

MPUMALANGA PROVINCE



PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS) 2004-2014

FOREWORD

It is an honour for me to present the reviewed Mpumalanga Provincial Growth and Development Strategy (PGDS) 2004-2014. This strategy builds on the 1996 PGDS and sets the pace and course for growth and development in Mpumalanga Province.

Henceforth, it will guide our collective resolve - expressed in terms of Departmental, Local and District Municipal strategies and plans - towards a common strategic vision, which is '*a better life for all our people*'. It will further ensure alignment of plans between and within the different spheres of Government. As a product of joint deliberations by all social partners, it constitutes a consensus position on our growth and development in the Province.

I herewith extend the Provincial Government's sincere support and commitment to efforts geared towards growth and development in this Province.

MPUMALANGA PROVINCIAL GOVERNMENT

VISION:

Reconstruction, development and sustainable growth; with employment and redistribution

MISSION:

To improve the quality of life for all the people of Mpumalanga

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education and Training.
AIDS	Acquired Immune Deficiency Syndrome.
BEE	Black Economic Empowerment.
DBSA	Development Bank of Southern Africa.
DWAF	Department of Water Affairs and Forestry.
EPWP	Expanded Public Works Programme.
ECD	Early Childhood Development.
ESKOM	Electricity Supply Commission.
GDP	Gross Domestic Product.
GDS	Growth and Development Summit.
GET	General Education and Training.
GGP	Gross Geographic Product.
FET	Further Education and Training.
HET	Higher Education and Training.
HIV	Human Immune Virus.
ICT	Information Communication Technology.
IDP	Integrated Development Plan.
ISF	Integrated Spatial Framework.
KMIA	Kruger Mpumalanga International Airport.
LRAD	Land Redistribution and Development.
MII	Mpumalanga Investment Initiative.
MTEF	Medium-Term Expenditure Framework.
MTSF	Medium-Term Strategic Framework.
MTA	Mpumalanga Tourism Authority.
NEPAD	New Partnership for Africa's Development.
NSDP	National Spatial Development Perspective.
PGDS	Provincial Growth and Development Strategy.
PFMA	Public Finance Management Act, (Act No. 1 of 1999).
PIPF	Provincial Integrated Planning Forum.
PRUDS	Provincial Rural and Urban Development Strategy.
RDP	Reconstruction and Development Programme.

RSA	Republic of South Africa.
SEMP	Strategic Environmental Management Plan.
SETAs	Sector Education and Training Authorities.
TB	Tuberculosis.
TRAC	Trans Africa Concessions.
UN	United Nations.

EXECUTIVE SUMMARY

PURPOSE

The purpose of the review is to ensure that the Mpumalanga Provincial Growth and Development Strategy, herein referred to as PGDS, takes into account the current socio-economic policy environment. This includes the pronouncements in vision of 2014, the harmonisation of the PGDS with the National Spatial Development Perspective (NSDP) and the Integrated Development Plans (IDP) of Municipalities. It also ensures that there is a monitoring and evaluation system that will enable regular and meaningful feedback on the performance of the strategy.

The aim of the PGDS is to articulate quantified targets for Provincial Growth and Development through a clear strategy framework. This strategy framework will enable sector Departments, Municipalities and other social partners to prioritise and align their sectoral strategies, plans and programmes in line with the priorities of the PGDS. The PGDS gives the Province the opportunity for medium to long term (10 year) strategic planning to prioritise and address major structural deficiencies in the economy and the conditions of society.

BACKGROUND

In October 1996 the Executive Council approved the adoption of the Provincial Growth and Development Strategy (PGDS). The PGDS sought, and still seeks, to set the tone and pace for growth and development in the Province. The need for all spheres of Government to comply with the PGDS necessitated the review and update of the strategy in line with the above-mentioned purpose.

RESULTS

Consultation sessions were held with key stakeholders and the deliberations and written inputs resulted in the conception of the strategic responses, encompassing development priorities, programmes and targets. The targets are based on the

2004-2014 time frame. The assessment of the performance of the strategy, based on IDPs and Departmental strategic plans, will be carried out annually. There will be three-year reviews in line with the Medium Term Expenditure Framework (MTEF) processes as well as five-year substantive impact analysis that coincides with the Provincial political cycle.

The PGDS is intended to provide a much broader level approach to growth and development in the Province and sectors will be required to develop their own implementation plans that will directly achieve the targets of the PGDS.

INTRODUCTION

BACKGROUND

The Mpumalanga Provincial Growth and Development Strategy (PGDS) was first developed during 1996/7 and was based on National policy guidelines. In October 1996, the Executive Council approved the adoption of the PGDS.

Since the formulation of the 1996/1997 PGDS as the overall framework for socio-economic development for Mpumalanga Province, new development policies and strategies were formulated which required the Province to undertake the review of the PGDS so as to keep it in line with current development programmes.

The PGDS: 2004-2014 is the fundamental policy framework for the Mpumalanga Provincial Government. As a policy framework it sets the tone and pace for growth and development in the Province. The new PGDS addresses the key and most fundamental issues of development spanning the social, economic and the political environment and was developed for the purpose of aligning the policies and strategies of all spheres of Government.

The PGDS aims to promote integrated planning, which will enable development to be delivered in an efficient and co-ordinated manner in the Province. The PGDS is considered a strategic document in as far as it ties in with National, Provincial and Local level policies, while it spells out broad strategies on a sectoral level, which should serve as a guideline to all sectors and their initiatives.

The PGDS is the overall strategic framework for the Provincial Government. It is the embodiment of the broad strategic policy goals and objectives of the Province for the ten year period of 2004-2014. It continuously takes into account annual Provincial priorities and sets broad targets in terms of Provincial economic growth and development, service delivery and public service transformation.

OBJECTIVES OF THE PGDS

The overarching goal of the PGDS is to develop consensus amongst stakeholders and to develop programmes that will align to the National, Provincial and Local strategies. The implementation of the PGDS will be linked to a monitoring system and a comprehensive information management system.

GROWTH AND DEVELOPMENT PRIORITIES

The Province has identified six priority areas of intervention. These priority areas have been identified primarily based on the social, economic and developmental needs of the Province, namely;

- ❑ Economic Development.
- ❑ Social Development Infrastructure.

- ❑ Social Development.
- ❑ Sustainable Environmental Development.
- ❑ Good Governance.
- ❑ Human Resource Development.

Within each priority area a brief overview of the status and the identification of key issues is described. This description is then followed by a development plan, in table format, that identifies strategic thrusts that inform and guide the development of programmes. The table provides information on the programme, performance indicators, targets and responsibility. The clearly defined programmes will inform the development of Departmental and Municipal plans and budgets.

Institutional Drivers of the PGDS

The PGDS will be driven within the existing institutional arrangements in the Province. The Premier as the Head of the Provincial Government and the Members of the Executive Council are the primary custodians of the PGDS.

The three Executive Council Committees (Clusters) assisted by their Technical Committees will be responsible for driving and monitoring the implementation of the PGDS and they include:

- ❑ Governance and Criminal Justice Systems.
- ❑ Social Development.
- ❑ Economy, Employment and Investment.

The respective Departments will then develop clear objectives and operational plans to meet the set targets.

Overview of Mpumalanga Province

Location of Mpumalanga

Mpumalanga Province, meaning the “place of the rising sun”, lies in the north-eastern region of South Africa, with the capital Nelspruit situated approximately 350 km east of Johannesburg.



Fig 1.1: Map of South Africa showing Mpumalanga in Blue.

The Province occupies 6.5% of the surface area of South Africa. It is characterised by spectacular natural beauty, a wealth of natural resources and is one of the fastest growing Provinces in the Country.

Mpumalanga enjoys a sub-tropical climate with hot summers and mild to cool winters. The average annual rainfall is 767mm, with approximately 10 times more rain in summer than in winter (Stats SA, 2002).

Population Distribution:

Mpumalanga Province is home to 3,122, 991 people, which constitutes less than 7% of the total population of South Africa.

The scattered distribution of the population in the Province makes the delivery of services very difficult and expensive. Slightly less than two thirds of the population

live in non-urban areas (60.9%), with slightly more than one third living in urban areas (39.1%) (Stats SA, 2002).

Gender

Slightly more than half of the population is female: 1,625,513 (52%) whilst males comprise: 1,497,478 (48%). The population is predominantly African (89%), with smaller groups of Whites (9%), Coloured (0.7%) and Indian/Asian (0.5%).

Language

The population is largely SiSwati speaking: 962 872 (31%) and IsiZulu: 822 904 (26%) followed by IsiNdebele: 377 449 (12%), SePedi: 336 494(11%), Afrikaans: 192 924 (6%), XiTsonga: 117 993(4%), SeSotho: 114 239 (4%), SeTswana: 85 052 (3%), English: 51 924 (2%), Xhosa: 46 519 (1%), TshiVenda: 6 006 (0%) and other: 9 436 (0%).

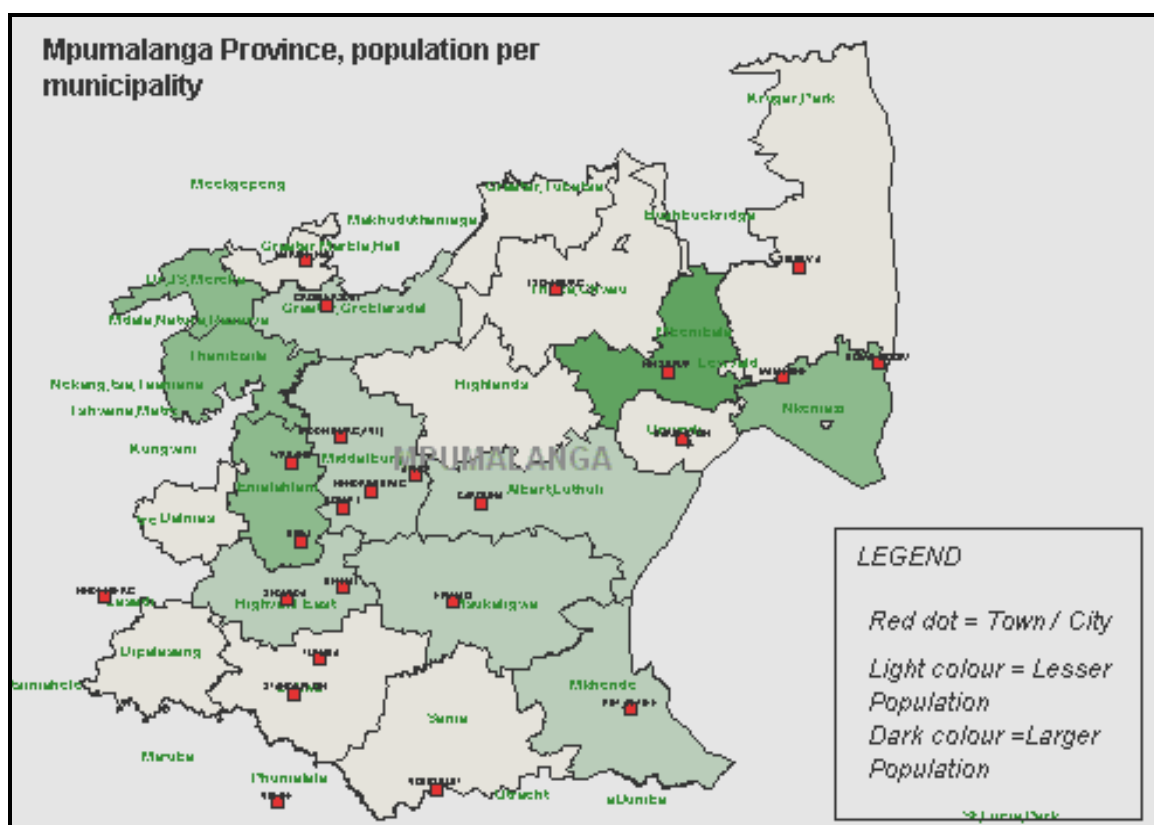


Fig1.2 shows the local Municipal boundaries in Mpumalanga; with District municipalities shaded different colours for easier distinction. Each District consist of a number of small units known as local municipalities

Labour and population

The work status of the total population indicates that 38,9% of the population is younger than 15 years of age and not available for the labour force. Another 22,2% of the population aged 16 and older is not economically active resulting in only 38,9% of the population to be economically active, (the employed and unemployed). Only 24,6% of the population is formally or informally employed and only 14,3% is actively looking for some form of employment.

Mpumalanga finds itself in this labour force trap because 85,8% of its labour force consists of Africans, who either had no formal schooling or only limited primary or secondary schooling.

The 38,9% of the population that is economically active amounted to almost 1,2 million in 2002 of which 48,1% (585 000) were formally employed, 15,1% (184 000) informally employed and 36,7% (446 000) unemployed.

The Province experienced an average annual growth of 4,6% in its labour force between 1996 and 2002. This relatively high increase in the labour force resulted from normal population growth, the expectations of people to find some form of employment in the new South Africa, and a renewed entry of females and youths into the labour market of the Province. There has been a very low growth per annum in formal employment opportunities, 1,2% per annum versus 4,6% growth per annum in the labour force. Only 48,1% of the labour force was formally employed in 2002, which is significantly lower than the 57,7% in 1996.

Key Challenges and Opportunities

The overview above provides a description of the Mpumalanga Province, its geographical location and its people. The PGDS is meant to serve as a strategy framework that describes the priority areas of the MPG in terms of how it will best deliver services to the population and ensure increased socio and economic growth and development .

The PGDS has thus been developed with a focus on the following six key development priority areas:

- ❑ Economic Development
- ❑ Development Infrastructure
- ❑ Social Development
- ❑ Sustainable Environmental Development
- ❑ Good Governance
- ❑ Human Resource Development

In developing the strategic thrusts and programmes within each key development priority area, a SWOT analysis of the Mpumalanga Province was undertaken and contained herewith below is a summary of the key opportunities and challenges that have been identified. The discussion within each key development priority area further describes and elaborates upon the issues discussed below.

Identified Challenges

Most of the challenges stem from the severe poverty faced by many in the Province and the high inequality between the rural poor and well-served urban centres as well as under-served townships and informal settlements. The growth and development challenges in the Province can be summarised in a few distinct, but interrelated categories, namely:

Poverty

- Poverty can broadly be defined in terms of a lack of access to opportunities for a sustainable livelihood. These opportunities can be characterised in terms of income, skills, knowledge, self-confidence and access to decision-making. The most severe and deep poverty in South Africa has been created in the former homeland areas.
- There is a gap between economic and demographic growth resulting in increasing unemployment due to insufficient investment in economic development and job creation in the Province. The Province is predominantly rural and economic development is largely concentrated in urban areas.

HIV and AIDS

- Although there are a number of controversies exist relating to the reliability of the statistics on HIV and AIDS and its effect on economic growth, the rapid rise in its prevalence cannot be disputed. The Province has one of the highest HIV and AIDS infection rates in the Country (30%).
- HIV and AIDS will stretch the social system to its limit with a high number of professional people losing their livelihood due to illness in addition to a rapidly increasing number of orphans.

Agriculture

The agricultural sector registers -0.2% growth rate despite being the second largest employer in the Province. This important resource is still not being utilised effectively to the benefit of the poor in the Province.

Mining

The mining sector registers -0.3% growth rate. This presents a challenge to the Province as the mining sector remains dominant in the economy.

Manufacturing of down stream products

The manufacturing sector is not fully exploited while the Province has a strong primary manufacturing sector with a variety of minerals, electricity and agricultural products being exported as raw materials.

Infrastructure and service delivery backlogs

- The socio-economic development potential of the Province is constrained by the insufficient road/rail infrastructure.
- There exists a backlog in the delivery of services, especially in rural areas. Water supply and sanitation are major challenges.

Lack of appropriate skills

- The Province is characterised by a lack of critical skills and a “brain drain” phenomenon among its population.
- The rural nature of the Province is one of the factors contributing to the lack of appropriate skills.

Governance

- ❑ Corruption limits the effects of good governance measures and service delivery.
- ❑ The potential of revenue collection, to improve the income base, is not fully exploited.

Environmental degradation

Pressures on environmental resources are not comprehensively monitored.

Identified Opportunities

The Province is characterised by vast opportunities and potential for development that must be exploited in order to change its growth path towards one that outperforms the National trend and positions it to become one of the top three Provinces in the country.

Agri-processing

Most agricultural products are exported without further processing to other regions in the country or elsewhere in the world.

Agri-products

The potential exists for producing non-food agricultural products, e.g. wool, tobacco and cotton.

Stainless steel

Manufacturing of down stream products including tubes and pipes, catering equipment, hollowware, catalytic converters, kitchen sinks and cutlery.

Chemical and chemical products

More than 22% of South African chemicals and chemical products are manufactured in the Province.

Wood processing

Opportunities include furniture manufacturing, timber frames, processing of timber waste; roof trusses, packaging material, ultra boards/clipboards, wood transmission poles, coffin manufacturing, paper products, and pallet manufacturing, publishing and printing products.

Tourism

Tourism opportunities exist in accommodation, entertainment facilities, rural tourism, and agricultural tourism development.

Services

The services sector has shown dramatic growth and opportunity exists to further harness this sector for growth.

Infrastructure

- ❑ The ideal spatial location on the Maputo corridor and access to the Maputo harbour.
- ❑ Infrastructure investment to accelerate growth and development.

Key Issues

Based on the SWOT analysis the following key issues are identified to be addressed by the PGDS, namely:

- ❑ Job Creation
- ❑ HIV and Aids
- ❑ Beneficiation within various economic sectors
- ❑ Skills Development
- ❑ Tourism

Key Priority Area 1: Economic Development

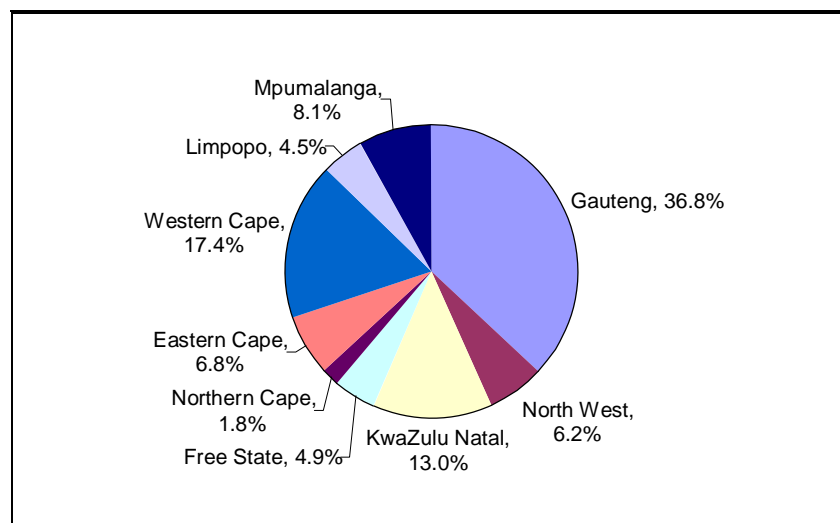
ECONOMIC OVERVIEW

This section provides an overview of the economy of the Province. Much of the information and analysis presented here is based on the *Mpumalanga Development Profile*, published by the Development Bank of Southern Africa (DBSA) in June 2004.

Economic growth in Mpumalanga is broadly in line with that of the rest of the country, averaging 2.5% growth between 1996 and 2001. Economic growth has increased substantially above the 1.2% achieved between 1990 and 1996, which was below the National average. The Gross Geographic Product (GGP) growth rate between 1996 and 2002 exceeded the average population growth rate of 1.8% over that period. Real GGP per capita increased by R596 from R14, 698 in 1996 to R15, 294 in 2002. Mpumalanga's gross value added was R80.6-billion in 2002, representing 8.1% of South Africa's total gross domestic product, or GDP (see below for Provincial shares of National output). Mpumalanga has the fourth largest share of National GDP, although its share of GDP has fallen from 9% in 1990, due mainly to its lower than National average growth performance between 1990 and 1996.

Unlike the rest of South Africa where the services sector is the dominant component of the GDP, mining, energy and manufacturing dominate Mpumalanga's economy. All three of these sectors are highly capital intensive and generate relatively few jobs. Mining, manufacturing and electricity comprises almost 60% of total value added and yet contributes only 20% of the jobs in the Province. These industries' dominance of the economy is rooted in Mpumalanga's substantial coal reserves (which make up one-sixth of the world's coal reserves).

Figure 1: Gross value added per Province, 2002



[Source: *Mpumalanga Development Profile*, Development Bank of Southern Africa, Development Paper 152, June 2004; base data provided by Global Insight South Africa, 2004]

KEY ISSUES

Sectoral Economic Activity: A sectoral breakdown of economic activity in Mpumalanga is shown in Table 1. The manufacturing, mining and quarrying, electricity, gas and water sectors dominate Mpumalanga's economy. The wholesale and retail trade sector is also an important component of the economy.

The economy as a whole became more diversified between 1990 and 2002. The primary sector's share of gross value added declined marginally from 30.6% to 28.4%, while the secondary sector's share declined from 43.5% to 38.9%. The tertiary sector's share increased from 25.9% to 32.7%. Nevertheless, these shares are still significantly different from those at the National level, where the primary sector represents only 11.9% of GDP, the secondary sector 24% and the tertiary sector 64.2%.

Mpumalanga's dominant sectors in terms of value added are highly capital intensive and represent a relatively small proportion of the employed. Electricity, manufacturing and mining comprise 59.6% of regional gross value added, but represents only 20.5% of total employment. Manufacturing in particular, where three sub-sections dominate, is highly capital intensive, representing 27.2% of GGP, yet contributing only 11.2% of total employment.

The 38.9% of the population that is economically active amounted to almost 1.2 million in 2002, of which 48.1% (585 000) were formally employed, 15.1% (184 000) informally employed and 36.7% (446 000) unemployed.

The Province experienced an average growth of 4,6% in its labour force between 1996 and 2002. This increase in the labour force resulted from population growth and the entry of females and youth in the labour market.

The most important fact to take cognisance of is the very low growth per annum in formal employment opportunities, 1.2% per annum versus 4.6% per annum in the labour force. The inability of the Province to provide enough formal employment opportunities resulted in a high increase in the number of people that had to resort to informal activities and the number of unemployed people.

Table 1: Provincial composition of gross value added and employment (2002), and average annual economic growth by sector (1990-1996 and 1996-2002)

Economic Sectors	% of GGP	% of total employment	Average annual % growth in value added (1990-1996)	Average annual % growth in value added (1996-2002)
Agriculture, hunting, forestry and fishing	6.1	18.1	-0.1	1.0
Community, social and personal services	14.6	15.4	1.6	0.4
Construction	1.6	6.1	-1.6	0.7
Electricity, gas and water	10.1	1.8	4.1	2.0
Finance, insurance, real estate and business services	5.4	5.3	2.9	6.6
Manufacturing	27.2	11.2	0.4	4.7
Mining and quarrying	22.3	7.5	-0.3	0.5
Transport, storage and communication	4.5	3.6	3.7	5.9
Wholesale and retail trade	8.2	13.9	1.4	1.8
Private households	-	10.9	-	-
Undetermined	-	6.3	-	-
Total	-	-	1.2	2.5

[Source: Mpumalanga Development Profile, Development Bank of Southern Africa, Development paper 152, June 2004; base data provided by Global Insight South Africa, 2004]

Manufacturing: Detailed manufacturing data for Mpumalanga is limited to the manufacturing census undertaken in 1996 by Statistics South Africa. In 1996, 825 firms employed 70,409 people in this sector. The sector was substantially concentrated at that time; the three main industries contributed 84.5% of value added by manufacturing. The sector grew by 4.7% per annum between 1996 and 2002. This is substantially above the National average of 2.2%. Between 1996 and 2001, 11,000 jobs were added in this sector.

The three dominant industries included the *refined petroleum products, chemicals, rubber and plastic* which contributed 38.5% to value added; the *base metals, steel and stainless steel industry fabricated metal products, machinery and equipment* industry which contributed 31%; and the *food, food products and beverages* industry which contributed 15% to GGP.

Table 2 below shows the composition of employment in the manufacturing sector. From an employment perspective, the *wood and wood products* industry dominates the manufacturing sector, followed by the *basic iron and steel* industries, *food* and finally *chemical products* sectors.

Table 2: Composition of employment in the manufacturing sector, 1996

Sector	% of sector employment
Wood and wood products	24.8
Basic iron and steel industries	23.7
Food	19.1
Chemical products	16.3
Other	16.2

[Source: Mpumalanga Development Profile, Development Bank of Southern Africa, Development Paper 152, June 2004]

Manufacturing as a whole appears to be very capital intensive – while comprising 27.2% of the total value added, it provides only 11.2% of the jobs in the Province. The skills profiles of workers in these two industries are likely to reflect such differences in their remuneration – workers in *food, wood and wood products* manufacturing are not likely to be as skilled as workers in the *chemicals and iron and steel* industries.

A key policy challenge for the Province is to further downstream beneficiation of Mpumalanga's manufacturing, targeted mainly at the labour-intensive sectors described above.

Energy: In addition to manufacturing, Mpumalanga is a major producer of energy. Currently over 70% of South Africa's electricity is produced in the Province. This will rise to 75% over the next four to six years as mothballed power plants come back on line. The electricity industry produces 10.1% of the Province's GDP, but only 1.8% of jobs are to be found in this sector.

While electricity production expanded rapidly in the early 1990's (at a rate of 4.1% per annum on average), growth slowed to an average of 2% between 1996 and 2002. Between 1996 and 2001, the energy sector shed 6 500 jobs.

Mining: Mining in Mpumalanga is primarily related to coal and gold, with the Province accounting for almost 90% of the country's coal production. There are also platinum deposits located in Mpumalanga. It is likely that platinum mines will be opened in the near future. Other important mineral resources include chrome, asbestos, magnesite, iron ore, vanadium, limestone, dolomite, silica and construction materials. Nearly two-thirds of processed mineral sales generated by the Province were produced from chromium alloys.

Mining is relatively capital intensive – the sector accounts for more than one-fifth of Provincial output, but provides less than 8% of the jobs in Mpumalanga.

Minerals from Mpumalanga are an important source of exports for South Africa. The Province contributed 16.7% of National mineral export sales in 2002. It also contributed 16.6% to processed mineral export sales revenue.

Mining saw negative growth over the period 1990 to 1996 of -0.3% per annum on average. This trend was reversed between 1996 and 2002, when the sector grew

by 0.5% per annum. However, between 1996 and 2001, this sector shed more than 6 500 jobs.

Tourism: Mpumalanga hosts the third-most foreign tourists in the country after Gauteng and the Western Cape, and captures 10% of total tourism money/revenue spent in the country. Expenditure by tourists contributed 5.2% towards the Provincial GGP, while tourism directly contributes 3.4% to South Africa's GDP annually (according to the World Travel & Tourism Council). Nationally, tourism has been growing at a rate of 5% per year.

Transport, storage and communication: The transport, storage and communication sector contributed 4.5% to the Provincial GGP. This sector represented only 3.6% of employment in the Province. The transport sector grew by 5.9% between 1996 and 2002 on average, which is slightly below the National average of 6.9%. However, between 1996 and 2002, this sector shed more than 4 500 jobs.

Wholesale and retail: The wholesale and retail sector contributes only 8.2% of Provincial value added, but provides almost 14% of Provincial employment. According to data derived from tax receipts at the Lebombo border post, tourists from Mozambique spend approximately R30-million at retail outlets in Nelspruit every month.

The wholesale and retail sector, which grew relatively slowly between 1996 and 2002 at 1.8% per annum, added almost 16 000 jobs in the Province between 1996 and 2001.

Financial, insurance, real estate and business services: This sector is relatively small as a proportion of Provincial GGP, comprising 5.4% of value added and 5.3% of total employment. However, it is one of the Province's fastest growing sectors. Between 1996 and 2002, the sector grew by 6.6% in Mpumalanga compared to the National average of 5.1%, and generated 12 000 jobs between 1996 and 2001.

Agriculture: Another important part of the economy is forestry and agricultural production. Sappi has a large pulp factory in Mpumalanga, and one-third of South Africa's forestry activity takes place in the Province. 38.3% of the Province's total land area is used for forestry. Grazing land covers a further 39.6% of the Province's total land area. Forestry and other agricultural activities provide jobs far in excess of their contributions to Provincial GGP – the sector comprises 6.1% of total GGP yet provides 18.1% of the employment opportunities in the Province.

The agricultural sector saw a negative annual growth of -0.1% between 1990 and 1996 and grew rather slowly between 1996 and 2002 at only 1%. Despite this limited growth performance, 8 000 jobs were created in the agricultural sector between 1996 and 2001.

Although resources in this sector are constrained, agriculture holds significant employment potential for the Province.

Community, social and personal services: Growth in value added in this sector was fairly low, at 1.6% between 1990 and 1996, falling to 0.4% between 1996 and 2002. Nevertheless, between 1996 and 2001 almost 16 000 jobs were created in the community, social and personal services sector.

Construction: Growth in the construction sector was relatively low. This sector declined by 1.6% per annum on average between 1990 and 1996; while between 1996 and 2002 it managed to increase value added by 0.7% on average. The construction sector shed almost 4,000 jobs between 1996 and 2001.

Economic Activity in Local Municipalities: Four local Municipalities (see Table 3) dominate gross value added in Mpumalanga, and produce more than 70% of the Province's GGP. These are Govan Mbeki (containing the town of Secunda), Steve Tshwete (including Middelburg), Emalahleni (which incorporates Witbank) and Mbombela (containing Nelspruit).

Table 3: Gross value added by local Municipality, 2002

Gross value added by local Municipalities	Share of GGP (%)
Govan Mbeki	21.3
Steve Tshwete	19.3
Emalahleni	18.3
Mbombela	12.7
Other	28.4

[Source: Mpumalanga Development Profile, Development Bank of Southern Africa, Development Paper 152, June 2004]

The proportion of total value added in each sector and growth in sectoral activity in each of the four main Municipalities is shown on Table 4.

Table 4: Annual sector growth and value added by Municipalities (average % growth per annum, 1996-2002; sector composition in 2002)

Economic Sectors	Govan Mbeki		Steve Tshwete		Mbombela		Emalahleni	
	% of GGP	% Growth	% of GGP	% Growth	% of GGP	% Growth	% of GGP	% Growth
Agriculture, hunting, forestry and fishing	1.1	1.4	2.8	1.6	6	0.5	2.8	1.6
Mining and quarrying	30.6	-2.7	28.2	2.6	1.1	-3.6	28.2	2.8
Manufacturing	54.4	6.8	37.3	5	26.9	3.5	37.3	2.9
Electricity, gas and water	1.6	0.5	10.5	5.3	2.2	3.5	10.5	2
Construction	1.1	3.1	0.9	2.3	3.1	2.1	0.9	0.4
Wholesale and retail trade	3.5	3.7	3.4	3.9	19.5	3.6	3.4	1.9

Economic Sectors	Govan Mbeki		Steve Tshwete		Mbombela		Emalahleni	
	% of GGP	% Growth	% of GGP	% Growth	% of GGP	% Growth	% of GGP	% Growth
Transport, storage and communication	1.7	8.2	2.2	10.7	9	7.8	2.2	5.6
Finance, insurance, real estate, and business services	2.4	7.0	4.7	9.7	11.4	7.5	4.7	7.6
Community, social and personal services	3.8	0.4	10	0.4	20.9	0.4	10	0.4
Total	-	3.2	-	4.2	-	3.4	-	2.5

[Source: Mpumalanga Development Profile, Development Bank of Southern Africa, Development Paper 152, June 2004]

Govan Mbeki contributes the most of all local Municipalities to Mpumalanga's GGP. It grew at an average annual rate of 3.2% per annum between 1996 and 2002. This is significantly higher than the Provincial total of 2.5%. Significant sources of this growth include *manufacturing* (6.8% growth per annum), *transport* (8.2%) and *financial services* (7%). These sectors added 54.4%, 1.7% and 2.4% to Municipal value added respectively. On the other hand, *mining*, which contributes 30.6% of value added, declined by 2.7% per annum over the period. Govan Mbeki hosts Sasol's substantial synthetic fuels and petro-chemicals production facilities (in Secunda) and its development is to a large extent dependent on Sasol's activities.

Steve Tshwete, the second-largest contributor to Provincial GGP, grew by 4.2% on average per annum over the same period, also exhibiting a significantly higher growth rate than the Provincial total.

Again, *transport*, *manufacturing* and *financial services* were the main contributors to this growth, with 10.7%, 5% and 9.7% respectively. *Electricity* production also grew by 5.3% per annum between 1996 and 2002 in this Municipality. Growth in *mining* – a significant sector for the Municipality – was also recorded over this period. Steve Tshwete is home to Columbus Stainless, a significant producer of stainless steel and an important source of jobs and economic activity in the Municipality.

Emalahleni, the third-largest contributor to Mpumalanga's GGP, grew at 2.5% per annum over the same period, in line with the Province's average. *Transport* and *financial services* grew rapidly. *Manufacturing* grew less quickly here than in the other Municipalities discussed. Highveld Steel and Vanadium's production facilities (in Witbank) – important sources of economic activity – are situated in the Municipality.

Mbombela is the fourth-largest contributor to GGP, and grew at an average of 3.5% per annum between 1996 and 2002. This Municipality, although it saw a significant annual decline of 3.6% in *mining* over the period, benefited from strong growth in both the *transport* and *financial services*. *Manufacturing* also grew at a

stable rate. The *wholesale and retail* sector in this Municipality, which comprises almost 20% of Municipal value added, is far more significant than in other Municipalities due partially to consumers from Mozambique taking advantage of improved infrastructure along the Maputo Corridor to shop in Nelspruit.

Economic Prospects: The main sources of job growth are likely to be in the *wholesale and retail, agricultural, manufacturing, tourism and financial services* sectors. The *manufacturing* sector, though not particularly labour intensive, has grown substantially recently. The *agricultural* and *wholesale and retail* sectors are labour intensive and have added a significant number of jobs, although they have not grown at a significant rate. *Tourism* and *financial services* are relatively labour intensive and have grown at a significant rate. In addition to this, a number of industrial clusters with potential for growth have been identified in the Province. These include *stainless steel, agri-processing, agri-products, wood products, chemicals and tourism*.

The following strategic thrusts have informed the development of programmes:

- ❑ Enhance Provincial economic development to improve the quality of life for all.
- ❑ Prioritise the advancement of the second economy to address poverty and unemployment.

Key Priority Area 1: Economic Development

Strategic thrust			
Enhance Provincial economic development to improve the quality of life for all			
Programmes	Performance indicator	Targets	Responsibility
1. Maximum exploitation of agricultural potential and opportunities.	✓ Growth in agricultural investment, production and beneficiation.	✓ Increase sector contribution to GGP from 6.1% to 10% by the end of the 2008/2009 Financial Year.	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration. ✓ Department of Economic Development and Planning.

	✓ Increased sustainable employment in the agricultural sector.	✓ Increase sustainable job creation in the agricultural sector from 18% to 20% by the end of the 2014/2015 Financial Year.	✓ Department of Agriculture and Land Administration. ✓ Department of Economic Development and Planning.
	✓ Improved food security.	✓ Reduce food insecurity by 50% by the end of 2014.	✓ Department of Agriculture and Land Administration.
	✓ Increased number of sustainable agri business enterprises.	✓ 20% increase in beneficiation projects by the 2007/2008 Financial Year.	✓ Department of Agriculture and Land Administration. ✓ Department of Economic Development and Planning.
	✓ Broadened participation of previously disadvantaged persons in the agricultural economy.	✓ Implement National Agri BEE targets.	✓ Department of Agriculture and Land Administration ✓ Department of Economic Development and Planning.
2. Business Development Support.	✓ Improved support to business development opportunities.	✓ 10% increase in new sustainable businesses by the 2007/2008 Financial Year (baseline to be determined).	✓ Department of Economic Development and Planning.
	✓ Increased Foreign Direct Investment.	✓ R1.5 billion in FDI within three years.	✓ Department of Economic Development and Planning. ✓ MII.
	✓ Improved loans and financing to emerging businesses.	✓ 10% increase in loans to emerging businesses by 2007/2008 Financial Year.	✓ Department of Economic Development and Planning.

	✓ Increased number of business incubators established.	✓ Incubators established in each industry cluster by the 2009/2010 Financial Year.	✓ Department of Economic Development and Planning.
3. Beneficiation within economic sectors.	✓ Increased level of beneficiation and value added in the mining, forestry and manufacturing sectors.	<ul style="list-style-type: none"> ✓ Implementation of an integrated manufacturing strategy with initial implementation impact assessment achieved within two years. ✓ Increase in the number of economic clusters to cover all sectors by 2006/2007 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Economic Development and Planning. ✓ MII. ✓ Department of Agriculture and Land Administration.
	✓ Increased downstream value added manufacturing in petrochemicals and stainless steel.	✓ 20% increase in the number of new products manufactured.	✓ Department of Economic Development and Planning.
	✓ Increase in the number of broad based BEE firms in the beneficiation chain.	✓ At least twenty broad based BEE beneficiation firms established in the Province by 2014.	✓ Department of Economic Development and Planning.
	✓ Increased investment in manufacturing and beneficiation.	✓ Percentage increase in manufacturing sector contribution to GGP through new and expanded beneficiation projects (baseline to be determined).	✓ Department of Economic Development and Planning.
4. Promotion of the arts and culture industry.	✓ Increased investment in the arts and culture industry.	✓ Growth in arts and culture products.	<ul style="list-style-type: none"> ✓ Department of Culture, Sport and Recreation. ✓ Department of Economic Development and Planning.

5. Tourism growth promotion.	✓ Increased number of domestic tourists.	✓ 20% increase in the number of domestic tourists by the end of the 2008/2009 Financial Year.	✓ Mpumalanga Tourism Authority (MTA). ✓ Department of Economic Development and Planning.
	✓ Increased number of international tourists.	✓ 5% increase in the number of international tourists over a five-year period.	✓ Mpumalanga Tourism Authority (MTA). ✓ Department of Economic Development and Planning.
	✓ Broadening the participation of historically disadvantaged individuals (HDIs) in the tourism industry.	✓ 30% of the Provincial tourism industry owned by HDIs by the end of 2014.	✓ Mpumalanga Tourism Authority (MTA). ✓ Department of Economic Development and Planning.
6. Export promotion.	✓ Improve exports.	✓ Percentage increase in contribution to National exports (baseline to be determined).	✓ Department of Economic Development and Planning.
7. SMME development.	✓ Increased number and sustainability of SMMEs, in the labour intensive sectors such as agriculture and manufacturing.	✓ Percentage increase in the establishment of new SMMEs, in the targeted sectors, over three years (baseline to be determined).	✓ Department of Economic Development and Planning. ✓ MEEC. ✓ MADC.
8. Spatial Development Initiatives (SDIs).	✓ Increased level of economic activity and development along identified strategic SDIs.	✓ Percentage growth in economic activity along identified SDIs (baseline to be reviewed on an annual basis).	✓ Office of the Premier. ✓ Department of Economic Development and Planning.

	✓ Improved and increased transportation networks within and along strategic SDIs.	✓ Percentage growth in investment in SDI transportation networks. (Baseline to be determined).	✓ Office of the Premier. ✓ Department of Economic Development and Planning.
	✓ Increased number of Public Private Partnerships (PPP).	✓ At least three PPPs to be identified and implemented within each reporting cycle.	✓ Office of the Premier. ✓ Department of Economic Development and Planning.

Strategic thrust

Prioritise the advancement of the second economy to address poverty and unemployment

Programme	Performance Indicator	Targets	Responsibility
1. Extended Public Works Programme (EPWP).	✓ Number of jobs created through EPWP.	✓ 100 000 jobs created in the Province within five years.	✓ Department of Public Works. ✓ All public sector institutions.
	✓ Number of employees graduating through EPWP learnerships.	✓ 80% of entrants into EPWP graduate and find permanent employment over five years.	✓ Department of Public Works. ✓ All public sector institutions.
2. Local Economic Development (LED).	✓ Enhanced capacity of local Municipalities to drive LED.	✓ Increased percentage contribution to GGP by local Municipalities.	✓ Department of Local Government and Housing. ✓ All Municipalities.
	✓ Number of jobs created through LED initiatives.	✓ Increased employment levels in local Municipalities.	✓ Department of Local Government and Housing. ✓ All Municipalities.

	<ul style="list-style-type: none"> ✓ Database of LED initiatives at Local Government Level in place. 	<ul style="list-style-type: none"> ✓ Information accessible by the end of June 2005 and update on a half-yearly basis. 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing. ✓ Department of Economic Development and Planning. ✓ All Municipalities.
	<ul style="list-style-type: none"> ✓ Effective implementation of LED learnerships. 	<ul style="list-style-type: none"> ✓ LED learnerships rolled out in all municipalities by the 2007/2008 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing. ✓ Department of Economic Development and Planning. ✓ All Municipalities.
3. Broad Based Economic Empowerment.	<ul style="list-style-type: none"> ✓ Increased participation of women, youth and the disabled. 	<ul style="list-style-type: none"> ✓ 30% ownership by women, youth and the disabled by the end of the 2008/2009 Financial Year. ✓ 50% of Government procurement expenditure, is granted to BEE companies, (of which 15% is capital projects granted to women, youth and disabled). 	<ul style="list-style-type: none"> ✓ Department of Economic Development and Planning. ✓ All economic development agencies.
	<ul style="list-style-type: none"> ✓ Increase equity and management representation in the economy. 	<ul style="list-style-type: none"> ✓ BEE scorecard targets met within Nationally specified periods. 	<ul style="list-style-type: none"> ✓ Department of Economic Development and Planning. ✓ All economic development agencies.
	<ul style="list-style-type: none"> ✓ Increased procurement expenditure by big business to local contractors. 	<ul style="list-style-type: none"> ✓ 40% of procurement expenditure to local contractors over a period of three years. 	<ul style="list-style-type: none"> ✓ Department of Economic Development and Planning. ✓ All economic development agencies.

4. Urban and Rural Development Programme.	<ul style="list-style-type: none"> ✓ Increased access to land for business development. 	<ul style="list-style-type: none"> ✓ Spatial/land use patterns (transfer of land) reflect increased provision for business development needs in all Municipalities. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Economic Development and Planning. ✓ All public sector institutions.
	<ul style="list-style-type: none"> ✓ Increased investment in infrastructure (technology, equipment and skills) in rural areas. 	<ul style="list-style-type: none"> ✓ Multi sectoral business service centres located in each settlement/ village by the end of 2014. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Economic Development and Planning. ✓ All public sector institutions.
	<ul style="list-style-type: none"> ✓ Increased levels of employment and household incomes. 	<ul style="list-style-type: none"> ✓ At least 50% of households should have an income above the R800 poverty line per month by the end of 2014. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Economic Development and Planning. ✓ All public sector institutions.

Key Priority Area 2: Development Infrastructure

OVERVIEW OF DEVELOPMENT INFRASTRUCTURE

Government has long recognised that access to infrastructure is critical in the fight against poverty, in raising the standard of living of all South Africans and in nurturing economic activity. It is against this background that the Development Infrastructure Priority Area was established with the aim of ensuring that basic acceptable levels of services are provided to the Provincial population.

Infrastructure comprises of immovable physical structures constructed with the purpose of supporting wealth creation and improving the quality of life. This includes water and sanitation services, roads, access to electricity, housing, transport, land reform, information and communication technology and roads.

KEY ISSUES

Mpumalanga in general has a relatively well-developed road network. However, the roads in rural areas are in a poor condition and most of the roads are gravel.

The main road network in Mpumalanga covers approximately 23 968 km. Out of this, 700 km are Primary or National roads, which are maintained by National Government, and 15 885 km are Secondary or Provincial roads, maintained by Provincial Government. The Province also consists of 7 383 km of tertiary or unproclaimed gravel roads (Development Bank of Southern Africa, Development Information Business Unit, 2004:29).

The N4 between Pretoria and Maputo is the responsibility of the South African National Roads Agency and forms the core of the Maputo Development Corridor. The Maputo Development Corridor is a project that was established by the South African and Mozambican Departments of Transport. The project includes the N4 toll road, the Maputo Port, the Lebombo Border Post, the railway network and energy supplies. The Trans Africa Concessions (TRAC) Consortium has been awarded a contract to upgrade the N4 toll road and to maintain the road over a 30-year period. Three of the toll plazas are situated within the boundaries of the Province.

Within the Mpumalanga Province, the N4 is about 410 km in length. Current traffic flows on the N4 vary from 15 000 vehicles per day (vpd), of which about 1 000 vehicles (6.7%) are classified as heavy between Witbank and Middelburg to 2 500 vpd, of which 5000 vehicles (20%) are classified as heavy on the section near Komatipoort.

There are 435 025 registered vehicles in Mpumalanga (figures as at 30 April 2004). During the same period the Province recorded 12 916 unlicensed vehicles (National Department of Transport).

According to the DBSA, the railway network in Mpumalanga covers approximately 2 083 km. The important trajectories are the Pretoria-Maputo trajectory, linking the coal mines in Mpumalanga with the Richards Bay Harbour and the Johannesburg-Durban trajectory of which portions run through Mpumalanga. Spoornet's (Shosholosa Meyl) operates a daily passenger train service between Johannesburg (via Pretoria) and Maputo. Travel time is approximately 18 hours. (DBSA, DIBU, 2004:27),

Currently the Kruger Mpumalanga International Airport is the main air travel centre of Mpumalanga. There are 15 licensed aerodromes/landing strips in Mpumalanga of which 8 are public licensed aerodromes/landing strips, while the remaining 7 are private aerodromes/landing strips.

Water Infrastructure: Census information for 1996 and 2001 indicate that the percentage of households with below basic access to water has decreased from 17,8% to 12,9%.

The number of households with basic/intermediate/full access to water has increased between 1996 and 2001 from 497 000 to more than 682 000. (**Below basic** is defined as: water carrier, tanker, borehole, rainwater, tank, well, dam, river, stream, spring, other, unspecified).

Basic implies public tap; **intermediate** implies piped water on site; and **full** is defined as piped water in a dwelling (DBSA, DIBU, 2004:23).

Electricity Networks: The percentage of households that use electricity for lighting purposes increased from 56, 6% in 1996 to 68,6% in 2001. The remainder still relies on gas, candles, etc. for lighting purposes. The total number of consumers in Mpumalanga has increased from 409 000 in 1998 to almost 677 000 in 2000. Sales increased from 32 308 534 MWh to 36 627 862 MWh.

The majority of the consumers are domestic consumers which amounts to 519 990 persons, whilst sales in the manufacturing sector topped the list with 27 866 356 MWh (DBSA, DIBU, 2004:24).

Of the 15 power stations in the Province, 11 belongs to Eskom, two to Municipalities and two to private institutions. Twelve of these power stations are coal-powered stations. (DBSA, DIBU, 2004:24).

Sanitation and Refuse Removal: The percentage of households with below basic access to sanitation (bucket latrine, none, unspecified) increased from 12.8% in 1996 to 13% in 2001. This is mainly due to the fact that more households indicated that they had no access to any form of sanitation (DBSA, DIBU, 2004:29).

The percentage of households with refuse collection services or access to a communal refuse dump remains unchanged from 1996 to 2001, namely 42,8% (DBSA, DIBU, 2004:29).

Information and Communication Technology: According to the DBSA, the percentage of households with below basic access to telephones has decreased significantly from 21.5% in 1996 to 8.3% in 2001 (DBSA, DIBU, 2004:25). In Mpumalanga Province, only 8.7% of the schools have computers. The learner computer ratio is equal to 298:1.

Housing: A survey carried out during January to July by the Department of Local Government and Housing, indicated a housing backlog of more than 113 000 houses. The Department built 14 498 houses during the 2003/2004 Financial Year under the different housing instruments. The annual target of 13 567 was exceeded because the rolled-over project started delivering during the year. The challenges experienced by the Department include accelerating the housing provision in order to address the housing backlog, improving the quality of houses, obtaining adequate funding to deal with the housing backlog and the availability of land to build houses.

During the period April 1994 to March 2001, 68 860 top structures were completed, and during the same period 72 131 housing subsidies were approved (DBSA, DIBU, 2004:31).

The informal housing numbers and pattern give a broad indication of the housing need in the Province. The greatest need appears to be in the western part of the Province, particularly in the Nkangala and Gert Sibande Districts.

Land Reform: The total land area of Mpumalanga Province is 79 490 000 hectares. 3.4% of this total land area, has been transferred as part of the land reform programme. This is below the RDP target set in 1994 of 30% of privately owned land transferred in five years, but is slightly higher than the National average which is just below 3 % of the total land surface of South Africa.

In terms of the Restitution of Land Rights Act, 1994 more than 5 000 claims have been submitted to the Land Claims Commissioner. Restitution claims need to be settled by the end of 2005 according to a Presidential deadline. The Department of Land Affairs has stated that if the current levels of resources (human and capital) are maintained, the deadline will be difficult to meet. The average budgetary commitment towards the entire land reform programme over the past 10 years has been around 0.5% of the total National Budget. No targets have been set for the settlement of Labour Tenant claims that mostly occur within KwaZulu-Natal and Mpumalanga Provinces.

The then Department of Agriculture, Conservation and Environment contributed to the implementation of Land Reform and Development (LRAD) by rendering pre- and post settlement services. All expectations were met during the pre-settlement phase, but many approved projects could not be implemented due to a lack of grant funds from the National Department of Land Affairs. This seriously affects the continued availability of land on a 'willing buyer, willing seller' basis and adds to the frustration of both the prospective new entrant and the seller. No funds were available for new development projects and the Department was implementing projects that were funded through conditional grants. The situation is partly

addressed by entering into joint ventures for extension and training (e.g. Cotton SA and TRAC).

The need for the upgrading of tenure rights in towns and settlements in the former homeland areas is in excess of 200 000 erven. Since the inception of the Tenure Upgrading Programme in the 2000/2001 Financial Year, 32 000 erven have been taken up and are being upgraded. That is only 6% of the need over a period of 5 years.

The following strategic thrust have informed the development of programmes:

- The development of multi faceted infrastructure to address basic needs and improve the quality of life.

Key Priority Area 2: Development Infrastructure

Strategic thrust			
The development of multi-faceted infrastructure to address basic needs and improve the quality of life			
Programmes	Performance indicator	Targets	Responsibility
1. Provision of safe and adequate transport infrastructure.	✓ Improved passenger and freight transport system.	<ul style="list-style-type: none"> ✓ 35% improvement in passenger carrying capacity on road and rail. ✓ 25% improvement in freight carrying and handling capacity on road and rail by 2014. ✓ Resolutions adopted at the 2004 taxi indaba to be implemented within a three-year period. 	✓ Department of Roads and Transport.
	✓ Improvement in road and rail safety.	✓ 30% decrease in road and rail accidents (baseline to be determined).	✓ Department of Roads and Transport.

	<ul style="list-style-type: none"> ✓ Improved Provincial road network system. 	<ul style="list-style-type: none"> ✓ Km's of roads maintained (baseline to be determined). ✓ Km's of roads upgraded (baseline to be determined). ✓ Km's of road constructed (baseline to be determined). ✓ 80% of households with direct access to a road that is at least 80% graded and 20% gravel within five years. 	<ul style="list-style-type: none"> ✓ Department of Roads and Transport.
	<ul style="list-style-type: none"> ✓ Improved access to public transport. ✓ Increased number of subsidized routes for the poor. 	<ul style="list-style-type: none"> ✓ All public transport infrastructure is accessible to people with disabilities by 2014. ✓ At least 70% of qualifying routes receive subsidies by 2014. 	<ul style="list-style-type: none"> ✓ Department of Roads and Transport.
2. Support the smooth implementation of the Taxi Recapitalization project.	<ul style="list-style-type: none"> ✓ Programme effectively rolled out in the Province. 	<ul style="list-style-type: none"> ✓ Conversion of all permits to operating licenses by 2006/2007 Financial Year. ✓ Full registration of taxi associations by 2006/2007 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Roads and Transport.

3. Provision of clean and safe water.	✓ Increased access to water for all households.	<ul style="list-style-type: none"> ✓ Provide 20-30 litres of clean safe water per capita per day within 200 meters to all households within five years. ✓ Increased level of free basic services provided to the poor by 2007 (baseline to be determined). 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing. ✓ All Municipalities.
4. Provision of electricity.	✓ Increased access to electricity for all households.	<ul style="list-style-type: none"> ✓ Provide all households with access to electricity within five years. ✓ Increased level of free basic services provided to the poor by 2007 (baseline to be determined). 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing. ✓ All Municipalities.
5. Provision of sanitation facilities.	✓ Improved access to sanitation facilities.	<ul style="list-style-type: none"> ✓ Eliminate the bucket system and unimproved pit latrines within five years. ✓ 50% increase in access by households to refuse removal services or a communal refuse dump. 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing.
6. Provision of quality housing facilities.	✓ Increased access to housing facilities.	<ul style="list-style-type: none"> ✓ Reduction of housing backlogs from 145 000 to 60 000 within a five year period. ✓ Waiting lists (applications lodged) between 1994 and 1999 are prioritised and eliminated within a three-year period. 	<ul style="list-style-type: none"> ✓ Department of Local Government and Housing.

7. Facilitation of integrated land reform.	✓ Increased number of land redistribution projects.	✓ 30% of all agricultural land in the Province redistributed by the end of 2014.	✓ Department of Agriculture and Land Administration.
	✓ Increased number of settled restitution claims.	✓ All claims settled by the end of 2005.	✓ Department of Agriculture and Land Administration.
	✓ Increased number of secured farm rights for farm dwellers through ESTA and the Land Reform (Labour Tenants) Act, 1996.	✓ All labour tenant claims settled by 2014.	✓ Department of Agriculture and Land Administration.
	✓ Increase in the amount of State land disposed.	✓ 60% of State land disposed for land reform purposes.	✓ Department of Agriculture and Land Administration.
8. Facilitation of Information and Communication Technologies (ICT) infrastructure development.	✓ Increased access to ICT infrastructure and facilities.	<ul style="list-style-type: none"> ✓ Increase in Provincial ICT investment (baseline to be determined). ✓ Percentage increase in access at schools and community service centres (baseline to be determined). 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Education. ✓ Department of Finance.
	✓ Increased ICT knowledge and skills in communities.	✓ Percentage increase in ICT training programmes provided to communities at community service centres.	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Education.
	✓ Improved service delivery through the use of ICTs.	✓ 70% of Government services available online within five years.	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ Department of Education. ✓ Department of Finance.

Key Priority Area 3: Social Development

OVERVIEW OF SOCIAL SERVICES

The Province, due to its rural nature, will for many years have to meet the challenge of addressing social development backlogs. The glaring backlogs are in the former homeland areas and cover the spectrum of a shortage and lack of facilities in schools, clinics, hospitals, police stations, and recreational facilities.

Social services form part of the human basic need requirements. If an economy is unable to meet the basic needs of the people it would result in poverty, malnutrition, unemployment and political instability. This implies that social services must address the needs of the people in order to alleviate poverty. Social services are one of the key components of any development strategy and include education, health, cultural and recreation facilities. The availability of social services in a particular area is directly linked to the socio-economic development level of that area.

The Millennium Declaration consists of a framework of goals, targets and indicators to measure progress towards the Millennium Development Goals. The Millennium Development Goals were developed by the United Nations at the 2000 Millennium Summit and are commonly accepted as a framework for measuring development progress across the globe. Six of the goals are particularly applicable to social infrastructure, namely:

- ❑ Eradicate extreme poverty and hunger.
- ❑ Achieve universal primary education.
- ❑ Promote gender inequality and empower women.
- ❑ Reduce child mortality.
- ❑ Improve maternal health.
- ❑ Combat HIV/AIDS, malaria and other diseases.

KEY ISSUES

The provision of health facilities particularly in rural areas remains a challenge across the Province. Communicable diseases such as TB, malaria, HIV and Aids remain as key causes for mortality. An integrated strategy to tackle the HIV and Aids pandemic forms a key part of this strategy. The attraction of health professionals to the Province needs to be improved as the current doctor to patient and nurse to patient ratios are below the National average.

The ability of the Province to spread the social security net across the Province remains a key programme. The reduction in crime rates across the Province is another key programme. Sport and recreational facilities are far and few between in certain areas and the need exists for the provision of soccer, cricket and multi-purpose sport fields.

The Province is home to various heritage sites of both cultural and natural significance. The challenge is to preserve these and to develop more sites that qualify for National Heritage status. In this way the tourism potential of the area will be enhanced and this could be supplemented with the introduction of authentic and unique arts and crafts.

A large part of Provincial expenditure is spent on health, social services and education. There is still a need, however, to effectively target public expenditure towards the poor, which will reduce the risks faced by poor households. Targeted interventions in support of women, youth, disabled people and other vulnerable groups should be part of this re-prioritisation and focusing on attaining high levels of social development that will ensure a well educated citizenry that is healthy, safe and has access to sufficient recreational facilities.

The following strategic thrust have informed the development of programmes:

- Attain high levels of social development that will ensure a well-educated citizenry that is healthy, safe and has access to sufficient recreational facilities.

Key Priority Area 3: Social Development

Strategic thrust			
Attain high levels of social development that will ensure a well educated citizenry that is healthy, safe and has access to sufficient recreational facilities.			
Programmes	Performance indicator	Targets	Responsibility
1. Comprehensive and adequate health services.	✓ Increased access to primary health care services.	<ul style="list-style-type: none"> ✓ 20% decrease in backlog of health facilities by 2005/2006 Financial Year. ✓ Achieve staffing norms and standards by 2014. ✓ 3% reduction in the number of deaths caused by communicable diseases by the 2008/2009 Financial Year. 	✓ Department of Health and Social Services.

	✓ Increased access to integrated HIV and Aids prevention programmes.	✓ 10% reduction in HIV infection rate by the 2008/2009 Financial Year.	✓ Department of Health and Social Services.
2. Co-ordinated social security services.	✓ Improved access to social security services.	✓ Eligible beneficiaries for social grants receive their grants in terms of determined norms and standards by the 2006/2007 Financial Year.	✓ Department of Health and Social Services.
3. Co-ordinated social welfare services.	✓ Improved access to social welfare services.	✓ 100% compliance with minimum National norms and standards by the 2006/2007 Financial Year.	✓ Department of Health and Social Services.
4. Co-ordinated social development.	<ul style="list-style-type: none"> ✓ Increased number of poverty alleviation projects. ✓ Improved capacity for monitoring and impact evaluation of poverty alleviation initiatives. 	<ul style="list-style-type: none"> ✓ A comprehensive strategy for the integrated implementation and coordination of poverty alleviation projects exists by the 2005/2006 Financial Year. ✓ 10% increase in the number of sustainable poverty alleviation projects by the 2007/2008 Financial Year. 	<ul style="list-style-type: none"> ✓ All Public Sector Institutions. ✓ Office of the Premier. ✓ Department of Health and Social Services, Department of Agriculture and Land Admin.
5. Safety and Security.	✓ Improved public safety.	✓ 15% decrease in the incidences of crime within five years.	✓ Department of Safety and Security.
6. Culture, Sport and Recreation.	✓ Increased number of community sport and recreation programmes.	✓ At least five community sport and recreation programmes implemented in each District Municipality over a reporting cycle.	✓ Department of Culture, Sport and Recreation.

Key Priority Area 4: Sustainable Environmental Development

SUSTAINABLE ENVIRONMENTAL DEVELOPMENT

The importance of environmental development lies in the fact that the provision of social services and economic growth, indeed the success of all development initiatives, depends on the sustainable utilisation of natural resources. This implies that environmental management, nature conservation and sustainable development should underline economic and social development.

The environment is defined as "...the natural environment and the physical, chemical, aesthetic and cultural properties of it that influence human health and well being", by the National Environmental Management Act, 1998 (NEMA, 1998). The priority area: Environmental Development concerns itself primarily with the natural environment, which is a cross-cutting issue that has important linkages with other development areas such as Good Governance and health.

The natural environment is constantly in flux due to human and natural interventions and recent trends indicate that the global environment continues to suffer because of human development. Globalisation has added a new dimension to the environmental challenges faced by the international community, in particular because the costs and benefits of globalisation are unevenly distributed between developed and developing countries. Developing countries continue to face special difficulties in addressing sustainable environmental development.

As one of the Millennium Development Goals, ensuring environmental sustainability is not only an end in its own right; it is also a crucial factor in achieving the other goals, such as reducing poverty and hunger. (UNEP, 2002) The eight Millennium Development Goals were developed by the United Nations at the 2000 Millennium Summit and are commonly accepted as a framework for measuring development progress across the globe. They combine social and environmental issues and focus the efforts of the world community on achieving significant, measurable improvements in people's lives.

The South African State of the Environment Report (1999: 40) acknowledges "the debate is not about environment versus development, but environment and development, i.e. how to optimise development whilst optimising the ability of the environment to continue to deliver life supporting services." (SoE, 1999: 40) It is within this context that the South African Government must provide a climate conducive to environmental conservation and sustainable development through policy formulation and development of environmental management strategies.

South Africa complies with international guidelines such as Agenda 21 and the WSSD Plan of Implementation and has wide-ranging environmental legislation in place. However, responsibility for implementation is spread across a number of Department's (e.g. Agriculture, Water Affairs and Forestry and Health), from

National to local level. This often results in discrepancies, anomalies and ineffectiveness.

KEY ISSUES

Waste Management: Mpumalanga's per capita waste generation is higher than the National average and the Province is the largest producer of hazardous waste in South Africa. A large number of households in the Province do not have formal means of waste disposal. For example, only 34% of households in the Ehlanzeni District Municipality have access to formal means of waste disposal.

Air Pollution: The energy sector is the dominant source of air pollution in Mpumalanga. Three quarters of South Africa's electricity is generated in Mpumalanga and 8 of the 11 operational coal-fired power stations are located in the Province. This causes pollutants such as particulates, sulphur dioxide and nitrogen oxides.

Water resources: The average annual rainfall in Mpumalanga is 767 mm, 85% of which falls during the summer months. 65% of the water available in the Province comes from surface water resources. 46% of the water used in the Province is for irrigation by the agricultural sector.

Terrestrial resources: Mpumalanga has a high biological diversity with plants and birds being particularly well represented. The Province has three recognised centres of endemism and 1 proposed centre of endemism. The Province has more than 100 km² of sites of high intrinsic biodiversity value, but less than a quarter of this land is protected. Nearly 15% of Mpumalanga's surface area is conserved, but 98% of this area falls within the Kruger National Park.

District Municipalities are charged with exercising a number of duties including: IDP planning, provision of water, electricity, sewage, health and waste disposal and as such must take environmental considerations into account when doing their planning. Local Municipalities are responsible for regulating air pollution and refuse removal and dumps. According to the Municipal Structures Act (Act No. 32 of 2000) District and Local Municipalities are responsible for developing Integrated Development Plans (IDPs), which outline their priorities and future planning. These IDPs must integrate environmental issues with their objectives. A survey completed recently reviewed 14 local IDPs in Mpumalanga and discovered that knowledge of environmental issues and legislation was not adequately reflected in the IDPs. The challenge facing the Province is to raise awareness concerning environmental issues at District and local level and reflect environmental elements in integrated planning.

The following strategic thrust has informed the development of programmes:

- To ensure sustainable development and environmental management.

Key Priority Area 4: Sustainable Environmental Development

Strategic thrust			
To ensure sustainable development and environmental management			
Programmes	Performance indicator	Targets	Responsibility
1. Environmental management.	✓ Adherence to international treaties and conventions.	✓ Conform with international conventions and agreements on environmental issues.	✓ Department of Agriculture and Land Administration.
	✓ Improved state and health of environment.	<ul style="list-style-type: none"> ✓ 100% compliance with international treaties and conventions by the end of the 2007/2008 Financial Year. ✓ 100% compliance with the environmental regulatory framework by the end of the 2008/2009 Financial Year. 	✓ Department of Agriculture and Land Administration.
	✓ Increased compliance with Environmental Implementation Plan (EIP).	✓ Departments and Municipalities meet targets in EIP.	✓ Department of Agriculture and Land Administration.
	✓ Improved biodiversity conservation.	<ul style="list-style-type: none"> ✓ Conserve 80% of high intrinsic bio-diversity land by the end of 2014. ✓ 4% increase in area of land under conservation by 2014. ✓ Percentage increase in species protection programmes. 	✓ Department of Agriculture and Land Administration.
	✓ Increased capacity for environmental monitoring, compliance and enforcement.	✓ Departmental establishment makes provision for resources by the 2006/2007 Financial Year.	✓ Department of Agriculture and Land Administration.

	<ul style="list-style-type: none"> ✓ Improved integrated waste management systems. 	<ul style="list-style-type: none"> ✓ Legally permitted disposal facilities exist within each Municipality. ✓ Each Municipality develops and implements an integrated waste management plan. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
	<ul style="list-style-type: none"> ✓ Integrated air quality monitoring systems are developed and in place. 	<ul style="list-style-type: none"> ✓ Each District Municipality develops and implements an integrated air quality plan. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
2. Environmental rehabilitation programme.	<ul style="list-style-type: none"> ✓ Increase the participation of the Province in Land Care programmes. ✓ Increase the participation of the Province in Working for Water programmes. 	<ul style="list-style-type: none"> ✓ Participation of the Province in all Land Care programmes within two years. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
3. Community based natural resource management.	<ul style="list-style-type: none"> ✓ Sustainable systems for natural resource utilisation. 	<ul style="list-style-type: none"> ✓ Systems for natural resource utilisation within Protected Areas implemented by the end of 2007/2008 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
4. Sustainable Development.	<ul style="list-style-type: none"> ✓ Sustainable development strategy in place. 	<ul style="list-style-type: none"> ✓ Sustainable development indicators in place. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
	<ul style="list-style-type: none"> ✓ Increased levels of energy efficiency and renewable energy use. 	<ul style="list-style-type: none"> ✓ At least 20% of energy use of the Province is renewable by the end of 2014. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.
	<ul style="list-style-type: none"> ✓ Integrated intergovernmental approach to sustainable development. 	<ul style="list-style-type: none"> ✓ Compliance with National targets achieved by the end of 2007/2009 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Agriculture and Land Administration.

Key Development Priority 5: Good Governance

OVERVIEW OF GOOD GOVERNANCE

Governance refers to the "...process of decision-making and the process by which decisions are implemented (or not implemented)." (UNESCAP website, 2003). The PGDS is primarily concerned with governance at a Provincial and Local level in the context of the Mpumalanga Province.

The World Development Report (2000/2001) indicates that "poverty is an outcome not only of economic processes-it is an outcome of interacting economic, social, and political forces. In particular, it is an outcome of the accountability and responsiveness of state institutions." The report further states that effective service delivery will take place if public administrations implement policies effectively and are accountable and responsive to users. Corruption and harassment is curbed and the power of the State is used to redistribute resources for actions benefiting poor people.

The Constitution of the Republic of South Africa further stipulates that the public administration should adhere to a number of principles including:

- ❑ A high standard of professional ethics should be promoted and maintained.
- ❑ Services should be provided impartially, fairly, equitably and without bias.
- ❑ Resources should be utilised efficiently, economically and effectively.
- ❑ People's needs should be responded to.
- ❑ The public should be encouraged to participate in policy-making.
- ❑ Public administration should be accountable, transparent and development-oriented.

Provincial Governments play an important role in promoting a culture of integrated planning and delivery, a policy of co-operative governance and the actual delivery of goods and services. It is important that Provincial and Local Government planning reflects and promotes elements of Good Governance to further the sustainable development of the Province.

KEY ISSUES

The key issue facing the MPG, with regard to good governance, is to ensure the effective integration and coordination of service delivery within and amongst Provincial departments as well as between spheres of Government. Linked to this, is the need to strengthen the fight against fraud and corruption and the continued implementation of stringent financial management mechanisms.

The following strategic thrusts have informed the development of programmes:

- ❑ Enhance and develop the institutional capacity of the public sector to ensure effective and efficient service delivery.

- Promote and enhance co-operative governance for integrated service delivery.
- Promote a culture of accountability and transparency in the public sector.
- Improved integrated service delivery through innovative and proactive practices.
- Strengthening of the partnerships and community participation in development and service delivery.

Key Priority Area 5: Good Governance

STRATEGIC THRUST			
Enhance and develop the institutional capacity of the public sector to ensure effective and efficient service delivery.			
Programmes	Performance indicator	Targets	Responsibility
1. Effective implementation of performance management.	✓ Performance agreements and employee performance plans to be signed and monitored.	✓ 100% by the end of the 2005/06 Financial Year.	✓ All public sector institutions.
	✓ Service delivery impact is achieved through the attainment of Departmental objectives within approved budget.	✓ 100% achievement of specified service delivery targets on a quarterly and annual basis.	✓ All public sector institutions.
2. Ensure effective development and utilisation of human capital.	✓ Correct placement of human capital against suitable posts.	✓ Skills audit finalised by the end of the 2004/05 Financial Year. ✓ Correct person-to-post matching and placements achieved by the end of the 2005/06 Financial Year.	✓ All public sector institutions. ✓ Office of the Premier.
	✓ Development of human capital in line with Personal Development Plans (PDP) and career paths.	✓ Every employee has an opportunity to undergo training to address specific skills requirements.	✓ All public sector institutions.
3. Support the development of institutional capacity in Local Government.	✓ A management support framework detailing key intervention programmes is developed and implemented.	✓ Framework developed and implemented by the end of the 2005/2006 Financial Year.	✓ Department of Local Government and Housing. ✓ Office of the Premier.

	✓ Budget and expenditure in line with Municipal programmes and delivery targets.	✓ Quarterly and annual expenditure in line with programmes and targets.	✓ All Municipalities.
4. Develop leadership capacity in public institutions.	✓ Best practice, innovations and new models adopted in managing service delivery.	✓ Each public sector institution implements one best practice, innovation or new model per reporting cycle.	✓ All public sector institutions.
	✓ Service delivery innovation and knowledge management hub established.	✓ An innovation and knowledge management hub is established for the Province by the 2006/07 Financial Year.	✓ Office of the Premier.
	✓ Availability of researched and accurate information for informed decision-making.	✓ An executive decision-making support system is developed and implemented by the end of the 2005/06 Financial Year.	✓ Office of the Premier.
	✓ Successful implementation of all Executive Council decisions.	✓ All Executive Council decisions implemented.	✓ All public sector institutions.

Strategic thrust

Promote and enhance cooperative governance for integrated service delivery.

Programmes	Performance indicator	Targets	Responsibility
1. Promote integrated development planning and implementation.	✓ National (MTSF) Provincial (PGDS) and Municipal (IDP) planning frameworks are harmonised and aligned.	✓ All plans are aligned on an annual basis.	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Office of the Premier. ✓ Department of Local Government and Housing.
	✓ Effective implementation and functioning of coordinating inter-Governmental structures.	✓ Clear terms of reference and work plan for each structure is in place and implemented per reporting cycle.	✓ Office of the Premier.

2. Strengthen the contribution of Traditional Institutions to service delivery and good governance.	✓ Increased participation of Traditional Institutions in Provincial and Municipal planning and implementation processes.	✓ Each District Municipality should initiate at least four joint programmes with Traditional Institutions within a reporting cycle.	✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ All District Municipalities.
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Strategic thrust

Promote a culture of accountability and transparency in the public sector

Programmes	Performance indicator	Targets	Responsibility
1. Strengthen financial management.	<ul style="list-style-type: none"> ✓ Unqualified audit reports received by all public sector institutions. ✓ Auditor-General's report without "Emphasis of the Matter" comments. 	<ul style="list-style-type: none"> ✓ 100% by the end of the 2006/07 Financial Year. ✓ Total elimination of "Emphasis of the Matter" comments on all Provincial Annual Financial Statements by the end of the 2005/2006 Financial Year. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Provincial Treasury.
	<ul style="list-style-type: none"> ✓ Budget allocations and expenditure in line with Government programmes and delivery targets. 	<ul style="list-style-type: none"> ✓ Quarterly and annual expenditure in line with programmes and targets on an ongoing basis. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Provincial Treasury.
2. Implement effective anti-corruption and fraud measures.	<ul style="list-style-type: none"> ✓ Decrease in all cases of corruption and fraud. ✓ Effective fraud and corruption investigative capacity. 	<ul style="list-style-type: none"> ✓ 50% decrease in cases of fraud and corruption by the end of the 2007/08 Financial Year. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Provincial Treasury.
3. Improve and effectively manage internal control systems.	<ul style="list-style-type: none"> ✓ Risk management plans developed and implemented in public sector institutions. 	<ul style="list-style-type: none"> ✓ All risk management plans approved and implemented by the end of the 2005/06 Financial Year. ✓ Fully functional Internal Audit Units in all Departments by the end of 2005/2006. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Provincial Treasury.

4. Establish and maintain an effective Provincial Monitoring and Evaluation system.	✓ Impact of Government programmes is measured and gaps and opportunities for service delivery improvement identified.	✓ System is fully functional by the end of the 2004/2005 Financial Year. ✓ Information reports on the outcome and impact of Government programmes is available at any point in time.	✓ Office of the Premier.
	✓ Monitoring and evaluation capacity exists within all public sector institutions.	✓ A framework for monitoring and evaluation is developed in all public sector institutions and responsible officials are capacitated by the end of the 2005/2006 Financial Year.	✓ Office of the Premier. ✓ All public sector institutions.
5. Strengthen compliance with the Government regulatory framework.	✓ Decrease incidences and cases of litigation against Government and its employees resulting from non-compliance and poor performance.	✓ Total elimination of cases of litigation resulting from non-compliance by the end of the 2005/2006 Financial Year.	✓ All public sector institutions.
	✓ Compliance capacity established in all public sector institutions.	✓ All public institutions capacitated to comply with Government regulations and policies on an ongoing basis.	✓ All public sector institutions. ✓ Office of the Premier.
Strategic thrust			
Improved integrated service delivery through innovative and proactive practices			
Programmes	Performance indicator	Targets	Responsibility
1. Implementation of the Batho Pele change management/revitalisation campaign.	✓ Leadership capacity established in Departments to champion and implement the campaign.	✓ Service delivery improvement coordinators appointed in Departmental programme management units.	✓ All public sector institutions. ✓ Office of the Premier.
	✓ Integration of Batho Pele into the performance management system of Government.	✓ Performance agreements and plans articulate clear performance targets for Batho Pele implementation.	✓ All public sector institutions. ✓ Office of the Premier.

	<ul style="list-style-type: none"> ✓ Service delivery improvement plans and standards are developed and published. 	<ul style="list-style-type: none"> ✓ All public sector institutions publish plans by the end of the 2004/2005 Financial Year. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Office of the Premier.
	<ul style="list-style-type: none"> ✓ Customer surveys reflect satisfaction with Government service delivery. 	<ul style="list-style-type: none"> ✓ Results from surveys reflect an increase in satisfaction index on an annual basis. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Office of the Premier.
	<ul style="list-style-type: none"> ✓ Effective and timeous reporting on Batho Pele implementation. 	<ul style="list-style-type: none"> ✓ Adherence to the reporting requirements of the Public Service Commission. 	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Office of the Premier.
2. Implementation of the Multi Purpose Community Centres (MPCC) programme.	<ul style="list-style-type: none"> ✓ The MPCC programme is fully integrated into IDPs. 	<ul style="list-style-type: none"> ✓ All Municipalities have implementation plans for MPCCs. ✓ Each Municipality has established at least two MPCCs by the end of the 2006/2007 Financial Year. ✓ 136 MPCCs are established and fully functional in the Province by the end of 2014. 	<ul style="list-style-type: none"> ✓ All Municipalities. ✓ Department of Local Government and Housing. ✓ Office of the Premier.
	<ul style="list-style-type: none"> ✓ An integrated package of Government services is available at each MPCC. 	<ul style="list-style-type: none"> ✓ Each MPCC that is established is to provide access to the E-Gateway of electronic Government services by the 2008/2009 Financial Year. 	<ul style="list-style-type: none"> ✓ All Municipalities. ✓ Department of Local Government and Housing. ✓ Office of the Premier.
4. Implementation of the Community Development Worker (CDW) programme.	<ul style="list-style-type: none"> ✓ Improved accessibility to Government services by the community, particularly in under-served areas. 	<ul style="list-style-type: none"> ✓ 200 Community Development Workers deployed by the end of the 2006/2007 Financial Year. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing.
5. Strengthen the capacity of parastatals to contribute effectively to service delivery.	<ul style="list-style-type: none"> ✓ Effective corporate governance in terms of the King report. 	<ul style="list-style-type: none"> ✓ 100% compliance is achieved by the end of the 2005/2006 Financial Year. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Responsible Provincial Departments. ✓ All Provincial parastatals.

	<ul style="list-style-type: none"> ✓ Parastatal programmes informed by and integrated with Provincial priorities and programmes. 	<ul style="list-style-type: none"> ✓ Provincial service delivery targets are met by parastatals. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Responsible Provincial Departments. ✓ All Provincial parastatals.
	<ul style="list-style-type: none"> ✓ Improved contribution by parastatals to economic growth and investment. 	<ul style="list-style-type: none"> ✓ Return on investment is measured against parastatal expenditure per reporting cycle. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Responsible Provincial Departments. ✓ All Provincial parastatals.
6. Strengthen the contribution of Memoranda of Understanding (MOU) (local and international partnerships) to service delivery and Good Governance.	<ul style="list-style-type: none"> ✓ Increase in the number of service delivery and Good Governance programmes as a result of the MOUs and partnerships. 	<ul style="list-style-type: none"> ✓ Impact evaluation conducted annually for all MOUs and partnerships to establish contribution to service delivery. ✓ At least one project per MOU cooperation focus area is implemented within two years of signing such a MOU. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Provincial Departments. ✓ Municipalities.

Strategic thrust

Strengthening of social partnerships and community participation in development and service delivery

Programmes	Performance indicator	Targets	Responsibility
1. To strengthen sector development consultative processes.	<ul style="list-style-type: none"> ✓ The number of fora established to facilitate consultation. ✓ The number of fora established to facilitate consultation between Government and civil society (NGOs, CBOs). 	<ul style="list-style-type: none"> ✓ A consultative forum is established for each sector by the 2005/2006 Financial Year. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Responsible sector Departments.
2. Strengthen community participation in development and service delivery initiatives.	<ul style="list-style-type: none"> ✓ Increased interaction and consultation between Government and communities (Izimbizo, Executive Council Outreach and other initiatives). 	<ul style="list-style-type: none"> ✓ Each Municipality hosts at least one consultative event per reporting cycle. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ All public sector institutions.

	<ul style="list-style-type: none"> ✓ Establishment of a volunteer service initiative to enhance service delivery. 	<ul style="list-style-type: none"> ✓ Each Municipality to establish a volunteer coordinating structure by the 2005/2006 Financial Year. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ Department of Local Government and Housing. ✓ All public sector institutions.
	<ul style="list-style-type: none"> ✓ Enhanced role and effectiveness of Ward Committees. 	<ul style="list-style-type: none"> ✓ Fully functional Ward Committee system in place by the 2005/2006 Financial Year. 	<ul style="list-style-type: none"> ✓ Local Government and Housing.
3. Implementation of an integrated communication programme.	<ul style="list-style-type: none"> ✓ Improved access to Government information. 	<ul style="list-style-type: none"> ✓ Greater access to information is measured per reporting cycle through the customer satisfaction surveys. 	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ All public sector institutions.

Key Development Priority 6: Human Resource Development

OVERVIEW OF HUMAN RESOURCE DEVELOPMENT

Economic growth and development strategies that are not backed up by strategic human resource development are destined to fail. The purpose of Human Resource Development is to create an enabling environment for people to enjoy long, productive, healthy and creative lives. This definition implies that people are the central focus of the development process, not only as instruments and decision makers in the process of producing wealth but also as the ultimate beneficiaries of the sustainable development process.

Almost 16 percent (15.9%) of the population aged 20 and older in Mpumalanga have some primary school education while approximately 27% (26,6%) of the population in the Province have some secondary school education. According to data contained in the 10th school day survey of 2004, there were 408 pre-primary schools with 5 005 pupils and 515 teachers. Mpumalanga Province has 1 417 public primary schools and 28 independent primary schools. The number of learners in the public primary schools at present is 491 373 in addition to the 10 906 learners in independent primary schools. Public primary schools have 15 166 educators, while the independent schools have 198 educators. Learner to educator ratio in the public primary schools is 32,4:1.

In 2002, the Province had 11 FET colleges with 24 067 students with the majority enrolled for Engineering and Business Studies and employing a total of 265 educators. According to the 2001 Census, only 15 288 students attended Technikon or University courses as the existing institutions offer limited programmes and a large number of prospective students attended courses outside the Province.

Adult Basic Education and Training (ABET) programmes were established to offer basic education and training to adults in the Province. According to the 2001 Census the Province had 456 746 illiterate adults. From 2001 to date, the Department of Education had reached 83 708 adults in 274 Public Adult Learning Centres.

KEY ISSUES

The high unemployment levels in the Province together with a shortage of technologically skilled manpower, severely constrain economic growth and competitiveness. The challenge thus lies in how to transform the present labour force, which is characterised by a narrow skills base, poor levels of productivity, outdated technological skills and high levels of illiteracy, into a labour force, which meets requirements of the modern economy. Human capital is crucial for long-term

sustainable growth and development and as such the following strategic thrusts have informed the development of programmes:

- Invest in people skills to promote service delivery, economic growth and development.
- To focus higher education institutions to meet the skills demand of the Province.
- Improve access to and ensure quality education.

Key Priority Area 6: Human Resource Development

Strategic thrust			
Invest in people's skills to promote service delivery, economic growth and development			
Programmes	Performance indicator	Targets	Responsibility
1. Improving the skills base in order to promote economic empowerment and job creation.	✓ An increase in the availability of scarce skills, as required within the Province.	✓ Percentage increase in the availability of scarce skills (baseline to be determined).	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Department of Education. ✓ Office of the Premier.
	✓ Supply of skills meets labour market demands.	✓ 10% annual increase in meeting Provincial skills demand (based on annual profiling of demand vs. available skills).	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Department of Education. ✓ Office of the Premier.
	✓ Targeted utilisation of SETA funding to address the Provincial skills gaps.	✓ 90% of SETA funding is used for targeted priority programmes.	<ul style="list-style-type: none"> ✓ All public sector institutions. ✓ Department of Education. ✓ Office of the Premier.

	✓ Learnerships developed in all sectors where scarce skills exist.	✓ 50% of learnerships approved by SAQA and launched by the 2006/2007 Financial Year.	✓ All public sector institutions. ✓ Department of Education. ✓ Office of the Premier.
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Strategic thrust

To position higher education institutions to meet the skills demand of the Province

Programmes	Performance indicator	Targets	Responsibility
1. The building of strategic partnerships with institutions of higher learning.	✓ Strategic partnerships are established with targeted institutions based on the Provinces requirements.	✓ The MPG will have signed agreements with all strategic service providers by the end of the 2007/2008 Financial Year.	✓ Department of Education. ✓ Office of the Premier.
	✓ Increasing the number of post matric students enrolling in and completing these programmes.	✓ Percentage increase in students enrolling and completing (baseline to be determined).	✓ Department of Education. ✓ Office of the Premier.
2. To facilitate coordination in ensuring that higher educational institutions provide relevant courses.	✓ Approved higher education programmes/ courses linked to addressing scarce skills.	✓ Percentage increase in programmes addressing scarce skills (baseline to be determined).	✓ Department of Education. ✓ Office of the Premier. ✓ Department of Economic Development and Planning.
	✓ Increased participation by industry in curriculum design to address labour market demands.	✓ Percentage increase in the number of programmes validated by industry sectors.	✓ Department of Education. ✓ Office of the Premier. ✓ Department of Economic Development and Planning.

Strategic thrust

Improve access to and ensure quality education

Programmes	Performance indicator	Targets	Responsibility
1. Improve access to Adult Basic Education.	✓ Improved adult literacy levels.	✓ 20% reduction in illiteracy levels by 2014 (Census 2001 reflects 43.4% illiteracy rate).	<ul style="list-style-type: none"> ✓ Office of the Premier. ✓ All public sector institutions.
2. Promote Early Childhood Development (ECD) programmes.	✓ Increase in the number of pre-primary educational facilities.	✓ Access to a pre-primary educational facility is within at least a 5-10 km radius throughout the Province.	✓ Department of Education.
3. Promote a culture of educational management, teaching and learning excellence.	✓ Improved management and governance of schools.	✓ All schools to have functioning governance structures by the end of the 2005/2006 Financial Year.	✓ Department of Education.
	✓ Improved quality of teaching and learning.	<ul style="list-style-type: none"> ✓ Pass rates for all grades to improve to 80% within three years. ✓ 80% of teachers are capacitated to deliver outcomes based education (OBE) by the end of 2008. 	✓ Department of Education.
4. Promote a culture of educational management, teaching and learning excellence.	✓ Promote a secure and conducive environment for teaching and learning.	<ul style="list-style-type: none"> ✓ Reduction in incidences of crime and drugs in schools (baseline to be determined). ✓ At least 70% of schools should be secured/fenced by the end of 2006/2007 Financial Year. 	<ul style="list-style-type: none"> ✓ Department of Education. ✓ Department of Safety and Security.

5. Inclusive Education.	<ul style="list-style-type: none"> ✓ Increased number of educators trained in Inclusive Education principles. ✓ Improved mainstreaming of Inclusive Education in all schools. 	<ul style="list-style-type: none"> ✓ 20% of all primary school educators trained by the end of 2005/2006 Financial Year. ✓ All schools make provision for access to learners with disability by the end of 2014. 	<ul style="list-style-type: none"> ✓ Department of Education. ✓ Office of the Premier.
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IMPLEMENTATION, MONITORING AND EVALUATION

The purpose of this section is to outline the implementation, monitoring and evaluation processes of the PGDS.

Principles and guidelines for integrated planning and implementation:

National Development Principles and Guidelines must inform planning in all three spheres of Government. Adherence to these principles and guidelines will ensure consistency in, and alignment with, the National priorities that the various Development Plans seek to achieve. In practical terms this means that: -

- IDPs should be informed by the PGDS and be prepared in accordance with the principles articulated in the National Spatial Development Perspective (NSDP);
- The IDPs of Municipalities must inform the PGDS that is prepared by Province. These must be drafted within the parameters and principles as set out in the Medium Term Strategic Framework (MTSF) and should complement the NSDP;
- The NSDP must be informed by the PGDS and the IDPs respectively;
- Sector Departments, both in the Provincial and National Sphere, must reflect and complement the aligned priorities between the IDPs and the PGDS. Likewise, IDPs and the PGDS should take into account sector priorities and strategies.
- The preparation of a Development Plan in one sphere of Government should be seen as an opportunity to ensure the realisation of shared development outcomes. Adequate space should be created for other spheres to engage those preparing a Development Plan in other spheres.

Alignment

There are two areas of alignment, namely:

- Around strategic objectives and priorities through IDPs, PGDS, NSDP and the MTSF; and
- Implementation, which centres around projects and programmes.

Implementation

The success of the implementation of the PGDS will depend largely on integrated planning between sector departments, municipalities and the National Government. Institutional arrangements and systems to facilitate the process of integrated planning and implementation are the Provincial Integrated Planning Forum (PIPF), Monitoring and Evaluation as well as information management systems.

Provincial Integrated Planning Forum (PIPF)

This forum should be co-ordinated in the Office of the Premier and composed of representatives from all spheres of government, Organised Labour and Business, Non-Governmental Organisations (NGOs), and Parastatals.

The functions of the forum will be, inter alia:

- To facilitate and co-ordinate all development planning and implementation in the Province.
- To review the implementation and performance of the PGDS.
- To align growth and development strategies of all spheres of government, parastatals and organised business.
- To appoint an Appraisal Team that will be responsible for the evaluation/ appraisal of strategic plans of sector Departments and District Municipalities to ensure that they are aligned to the development objectives of the PGDS and IDPs.
- To develop a marketing strategy of the PGDS.

The Forum will report to the Executive Council Committees on all its activities to keep them abreast of challenges and achievements.

Monitoring and Evaluation

The purpose of monitoring and evaluation of the PGDS is to assess the impact made by government intervention in relation to the outcomes and planned objectives. Effective monitoring and evaluation depend on the following:

- Information management and systems.
- Effective management of information flow between Local, Provincial and National Governments for easy access, is a precondition for effective monitoring and evaluation.
- The existence and maintenance of a comprehensive PGDS monitoring and evaluation system, which is compatible with Local and National Government systems.
- The PGDS information system should be accessible to investors, developers and the public.
- Three-year reviews in line with the MTEF process shall be undertaken.
- Impact assessments of projects and programmes to be undertaken after five years, which coincides with the Provincial political cycle.

The PGDS shall be assessed annually to ensure alignment with IDPs as well as to revise development objectives and update the growth and development status quo.

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