in sync with the Tourism Act No.3 of 2014.

The province derives immense benefits from tourism ranging from employment, foreign currency receipts and a source of livelihood to a number of our families. Tourism remains an important economic sector in the province, contributing about 3% (direct and indirect) to the province's GDP. KwaZulu-Natal's major foreign tourism source markets for 2016 included Swaziland (32.8%), Germany (15.7%), UK (10.8%), USA (13.1%), Lesotho (2.5%), Zimbabwe (1.9%), Botswana (3.9%), Netherlands (17.3%), France (14.4%) and India (20.3%). (Source: TKZN 2017).

The province's top five domestic source markets for 2016 included Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape and Free State. The province has also seen growth in destinations visited by domestic tourists between the year 2015 and 2016 respectively and these include, Durban (2247 -2717), South coast (545-656), PMB/Midlands (651-932), Zululand (1101-1203), North Coast (460-477), Battlefields (280-851), Drakensberg (555-616) and Elephant Coast (632-867). (Source: TKZN 2017).

The estimated total direct contribution of the sector to GDP of the province amounted to approximately R9.0 billion in 2016, making KwaZulu-Natal the second largest contributor to the economy of the country. The main purpose for visiting KwaZulu-Natal by both foreign and domestic visitors is for holiday, business, visiting friends and family and other. The activities that are undertaken in the province by land or air visitors include, nightlife, shopping, visiting natural attractions, beach, wildlife, cultural, historical and heritage, social,



business, theme parks, adventure, casino, sporting (spectator), education, hunting, medical, health, trading and entertainment. All of these activities entice both international and domestic visitors to visit the province and are key contributors to the stability and growth of the tourism sector.

In 2012 a Provincial Tourism Master Plan was developed and adopted to guide the planning, development, implementation and marketing of the tourism sector in KwaZulu-Natal which is due for review in the 2018/2019 financial year. This is the blue print document that ensures a coordinated approach in implementing tourism interventions for both private and public sectors and needs to be aligned to the revised National Tourism Sector Strategy and Provincial Growth and Development Plan.

The Department has embarked on various initiatives to develop domestic and regional tourism through the East3Route which is a tourism and investment route linking South Africa (KwaZulu-Natal and Mpumalanga Provinces), Mozambique, Swaziland and Seychelles. The KwaZulu-Natal Airport Strategy was formulated to attract more airlines into the province and strengthen existing relationships with current airlines amongst other things. In order to reinforce promotional initiatives about the province, the provincial government has developed a Provincial Marketing Strategy to penetrate the domestic and regional markets as well as enhancing international markets.

The KwaZulu-Natal Convention Bureau which is part of Tourism KwaZulu-Natal was established to provide leadership and co-ordination of major events and conferences hosted in the province. The Department has partnered with different events organisers in hosting a number of high profile events such as the Metro Awards, Durban July and the Tourism Indaba. The province has once again been granted rights to host Tourism Indaba for the next five years.

Moreover, as part of contributing to Ndumo Yenkululeko Regeneration programme, the Department will be upgrading Ndumo Lodge within Ndumo Game Reserve to tune of R4.2 million with an additional R1 million during the current financial year. The project is the conduit to job creation, product diversification and participation of the communities in the mainstream tourism economy.

Operation Vula

As part of building a non-racial society the Provincial Government has resolved to strategically utilise the public procurement to help reverse the racial inequalities that are attendant in the economy. In this regard, the Provincial Government has resolved that the procurement policy must empower the historically disadvantaged, Africans in particular, within the ethos of a developmental State, pro-inclusive economic growth and non-racialism. To demonstrate the Provincial Government resolve to deepen radical economic transformation six commodities/sectors have been identified and approved by the KZN Executive Council as a potential for targeted procurement, and these are: infrastructure development, agricultural produce, bakery, uniforms, furniture, and toilet papers.

Implementation of the KZN Preferential Procurement Targeted Procurement commodities/sectors will be accompanied by an enterprise and supplier development programme to deal with technical training. In this regard, the Provincial Government, Organ of state and Public entities should empower the Historically Disadvantaged Individuals in consistence with transformation policy framework. Such enterprise and supplier development programme will ensure sustainability of awarded contracts, increase participation of blacks, women and youth in commodities/sectors identified for this initiative. The Targeted Procurement in the Province will have elements of skills transfer, technical training, mentorship, incubation, reducing payment waiting period, and infrastructural support.



Radical Agrarian Socio-Economic Transformation (RASET)

Radical Agrarian Socio-Economic Transformation is a government programme directed at supporting Black African subsistence and small farmers, of South African origin and from previously disadvantaged communities as well as entrepreneurs in related sectors, empowering them to make the most productive use of natural resources in the most sustainable manner in order to effectively participate in the agro food supply chain.

The activities of the RASET programme are informed by various policies and strategic frameworks such as National Development Plan, Co-operatives Act 6 of 2013 as amended, Annual National and Provincial Budget Speeches, PSEDs, KZN Co-operatives Development Strategy, KZN Small Enterprise Development Strategy, New Growth Path, Industrial Policy Action Plan (IPAP 2), National Development Plan, Provincial Growth and Development Strategy & Plan, B-BBEE Act 53 of 2003 and KZN B – BBEE Strategy.

The strategic objective of RASET is to enable Africans to enter the food value chain and more specifically to provide access to markets to African farmers. In pursuit of the strategic objective, the programme prioritises the following key focal areas:

1. Establishment of a RASET Project Management Unit through secondments from public institutions.
2. Creation of an integrated Supply Chain Management ICT System, to streamline procurement and payments.
3. Job creation; and
4. Negotiating new RASET private sector partnerships / agreements.

Procurement Indaba Resolutions

On the 13th - 14th of August 2015 the KZN Provincial Government organized a successful Procurement Indaba at the Inkosi Albert Luthuli International Convention Centre (ICC), Durban. The Procurement Indaba resolved that the Provincial Government must immediately identify commodities/sectors for Targeted Procurement in the Province. The Procurement Indaba further set specific targets for the implementation of KZN Targeted Procurement commodities/sectors: 35% Youth, 30% Women, 10% Military Veterans, 5% for People with disabilities, and an overall 60% for Africans must be achieved. The Procurement Indaba Resolutions were adopted by both the KwaZulu-Natal Cabinet Lekgotla, as well as the Cabinet.

Emanating from these resolutions, the Provincial Task Team has been established which has to date completed the Implementation Plan, and has been in engagements with various stakeholders in government and private sector institutions in order to ensure that the implementation plan is put into action. Among those engaged is the National Treasury who has committee to consider our proposals in finalising the review of the PPPFA currently underway.

Environmental Management

The Department advances environmental sustainability for socio-economic development through the promotion of sustainable use of a safe and healthy environment. Our efforts are implemented through the sub-programmes including compliance, monitoring and enforcement, impact management, pollution and waste management, air quality, climate change, coastal and biodiversity management as well as invasive alien species and environmental empowerment programmes.

It continues to fast-track the processing of environment impact assessments within the applicable law and procedures, in order to ensure that there are no delays in the



development of economic infrastructure where EIAs are required. This obviously has many benefits, for instance during the 2015/2016 period, 98% of the EIAs were finalized within legislated timeframes and their capital project value was estimated at R30 billion. In 2017/2018, another 98% of EIA applications were also processed within legislated timeframes.

This translates to 170 EIA applications processed, with the potential of creating an estimated 9 396 jobs during the construction phase and 16 179 at operational phase. Furthermore, 90% of waste license applications were also processed within timeframes. We have also supported small scale recyclers with respect to the purchasing of recycling equipment and will continue to do so in during the 2018/2019 financial year.

Industrial development in the Province of KwaZulu-Natal has led to unintended consequences of emissions of air pollutants, especially criteria pollutants such as sulphur dioxide, particulate matter and oxides of nitrogen. The Department is reviving the scientific mobile ambient monitoring system which determines the levels, extent and magnitude of the pollutants which may adversely affects the quality of life on sensitive populations in this Province.

Global statistics show that the low-carbon goods and services sector employs 28 million people, and is growing by 4% per annum, which is faster than in most developed countries at the moment. KwaZulu-Natal is also gearing up itself to ensure that it is not left behind in this new growth opportunity.

To better co-ordinate the implementation of the environmental management and green economy action in the province, a Provincial Renewable Energy Workgroup has been established under the leadership of this Department. The key initiatives that have been implemented so far include the development of Solar and Wind Resource Maps for the province and KwaZulu-Natal is the first province to have such a resource for the benefit of both private and public sectors.

The Department has also developed a Municipal Waste to Energy Protocol and Technical Assistance Programme. It has further established a Green Economy Technical Assistance Fund worth R2.5 million to enhance the green economy initiatives. Various capacity building and knowledge sharing initiatives have been conducted and the province has also established the KwaZulu-Natal Green Growth Website/Portal (www.kzngreengrowth.com) with all relevant project, funding and research information relating to the province's green economy.

Ezemvelo KZN Wildlife tirelessly strived to ensure that we deliver on the commitment to conserve the environment and protect the rhinos. The entity developed the Rhino Strategic Plan 2014 – 2017 which was implemented vigorously. This financial year, the Department will continue to ensure that the areas of compliance, monitoring and enforcement, impact management, pollution and waste management, air quality, climate change, coastal and biodiversity management as well as invasive alien species and environmental empowerment continue to receive attention.

Public Entities

In executing its vast mandate and implementing its programmes, the Department has established several public entities. This has ensured the separation of policy-making and implementation functions, thus, enabling this portfolio to focus on developing policies whilst providing strategic direction to the entities that are tasked with the implementation of such policies that translate into direct provision of services to citizens. A Public Entity Oversight Unit has been created in the revised Organisational Structure of the Department to ensure strong monitoring and alignment of public entities in achieving departmental objectives.



In line with that acknowledgement, key indicators that the Department expects the public entities to achieve during the period under review are outlined later in this plan. There is however currently a process to rationalise the Department's public entities in order to streamline their activities to achieve efficiencies whilst reducing costs. The Executive Council of the province has, in this regard, resolved the following in relation to the rationalisation of these entities:

- (i) Merger of the KwaZulu-Natal Film Commission with Tourism KwaZulu-Natal;
- (ii) Incorporation of the bather protection services of the KwaZulu-Natal Sharks Board into Ezemvelo KZN Wildlife;
- (iii) The repositioning of the Moses Kotane Institute (MKI) as a leading research centre for the province to ensure appropriate response to the needs of the provincial economy, and to co-ordinate interaction between the line functions/sector departments, established and/or envisaged provincial government training institutions, tertiary institutions, and other external skills training service providers. The MKI will further look into and advise on the appropriate body to undertake the maritime skill development programme currently under the KwaZulu-Natal Sharks Board;
- (iv) Consultation on the merger of the KwaZulu-Natal Liquor Authority with the KwaZulu-Natal Gaming and Betting Board and as well as the incorporation of the KwaZulu-Natal Growth Fund Trust into Ithala Development Finance Corporation,
- (v) All public entities to undergo a functional and cost optimization process.

THE PUBLIC ENTITIES

- **Ithala Development Finance Corporation (Ithala)**

Ithala is a provincial development finance institution that focuses on economic development through the provision of financial and non-financial services to businesses and individuals.

- **KwaZulu-Natal Sharks Board (KZNSB)**

The core function of the KZNSB is the protection of bathers against shark attacks at designated protected beaches along the KwaZulu-Natal coastline. This mandate is fulfilled through the installation and maintenance of shark safety gear deployed to prevent shark attacks at 37 protected beaches. The KZNSB maintained 22.12 km of shark netting and 107 drum-lines off the KwaZulu-Natal coast. The KZNSB continued with research on the biodiversity of sharks and non-lethal shark repellent cable technology. The shark repellent prototype cable was successfully tested against white sharks at Mossel Bay.

The Maritime Centre of Excellence (MCOE) was established in 2012 with the mandate to facilitate maritime skills development in the province, in line with the KZN Integrated Maritime Strategy.

- **KwaZulu-Natal Tourism Authority (TKZN)**

The KwaZulu-Natal Tourism Authority's mandate is the promotion and marketing of the Province of KwaZulu-Natal as a preferred leisure and business tourism destination in Africa.



- **Dube Trade Port Corporation (DTPC)**

Dube Trade Port Corporation is mandated to facilitate economic growth by developing the Dube Trade Port industrial precinct, by attracting domestic and foreign direct investment to the province and facilitating imports and exports. The entity plays a multi-faceted role in both enabling and driving the development of air logistics businesses and creating a physical environment for the implementation of the re-industrialisation policy. In 2016/2017, the DTP IDZ was converted to a SEZ, with the adoption of the SEZ Regulations.

- **Trade and Investment KwaZulu-Natal (TIK)**

Trade and Investment KwaZulu-Natal's mandate is to attract foreign and domestic investment, and to promote exports and export capacity. Trade and Investment KZN continued to focus on the promotion of key investment opportunities through marketing and project packaging efforts, particularly within the mining, construction, agriculture, automotive and metal sectors of the economy.

- **Richards Bay Industrial Development Zone (RBIDZ)**

Richards Bay Industrial Development Zone is a public entity established to undertake the development of industrial land in the Richards Bay area, in line with a 50-year Master Plan.

- **KZN Liquor Authority (KZNLA)**

The KwaZulu-Natal Liquor Authority is responsible for the regulation of the production and commercial resale of liquor in the province.

- **Ezemvelo KZN Wildlife (EKZNW)**

Ezemvelo KZN Wildlife is a public entity that directs the management of biodiversity conservation within KwaZulu-Natal, including protected areas. This encompasses the development and promotion of eco-tourism facilities within protected areas, as well as establishing good relationships with various communities residing adjacent to the protected areas.

- **KwaZulu-Natal Film Commission (KZNFC)**

The KwaZulu-Natal Film Commission's mandate is to promote and market the province as a preferred film destination in the country. It is also mandate to transform the film industry.

- **KwaZulu-Natal Growth Fund Trust (KZNGFT)**

The KwaZulu-Natal Growth Fund Trust was established to provide competitive and innovative solutions to private sector investment that propel socio-economic growth in KwaZulu-Natal.



ORGANISATIONAL ENVIRONMENT

4.2. ORGANIZATIONAL ENVIRONMENT

The Department is operating under serious capacity constraints with a vacancy rate of 20% (with a staff establishment is 626 posts, of which 497 are filled permanently). This is above the 10% norm set by the Department. The vacancy rate at the senior management level is at 14% with the key positions of the Chief Financial Officer, DDG: Trade and Industry Development, CD: Tourism Development and CD: Environmental Management being vacant. The environmental management programme has the highest vacancy rate in the department, at 30%. Most of these positions were vacant before the function was transferred from DARD to the Department.

The impact of the vacancies in the performance and staff morale has been detrimental. Staff have had to assume additional responsibilities and work overtime in order to deliver on the key responsibilities, most of which are legislative. Needless to say, the situation is not sustainable.

The department is seized with efforts in trying to address this and has requested the approvals from the OTP as per provincial Government moratorium of 2015 that introduced a moratorium on the filling of vacant positions except with the approval of the Premier, for those positions that are considered to be critical for the functioning of the organization. The process of filling the vacant positions has thus been significantly delayed owing to the aforementioned and other internal processes. Going forward the Department envisages to strive to decrease the vacancy rate to be at 5% in order that it complies with the DPSA regulations.

The draft Human Resource Plan, which identifies current and future human resources needs for the Department to achieve its strategic goals, is currently in the process of being finalised by the Department and will thereafter be reviewed annually in line with the Department's strategy and structure to ensure that the appropriately skilled people are able to respond to critical areas in the course of delivering on the mandate of the Department.

The Department exposes employees to various training interventions to close skills gaps and enhance knowledge and skills in their respective areas. These human resource development interventions emanate from the employees' Personal Development Plans that are consolidated into a Workplace Skills Plan. The Department will be developing a structured Talent Pipeline Strategy that contributes to high level human capital development and to the



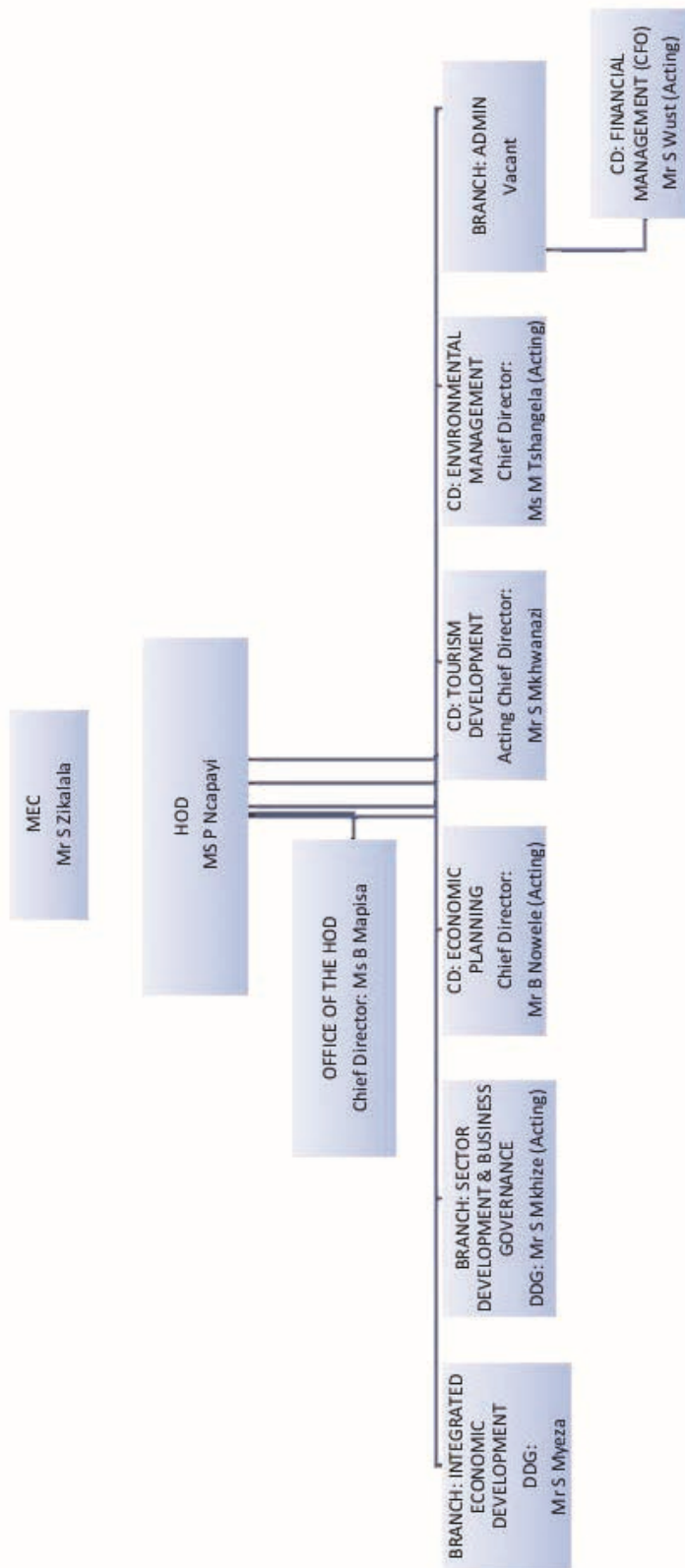
creation of a pool of critical skills. Such skills are aimed at changing the profile of the workforce with regards to representation.

The aim of the Talent Pipeline Programme is to produce professionals who will provide a sustainable environment. Through these programmes young talent is targeted and inspired to take up careers in the specialized areas like Aeronautics. Special effort is taken to provide assistance to disadvantaged employees who want to further their careers. The development and implementation of the Talent Pipeline Strategy will support talent management within the Department, and, when it is operationalized it will be in a form of Management Trainee and valuable skills.

Upon the approval of the departmental organogram, change management as a by-product of the Turnaround Strategy, will take place in various areas across the Department. All identified Turnaround Strategy Projects are change initiatives by nature and will be managed through different platforms and means of communication.



HIGH LEVEL ORGANISATIONAL STRUCTURE OF EDTEA


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PROVINCE OF KWAZULU-NATAL


5. ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS

KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS' GOALS AND PROGRAMMES ALIGNED TO PROVINCIAL GROWTH & DEVELOPMENT PLAN WHICH ALSO RESONATES WITH THE NATIONAL DEVELOPMENT PLAN

The Departmental Annual Performance Plan for 2018/2019 financial year has been aligned to both national and provincial strategies such as the National Development Plan and the Provincial Growth and Development Plan.

National Development Plan

The National Development Plan is South Africa's long-term vision to be achieved by 2030 and it covers the following outcomes:-

- Decent employment through inclusive growth;
- An efficient, competitive and responsive economic infrastructure network;
- Protecting and enhancing our environmental assets and natural resources; and
- An efficient, effective and development oriented public service.

As a national framework to guide the country's socio-economic advancement the NDP it serves as the bench-mark for the development of provincial governments and municipalities hence the Provincial Growth and Development plan could be referred as the province's replica of the national plan.

Provincial Growth & Development Plan

As stated above the National Development Plan is the country's blue-print for socio-economic development with clearly defined growth targets that are expected to contribute to accelerated socio-economic transformation across the nation. KwaZulu-Natal with its ambition of becoming the region's industrial hub took a cue from the content of the NDP by formulating or adapting its own localised strategy that would ensure it achieved its developmental goals through the activation of all sectors of the economy that make the province tick.

5. KWAZULU-NATAL PROVINCIAL GROWTH & DEVELOPMENT PLAN

The Fourteen (14) Key Priority Outcomes of the NDP were incorporated into the updated KwZulu-Natal Provincial Growth and Development Strategy and Plan 2030 which systematically aligns the Province of KwaZulu-Natal with the national developmental priorities.

Flowing from this, the KwaZulu-Natal Department of Economic Development had envisaged sustainable development as the fundamental driver of economic growth, social and environmental management. These are fundamental elements of both the NDP and the PGDP which is reflected in the province's strategic vision below:-

By 2030 KwaZulu-Natal will be a prosperous province with a healthy, secure and skilled population, acting as a gateway to Africa and the world.

The following seven long-term goals have been identified as the compass to guide policy-making and resource allocation for the achievement of vision 2030 objectives (the bold being more relevant to EDTEA):



- **Job creation;**
- Human resource development;
- **Human and community development;**
- **Strategic infrastructure development**
- **Appropriate responses to climate change;**
- **Effective governance and policy;** and
- Spatial equity achievement.

PGDP FRAMEWORK

The key goals that this Department is expected to align with its own strategic mandate and programmes are listed below. The Department has therefore a responsibility to ensure that these goals and the related strategic objectives are co-ordinated and implemented and reported to the Provincial Planning Commission.

KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS' STRATEGIC GOALS ALIGNED TO MTSF AND PGDP GOALS

Driven through the programmes and sub-programmes of the Department, below is a table illustrating the MTSF and PGDP Goals that are aligned to this portfolio.

Table 3: MTSF and PGDP Goals and Departmental Strategy alignment

Outcome 4: Decent employment through inclusive economic growth				
MTSF High Impact Indicator	MTSF Target	Provincial Indicator	Provincial Target	EDTEA Aligned Indicator
GDP growth (annualised and quarterly)	5% growth in 2019	GDP per capita within the provincial economy	R39 760	3% GDP Growth by 2020 as per MEC pronouncement
Employment creation	Annual employment growth to increase by 350 000 a year in 2014-15 and thereafter the rate of employment growth to increase, with targets set annually.	Total employment in all sectors within the provincial economy	3 300 000	55 0000 decent employment opportunities facilitated by Departmental interventions by 2020
Investment rate (% of GDP)	25% of GDP	Unknown	Unknown	R8 billion worth of investments attracted to KwaZulu-Natal by 2020



Outcome 6: An efficient, competitive and responsive economic infrastructure network

MTSF High impact Indicator	MTSF Target	Provincial Indicator	Provincial Target	EDTEA Aligned Indicator
Increased broadband penetration	80% at 5Mbps; 50% at 50Mbps	Number of kilometres of backbone Fibre Optic cables rolled out	Unknown	Minimum broadband speed available within the Province
Increased public and private ICT investment in telecoms networks	10% increase	Number of kilometres of backbone Fibre Optic cables rolled out	Unknown	Number of ICT Infrastructure Nodes

Outcome 10: Protect and Enhance our Environmental Assets and Natural Resources

MTSF High Impact Indicator	MTSF Target	Provincial Indicator	Provincial Target	EDTEA Aligned Indicator
Percentage of area of state managed protected areas assessed with a METT score above 67%	90% of area of state managed protected areas assessed with a METT score above 67%	Unknown	Unknown	TBC
Percentage of coastline with full protection	12%	Unknown	Unknown	% of coastline with full protection
Percentage of coastline with partial protection	15%	Unknown	Unknown	TBC
Reduced total emissions of CO2	34% reduction from "Business As Usual" by 2020 and 42% by 2025	Unknown	Unknown	TBC
Reduced vulnerability and risks associated with climate change impacts	Climate Change Response for 5 key sectors implemented	Unknown	Unknown	TBC



Outcome 12: An efficient, effective and development-oriented public service

MTSF High impact Indicator	MTSF Target	Provincial Indicator	Provincial Target	EDTEA Aligned Indicator
% of national and provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle	70%	Unknown	Unknown	MPAT Score level 4 in all KPA by 2020
Funded vacancy rate (average % of posts on PERSAL which are vacant over a quarter, for all national and provincial departments)	Less than 10%	Unknown	Unknown	10% or less t of funded posts in PERSAL which are vacant per quarter (vacancy rate)
Average number of days taken to resolve disciplinary cases (all national and provincial departments)	90 days	Unknown	Unknown	Disciplinary & grievances cases are finalised within 60 days
Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments	15 or below	Unknown	Unknown	Achieve unqualified audit findings
% of legitimate invoices from suppliers reported as not paid within 30 days in monthly reports from departments to Treasury	Not yet calculated as a percentage	Unknown	Unknown	Achieve 100 on % of valid invoice paid within 30 days

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7. OVERVIEW OF 2018/2019 BUDGET AND MTEF ESTIMATES

Table 4: KwaZulu-Natal Department of Economic Development, Tourism & Environmental Affairs

Table 2.1: Summary of payments and estimates by programme Economic Development, Environmental Affairs And Tourism

R thousand	Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
1. Administration	195,975	185,577	281,845	243,655	243,655	243,655	242,067	247,930	262,374	276,813
2. Integrated Economic Development	502,886	427,599	311,759	358,053	370,103	370,103	368,841	420,571	447,827	472,458
3. Trade And Sector Development	832,777	939,786	800,724	842,563	842,563	842,563	832,469	911,736	962,791	1,015,746
4. Business Regulation And Control	104,536	96,704	100,278	112,662	112,662	112,662	109,163	117,006	123,559	130,351
5. Economic Planning	23,186	29,482	35,799	38,507	38,507	38,507	38,889	41,787	44,126	46,550
6. Tourism	362,705	375,674	246,708	231,549	231,549	231,549	225,955	272,303	307,883	324,825
7. Environmental Affairs	933,738	928,753	819,784	956,414	956,414	956,414	956,108	994,229	1,032,124	1,068,889
Total payments and estimates	2,955,803	2,983,585	2,596,897	2,784,403	2,784,403	2,796,453	2,774,472	3,005,556	3,180,694	3,355,632



Table 2.2: Summary of provincial payments and estimates by economic classification: Economic Development, Environmental Affairs And Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	626,825	650,090	693,242	934,905	924,788	815,658	1,026,364	1,109,279	1,170,288
Compensation of employees	264,793	276,689	289,020	363,365	363,365	343,962	388,321	414,730	441,688
Goods and services	362,032	373,391	404,222	571,540	561,423	471,696	638,043	684,549	728,600
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2,295,860	2,329,045	1,896,651	1,846,654	1,868,821	1,954,159	1,978,382	2,070,560	2,184,442
Provinces and municipalities	17,029	9,552	10,003	562	562	3,912	65	69	73
Departmental agencies and accounts	1,544,482	1,543,700	1,374,300	1,467,700	1,478,389	1,487,189	1,552,839	1,622,024	1,711,235
Higher education institutions	3,030	2,000	16,617	10,980	21,668	21,668	10,973	11,587	12,224
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	551,961	540,534	288,348	184,079	184,889	248,369	224,961	240,703	253,942
Non-profit institutions	164,515	222,421	200,088	180,673	180,673	187,873	188,077	195,563	206,320
Households	14,843	10,888	7,285	2,660	2,660	5,148	1,467	614	648
Payments for capital assets	33,107	3,843	5,288	2,844	2,844	4,655	810	855	902
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	10,079	3,806	5,206	2,844	2,844	4,607	810	855	902
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23,000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	-	48	-	-	-
Payments for financial assets	11	607	1,716	-	-	-	-	-	-
Total economic classification	2,955,803	2,983,585	2,596,897	2,784,403	2,796,453	2,774,472	3,005,556	3,180,694	3,355,632



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PART B: PROGRAMMES AND SUB-PROGRAMMES PLANS**PROGRAMME ONE: ADMINISTRATION**

The Administration Programme consists of the following sub-programmes:

OFFICE OF THE MEC

The principal objective and thrust of this sub-programme is to oversee the management of the executive office and to render executive support to ensure that the Executive Authority is able to fulfil the mandate as prescribed by legislation. The executive support in the main refers to administration, operations, protocol, parliamentary liaison and communication as the public face of the Department.

The Executive Authority is expected to practically express both the vision and the mission of the Department and in particular key policy directives for the preceding financial year.

In pursuit of these policy directives and the aligned strategic objectives, each of the programmes and their respective sub-programme are guided by the Ministerial Handbook as well as the Constitution of the Republic of South Africa and other relevant pieces of legislation. With the National Development Plan (NDP) adopted both in public and private sectors, it is prudent that key strategic directives will be informed by and aligned to the said plan.

OFFICE OF THE HEAD OF DEPARTMENT

The Office of the Head of Department is responsible for the provision of strategic leadership, risk management, strategic planning, administration and effective management of the Department's programmes in order to fulfil its mandate.

Central to the functions of the HOD's office is the oversight responsibility for the implementation of the Department's programmes and the related public entities, key strategic interventions and flagship projects. The office is also responsible for the fostering and maintaining of strategic partnerships outside and within the province that will make a positive contribution towards the economic growth of the province.

FINANCIAL MANAGEMENT

The strategic objective of the sub-programme is to ensure the effective implementation of the PFMA and other related financial regulations and policies. The financial management unit, which manages the financial aspects of each the sub-programmes, oversees the full financial cycle of budgeting, procurement, processing of expenditure, and recording of financial transactions.

For the upcoming MTEF period, the Department will focus on three key administration indicators. These indicators are aligned to the strengthening of the Department's human resources, improving the audit opinion as well as risk management and fraud prevention initiatives.



CORPORATE SERVICES

The Corporate Services sub-programme comprises five units, namely: i) Human Resources Management (HRM), ii) Information Technology and Communication (IT and Communication), iii) Legal Services, iv) Auxiliary Services. These units provide support services across the Department. Accordingly, the strategic objective of the sub-programme is to provide department-wide effective and efficient support services in Human Resources (HR), Legal Services, IT and Communication and Auxiliary Services management.

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Strategic Goals: Achieve institutional excellence responsive to the needs of the country.
Goals Statement: Establish a dynamic institution through a high performance and value based culture.

STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: OFFICE OF THE HOD

Strategic Objective	Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2017/2018	Medium-term targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To provide strategic leadership, risk management, strategic planning, executive support and effective management of the Department's programmes in order to fulfil its mandate.	Improve compliance level of strategic management with the MPAT standards	Achieve and maintain a Level 4 Score on MPAT KPA 1: Strategic Management	New	MPAT level 1 on KPA 1	New MPAT level 2 score on KPA 1	MPAT level 2 score on KPA 1	MPAT Level 4 on KPA 1: Strategic Management	MPAT Level 4 on KPA 1: Strategic Management	MPAT Level 4 on KPA 1: Strategic Management
	Improve compliance level of EDTEA management structures with MPAT standards	Achieve and maintain a Level 4 Score on MPAT KPA 2: Governance and Accountability	New	MPAT level 1 score on KPA 2	MPAT level 1 score on KPA 2	MPAT level 2 score on KPA 2	MPAT level 4 on KPA 2: Governance and Accountability	MPAT level 4 on KPA 2: Governance and Accountability	MPAT level 4 on KPA 2: Governance and Accountability



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To provide strategic leadership, risk management, strategic planning and executive support for effective management of the Department's programmes in order to fulfil its mandate							
Approved Annual Performance Plan in compliance with the Strategic Planning Framework requirements	Approved APP	Approved APP	Approved APP	Approved 2018/2019 APP in compliance with the Strategic Planning Framework requirements	Approved 2019/2020 APP in compliance with the Strategic Planning Framework requirements	Approved 2020/2021 APP in compliance with the Strategic Planning Framework requirements	Approved 2021/2022 APP in compliance with the Strategic Planning Framework requirements
Percentage achievement of EDTEA's annual performance plan targets	New	New	New	85%	95%	95%	95%
Percentage implementation of the risk mitigation strategy	New	New	New	100%	100%	100%	100%
Percentage implementation of MPAT improvements plans	New	New	New	100%	100%	100%	100%



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To provide strategic leadership, risk management, strategic planning, executive support and effective management of the Department's programmes in order to fulfil its mandate.							
Approved Annual Performance Plan in compliance with the Strategic Planning Framework requirements	Signed off APP by the AO and EA in compliance with the Strategic Planning Framework. APP assessment report by the OTP and DPME	Quarterly	Approved 2019/20 APP in compliance with the Strategic Planning Framework requirements	-	Review and produce 1 st draft and submitted to OPT and DPME	Review and produce 2 nd draft and submitted to OPT and DPME	Final APP is tabled to the Provincial Legislature and submitted to OTP and DPME
Percentage achievement of EDTEA's annual performance plan targets	Signed off Assessment Report by the AO	Quarterly	100%	100%	100%	100%	100%
Percentage implementation of the risk mitigation strategy	Risk register progress report	Quarterly	100%	100%	100%	100%	100%
Percentage implementation of MPAT improvements plans	MPAT improvement plan progress report	Quarterly	100%	100%	100%	100%	100%



STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: HUMAN RESOURCE MANAGEMENT

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2016/2017	Medium-Term Targets			
			2014/2015	2015/2016		2017/2018	2018/2019	2019/2020	2020/2021
To implement effective, efficient and compliant Human Resources	Status of MPAT level score on KPA 3	Achieve and maintain a Level 4 Score on MPAT KPA 3 annually	MPAT level 1 score on KPA 3	MPAT level 1 score on KPA3	MPAT level 1 score on KPA 3	Ensure effective Implementation of HR management practices to ensure that adequate and appropriately skilled human resources are in place			



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets			
	2014/2015	2015/2016	2016/2017		2017/2018	2018/2019	2019/2020	2020/2021
To implement effective, efficient and compliant Human Resources								
% of funded posts in PERSAL which are vacant per quarter (Vacancy rate)	10%	10%	10%	10%	10%	10%	10%	
% of Staff turnover rate	8%	5%	5%	5%	5%	5%	5%	
% Targets of workplace skills plan achieved	New	New	New	Achieve 80% Targets of workplace skills plan achieved over MTEF				
% of performance agreement signed and submitted on time	New	New	90%	90%	90%	100%	100%	
% of Disciplinary & grievances cases finalised within timeframe	New	New	60%	80%	90%	100%	100%	
% of SMS members submitting financial disclosures on time	New	New	60%	80%	90%	100%	100%	



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
Improved Human Resource Management by 2020							
% of funded posts in PERSAL which are vacant per quarter (Vacancy rate)	Persal report	Quarterly	10%	10% or less	10% or less	10% or less	10% or less
% of Staff turnover rate	Persal and EE report	Quarterly	5%	5%	5%	5%	5%
% of performance agreement signed and submitted on time	Performance agreement reports	Quarterly	90%	90% performance agreement concluded by 31 May 2017	90% of previous assessment moderated by due date	90% of performance review	90% of final draft performance agreement submitted to HR by 31 March 2018
% Targets of workplace skills plan achieved		Annual	80% Implementation	0	0	0	80%
% of Disciplinary & grievances cases finalised within timeframe		Quarterly	100%	100%	80%	100%	100%
% of SMS members submitting financial disclosures		Annually	100%	100%	80%	100%	100%
Ensure effective and responsive Employee Health and Wellness	Performance Reports	Quarterly	60% Implementation	80%	80%	80%	80%
Ensure Efficient & Compliant IT Services							



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Ensure compliance with IT Governance framework	IT Risk and Governance Committees	Quarterly	New	New	80%	80%
Ensure Efficient Legal Services						
Ensure efficient and effective legal services	Quarterly Performance Reports	Quarterly	New	New	Ensure Efficient and Effective legal services in that the department is compliant with most of the legal prescripts.	



Strategic Goals: <i>Achieve institutional excellence responsive to the needs of the Country.</i>
Goal Statement: <i>Established a dynamic institution through a high performance and value based culture.</i>

STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2018/2019	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To ensure effective implementation of the PFMA and other related financial regulations and policies	Status of MPAT level score on KPA 4 or	Achieve and maintain at least a Level 4 Score on MPAT KPA 4 annually	Level 1 MPAT Score on KPA 4	Level 1 MPAT Score on KPA 4	Level 1 MPAT Score on KPA 4	Full compliance with PFMA relating to finances and supply chain management		
	Clean audit opinion on financial statements							
						Obtain an unqualified audit opinion and no material findings on compliance and performance		



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	Performance						
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To ensure effective implementation of the PFMA and other related financial regulations and policies							
Number of Financial Management reports	New	New	New	12 Monthly Financial Management reports	12	12	12
% of valid invoices paid within 30 days	New	New	New	80%	90%	95%	100%
% of total procurement spent on BBBEE service providers	New	New	New	New	90%	90%	90%



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To ensure effective implementation of the PFMA and other related financial regulations and policies							
Number of Financial Management report	Monthly Financial Management report	Quarterly	12 Monthly Financial Management report information	Monthly Financial Management report	Monthly Financial Management report	Monthly Financial Management report	Monthly Financial Management report
% of valid invoice paid within 30 days	BAS payment reports	Quarterly	90%	90 % of valid invoices paid within 30 days	90 % of valid invoices paid within 30 days	90% of valid invoices paid within 30 days	90% of valid invoices paid within 30 days
% of total procurement spent on BBBEE service providers	SCM Procurement reports	Quarterly	90%	90%	90%	90%	90%



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RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET**Expenditure Estimates****Table 1.1: Administration - Summary of payment per sub-programme****Table 3.1: Summary of payments and estimates by sub-programme Administration**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	29,125	24,172	28,282	27,300	27,300	30,448	28,991	30,614	32,299
2. Office Of The Hcd	29,191	29,316	68,565	30,528	32,528	35,674	24,682	26,625	28,091
3. Financial Management	31,293	33,381	41,270	42,799	42,799	41,268	45,474	48,020	50,668
4. Corporate Services	106,366	98,708	143,728	141,028	141,028	134,697	148,783	157,115	165,755
Total payments and estimates	195,975	185,577	281,845	243,655	243,655	242,087	247,930	262,374	276,813

Table 3.2: Summary of payments and estimates by economic classification Administration

Table 3.2: Summary of payments and estimates by economic classification Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	185,522	181,171	275,331	241,954	241,954	239,607	246,970	261,359	275,741
Compensation of employees	70,809	71,157	75,311	97,461	97,461	88,039	104,088	111,167	118,392
Goods and services	114,713	110,014	200,020	144,493	144,493	151,568	142,882	150,192	157,349
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1,804	1,297	2,962	620	620	622	655	693	732
Provinces and municipalities	24	52	3	62	62	62	65	69	73
Departmental agencies and accounts	548	7	9	9	9	9	9	10	11
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	-	256	-	-	-	-	-	-	-
Non-profit institutions	129	-	-	-	-	-	-	-	-
Households	1,103	982	2,950	549	549	551	581	614	648
Payments for capital assets	8,638	2,977	2,997	1,081	1,081	1,858	305	322	340
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	8,610	2,960	2,915	1,081	1,081	1,858	305	322	340
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	-	-	-	-	-
Payments for financial assets	11	132	555	-	-	-	-	-	-
Total economic classification	195,975	185,577	281,845	243,655	243,655	242,087	247,930	262,374	276,813



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PROGRAMME TWO: INTEGRATED ECONOMIC DEVELOPMENT SERVICES**PURPOSE**

The purpose of the Integrated Economic Development Services (IEDS) programme is to advance economic growth and job creation initiatives that prioritize historically disadvantaged individuals and groups through:

- Enterprise Development;
- Economic Empowerment;
- Regional and Local Economic Development.

The following table presents the structure of the Branch and its aim or purpose, as well as its strategic goals and objectives:

Programme 2 Integrated Economic Development Services	Sub-programmes
Purpose: The purpose of IEDS Branch is to advance economic growth and job creation initiatives that prioritize historically disadvantaged individuals and groups through: <ul style="list-style-type: none"> • Enterprise Development; • Economic Empowerment; • Regional and Local Economic Development. 	Sub-Programme 1: Enterprise Development Purpose: The purpose of Enterprise Development sub – programme is to co-ordinate the support and development of sustainable SMMEs and Co-operatives/Social enterprises that contribute to wealth and job creation.
	Sub-programme 2: Economic Empowerment Purpose: To create enabling environment for economic development and empowerment of the previously disadvantaged individuals and groups (especially youth, women and the disabled) to participate in the mainstream economy
	Sub-programme 3: Regional and Local Economic Development Purpose: To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The Integrated Economic Development Service derives its mandate mainly from the Broad-based Black Economic Empowerment Act, the National Small Business Act, the Co-operatives Act and the Skills Development Act.

In addition to these pieces of legislation, provincial policies and strategies, notably the Provincial Growth and Development Strategy and Plan (PGDS & P), the Provincial Spatial Economic Development Strategy (PSEDS), Integrated National B-BBEE Strategy, KwaZulu-Natal B-BBEE Strategy, B-BBEE Codes of Good Practice, KwaZulu-Natal Youth Economic Empowerment Strategy, Draft KwaZulu-Natal Women Economic Empowerment Strategy, the National Co-operatives Strategy (draft), Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, the KwaZulu-Natal Small Enterprise Development Strategy, the National LED Policy guidelines and provincial policy measures as articulated in the annual Provincial Budget Speeches, together, determine and shape the branch's strategies and objectives.

The programme also has oversight over the provincially established Small Enterprise Development Fund, and the Swiss Funded LED Programme at iLembe District Municipality,



and fulfills its mandate in terms of structured legal agreements. The priorities of the programme include:

- Institutional development and capacity building support to SMMEs, social enterprises and local government with a specific focus on the economic empowerment of the poor, women, youth and the physically challenged;
- Facilitating access to finance for SMMEs, social enterprises and partnership groups;
- Formulating and implementing strategies that support economic empowerment, SMMEs and social enterprises as well as regional and local economic development;
- Co-ordination and facilitation of economic transformation structures to promote empowerment of youth, women, people with disabilities and B-BBEE compliance in the province;
- The creation of wealth and sustainable jobs opportunities.



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RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

Integrated Economic Development Services

Table 4.1: Summary of payments and estimates by sub-programme Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Enterprise Development	418,037	367,978	205,417	289,884	281,944	277,998	327,642	349,694	383,780
2. Regional And Local Economic I	39,882	18,004	33,294	45,195	45,195	34,037	47,888	50,359	53,277
3. Economic Empowerment	44,957	41,617	73,048	42,964	42,964	57,806	45,240	47,774	50,401
Total payments and estimates	502,886	427,599	311,759	358,053	370,103	369,841	420,571	447,827	472,458



Table 4.2: Summary of payments and estimates by economic classification Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	113,698	115,832	125,716	250,518	240,401	174,959	263,995	283,321	298,904
Compensation of employees	51,482	54,286	55,049	65,304	65,304	62,735	68,744	74,488	79,330
Goods and services	62,216	61,546	70,667	185,214	175,097	112,224	194,251	208,833	219,574
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	388,776	311,575	184,656	107,085	129,252	194,452	156,145	164,651	173,074
Provinces and municipalities	982	2,000	2,000	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	10,689	13,189	-	-	-
Higher education institutions	2,780	-	8,000	6,000	16,688	16,688	6,300	6,653	7,019
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	317,190	206,480	106,629	45,074	45,864	108,564	94,559	102,998	108,663
Non-profit institutions	55,000	95,000	64,400	54,400	54,400	54,400	54,400	54,400	57,392
Households	12,814	8,095	3,627	1,611	1,611	1,611	886	-	-
Payments for capital assets	412	82	435	450	450	430	431	455	480
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	412	82	435	450	450	430	431	455	480
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	110	952	-	-	-	-	-	-
Total economic classification	502,886	427,599	311,759	358,653	370,103	369,841	420,571	447,827	472,458



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SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

PURPOSE

The purpose of Enterprise Development sub – programme is to co-ordinate the support and development of sustainable SMMEs and co-operatives/social enterprises that contribute to wealth and job creation.

SPECIFIC POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES

The Enterprise Development sub-programme comprises of two components such as the Small Business Development and the Co-operatives Development. It provides an appropriate environment for the establishment and promotion of self-sustaining enterprises. This is achieved through the provision of integrated business support services to emerging enterprises. The provision of integrated business support services is intended to enhance the capacity of the small enterprises to improve their socio-economic conditions and thereby contributing to economic growth, employment and job creation.

The activities of the Enterprise Development sub-programme are informed and guided by various legislative requirements, policy and strategic frameworks. Key among these are the National Small Business Act 102 of 1996 as amended, Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, Co-operatives Act 6 of 2013 as amended, Co-operatives Bank Act 40 of 2007, Skills Development Act 97 of 1998, Annual National and Provincial Budget Speeches, PSEDs, KwaZulu-Natal Co-operatives Development Strategy, KwaZulu-Natal Small Enterprise Development Strategy, New Growth Path, Industrial Policy Action Plan (IPAP 2), National Development Plan, Provincial Growth and Development Strategy & Plan, B-BBEE Act 53 of 2003 and KwaZulu-Natal B-BBEE Strategy.

The strategic objective of the Enterprise Development sub-programme is to promote small enterprises and entrepreneurial development of SMMEs and co-operatives/social enterprises. In pursuit of the strategic objective, the sub-programme prioritizes the following key focal areas:

- Skills development and capacity building for small enterprises;
- Facilitation of access to finance and markets for small enterprises;
- Promote and support of competitive sector-based SMMEs and co-operatives in the province;
- Support and promotion of entrepreneurship.

Supporting and/or funding the activities of the Small Business Development and the Co-operatives Development components is conducted mainly through the Small Enterprise Development Fund which is briefly explained below:

Small Enterprise Development Fund

The Fund, administered through Ithala Development Finance Corporation is an intervention by the Enterprise Development Sub-programme to facilitate access to finance and improve efficacy of financial services for SMMEs and co-operatives. The Fund assists the KwaZulu-Natal Provincial Government to promote the growth of SMMEs and co-operatives in pursuit of the priority objective of stimulating economic growth, employment creation and reduction of poverty levels.



Strategic Goals: Sustainable and inclusive economic growth for job creation.

Goal Statement: Achieve economic growth with a broader participation by communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES & ANNUAL TARGETS: SUB-PROGRAMME – ENTERPRISE DEVELOPMENT

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote small enterprises (SMMEs and co-operatives)	Number of small enterprises supported with (training, mentorship, funding, incubation and business advisory service)	11775 Small enterprises supported SMMEs = 3589 (Medium Term) & co-operatives = 3948 (Medium Term)	1829	2119	3410	2119	1163 1167	1163 1400	1263 1381
		6677 small enterprises (SMMEs = 3339 & co-operatives = 3338 surviving over a two year period *)	New	New	New	New	SMMEs = 1000 & co-operatives = 1000 Total: 2000	SMMEs = 1167 & co-operatives = 1166 Total: 2333	SMMEs = 1172 & co-operatives = 1172 Total: 2344
		Annual employment growth by 3700 over MTSF	New	New	New	New	SMMEs = 500 & co-operatives = 500 Total: 1000	SMMEs = 600 & co-operatives = 600 Total: 1200	SMMEs = 750 & co-operatives = 750 Total: 1500



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote small enterprises (SMMEs and co-operatives)							
Number of entities registered with CIPC	1829	2119	3410	1166	SMMEs = 583 & co-operatives = 583 Total: 1166	SMMEs = 583 & co-operatives = 583 Total: 1166	SMMEs = 583 & co-operatives = 583 Total: 1166
Number of interventions implemented i.e. training, mentorship, funding, incubation and business advisory service to support small enterprises *(but now focused on services than on numbers benefiting from the service).	New	New	New	5	5	5	5
Implemented to support Operation Vula/RASET							



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To promote small enterprises (SMMEs and co-operatives)							
Number of entities registered with CIPC	CIPC Registration Certificates, CIPC Registration Reports, EDTEA Small Enterprise Database Reports	Quarterly	SMMEs = 583 & co-operatives = 583 Total: 1166	SMMEs = 145 & co-operatives = 145 Total :291	SMMEs = 145 & co-operatives = 145 Total :291	SMMEs = 145 & co-operatives = 145 Total :291	SMMEs = 146 & co-operatives = 147 Total : 293
Number of interventions i.e training, mentorship, funding, incubation and business advisory service implemented to support small enterprises	Attendance Registers, Mentorship/incubation/training reports, Compliance certificates, Acknowledgement Register to financial institutions	Quarterly	5	1	1	1	2



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SUB-PROGRAMME: ECONOMIC EMPOWERMENT

PURPOSE

The strategic objective of the sub-programme is to create enabling environment for economic development and empowerment of the target groups (especially youth and women) to participate in the mainstream economy.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The sub-programme derives its mandate from the Employment Equity Act 55 of 1998, and the B-BBEE Act 46 of 2013 (Act 53 of 2003), as well as B-BBEE Codes of Good Practice (as amended). Its objective amongst others is to ensure that women and youth entrepreneurs in both urban and rural areas contribute and benefit from the economic growth, development and transformation of the country's economy. To ensure successful implementation of B-BBEE Policy the sub-programme conducts information driven initiatives to heighten public awareness about the available economic empowerment opportunities and co-ordination of compliance towards the achievement of genuine socio-economic transformation.

To fulfil its mandate and meet its strategic objective this sub-programme continues to pursue the following strategic objectives in the province:

- Facilitating the implementation of the B-BBEE Strategy and empowerment policies;
- Co-ordinate key stakeholders for B-BBEE strategy implementation;
- Ensuring empowerment of women and youth;
- Facilitating or handle B-BBEE complaints and compliance in the Province;
- Verification and monitoring of B-BBEE implementation.



Strategic Goals: Sustainable and inclusive economic growth for job creation.
Goal Statement: Achieve economic growth with a broader participation by Communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – ECONOMIC EMPOWERMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance		Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
To facilitates the implementation of economic transformation strategies and policies	Number of Target groups supported with training to participate in the mainstream economy.	3300 youth and women supported	1	1	3	3	1000	1100	1200
	Number of Target Groups businesses supported through enterprise development programme (Technical training, Machinery support, start up support) development to participate in the mainstream economy	165 youth and women businesses supported	5	3	3	5	50	55	60
	Number of B-BBEE compliance interventions (Awareness campaigns, policy training, Implementation Team) implemented to improve the level of compliance	20 B-BBEE Compliance interventions implemented	New	New	New	New	5	5	10



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	Number of interventions (co-ordinate implementation of the plan) implemented to support Operation Vula	5 interventions implemented	New	New	New	3	4	5	6
	Number of interventions (Co-ordinate implementation of KwaZulu-Natal framework) implemented to support the Black Industrialists	15 interventions implemented	New	New	New	3	4	5	6



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To facilitates the implementation of economic transformation strategies and policies							
Number of Target groups supported with training to participate in the mainstream economy	New	New	New	New	1000	1500	2000
Number of Target Groups businesses supported through enterprise development programme (Technical training, Machinery support, start up support) development to participate in the mainstream economy	New	New	New	New	50	60	100
Number of B-BBEE compliance interventions (Awareness campaigns, policy training, Implementation Team) implemented to improve the level of compliance	New	New	New	New	5	8	10
Number of interventions (co-ordinate implementation of the plan) implemented to support Operation Vula	NEW	NEW	NEW	3	4	5	6
Number of interventions (Co-ordinate implementation of KwaZulu-Natal framework) implemented to support the Black Industrialists	New	New	New	3	4	5	6



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To facilitates the implementation of economic transformation strategies and policies							
Number of Target groups supported with training to participate in the mainstream economy	Attendance registers	Quarterly	1000 (youth = 500) Women = 500)	0	200	300	500
Number of Target Groups businesses supported through enterprise development programme (Technical training, Machinery support, start up support) development to participate in the mainstream economy	Attendance registers	Quarterly	50	0	5	30	15
Number of B-BBEE compliance interventions (Awareness campaigns, policy training, Implementation Team) implemented to improve the level of compliance	Attendance registers	Quarterly	5	1	1	1	2



Number of interventions (co-ordinate implementation of the plan) implemented to support Operation Vula	Attendance registers	Quarterly	4	0	1	1	2
Number of interventions (Co-ordinate implementation of KwaZulu-Natal framework) implemented to support the Black Industrialists	Attendance registers	Quarterly	4	0	1	1	2


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SUB-PROGRAMME: REGIONAL AND LOCAL ECONOMIC DEVELOPMENT (RLED)

PURPOSE

To implement regional and local economic development initiatives that support employment opportunities and builds the capacity of RLED stakeholders.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The Regional and Local Economic Development (RLED) sub-programme is shaped by the National LED Policy guidelines, the National Small Business Policy, trade and industry policies, the PGDS (Strategic Goal 1) and Outcome 4 of the National Development Plan. It also takes into account the policies and regulations related to district and local government.

The overall strategic objective of the sub-programme is to facilitate risk sharing partnership based RLED projects that stimulate competitiveness and sustainable employment opportunities. The sub-programme also seeks to build and strengthen institutions of regional and local economic development through education and training.

Five (5) priorities have been identified for the 2018-19 financial including:

- Implementing Operation Sakhezuzo, a project to support small scale sugar cane growers;
- Improving contract administration and project related expenditures;
- Supporting the implementation the Swiss Funded LED Programme in ILembe District;
- Implementing the agreement with the University of KwaZulu-Natal for education and training on RLED;
- Implementing the Local Competitiveness Fund Phase 8 Agro-Processing.



Strategic Goal: Sustainable and inclusive economic growth for job creation.
Goal Statement: Achieve economic growth with broad participation by communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND ANNULA TARGETS: SUBPROGRAMME – REGIONAL AND LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance				Estimated Performance			Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021			
To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders	Number of employment opportunities supported	1030 employment opportunities supported over MTSF period	50	309	80	250	200	141	105			
	Number of people trained	540 people trained over the MTSF	140	165	122	100	100	70	50			



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders							
Number of projects implemented that support employment opportunities	New	New	New	New	3	8	5
Number of training interventions implemented	New	New	New	New	6	9	3



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders							
Number of projects implemented that support employment opportunities	Contracts and/or Monitoring Reports	Quarterly	3	3	0	0	0
Number of training interventions implemented	Contracts, Monitoring Reports and/or Attendance Registers	Quarterly	6	2	1	1	2


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PROGRAMME THREE: TRADE AND INDUSTRY DEVELOPMENT**PURPOSE**

The Trade and Investment Programme comprises two sub-programmes which are Trade Promotion and Logistics. In the area of Trade Promotion the objective is to assist largely SMMEs with access to local and international markets. With regards to logistics, the primary objective is to address logistics challenges such as infrastructure and development of logistics skills. An emphasis is placed on improving rural logistics and supporting SMMEs.

Programme 3: Trade and Industry Development	Sub-programmes
Purpose: To stimulate economic growth through trade and investment promotion, development of selected sectors, and industry development	Sub-programme 1: Strategic Industrial Interventions Purpose: To provide and facilitate the development of strategic industrial interventions
	Sub-programme 2: Trade and Investment Promotion Purpose: To facilitate trade promotion and to attract investment
	Sub-programme 3: Sector Development Purpose: To facilitate the implementation of strategic programmes that will stimulate the competitiveness of priority sectors



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

Programme 3: Trade and Industry Development

Table 5.1: Summary of payments and estimates by sub-programme Trade And Sector Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Trade And Investment Promotion	599,746	580,705	480,536	513,615	513,615	509,845	549,127	579,880	611,773
2. Sector Development	164,861	160,134	193,808	201,343	201,343	195,019	233,079	246,127	259,666
3. Strategic Initiatives	68,170	198,947	126,370	127,605	127,605	127,605	129,530	136,784	144,307
Total payments and estimates	832,777	939,786	800,714	842,563	842,563	832,469	911,736	962,791	1,015,746



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Table 52: Summary of payments and estimates by economic classification Trade And Sector Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	36,136	34,261	43,922	89,043	89,043	64,236	117,968	124,572	131,424
Compensation of employees	8,344	10,673	11,481	17,969	17,969	14,446	19,191	20,496	21,827
Goods and services	27,792	23,588	32,441	71,074	71,074	49,790	98,777	104,076	109,597
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	773,513	965,455	756,670	753,520	753,520	768,190	793,768	838,219	884,322
Provinces and municipalities	-	500	6,000	-	-	800	-	-	-
Departmental agencies and accounts	596,851	573,975	472,691	495,922	495,922	500,222	537,840	567,959	599,197
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private entities	79,442	214,664	150,946	137,705	137,705	138,505	129,530	136,784	144,307
Non-profit institutions	97,159	116,316	127,033	119,393	119,393	126,593	126,398	133,476	140,818
Households	61	-	-	500	500	2,070	-	-	-
Payments for capital assets	23,128	55	44	-	-	43	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	128	55	44	-	-	43	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23,000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	88	-	-	-	-	-	-
Total economic classification	832,777	939,786	800,744	842,563	842,563	832,469	911,736	962,791	1,015,746



SUB-PROGRAMME: STRATEGIC INDUSTRIAL INTERVENTIONS

PURPOSE

The purpose of this sub-programme is to firstly promote Maritime Services through active participation in the industry; secondly, to facilitate the implementation of related strategies to support the Aerotropolis establishment and lastly, to coordinate and facilitate the implementation of strategies to support Industrial Economic Hubs (IEHs) and Special Economic Zones (SEZs).

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The Sub-programme derives its mandate from national policies: the New Growth Path, the National Development Plan, the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP) which is consistent with the Provincial Industrial Development Strategy (PIDS), Provincial Growth and Development Strategy (PGDS), and the KwaZulu-Natal Investment Strategy. Over and above these strategies, the following are applicable to the Oceans Economy:

- KwaZulu-Natal Integrated Maritime Strategy (KIMS);
- Draft National Maritime Transport Policy, and;
- African Integrated Maritime Strategy (AIMS).

Moreover, to fulfil its mandate and meet its strategic objective, the sub-programme pursues the following strategic priorities in KwaZulu-Natal:

- Promote the development and implementation of Marine Sub-sectors; Marine Manufacturing, Aquaculture, Oil and Gas, in conjunction with other sub-sectors;
- Promote the development of the Aerotropolis and implementation of the Master Plan;
- Promote the development and implementation of the Industrial Economic Hubs(IEH);
- Promote skills development, education and research for the development of the Maritime Industry, Aerotropolis and Industrial Economic Hubs(IEHs);
 - Promote transformation through the involvement of the previously disadvantaged individuals, women, youth, into the Maritime Industry, Aerotropolis and Industrial Economic Hubs (IEHs);
 - Promote and support Special Economic Zones (RBIDZ, DTP) through the implementation of SEZs strategies;
 - Promote Public and Private Partnership to effect the implementation of Trade and Investment Policies; and
 - To support and provide impetus to the aims of the KwaZulu-Natal Economic Council



Strategic Goal: Sustainable and inclusive economic growth for job creation.

Strategic Objectives: Achieve economic growth with broader participation of communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME: STRATEGIC INDUSTRIAL INTERVENTIONS

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To provide and facilitate the development of strategic industrial interventions	Rand value of investment committed in strategic Infrastructure development (SEZ and IEHs) over MTSF	Ensure# Rand Value of investment projects committed over MTSF period	New	New	New	R16 mil	R17 mil	R25 mil
	Number of infrastructure Investments projects that support Aerotropolis, maritime and Industrial Hubs	4 Infrastructure related plans facilitated and /or Investments projects facilitated over MTSF	New	New	3	2	2	4
	Annual employment opportunities created through Industrial Economic Hubs, Aerotropolis, Maritime and Sector Economic Zone	2442 jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	New	New	130	150	280	1882
	Number of people benefited from Skill Development in support of Aerotropolis, Industrial Economic Hubs (IEHs) Special Economic Zones (SEZs) and Maritime	506 people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones	New	New	70	104	150	182



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance				Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017					
To provide and facilitate the development of strategic industrial interventions								
No. of Infrastructure Investments projects facilitated to support Aerotropolis, SEZ and Industrial Hubs	New	New	3	9	2	2	4	
No. of jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	New	New	130	54	150	280	1882	
Number of people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones	New	New	70	134	104	150	182	
Number of feasibility studies and business plans or master plans completed	New	New	4	6	4	2	3	



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To provide and facilitate the development of strategic industrial interventions							
No. of Infrastructure projects facilitated to support Aerotropolis, SEZ and Industrial Hubs	Infrastructure Plans, progress reports, MOU's,	Annual	2	0	0	0	2
No. of jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	Monitoring Report, Project Report, signed employment / payroll records	Quarterly	150	0	0	50	100
Number of people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones	Signed attendance register, certificate of attendance	Annual	104	0	0	0	104
Number of feasibility studies and business plans or master plans completed	Business Plan, Feasibility or viability plan	Annual	4	0	0	0	4



SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION**PURPOSE**

The Trade and Investment Programme comprises two sub-programmes which are Trade Promotion and Logistics. In the area of Trade Promotion the objective is to assist largely SMMEs with access to local and international markets. With regards to logistics the primary objective is to address logistics challenges such as infrastructure and development of logistics skills. An emphasis is placed on improving rural logistics and supporting SMMEs.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The Trade and Investment Promotion sub-programme provides trade and logistics support services to economic role players within the province to strengthen the provincial economy's international competitiveness. The National Development Plan, New Growth Path, Provincial Growth and Development Plan, KwaZulu-Natal Investment Strategy and the Draft KwaZulu-Natal Export Strategy – all provide the policy context for this sub-programme, which further subscribes to the following policy priorities:

- Identification, promotion and utilisation of opportunities for trade and investment within the province;
- Investment attraction and export growth in order to develop and grow the economy as well as create jobs;
- Policy development and implementation in the area of trade and investment;
- Provision of trade and investment support in the development of the provincial growth sectors and priority sectors; and
- Positioning of KwaZulu-Natal province as Africa's trade gateway.



Strategic Goals: Sustainable Inclusive and inclusive economic growth programmes.

Goal Statement: Achieve economic growth with a broader participation of communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: TRADE AND INVESTMENT PROMOTIONS

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021
To stimulate inclusive growth through trade and investment promotion	Rand value of investment attracted to KwaZulu-Natal, and exports facilitated	R30 million value of exports facilitated through trade initiatives (B2B, outward bound missions etc)	New	New	New	R1.5 million		R8,8 million	R9,5 million	R10,2 million
		R46.5 million value of investment facilitated through trade initiatives	New	New	New	New		R14,5 million	R15,5 million	R16,5 million

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited /Actual Performance				Estimated Performance	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021
Number of intervention implemented to support exports and investment (KZN Exporter Competitiveness Program)	New	New	New	1		1	1	1
Number of investment and export (trade) strategies developed	7	3	4	0		1	0	0



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To stimulate inclusive growth through trade and investment promotion							
Number of intervention implemented to support exports and investment (KZN Exporter Competitiveness Program)	Copy of SLA Close out Report	Annual	1	0	0	0	1
Number of investment and export (trade) strategies developed	Finalised Strategy/ Business Plan	Annual	1	0	0	0	1



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SUB-PROGRAMME: SECTOR DEVELOPMENT**PURPOSE**

This programme is based on an understanding that economic growth and job creation should be premised on a sound macroeconomic framework and prudent fiscal discipline. National economic policy framework, especially both trade and industrial policies inform provincial and sectoral priorities in stimulating the growth and development of priority sectors.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

Sector Development is aligned with the national policy in terms of the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP); which is consistent with the Provincial Policy in terms of the Provincial Industrial Development Strategy (PIDS), Provincial Growth and Development Strategy (PGDS) and other relevant provincial policies. The identified sectors have been prioritized as:

- Some of the lead sectors identified in the Industrial Policy Action Plan (IPAP) that provide substance to the framework for implementation of National Industrial Policy Framework (NIPF);
- Where potential exists for sustainable growth, employment generation, the diversification and growth of exports and broad economic participation;
- Some leading sectors in respect of Research and Development (R&D).

Economic growth and job creation require a sound macro-economic framework and prudent fiscal discipline. The national economic policy framework, including both trade and industrial policies, continued to inform provincial and sectoral priorities.

Specific policies relating to the development of different priority sectors also include the New Growth Path, Customized Sector Programme Policies (CSPs), Regional Industrial Development Strategy (RIDS), National Planning Development Plan, Provincial Growth and Development Plan, Provincial Growth and Development Strategy (PGDS), Provincial Spatial Economic Development Strategy (PSEDS), Media, Advertising, Publishing, Printing and Packaging SETA (MAPPPSETA), Information Society and Provincial BPO Strategy and the KwaZulu-Natal Wood Processing Sector Strategy (KZNWPSS).



Strategic Goal: Sustainable and inclusive economic growth for job creation.
Goal Statement: Achieve economic growth with a broader participation of communities of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: SECTOR DEVELOPMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021
To implement existing productive and service sector strategies and plans	Number of employment opportunities created and sustained	385 employment opportunities created and sustained over MTSF period	20	50	60	75		90	110	150
	Number of people benefited from capacity building	1365 people benefited from capacity building over MTSF period	265	300	300	165		300	300	250



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To implement existing productive and service sector strategies and plans							
Number of projects implemented that support employment opportunities	New	New	New	1	6	6	5
Number of Business Plans Completed	0	2	2	3	5	2	0
Number of strategic interventions implemented: <ul style="list-style-type: none">Richards Bay ICT IncubatorINK ICT for Disability EntrepreneurshipMsunduzi ICT IncubatorSmart City Innovation ICT HubAmakha Essential OilsKZN Horticultural ProductsLadysmith Black Mambazo Music AcademyAfrica Television MarketThe NEWF Congress	20	20	20	14	10	15	15
Number of people trained on sector based skills	265	300	300	90	300	350	250
Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	5	5	5	3	3	3	4



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To implement existing productive and service sector strategies and plans							
Number of projects implemented that support employment opportunities		New	New	1	6	6	5
Number of Business Plans Completed	0	2	2	3	5	2	0
Number of strategic interventions implemented: (i) Richards Bay ICT Incubator (ii) INK ICT for Disability	20	20	20	14	10	15	15
Number of people trained on sector based skills	265	300	300	90	300	350	250
Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	5	5	5	3	3	3	4



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To implement existing productive and service sector strategies and plans							
Number of projects implemented that support employment opportunities	Project Report	Quarterly	6	0	2	2	2
Number of Business Plans Completed	Business Plan	Quarterly	5	0	1	1	2
Number of strategic interventions implemented: (i) Richards Bay ICT	Intervention / Project Report	Quarterly	20	0	5	5	10
Number of people trained on sector based skills	Attendance Register	Quarterly	300	0	50	100	150
Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	Service Level Agreement	Quarterly	8	-	-	4	4



PROGRAMME FOUR: BUSINESS REGULATIONS**PURPOSE**

The purpose of Business Regulations is to manage and implement the Constitution and legislative mandate of the Province in relation to liquor (policy and legislation function only), consumer and regulation services (formal and informal businesses) in terms of applicable liquor, consumer and business legislation. The Business Regulation Programme comprises of three sub-programmes, namely the Consumer Protection Unit, Regulation Services (formal and Informal trade) and the Policy and Legislation Unit.

The following table presents the structure of the Business Regulations Programme and its aim or purpose, as well as its strategic goals and objectives:

Programme 4: Business Regulations	Sub-programmes
Purpose: The overall objective of this programme is to develop an equitable and socially responsible business environment	Sub-programme 1: Consumer Protection Purpose: To promote, protect and further the rights of consumers in the Province
	Sub-programme 2: Regulation Services Purpose: To create an enabling environment for the sustained development and support to the formal and informal trade sector
	Sub-programme 3: Policy and Legislation Purpose: To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

This programme functions primarily within the realm of prescribed legislation. Consumer protection is a function accorded to the Provinces in terms of Schedule 4 of the Constitution of SA, Act 108 of 1996, wherein this is a functional area of concurrent National and Provincial Legislative competence. In addition to this legislative competence, Consumer protection also functions in terms of other applicable consumer related legislation for example, The National Credit Act, Unfair Business Practices Act 1988, Trade Metrology Act, and National Consumer Protection Act and the KwaZulu-Natal Consumer Protection Act of 2013 being the most important.



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

PROGRAMME 4: BUSINESS REGULATIONS

Table 6.1: Summary of payments and estimates by sub-programme Business Regulation And Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Regulation Services	4,368	6,872	4,650	6,303	6,303	4,947	6,680	7,054	7,440
2. Consumer Protection	22,856	19,824	21,875	30,369	30,369	26,226	30,137	31,825	33,574
3. Liquor Regulation	77,282	70,008	73,753	75,990	75,990	77,990	80,189	84,680	88,337
Total payments and estimates	104,536	96,704	100,278	112,662	112,662	109,163	117,006	123,559	130,351



Table 62: Summary of payments and estimates by economic classification Business Regulation And Governance

R thousand	Outcome				Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates			
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21	
Current payments	26,904	26,519	25,837		36,672	36,672	31,114	36,817	38,879	41,014	
Compensation of employees	16,716	16,794	18,454		22,646	22,646	20,541	24,186	25,831	27,511	
Goods and services	10,188	9,725	7,383		14,026	14,026	10,573	12,631	13,048	13,503	
Interest and rent on land	-	-	-		-	-	-	-	-	-	
Transfers and subsidies for	77,407	70,065	74,188		75,990	75,990	77,990	80,189	84,680	89,337	
Provinces and municipalities	-	-	-		-	-	-	-	-	-	
Departmental agencies and acc	77,282	70,008	73,753		75,990	75,990	77,990	80,189	84,680	89,337	
Higher education institutions	-	-	-		-	-	-	-	-	-	
Foreign governments and intern	-	-	-		-	-	-	-	-	-	
Public corporations and private	-	-	-		-	-	-	-	-	-	
Non-profit institutions	-	-	-		-	-	-	-	-	-	
Households	125	57	435		-	-	-	-	-	-	
Payments for capital assets	225	49	143		-	-	59	-	-	-	
Buildings and other fixed structu	-	-	-		-	-	-	-	-	-	
Machinery and equipment	225	49	143		-	-	59	-	-	-	
Heritage Assets	-	-	-		-	-	-	-	-	-	
Specialised military assets	-	-	-		-	-	-	-	-	-	
Biological assets	-	-	-		-	-	-	-	-	-	
Land and sub-soil assets	-	-	-		-	-	-	-	-	-	
Software and other intangible as	-	-	-		-	-	-	-	-	-	
Payments for financial assets	-	71	110		-	-	-	-	-	-	
Total economic classification	104,536	96,704	100,278		112,662	112,662	109,163	117,006	123,559	130,351	



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SUB-PROGRAMME: CONSUMER PROTECTION**PURPOSE**

The unit is divided into three sections, complaints handling, education and awareness as well as the enforcement and compliance. The complaints handling section is responsible for the investigation and resolution of consumer complaints using the Alternative Dispute Resolution (ADR) mechanisms. Complaints that cannot be resolved are then referred to the Tribunal for final determination and resolution. The education and awareness section is responsible for the dissemination of information to consumers about their rights and responsibilities. The enforcement and compliance section is responsible for ensuring that there is compliance with relevant statutory obligations, including legislations as well as prohibitions.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

Common law, the Constitution, the National Consumer Protection Act as well as the KwaZulu-Natal Consumer Protection Act provides the necessary policy and legislation framework to protect and promote an effective consumer protection regime in the province. These pieces of legislation provide the unit with the required mandates to represent aggrieved consumers and ensure that their rights are protected and realised.



Strategic Goal: <i>Integrated economic planning and development in the province.</i>
Goal Statement: <i>Achieve an integrated and coordinated economic planning process and development in the Province of KwaZulu-Natal.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – CONSUMER PROTECTION

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote, protect and further the rights of consumers in the province	Number of consumer education programmes conducted	3850	1400	1450	1177	1179	1250	1300	1300
	Number of inspections conducted	1300	192	384	400	400	400	450	450
	%complaints resolved	New	New	New	New	80%	90%	100%	100%

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote, protect and further the rights of consumers in the Province							
Number of consumer education programmes conducted	1400	1450	1177	1179	1250	1300	1300
Number of inspections conducted	192	384	400	400	400	450	450
%complaints resolved	New	New	New	80%	90%	100%	100%


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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To promote, protect and further the rights of consumers in the province							
Number of consumer education programmes conducted	Signed Attendance Register and Invitations	Quarterly	1250	312	312	312	314
Number of inspections conducted	Signed Inspection Reports and Attendance Register	Quarterly	400	100	100	100	100
% of complaints resolved	Closed cases report	Quarterly	90%	90%	90%	90%	90%



SUB-PROGRAMME: REGULATION SERVICES (FORMAL AND INFORMAL)**PURPOSE**

The specific priorities of this sub-programme are to provide a regulatory framework for the functioning of both formal and informal trade in a manner that advances the agenda of economic development and growth in the province. The unit also strives to ensure that compliance in terms of formal and informal trade is adhered to. The Strategic objective is to create a conducive regulatory environment for the sustained development and support to the formal and informal business sector.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The sub-programme Regulation Services, consists of both formal and informal businesses and derives its legislative mandate from the Business Act 71 of 1991, together with the KwaZulu-Natal Policy on the Informal Economy which was adopted by cabinet in 2010.

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Strategic Goal: Integrated economic planning and development in the province.

Goal Statement: Achieved an integrated and coordinated economic planning process and development in the Province of KwaZulu-Natal

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – REGULATION SERVICES (FORMAL AND INFORMAL)

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016		2018/2019	2019/2020	2020/2021
To create a conducive regulatory environment for sustained development and support the formal and informal business sectors	Number of local municipalities effectively implementing business regulatory policies	54 local municipalities implementing business regulatory policies	New	New	New	Facilitate effective implementation of business regulations across 54 municipalities of KwaZulu-Natal		



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets			
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021	
To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors								
No of Municipalities Monitored on Business Legislation Implementation	31	31	31	31	31	31	31	
No of Municipalities monitored on Informal Economy Policy implementation.	11	20	20	20	20	20	20	
No of barriers identified	1	1	3	4	4	4	4	
No of barriers addressed	1	1	3	4	4	4	4	
No of Business Inspections conducted to ensure compliance with Business legislation	New	New	New	12	18	24	24	



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors							
No of Municipalities Monitored with the Implementation of Business Legislation	Attendance Registers and Reports	Quarterly	31	7	8	8	8
No of Municipalities monitored with the implementation of the Informal Economy Policy	Attendance Registers And Reports	Quarterly	20	5	5	5	5
No of barriers identified	Progress reports on Specialised Interventions	Quarterly	4	0	1	1	2
No of barriers addressed		Quarterly	4	0	1	1	2
No of Business Inspections conducted to ensure compliance with Business legislation for Business Compliance	Inspection reports with findings	Quarterly	18	5	5	5	3



SUB-PROGRAMME: POLICY AND LEGISLATION**PURPOSE**

The strategic objective and purpose of this sub programme is to ensure that it contributes to one of the Departments overall strategic goal “to build a vibrant institution of superior performance”. Further this sub programme is linked to the strategic objective:

- To develop and maintain an efficient regulatory and governance framework for sustained economic development. This objective is also linked to the strategic objective relating to “Influencing the policy direction for economic development and infrastructure development”;
- To establish organisational capacity to enable delivery of mandate;
- To retain specialist expertise to deliver on core functions of the Department.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

This Unit derives its legislative mandate from the Schedule 4 and 5 constitutional legislative mandates in relation to Liquor, Consumer Protection and Regulation Services. This programme functions within the prescripts of a regulatory framework and in particular the constitution. Functions mandated in terms of the constitution are regulating the liquor industry, consumer protection and formal and informal businesses. The policy and legislation business unit is proposed in terms of the draft structure which unit will have a cross cutting and transversal function relating to policy and legislation developments across the programme.



Strategic Goal: <i>Integrated economic planning and development in the province.</i>
Goal Statement: <i>Achieved an integrated and coordinated economic planning process and development in the Province of KwaZulu-Natal.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – POLICY AND LEGISLATION

Strategic Objective	Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services	% of Business compliance with Liquor licencing, Consumer Act and Business Act	KwaZulu-Natal Business Industry fully adhere to Business Act by 2020	5%	5%	10%	10%	KwaZulu-Natal has an enabled Business Environment through sound and progressive policy and legislation on those mandatory sectors vested by the constitution of SA viz the liquor industry, consumer sector and formal and informal sector.		



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
<i>To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services</i>						
No. of Liquor Authority monitoring reports (tracking the effectiveness of the KZN Liquor Authority in regulating the Industry)	4	4	4	4	4	4
No. of initiatives undertaken to review effectiveness of Business Regulatory Environment relating to Consumer, Liquor and Regulation Services	3	4	4	4	4	4



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services							
No. of Liquor Authority monitoring reports (tracking the effectiveness of the KZN Liquor Authority in regulating the Industry)	Quarterly performance reports	Quarterly	4	1	1	1	1
No. of initiatives undertaken to review effectiveness of Business Regulatory Environment relating to Liquor, consumer and Regulation services;	Draft bills Draft policies Standard operating documents to improve business efficiency	Quarterly	4	1	1	1	1



PROGRAMME FIVE: ECONOMIC PLANNING**PURPOSE**

The Economic Planning Programme provides key input into economic development through gathering economic data, conducting micro and macroeconomic analyses and economic modelling to inform economic policies and strategies. Furthermore, policy research ensures that the province's economic policy direction adequately responds to national and global economic and policy trends. The Economic Planning programme is comprised of four sub-programmes namely Policy and Planning; Research and Development; Knowledge Management, as well as Monitoring and Evaluation. The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

Programme 5: Economic Planning	Sub-programmes
Purpose: To develop provincial economic policies and strategies to achieve and measure sustainable economic development	Sub-programme 1: Research and Development Purpose: To provide cutting edge and authoritative research on the provincial economy. This unit is the custodian of all research activities in the department
	Sub-programme 2: Knowledge Management Purpose: To develop the knowledge base to enhance the knowledge economy
	Sub-programme 3: Monitoring and Evaluation Purpose: To strengthen monitoring and evaluation capabilities for measuring impact of economic development strategies within the Department and across its entities
	Sub-programme 4: Policy and Planning Purpose: To provide macro-economic analysis and develop provincial economic policies/strategies

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The policy context for the economic planning programme is provided by provincial strategies such as the PGDS, PSEDs and the PIDS, as well as national strategies and policies such as the National Industrial Policy Framework (NIPF), Industrial Policy Action Plan (IPAP), New Growth Path (NGP) and National Development Plan (NDP). Its strategic objective is to facilitate and promote integrated economic development planning as well as monitor and evaluate economic development policies, strategies, and programmes. It also aims to provide leadership in economic knowledge generation and management.

The aim of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development. The economic planning function is very crucial as it ensures that service delivery programmes are designed to appropriately respond to the social and economic development priorities of the citizens. The Economic Planning Programme is critical to the enhanced efficiency and effectiveness of the Department as it facilitates and promotes integrated economic development policies, strategies and programmes, and provide leadership in economic policy development and knowledge management, most of which feeds into other programmes.

The strategic priorities of the programme are to monitor and track macro-economic developments and disseminate such economic information regarding the province to key stakeholders in the public and private sectors. The programme continually access, store in a readily retrievable manner, and disseminate process and strategic information required for the efficient and effective management of the Department, to all members of the Department's management team.



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

PROGRAMME FIVE: ECONOMIC PLANNING

Table 7.1: Summary of payments and estimates by sub-programme Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Policy And Planning	4,348	5,240	7,125	7,967	7,967	7,811	8,441	8,914	9,404
2. Research And Development	10,688	15,384	17,831	15,841	15,841	15,336	16,709	17,645	18,615
3. Knowledge Management	2,606	2,689	3,181	7,613	7,613	7,463	8,040	8,490	8,955
4. Monitoring And Evaluation	5,524	6,179	7,662	8,086	8,086	8,259	8,597	9,077	9,576
Total payments and estimates	23,186	29,492	35,799	39,507	39,507	38,869	41,787	44,126	46,550



Table 7.2: Summary of payments and estimates by economic classification: Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	22,667	27,348	24,088	28,727	28,727	25,283	32,567	34,390	36,279
Compensation of employees	13,031	14,281	14,462	16,877	16,877	15,599	18,025	19,251	20,503
Goods and services	9,636	13,067	9,626	11,850	11,850	9,684	14,542	15,139	15,776
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	266	2,031	11,617	10,780	10,780	13,330	9,220	9,736	10,271
Provinces and municipalities	-	-	500	-	-	2,550	-	-	-
Departmental agencies and acc	-	-	2,500	5,000	5,000	5,000	3,675	3,881	4,094
Higher education institutions	250	2,000	8,617	4,980	4,980	4,980	4,673	4,934	5,205
Foreign governments and intern	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	800	800	800	872	921	972
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16	31	-	-	-	-	-	-	-
Payments for capital assets	253	70	88	-	-	256	-	-	-
Buildings and other fixed struct	-	-	-	-	-	-	-	-	-
Machinery and equipment	253	70	88	-	-	208	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	48	-	-	-
Payments for financial assets	-	43	6	-	-	-	-	-	-
Total economic classification	23,186	29,402	35,799	39,507	39,507	38,869	41,787	44,126	46,550



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SUB-PROGRAMME: RESEARCH AND DEVELOPMENT**PURPOSE**

The purpose of Research and Development is to use resources for the deliberate discovery of new information with innovative ways of presenting insightful value-added information. Currently this is arguably the most important time to have real-time access to relevant, up to date and forward thinking research that will enable better decision making on an economic planning level. It is the purpose of this sub-programme to produce such research through in-house research as well as engaging in partnerships and collaborations with relevant stakeholders in the province. The need for research emanating from this sub-programme has increased as globally, nationally and provincially policy makers will need to start looking at different ways and opportunities to further economic development.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The principal focus of the Research and Development sub-programme is to conduct or commission research on the provincial economy and engage in regular economic analysis of developments of importance to the provincial economy. The net result of this research will be to inform provincial economic policy and strategy development and to provide the required advice to the MEC for economic and tourism development. Finally, it is hoped that the cumulative research output will result in the generation of economic information on those opportunities that exist in the province's industrial value-chains for the domestic and international investor communities.

The sub-programme's research activity is also enhanced by its position as a chair of the departmental research committee which will ensure that it is kept abreast of developments regarding national economic policies and strategies as well as to ascertain through research, their implications for the province's implementation strategies and scope for policy-making.



Strategic Goal: <i>Integrated economic planning and developed in the province.</i>
Goals Statement: <i>Achieve an integrated and coordinated economic planning process and development in the Province of KwaZulu-Natal.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – RESEARCH AND DEVELOPMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To conduct economic research	Number of research reports produced	20 research reports plans produced	13	13	11	5	5	5
	Number of research partnerships established or maintained	12 research partnerships established or maintained	New	New	New	3	3	3



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To conduct economic research						
Number of research reports	13	13	11	5	5	5
Number of strategic research partnerships established or maintained	New	New	New	3	3	3

QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To conduct economic research							
Number of research reports produced	Research reports	Quarterly	5	0	1	2	2
Number of research partnerships established or maintained	MOUs	Annually	3	0	0	0	3



SUB-PROGRAMME: KNOWLEDGE MANAGEMENT**PURPOSE**

The main purpose of the Knowledge Management (KM) sub-programme is to develop the knowledge base to enhance the knowledge economy.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The knowledge management sub-programme's parameters are defined by policies, which include but not limited to: Innovation Towards Knowledge-based Economy - Ten year (2008 – 2018) Plan for South Africa, Millennium Development Goals (MDGs), Promotion of Access to Information Act (PAIA), Public Finance Management Act, Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Economic Development Strategy (PSEDS), Batho Pele and Medium Term Expenditure Framework.

A strategic objective of the Knowledge Management sub-programme is to develop the knowledge base to enhance the knowledge economy. The available information should enable this Department's staff to create knowledge that meets challenges of economic development, in particular the development of economic policies and programmes that is aligned to developmental state agenda of the national government. The information should be relevant to investors and economic participants in the province in order to achieve accelerated economic growth and reduction of poverty.

For the Knowledge Management sub-programme to be effective in managing information and knowledge for the department, it must continuously improve the systems used for gathering, storing and the dissemination of information. Also important is gathering and storage of information that will assist Departmental personnel to have broader understand of socio-economic challenges and build capacity to respond to these challenges in the most appropriate manner.

As part of capacity building the Knowledge Management sub-programme will undertake workshops to:

- Provide capacity development sessions to the departmental staff including District Municipality officials about the importance of Knowledge Management and how to manage knowledge;
- Provide capacity to entities and other stakeholders about the importance of Knowledge Management and how they can manage their knowledge.



Strategic Goal: Integrated economic planning and development in the province.

Goal Statement: Achieved an integrated and co-ordinated economic and environmental planning process and development in the Province of KwaZulu-Natal.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – KNOWLEDGE MANAGEMENT

Strategic Objective	OBJECTIVE INDICATOR	Strategic Target	Audited/Actual Performance				Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021
To develop and maintain an effective knowledge management system to support management decision	Effective and functional knowledge management system	Fully Operational Integrated statistical database	New	New	New	1		Stage 1 of the development is completed	Stage 2 of the development is completed	Integrated statistical database is fully Operational
		Produced 12 reports tracking provincial knowledge base indicators over MTSF period	New	New	New	New		4	4	4
		12 learning platforms conducted over MTSF	New	New	New	New		4	4	4



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To develop and maintain an effective knowledge management system to support management decision							
Number of reports on the development of an Integrated statistical database	0	0	New	New	1	1	Fully Operational
Number of reports tracking provincial knowledge base indicators	New	New	New	4	4	4	4
Number of learning platforms conducted	0	1	4	4	4	4	4



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To develop and maintain an effective knowledge management system to support management decision							
Number of reports on the development of a Integrated statistical database	Progress report	Annually	Stage 1 progress reports on the development of an Integrated statistical database	-	-	-	Stage 1 of an Integrated statistical database is completed
Number of reports tracking provincial knowledge base indicators	Tracking provincial knowledge base indicators Reports	Quarterly	4	1	1	1	1
Number of learning platforms conducted	Learning platforms' reports	Quarterly	4	1	1	1	1



SUB-PROGRAMME: MONITORING AND EVALUATION**PURPOSE**

The purpose of the Monitoring and Evaluation sub-programme is to ensure continuous performance improvement and effectiveness in the implementation of economic development and environmental policies, strategies and projects, through the monitoring and evaluation of outputs, outcomes and impacts realised in the implementation of the KwaZulu-Natal Department of Economic Development, Tourism & Environmental Affairs Strategic Plan and the Annual Performance Plan. Monitoring and evaluation provides an opportunity for assessing, reflection, learning and improvement in the delivery of services.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The core purpose of a monitoring and evaluation function is to ensure performing organizations, or departments and public entities in the case of government. Primary, it is embedded within the constitution, and underpinned by key principles of good governance, accountability, transparency, efficiency, effectiveness and service delivery improvement.

Applicable policy frameworks implicitly include the Public Service legislation and its regulations, Public Finance Management Framework and legislations pertaining to auditing of public institutions. Specific policies include Government Wide Monitoring and Evaluation and Improving Government Performance: Our *outcome-based approach* is based on the National Evaluation Policy Framework, and Framework on Managing Performance Information.

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Strategic Goal: <i>Achieved institutional excellence that is responsive to the needs of the country.</i>
Goal Statement: <i>To strengthen monitoring and evaluation capacities for measuring impact of economic development strategies with the department and entities.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – MONITORING AND EVALUATION

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To determine effectiveness of the Department's policies, programmes and strategies	Effective M&E System	MPAT score level 4 on KPA 1	New	New	MPAT level score 3	MPAT score level 4	Effective implementation of the Department's policies and strategies	



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To determine effectiveness of the Department's policies and strategies							
Number of monitoring and evaluation plans/ tools developed or reviewed	New	New	New	1	1	1	1
Number of Monitoring reports	New	4	4	4	4	4	4
Number of Evaluation Reports	New	5	5	5	5	5	5
Number of performance verification reports	New	New	New	4	4	4	4



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To determine effectiveness of the Department's policies and strategies							
Number of monitoring and evaluation plans/ tools developed or reviewed	Reviewed M&E plans/ Tools	Annually	1	0	1	0	0
Number of Monitoring reports	Monitoring reports	Annually	5	0	0	2	3
Number of Evaluation Reports	Evaluation reports	Quarterly	4	1	1	1	1
Number of performance verification reports	Performance verification reports	Quarterly	4	1	1	1	1



SUB-PROGRAMME: POLICY AND PLANNING**PURPOSE**

The Policy and Planning Division is charged with the responsibility of developing, reviewing and implementing appropriate policies and strategies to assist the department in attaining sustainable economic development in the province. The unit achieves this mandate through undertaking detailed spatial economic planning, macroeconomic and policy analysis in the province. The sub-programme, therefore, acts as an advisory arm of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs on matters of economic policy and the macro and micro economy in general.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

In executing its mandate, the Policy and Planning tracks macroeconomic economic developments and policy pronouncements in the province and in South Africa. Provincial and national economic policy frameworks that guide the unit in discharging its mandate include, inter-alia, National Industrial Policy Framework (NIPF), Industrial Policy Action Plan (IPAP), New Growth Path (NGP), KZN IDS, PSEDS, PGDS, SMME Strategy and National Development Plan (NDP). The Policy and Planning Division endeavours to provide valuable services through:

- Provision of policy briefs;
- Conducting policy awareness and stakeholders workshops;
- Undertaking policy dialogues;
- Collaboration with other economic policy units in KwaZulu-Natal and South Africa;
- Providing continuous capacity building to stakeholders in the province to improve implementation of provincial policy frameworks; and
- Providing critical statistical information for potential investors and other stakeholders for decision making purposes.

OBJECTIVES

- To formulate policies and strategies for socio-economic development;
- Develop a data base on provincial macroeconomic indicators including a statistical portal;
- Produce Quarterly Statistical and Economic Overview Reports;
- Provide input into the medium and long-term plans of the Department;
- Advise the Department on economic issues;
- Initiate and undertake necessary Policy Research- Reports on key economic developments (provincial, national, global);
- Provide leadership in the implementation of policies; and to
- To provide capacity building to stakeholders on macroeconomic analysis and economics in general including skills transfer.

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Strategic Goal: <i>Integrated economic planning and development in the province.</i>
Goal Statement: <i>Achieved an integrated and coordinated economic planning in the Province of KwaZulu-Natal.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – POLICY AND PLANNING

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To enhance economic policy environment in KwaZulu-Natal	Provincial Spatial Economic Development strategy report produced	Policy/strategy alignment	New	New	New	1	1	1	0

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To enhance economic policy environment in KwaZulu-Natal							
Number of Policies/strategies formulated/reviewed	1	0	1	0	1	1	1
Number of Implementation of strategies tracking report	0	0	0	1	0	1	1
Number of Economic publications	6	6	6	6	6	6	6
Number of Policy analysis/advocacy reports	0	2	2	2	2	2	2



QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To enhanced economic policy environment in KwaZulu-Natal							
Number of policy advocacy reports	Completed Report	Annual	2	0	1	0	1
Number of economic strategies reviewed developed	Completed Strategy	Annual	1	0	0	0	1
Number of economic publications	Completed Publication report	Quarterly	6	2	1	1	2
Number of Policy briefs	Policy reports	Biannually	2	0	1	0	1
Number of reports on economic strategies implemented	Report	Annual	1	0	0	0	1



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PROGRAMME SIX: TOURISM DEVELOPMENT**PURPOSE**

Tourism is a concurrent function between the national and provincial governments. The province is tasked with functions relating to planning and policy making, regulation and monitoring, facilitation and implementation, coordination as well as development promotion of tourism in line with national imperatives. The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

Programme 6: Tourism Development	Sub-programmes
Purpose: To develop provincial tourism policies, strategies and ensure their implementation thereof. To ensure that the industry is properly managed through proper regulations To create conducive environment for tourism to flourish thus contribute to economic growth and job creation	Sub-programme 1: Tourism Planning Purpose: To ensure coordinated tourism planning and policy making
	Sub-programme 2: Tourism Growth and Development Purpose: To drive tourism growth and development in the province
	Sub-programme 3: Tourism Sector Transformation Purpose: To drive tourism sector transformation

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act, Act No. 3 of 2014
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996).

The priorities of the sub-programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- National and Provincial Spatial Economic Development Strategy (PSEDS);
- National Tourism Sector Strategy (NTSS);
- KwaZulu-Natal Tourism Master Plan Vision 2030
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in South Africa;
- New Growth Path;
- National Development Plan;
- Provincial Growth and Development Plan;
- Human Resource Development Strategy for the Tourism Sector;
- National Skills Audit 2007 & Provincial Skills Audit 2008;
- Tourism Sector Skills Plan; and the
- National Skills Development Strategy III.



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

Programme 6: Tourism Development

Table 8.1: Summary of payments and estimates by sub-programme Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Tourism Sector Transformation	4,724	3,010	7,523	12,213	12,213	10,853	12,939	13,664	14,265
2. Tourism Planning	6,209	4,722	7,938	13,107	13,107	11,672	13,126	13,861	14,686
3. Tourism Growth And Developm	351,772	367,942	231,227	206,229	206,229	203,410	246,238	280,368	295,874
Total payments and estimates	362,705	375,674	246,708	231,540	231,540	225,935	272,303	307,893	324,825



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Table 8.2: Summary of payments and estimates by economic classification: Tourism

R thousand	Outcome				Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17	2016/17				2018/19	2019/20	2020/21
Current payments	26 057	72 760	26 909	26 909	47 420	47 420	41 421	78 615	103 359	109 042
Compensation of employees	8 743	10 546	12 775	12 775	19 382	19 382	16 432	20 689	22 106	23 543
Goods and services	17 314	62 214	14 134	14 134	28 038	28 038	24 989	57 916	81 253	85 499
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	336 648	302 678	219 798	219 798	184 059	184 059	184 059	193 614	204 456	215 701
Provinces and municipalities	14 113	2 500	1 500	1 500	500	500	500	-	-	-
Departmental agencies and acc	166 906	180 744	188 725	188 725	183 059	183 059	183 059	193 614	204 456	215 701
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-	-
Public corporations and private	153 329	118 834	29 273	29 273	500	500	500	-	-	-
Non-profit institutions	300	600	300	300	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	70	70	455	74	78	82
Buildings and other fixed struct	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	70	70	455	74	78	82
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	236	1	1	-	-	-	-	-	-
Total economic classification	362 705	375 674	246 708	246 708	231 549	231 549	225 935	272 303	307 893	324 825



SUB-PROGRAMME: TOURISM PLANNING**PURPOSE**

To provide guidance, support and direction in terms of policies, legislation and strategies aimed at promoting tourism to benefit the majority of KwaZulu-Natal communities. To clearly guide spatial development of tourism and define clear role of the private sector at all levels in tourism planning. The continuous development of the tourism sector will assist in diversifying South Africa's economy and contribute immensely towards achieving the overall objectives of the National Tourism Sector Strategy and the Provincial Tourism Master Plan.

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 3 of 2014;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad-Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996); and the
- The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (2008).

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The sub-programme will ensure that the tourism activities are conducted professionally, effectively and efficiently through alignment of National, Provincial and Local Plans. The sub-programme also serves to enhance the capacity of the research and knowledge management within the unit and the tourism industry. The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- National and Provincial Spatial Economic Development Strategy (PSEDS);
- National Tourism Sector Strategy (NTSS);
- Provincial Growth and Development Strategy;
- Strategy on the Professionalization of Tourist Guides;
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in the Country;
- New Growth Path;
- Provincial Growth and Development Plan.



Strategic Goal: Preferred tourism destination in the country.

Goal Statement: Developed and deepen the positioning of KwaZulu-Natal as a preferred tourism destination for domestic and global tourism.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: TOURISM PLANNING

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To Provide guidance, support and direction in terms of tourism knowledge management, policies and strategies.	Percentage of resolutions adopted and implemented through engagements with Social Partners.	Ensure 100% implementation of adopted resolutions over MTSF period	New	90%	95%	95%	100%	100%	100%
		Policy advocacy and awareness initiatives coordinated	New	New	New	2	3	4	4



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/17		2018/2019	2019/2020	2020/2021
	To provide guidance, support and direction in terms of tourism knowledge management, policies and strategies						
Number of strategic partnership (forums) established and sustained between Public, Private and communities.	New	New	New	12	12	12	12
Number of Tourism Research reports, policies, strategies and frameworks identified and developed.	3	6	7	7	7	7	7
Number of advocacy and awareness on Tourism initiatives inclusive of policies and legislation coordinated	New	New	New	2	3	4	4



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To provide guidance, support and direction in terms of tourism knowledge management, policies and strategies							
Number of strategic partnership (forums) established and sustained between Public, Private and communities.	TORs, Minutes, attendance registers, reports	Quarterly	12	3	3	3	3
Number of advocacy and awareness on Tourism initiatives, policies and legislation coordinated	Attendance registers and reports	Quarterly	3	1	1	1	-
Number of Tourism research, policies, strategies and frameworks identified and developed	research, policy, strategy and framework documents	Quarterly	7	-	-	2	5



SUB-PROGRAMME: TOURISM GROWTH AND DEVELOPMENT**PURPOSE**

The sub-programme aims to provide a long sustainability of tourism growth and development through identification and stimulation of demand-led products, develop appropriate tourism infrastructure, and inspire innovation to guide development of tourism over time to achieve geographic and rural spread. In addition the sub-programme is responsible for registration of tourist guides and tourism businesses in the province to ensure the tourism industry is regulated and enforce compliance with the legislation.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 72 of 1993;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad Based Black Empowerment Act (Act No. 53 of 2003).

The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

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Strategic Goal: Preferred tourism destination in the country.
Goal Statement: Develop and deepen the positioning of KwaZulu-Natal as a preferred tourism destination for domestic and global tourism.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – TOURISM GROWTH AND DEVELOPMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings	% of Tourism product and service supported in KwaZulu-Natal	100%	New	New	New	100%	100%	100%
	% Increase in Tourism establishments that are in compliance with tourism sector legislation	80%	New	New	New	60%	80%	80%
	Number of people employed in the Tourism sector	140	New	New	New	50	60	60



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets			
	2014/2015	2015/2016	2016/2017		2018/2019			2020/2021
					2019/2020	2020/2021	2020/2021	
To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings								
Number of niche and diverse tourism products identified and supported.	New	New	New	1	1	1	2	
Number of Tourist Guides accredited.	New	New	New	200	200	200	300	
Number of tourist guide inspections conducted to curb illegal guiding and enforce continuous compliance with the tourism legislation	New	New	New	-	4	4	8	
Number of Tourism interventions implemented towards growth and employment creation.	New	5	5	6	6	6	6	



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To drive tourism growth and development in the province							
Number of niche and diverse tourism products identified and supported.	Report	Annually	1	-	-	-	1
Number of Tourist Guides accredited.	Database	Quarterly	200	40	60	60	40
Number of tourist guide inspections conducted	Reports	Quarterly	4	1	1	1	1
Number of Tourism interventions implemented towards growth and employment creation.	Reports/SLA/minutes of meetings	Annually	6	-	-	-	6



SUB-PROGRAMME: TOURISM SECTOR TRANSFORMATION**PURPOSE**

Skills development plays a major role in ensuring the effective and sustainable transformation and development of the tourism industry in developing countries. Tourism is an exceptionally competitive industry and the level of service and professionalism are key variables in determining the country's success in attracting and growing its share of the tourism market and efficient service delivery.

The provision of intensive training to tourism businesses and local communities helps to provide the trainees with better opportunities to increase tourism work-related performance. Well-developed capacities and capabilities within the private sector and local community members involved in tourism businesses will enable them to contribute positively towards the growth of the tourism industry.

The tourism BEE Charter and Scorecard were developed to advance the objectives of the Broad-Based Black Empowerment Act and its implementation while contributing to the transformation of the tourism sector, as part of creating an inclusive tourism economy. The provision of tourism education and awareness has made a significant contribution in addressing the level of skills and knowledge at schools and also at tertiary education levels. Furthermore, this area of capacity building is extended through creating opportunities for career exposure and placement of young tourism graduates in experiential training roles.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 72 of 1993;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad-Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996);
- The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (2008).

The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- Human Resource Development Strategy for the Tourism Sector;
- National Skills Audit 2007 & Provincial Skills Audit 2008;
- Tourism Sector Skills Plan;
- National Skills Development Strategy III;
- National Tourism Sector Strategy (NTSS);
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in the Country; and the
- New Growth Path.

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Strategic Goal: Preferred tourism destination in the country.
Goal Statement: Develop and deepen the positioning of KwaZulu-Natal as a preferred tourism destination for domestic and global tourism.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – TOURISM SECTOR TRANSFORMATION

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2016/2017	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To identify and drive implementation of targeted interventions aimed at transforming the sector	Number of Tourism enterprises complying with the Tourism Sector Codes	Ensure 165 Tourism enterprises are complying with the Tourism Sector Codes	50	-	-	50	30	30	30
	Number of Service Excellence initiatives designed and implemented	9 Service Excellence initiatives implemented	New	New	-	2	3	4	4
	Number of people capacitated within the Tourism sector	Ensure 6800 people are capacitated within the Tourism sector	New	New	New	2000	2300	2500	2500
	Number of people assisted with employment opportunities in the Tourism sector	165 employment opportunities over MTFS period	New	New	-	50	55	60	60



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
	To identify and drive implementation of targeted interventions aimed at transforming the sector						
Number of tourism enterprises complying with the Tourism Sector Codes	50	50	50	50	30	30	30
Number of Service Excellence initiatives implemented.	New	New	New	2	3	4	4
Number of sector transformation, Capacity building and skills development interventions implemented	New	New	New	15	15	15	15
Number of Tourism interventions implemented towards growth and employment creation.	New	New	New	1	1	1	1



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QUARTERLY TARGETS FOR 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To identify and drive implementation of targeted interventions aimed at transforming the sector							
Number of tourism enterprises complying with the Tourism Sector codes	BEE Certificates or Sworn affidavit of tourism enterprises	Quarterly	30	-	10	10	10
Number of Service Excellence Initiatives implemented	Workshops, concept documents, programmes, attendance registers, reports	Quarterly	2	1	-	1	-
Number of sector transformation, capacity building and skills development interventions implemented	Workshops, concept documents, programmes, attendance registers, reports	Quarterly	15	3	5	4	3
Number of Tourism interventions implemented towards growth and employment creation.	Progress report	Annually	1	0	0	0	1



PROGRAMME SEVEN: ENVIRONMENTAL MANAGEMENT**PURPOSE**

This programme is designated to advance environmental sustainability for socio-economic development through the promotion of sustainable use of a safe and healthy environment. The following table presents the structure of the programme and its purpose and as well as its strategic goals and objectives:

Programme 7: Environmental Management	Sub-programmes
Purpose: To advance environmental sustainability for socio-economic development, through the promotion of sustainable use of the environment which is safe and healthy.	Sub-programme 1: Policy Co-ordination and Environmental Planning Purpose: <ul style="list-style-type: none"> The development of instruments, mechanisms and institutions to ensure sound co-operative environmental governance, in the implementation of sustainable development frameworks; The sub-programme also conducts environment research in order to generate knowledge that would support sound decision making resulting in innovative approaches to the management of the environment; Furthermore the Programme ensures provincial sustainability monitoring and reporting through generation, management and dissemination of environmental information for improved decision making and on-going strategy development.
	Sub-programme 2: Compliance and enforcement Purpose: To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the Province.
	Sub-programme 3: Environmental Quality Management Purpose: <ul style="list-style-type: none"> To facilitate environmental impact mitigation and promote sustainable development; To develop an integrated plan for sustainable air quality management; To provide support to other spheres of government stakeholders both internal and external; To promote the waste management hierarchy (waste minimization, cleaner production, reuse/recycling, treatment); To provide management, strategic and specialist support and direction for pollution and waste management programmes in KwaZulu-Natal; To process applications for permits and emission licenses related to air quality management.
	Sub-programme 4: Biodiversity Management Purpose: <ul style="list-style-type: none"> To control the spread of invasive alien plants in communal, public and private terrestrial biomes; Develop and implement community based natural resource management and action projects for sustainable development; Co-ordinate, facilitate and promote effective coastal management (including coastal resource use).
	Sub-programme 5: Environmental Empowerment



	Services Purpose: <ul style="list-style-type: none"> • Promote a culture of environmental rights and responsibilities through awareness programmes; • Promote and implement environmental education learnerships for youth; • Implement Environmental Education programmes to assist with the integration of EE into formal education structures; and • Develop and implement capacity building empowerment policy /strategy.
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SPECIFIC POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES

The strategic goal for the Environmental Management Programme is ensuring that there is sustainable use of the natural resources within the province and secondly to ensure that development occurs in a responsible and environmentally sustainable manner. The programme also manages and controls environmental impacts to promote a safe and healthy environment. The programme also undertakes capacity building programmes that are aimed at creating awareness on issues of the environment.



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

Table 9.1: Summary of payments and estimates by sub-programme Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Environmental Policy Planning,	3,764	10,943	8,125	9,423	9,423	10,863	9,987	10,546	11,183
2. Compliance And Enforcement	32,593	32,808	29,763	39,831	39,831	38,989	42,141	44,501	47,307
3. Environmental Quality Manager	28,088	32,536	36,449	52,912	52,912	51,803	56,289	59,442	61,761
4. Biodiversity Management	823,924	811,305	700,664	811,587	811,587	811,034	840,514	869,808	917,888
5. Environmental Empowerment S	35,567	33,970	32,023	36,656	36,656	36,512	38,935	41,117	43,659
6. General Manager: Environment	9,792	7,181	12,730	6,005	6,005	6,907	6,357	6,710	7,111
Total payments and estimates	933,738	928,753	819,784	956,414	956,414	956,108	994,223	1,032,124	1,083,889



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Table 9.2: Summary of payments and estimates by economic classification: Environmental Affairs

R thousand	Outcome				Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium term estimates		
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Current payments	215,841	192,199	171,489	240,571	240,571	240,571	238,038	248,432	263,399	277,884
Compensation of employees	95,668	98,962	101,488	123,726	123,726	123,726	126,170	132,388	141,391	150,582
Goods and services	120,173	93,237	69,951	116,845	116,845	116,845	112,868	117,044	122,008	127,302
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	717,446	735,944	646,760	714,600	714,600	714,600	715,516	744,791	768,775	811,005
Provinces and municipalities	1,900	4,500	-	-	-	-	-	-	-	-
Departmental agencies and acc	702,885	718,966	636,622	707,720	707,720	707,720	707,720	737,512	761,038	802,885
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and intern	-	-	-	-	-	-	-	-	-	-
Public corporations and private	-	300	1,500	-	-	-	-	-	-	-
Non-profit institutions	11,927	10,505	8,365	6,880	6,880	6,880	6,880	7,279	7,687	8,110
Households	724	1,673	273	-	-	-	916	-	-	-
Payments for capital assets	451	610	1,581	1,243	1,243	1,243	1,554	-	-	-
Buildings and other fixed structu	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	451	610	1,581	1,243	1,243	1,243	1,554	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible as	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total economic classification	933,738	928,753	819,784	956,414	956,414	956,414	956,108	994,223	1,032,124	1,088,889



SUB-PROGRAMME: *POLICY COORDINATION AND ENVIRONMENTAL PLANNING***PURPOSE**

The purpose of the Policy Co-ordination and Environmental Planning sub-programme is to develop instruments, mechanisms and institutions to ensure sound cooperative environmental governance, during the implementation of sustainable development frameworks. The sub-programme also conducts environment research in order to generate knowledge to support sound decision making and innovative approaches to the management of the environment.

Furthermore the Programme ensures provincial sustainability monitoring and reporting through the generation, management and dissemination of environmental information for improved decision making and on-going strategy development.

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Strategic Goal: Sustainable Environmental management.
Goal Statement: Ensure effective implementation of policies and strategies for sustainable development.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – POLICY COORDINATION AND ENVIRONMENTAL PLANNING

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016		2018/2019	2019/2020	2020/2021
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity	Number of development policies, programmes, plans and processes compliant with sustainable development principles	284 Intergovernmental sector tools reviewed over MTSF period	69	61	54	54	54	54
		10 environmental legislative tools developed over MTSF period	12	4	2	2	1	1
		Produced 10 environmental research projects over MTSF period	5	1	2	0	0	2
		Ensure 12 functional environmental information management system	12	12	12	12	12	12



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets			
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021	
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity								
Number of intergovernmental sector tools reviewed	69	61	61	54	54	54	54	54
Number of environmental legislative tools developed	12	4	3	2	2	1	1	1
Number of environmental research projects completed	5	1	1	2	0	0	2	2
Number of functional environmental information management systems	12	12	12	12	12	12	12	12
Number of climate change response tools developed	1	1	1	1	1	1	1	1



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QUARTERLY TARGET 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and							
Number of intergovernmental sector tools reviewed	Annual IDP review reports	Annually	54	0	0	0	54
Number of environmental legislative tools developed	Environmental planning programme implementation report	Annually	2	0	0	0	2
Number of environmental research projects completed	Environmental research reports	Annually	0	0	0	0	0
Number of functional environmental information management systems	Annual Environmental Information Management Report	Annually	12	3	3	3	3
Number of climate change response tools developed	Climate change response tools	Annually	1	0	0	0	1



SUB-PROGRAMME: COMPLIANCE AND ENFORCEMENT PURPOSE

The purpose of Compliance and Enforcement is to achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

Strategic Goal: <i>To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province. sustainable environmental management</i>
Goal Statement: <i>Ensure effective implementation of policies and strategies for sustainable development.</i>

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – COMPLIANCE AND ENFORCEMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance		Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2018/2019	2019/2020	2020/2021
To achieve effective integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.	Number of development projects that are in compliance with environmental legislation	Finalised 1710 enforcement actions for non-compliance with environmental legislation over MTSF period	366	399	310	250	250	240
		5670 compliance inspections conducted over MTSF period	649	739	719	850	900	900
		180 S24G applications finalised over MTSF period	20	20	25	11	11	11



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province							
Number of administrative enforcement notices issued for non- compliance with environmental legislation	366	399	310	280	250	250	240
Number of completed criminal investigation handed to NPA for prosecutions	New	new	New	4	4	4	4
Number of compliance inspections conducted	649	739	719	800	850	900	900
Number of S24G applications finalised	20	20	25	25	11	11	11



QUARTERLY TARGET 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province							
Number of administrative enforcement notices issued for non-compliance with environmental legislation	Quarterly	740	250	50	80	50	70
Number of completed criminal investigation handed to NPA for prosecutions	Quarterly	12	4	1	1	1	1
Number of compliance inspections conducted	Quarterly	2400	850	225	225	200	200
Number of S24G applications finalised	Quarterly	75	11	2	3	3	3



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SUB-PROGRAMME: ENVIRONMENTAL QUALITY MANAGEMENT**PURPOSE**

The purpose of this sub-programme is to promote and regulate the application of appropriate environmental management instruments to ensure integrated environmental management in all media (land, coast and atmosphere) and facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

- To facilitate environmental impact mitigation and promote sustainable development;
- To develop an integrated plan for sustainable air quality management;
- To provide support to other spheres of government' stakeholders both internal and external;
- To promote the waste management hierarchy (waste minimization, cleaner production, reuse/recycling, treatment;
- To provide management, strategic and specialist support and direction for pollution and waste management programmes in KwaZulu-Natal;
- To process applications for permits and emission licenses related to air quality management; and to
- Coordinate, facilitate and promote effective coastal management (including coastal resource use).



Strategic Goal: A sustainable environmental management.
Goal Statement: Ensure effective implementation of policies and strategies for sustainable development.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – ENVIRONMENTAL QUALITY

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote and regulate environmental management through environment al impacts mitigate	Improved integrated environmental management through regulation and Impact mitigation management	100% waste licence applications finalised within legislated timeframes	35%	74%	91%	90%	100%	100%	100%
		98% EIA applications finalized within legislated timeframes	103%	98%	97%	98%	98%	98%	98%
		5 designated organs of state with approved AQMPs	1	1	1	1	1	1	1
		100% air emissions licence applications finalised within legislated timeframes	100%	100%	100%	100%	100%	100%	100%



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To promote and regulate environmental quality management through environmental impacts mitigate							
% waste licence applications finalised within legislated timeframes	35%	74%	91%	90%	100%	100%	100%
% EIA applications finalized within legislated timeframes	103%	98%	97%	98%	98%	98%	98%
Number of designated organs of state with approved AQMPs	1	1	1	1	1	1	1
% Atmospheric Emission Licenses with complete applications issued within legislated timeframes	100	100	100%	100%	100%	100%	100%



QUARTERLY TARGETS 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-Mar)
To promote and regulate environmental quality management through environmental impacts mitigation							
% of waste license applications finalised within legislated timeframes	NEAS Reports, District Pollution and Waste quarterly reports	Quarterly	100%	100%	100%	100%	100%
% of EIA applications finalised within legislated timeframes	NEAS reports, quarterly Impact Management Reports and district registers	Quarterly	98%	98%	98%	98%	98%
Number of designated organs of state with approved AQMP's	Completed Air Quality Management Plan	Annually	1	0	0	1	0
% Atmospheric Emission Licenses with complete applications issued within legislated timeframes	Atmospheric Emission Licence Issued to Facility	Annually	100%	0	0	100%	0



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SUB-PROGRAMME: *BIODIVERSITY MANAGEMENT***PURPOSE**

To control and manage the spread of invasive alien species and increase awareness of the impact of the invasive alien species in a manner that enables job creation and provides social development and training opportunities for the beneficiaries. To co-ordinate, facilitate and promote effective integrated coastal management for sustainable coastal development and resource use in KwaZulu-Natal.

SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

- To control the spread of invasive alien plants in communal, public and private terrestrial biomes as well as to develop and implement community based natural resource management and action projects to manage sustainable development;
- To ensure coordination of coastal management in the province by creating an environment for engagements by various stake holders;
- To coordinate development, review and implementation of Provincial Coastal Management Programme which is the Provincial Coastal Management Policy.



Strategic Goal: A sustainable environmental management.
Goal Statement: Ensure effective implementation of environmental policies and strategies for sustainable development.

STRATEGIC OBJECTIVE SUB-PROGRAMME: BIODIVERSITY MANAGEMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance				Estimated Performance			Medium-Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021
To control and manage the spread of invasive alien species	Improved integrated Biodiversity planning that safeguard ecosystems, species and genetic diversity	8 coastal management programmes adopted	0	0	0	2	1	1	1			
		40 5 00 job opportunities created through environmental programmes	10562	7234	10705	8500	8 500	7500	7500			
		720 00 hectares cleared of invasive alien species	156 956	130 667	109 471	120 000	120 000	120 000	120 000			



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PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To control and manage the spread of invasive alien species							
Number of coastal management programmes developed	0	0	0	2	1	1	1
Number of work opportunities created through environmental programmes	10562	7234	10705	8 500	8 500	7500	7500
No. of hectares cleared of invasive alien species	156 956	130 667	109 471	120 000	120 000	120 000	120 000
Number of fulltime equivalence /created FTE's	New	New	New	2 608	2217	2119	2119



QUARTERLY TARGETS 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To control and manage the spread of invasive alien species							
Number of coastal management programmes developed	Signed off Final draft document	Annual	1	0	0	1	0
Number of work opportunities created through environmental programmes	Persal report and Beneficiaries copy of ID, signed contract, daily timesheets	Quarterly	8 500	500	1 500	3 000	3500
No. of hectares cleared of invasive alien species	Progress report of hectares cleared	Quarterly	120 000	10 000	30 000	40 000	40 000
Number of fulltime equivalence /created FTE's	Progress report of fulltime equivalence/ created FTEs	Quarterly	2217	0	0	0	2217



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SUB-PROGRAMME: ENVIRONMENTAL EMPOWERMENT SERVICES**PURPOSE**

To empower the citizens of KwaZulu-Natal to participate in environmental matters and decision making so as to ensure the sustainable use and protection of the environment of KwaZulu-Natal through appropriate capacity building and empowerment mechanisms.

SPECIFIC POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES

To:

- Promote a culture of environmental rights and responsibilities through awareness programmes;
- Promote and implement Environmental Education learnerships for youth;
- Implement Environmental Education programmes to assist with the integration of EE into formal education structures; and to
- Develop and implement capacity building empowerment policy/strategy.



Strategic Goal: A sustainable environmental management.
Goal Statement: Ensure effective implementation of environmental policies and strategies for sustainable development.

STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – ENVIRONMENTAL EMPOWERMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
			2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To improve community empowerment through environmental awareness and educational programmes	Number of Environment Education programmes and capacity building programmes undertaken	259 environmental capacity building activities conducted over MTSF period	44	60	64	50	55	65	65
	Number of institutions reflecting improved knowledge, awareness and commitment towards Environmental management practise	5200 environmental awareness activities conducted over MTSF period	993	1041	1095	1 000	1 000	1200	1200
	Number of quality environmental resources - material developed	2 environmental resources - material developed	-	-	-	0	1	1	1



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PROGRAMME PERFORMANCE INDICATORS

Programme Performance Indicator	Audited/Actual Performance			Estimated Performance 2017/2018	Medium-Term Targets		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
To improved community empowerment through environmental awareness and educational programmes							
No. of environmental capacity building activities conducted	44	60	64	50	55	65	65
No. of environmental awareness activities conducted	993	1041	1095	1 000	1000	1200	1200
Number of quality environmental resources -material developed	New	New	New	0	0	1	1



QUARTERLY TARGETS 2018/2019

Performance Indicator	Means of Verification	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 st (April-June)	2 nd (July-Sep)	3 rd (Oct-Dec)	4 th (Jan-March)
To improved community empowerment through environmental awareness and educational programmes							
No. of environmental capacity building activities conducted	Activity report and attendance registers	Quarterly	55	15	15	13	12
No. of environmental awareness activities conducted	Attendance registers	Quarterly	1000	300	250	200	250
Number of quality environmental resources -material developed	Progress report on quality environmental resources-material developed	Quarterly	0	0	0	0	0



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PART C: LINKS TO OTHER PLANS

PUBLIC ENTITIES REPORTING TO THE DEPARTMENT

Public Entity	Trade and Investment KwaZulu-Natal	Strategic Indicators
Core Mandate	To attract foreign and domestic investment and to generate exports and exports capacity in KwaZulu-Natal.	Rand value of new fixed investment attracted into the Province of KwaZulu-Natal Rand value of exports promoted by the province Number of job opportunities facilitated through investment projects
Enabling Legislation	Trade and Investment Act No. 5 of 2010.	% of total procurement spend on BBBEE service providers (from Level III)
Other Policies	PGDP, Investment Strategy, Export Strategy	% of valid invoices paid within 30 days Achievement of a financially unqualified audit opinion with no findings on other matters

Public Entity	KwaZulu-Natal Tourism Authority	Strategic Indicators
Core Mandate	Directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal	Percentage increase in the number of domestic tourists visiting KwaZulu-Natal
Enabling Legislation	KwaZulu-Natal Tourism Act, Act 11 of 1996	Percentage increase in the number of international tourists visiting KwaZulu-Natal
Other Policies	KZN Provincial Tourism Master Plan	Percentage increase in tourist spending in KwaZulu-Natal Percentage increase in tourism sector contribution to the provincial GDP Percentage increase in direct and indirect jobs created within the tourism sector Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days



Public Entity	KwaZulu-Natal Sharks Board	Strategic Indicators
Core Mandate	To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.	Annual number of shark attack at protected beaches Annual percentage increase in own revenue Percentage of maritime graduates placed in employment
Enabling Legislation	KwaZulu-Natal Sharks Board Act, 2008 (No. 05 of 2008)	Achievement of a financially unqualified audit opinion with no findings on other matters
Other Policies	Draft Provincial Maritime Strategy	% of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days

Public Entity	Dube Trade Port Corporation	Strategic Indicators
Core Mandate	The mandate of the entity is to develop the DTPC SEZ to undertake investment in projects, facilitate economic growth in the province by attracting long term private and public investment and facilitating exports and imports.	Rand value of private sector investment facilitated into DTPC Percentage of projects that adhere to environmental principles Percentage increase in own revenue
Enabling Legislation	KZN Dube Trade Port Corporation Act, 2010 (Act no. 2 of 2010). This needs to be updated as the DTP is now a Special Economic Zone	Number of jobs created Percentage increase in international/ regional passengers through KSIA Number of new international routes in KSIA (additional frequency/ new route)
Other Policies	Special Economic Zones Act PGDS/P	Value of exports processed through the DTPC Cargo terminal Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on BBBEE service providers (from Level III) % of valid invoices paid within 30 days

Public Entity	Moses Kotane Institute	Strategic Indicators
Core Mandate	To empower individuals through specialist education and training in mathematics, science, engineering, technology and business process outsourcing that will assist them to become employable, enhance service delivery and create employment opportunities for others.	Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on BBBEE service providers (from Level III) % of valid invoices paid within 30 days
Enabling Legislation	The Institute was established in 2009 by the Kwazulu-Natal Department of Economic Development in terms of Public Service Amendment Act No. 30 (2007).	Rand value raised for STEM skills training Rand value of STEM Fund



Public Entity	Richards Bay Industrial Zone	Strategic Indicators
Core Mandate	To accelerate and improve infrastructure for industrial development through the government's Industrial Development Zone (IDZ) Programme	Value of infrastructure investments facilitated to support the SEZ
Enabling Legislation	The Industrial Development Programme promulgated in terms of the Manufacturing Development Act, 1993 (Act No. 187 of 1993) in Government Notice No R1224 of 1 December 2000 as amended by Government Notice No R1065 of 27 October 2006. This needs to be updated as the DTP is now a Special Economic Zone	Percentage of projects that adhere to environmental principles Rand value of projects facilitated into the SEZ Number of jobs created
Other Policies	Special Economic Zones Act	Percentage increase in own revenue Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on BBBEE service providers (from Level III) % of valid invoices paid within 30 days

Public Entity	KwaZulu-Natal Liquor Authority	Strategic Indicators
Core Mandate	To control and regulate the retail sale and micro manufacturing of liquor in the province	Level of business compliance with the KZN Liquor Act % of licensed Liquor outlets inspected
Enabling Legislation	KwaZulu-Natal Liquor Licensing ACT no. 06 of 2010	Percentage contribution of the province's liquor industry to the KZN GDP Percentage increase in liquor license fees Number of new businesses licenced to trade in liquor; Number of direct jobs created by new licenced businesses. Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days



Public Entity	Ithala Development Finance Corporation	Strategic Indicators
Core Mandate	Mobilising financial resources and providing financial and supportive services to persons domiciled, ordinarily resident, or carrying on business within the Province.	Number of new businesses financed Number of jobs created through SMMes funded
Enabling Legislation	Ithala Development Finance Corporation Act No. 2 of 1999	Number of jobs created through RASET Fund Number of businesses supported through the RASET Fund Value of loans approved Rate of non-performing loans Percentage increase in own revenue Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days

Public Entity	KwaZulu-Natal Growth Fund Trust	Strategic Indicators
Core Mandate	To support sustainable growth by financing private sector projects that drive economic success, stimulate job creation, promote B-BBEE and reduce inequality.	Value of funding approved for catalytic projects Rate of non-performing loans
Enabling Legislation	The trust was established in terms of a Trust Deed which is legally governed by the Trust Property Control Act, 57 of 1998. The trust complies fully with the PFMA	Percentage increase in own revenue Number of projects that adhere to environmental principles/ standards Number of jobs created Number of African owned businesses (Black Industrialist) funded Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days



Public Entity	KwaZulu-Natal Film Commission	Strategic Indicators
Core Mandate	To promote and market the Province as a global destination for film production;	Number of KwaZulu-Natal film productions facilitated through the KZN Film Commission Rand value of the province's film productions facilitated through the Commission Number of audience development initiatives with previously disadvantaged groups Number of jobs created within the KZN film industry Percentage increase in own revenue generated Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days
Enabling Legislation	KwaZulu-Natal Film Commission Act No. 3 of 2010	

Public Entity	Ezemvelo KZN Wildlife	Strategic Indicators
Core Mandate		Number of jobs created Mortality rate of rhinos in the Province Percentage increase in own revenue generated Progress on the implementation of the commercialisation strategy Achievement of a financially unqualified audit opinion with no findings on other matters % of total procurement spend on B-BBEE service providers (from Level III) % of valid invoices paid within 30 days
Enabling Legislation	KwaZulu-Natal Conservation Management Act (No. 9 of 1997) National Environmental Management: Biodiversity Act, No. 10 of 2004 National Environmental Management: Protected Areas Act, No. 57 Of 2004 Ordinance 15 of 1974	



ANNEXURES

(Available On The Departmental Website www.kznedtea.gov.za)

- Annexure A: Technical Indicator Descriptions
- Annexure B: Raset Programme
- Annexure C: Reconciliation of Strategic Objectives to the 2015/20 Strategic Plan
- Annexure D: Reconciliation of Programme Performance Indicators to the 2015/20 Strategic Plan

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Economic Development, Tourism and Environmental Affairs
Ukuthuthukiswa komNotho, Ezokuvakasha nokoNgwa Kwemvelo
PROVINCE OF KWAZULU-NATAL



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