

PROGRAMME PERFORMANCE DEVELOPMENT PROJECTS PROGRAMME



Koliwe Mda

Supervisor at Mathamo Protective Clothing factory in Dimbaza – assisted by the ECDC

AIM

To increase investment in initiatives that unlock economic potential of low income areas, thereby leading to the establishment of viable enterprises, expansion of existing enterprises, creation and saving of jobs creating sustainable economic growth in the province.

STRATEGIC GOALS

- Increase jobs created/ saved by 10% for 2008/09 and 20% thereafter.
- Increase the number of projects implemented by 10% for 2008/09 and 20% thereafter.
- Improve the turnaround time for project implementation.

These have been driven by the following approaches:

- Facilitate external specialists to train municipalities in project identification, scoping and management.
 - Improve productivity.
 - Focus on high value/high impact projects with developmental focus.
 - Develop a project monitoring and evaluation tool.
-

PROGRAMME PERFORMANCE

DEVELOPMENT PROJECTS

PROGRAMME

1. OUTPUTS AND SERVICE DELIVERY TRENDS

1.1 Project identification, scoping and implementation

| Measurable objectives | Performance measure | Planned performance | Actual performance | Deviation % | Reason for deviation |
|--|---|--|------------------------------------|-------------------------|--|
| To create jobs and wealth through establishing viable and sustainable projects | Number of projects identified | 50 | 66 | 32 | Above target mainly due to DEDEA requesting the unit to project manage 7 projects. |
| | ECDC funding used for business related studies and crop trials R'million | 6 | 6,6 Disbursements + commitments | 10 | Above target since the implementation of the Dietary Fibre Project Feb 09. |
| | Third party funding obtained for business related studies, crop trials and project implementation R'million | 201,8 | 367,7 | 82 | Above target due to a National Treasury grant of R273,5m for infrastructure. Other significant amounts include R28m from ECDC for the pineapple industry, R11,9m from CSIR for the agave project, R11m from DEDEA for 7 projects and R15m from the IDC for a bio-coal project. |
| | Number of projects established | 17 | 22 | 29 | The additional new projects are cassava, guar gum and essential oil trials, macadamia nut plantation, Kelly's Beach rehabilitation, paprika, Tati and 2 small blueberries out growers. Plus 1 essential oil project expansion. |
| | Number of actual jobs created and/ or saved | 2,077 | 824 | -60 | Shortfall due to the delayed approval of funds for the tomato paste factory which was to create 1000 jobs this year. Funding was approved by DBSA in Mar 08 and the project is expected to commence by the 3rd quarter of the next financial year. |
| Facilitate and support IDP processes to enhance the Municipal IDP/LED process | Implementable LED programmes | 12 workshops | 10 workshops | -17 | The unexpected resignation of the responsible Manager in Jan 09 led to the postponement of the remaining workshops planned for the year |
| Development of a Rural Development Programme | Concept document and business plan for the Rural Development Programme | Rural development strategy and business plan | Draft concept document done | Draft concept available | Awaiting provincial rural development strategy for alignment purposes. |

1.2 Trends in performance from 2005/06 to 2008/09

| Measurable objectives | Performance measure | 2005/06 (actual) | 2006/07 (actual) | 2007/08 (actual) | 2008/09 (actual) | Compound annual growth % | Reason for deviation |
|--|---|---|---|------------------------------------|------------------------------------|--------------------------|--|
| To create jobs and wealth through establishing viable and sustainable projects | Number of projects identified | 34 | 51 | 69 | 66 | 25 | Changed focus to higher impact sector-focused projects. |
| | ECDC funding used for business related studies, crop trials and implementation R'million | 8,3 Approvals including implementation | 9,1 Approvals including implementation | 6,6 Disbursements + commitments | 6,6 Disbursements + commitments | -7 | Projects requiring Municipal approval delayed implementation. |
| | Third party funding obtained for business related studies, crop trials and project implementation R'million | 51,7 | 89,3 | 103,8 | 367,7 | 92 | Major investment in infrastructure towards small towns' development and resuscitation of declining industries like pineapples. |
| | Number of projects established | 24 | 11 | 19 | 22 | -3 | Number is heavily affected by size of project pipeline from previous financial years. |

PROGRAMME PERFORMANCE: DEVELOPMENT PROJECTS PROGRAMME

(Continued)

| Measurable objectives | Performance measure | 2005/06 (actual) | 2006/07 (actual) | 2007/08 (actual) | 2008/09 (actual) | Compound annual growth % | Reason for deviation |
|--|-------------------------------|------------------|------------------|-----------------------------|-----------------------------|--------------------------|---|
| | Number of actual jobs created | 1,146 | 728 | 2,479 | 824 | -10 | Global economic slowdown led to deferred investments in major projects. Late approval for a major tomato paste project. |
| Facilitate and support the IDP process | Implementable LED programmes | N/A | N/A | 14 workshops 18 projects | 10 workshops 12 projects | -28 and -33 | Partnership arrangements with District Municipalities delayed |

2. BUDGET 2008/09

| Programme | Budget R 'million | Actual R 'million | Deviation % | Reason for deviation |
|--------------------------------|-------------------|-------------------|-------------|---|
| Development and Rural Projects | | | | |
| - Overheads | 8,6 | 6,8 | -21 | Under-spending with respect to overheads was due to resignations for positions that were not filled. |
| - Projects | 7 | 4,6 | -34 | Rural Development Projects variance was due to the protracted period of negotiating and concluding contracts with stakeholders in the Micro Business Incubation Programme in the OR Tambo District and delayed implementation of Mlangana, Gomolo and Lower Kroza Community-Based Tourism Projects. |

3. CHALLENGES IN 2008/09

- Limited availability of Economic Intelligence Information in the Province stifled project planning – ECDC seeks to appoint the services of an Economist to head the Knowledge Management Unit that is to be established.
- Long process of securing third party funding for Development Projects – ECDC has established institutionalised arrangements with funding institutions i.e. DBSA, IDC and Thina Sinako and involvement of such institutions will range from project initiation stage to project closure.
- Lengthy decision making process at local government level.
- Limited budget for project support.
- Non-existent and vaguely defined LED strategies at Municipal level.
- Land tenure problems led to delayed project implementation.

4. ACHIEVEMENTS IN 2008/09

- Facilitated access to markets for the Amalinda Fish Farm.
- Collaboration with ASPIRE on the revitalisation of small towns.
- Commence with implementation of the Out Grower Programme for the R45m Blueberry Project which is located in Amahlati Municipality (within the Berry Corridor).
- Completion of Phase 1 of a project on solar heating and solar electricity generation in RDP houses.
- Research into the Pineapple Industry Beneficiation Programme.
- Implementation of Essential oil Project in Amahlati and Nkonkobe municipalities.