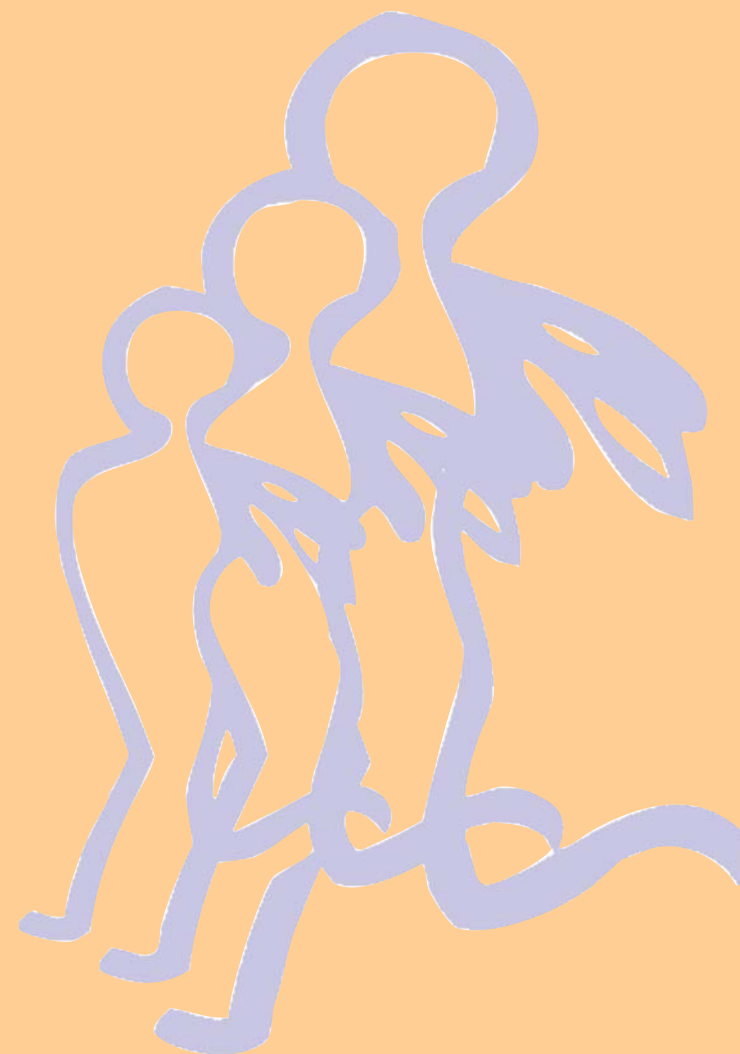


**NORTH WEST PROVINCIAL GROWTH
AND DEVELOPMENT STRATEGY
2004 TO 2014**

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PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

Foreword by Premier Edna Molewa

The dawn of democracy and freedom in our country has unlocked our capacity as a nation to work together to address common challenges. The National Growth and Development Strategy that was adopted in 2003 is a concrete reflection of a nation at work to create a better life for its people.

The North West provincial government is determined to make its humble contribution to the national effort to eradicate poverty and create employment for our people. We are encouraged by the unprecedented level of support and enthusiasm from various sectors of our society to join hands in this collective effort. Acting together, we have made decisive advances over the past eleven years and a solid basis for sustained growth and development is now firmly in place.

The Provincial Growth and Development Strategy reflects a collective effort by government and its social partners to address the challenges of growth and development in our province and to help improve the quality of our people's lives. In so doing, we are giving practical meaning to the pledge we made during our struggle for liberation that we will not consider our mission complete and our liberation achieved, if the people of our country are not freed from the grip of poverty, disease and economic marginalisation.

We have adopted an approach of partnership and inclusion because of our understanding that government, acting alone, will not be able to achieve the goals set out in this document. We are therefore banking on the collective wisdom and energy of all our people and their organised formations to work with us in a people's contract to implement these programmes.

Together with our social partners, we have identified key economic pillars which, we believe, will place our province on a higher growth and development path. I am grateful to our partners who have invested their precious time to make sure that the strategy is completed.

Since this is a ten-year strategy, it will be monitored and reviewed to ensure that we are firmly on track and that requisite resources are allocated efficiently to ensure successful implementation of the strategy. As we proceed with implementation, we will pay particular attention to ensuring that the necessary integration with the local sphere of government, which is at the coalface of service delivery, takes place.

Let me also caution that this strategy, on its own, will not translate into a better life for our people. What is of critical importance is our collective and practical commitment to implement it and to act with unity of purpose.

Together let us make a pledge that as we enter the second decade of freedom, we will accelerate our offensive against economic exclusion and work towards an economy that benefits all. I am confident that in ten years' time, when we are called upon to review the Provincial Growth and Development Strategy, we will be able to look back and say: "This was an example of what a people, acting together, can achieve if they seize the opportunities brought by our new democracy".

History has placed an enormous responsibility on the shoulders of all of us to help reverse the legacy of our ugly past. We dare not fail!

1. PREAMBLE

The North West Provincial Growth and Development Strategy provides a framework for integrated and sustainable growth and economic development for the province and its people over the next ten years. It addresses the formulation of a common vision, goals and objectives of what should be achieved and how the provincial government and its social partners should achieve its objectives. The Strategy establishes the foundation blocks from where the Provincial Programme of Action is negotiated in partnership with a variety of stakeholders in the province. It forms the benchmark from which progress and achievements are monitored and evaluated.

The strategy is guided by the national and provincial review of what the first ten years of democratic governance produced and the policy thrusts identified for the next ten years. It fully prescribes to balanced development of economic sectors and spatial localities in accordance with the demands and potential of the people. It is also aimed at targeted investments in the second economy to offer opportunities to the poor in skills development, employment and improving their quality of life.

The strategy is the outcome of support and co-operation offered by social partners who participated at the Provincial Growth and Development Summit held in August 2004. It also represents

the alignment of development strategies by all spheres of government.

Through the implementation of the strategy, the Province expects to contribute its share towards a society committed to integrated and sustainable growth and economic development and towards halving unemployment and poverty.



2. BACKGROUND

The initiative to formulate a Provincial Growth and Development Strategy stems from a call made by the President in his 'State of the Nation Address' in 2004 where he challenged Provincial and Local Structures to align their Growth and Development Strategies and Programmes of Action, the National Priority Objectives, the National Spatial Development Perspective and the Municipal Integrated Development Plans.

A review of the first ten years of democratic government indicates considerable progress in institutional transformation and the formulation of policy and legislation in line with the Constitution. A key finding is that the positive developments during the first ten years override the negative impacts of social and economic exclusion. The review cautioned, however, that if unaddressed, the effects of social and economic exclusion would soon dominate and pose

a threat to stability and growth in the country.

The Cabinet at Planning Makgotla in January and May 2004, formulated the following policy thrusts that should guide the developmental tasks of a developmental state and Programme of Action in the second decade of democracy:

- Raising skills levels and improving the performances of the state;
- The formation of partnerships in a People's Contract;
- Addressing the consequences of social transition by:
 - Encouraging the growth of the First economy;
 - Addressing the challenges of the Second economy; and
 - Building a social security net for the poor; and
- Improving further interaction with the African continent especially within the context of the regional environ-

ment (SADC) and the New Partnership for African Development (NEPAD).

As a measure to respond to the call of the President, the Premier, in her 'State of the Province Address', invited social partners to participate in a Provincial Growth and Development Summit that would formulate a Growth and Development Strategy for the Province. This Strategy is built on the performance achieved during the first ten years of democratic government and the vision for the next ten years when the electorate reconfirmed their support in 2004 for the Freedom Charter to mobilise and unite the nation in the 'People's Contract to create work and fight Poverty'.

It is against this background that the North West Government hosted a Provincial Growth and Development Summit, under the theme entitled **"Building a People's Contract for Sustainable Growth and**

Development in the North West”, to pursue the following common objectives together with its social partners:

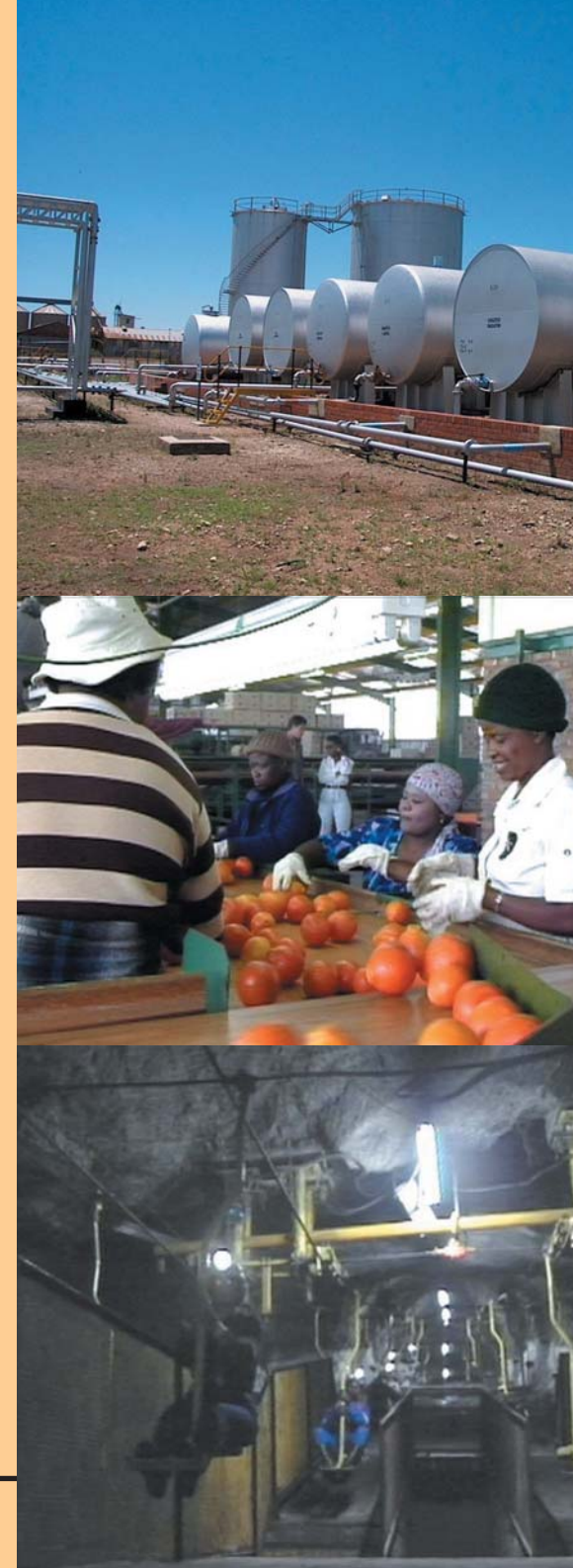
- Building an enduring partnership through the promotion of a shared vision of South Africa's growth and economic development strategy, to frame sector and development agreements and lay the basis for partnerships in action,
- Addressing urgent challenges by selecting from many possible interventions those which hold the promise of the greatest possible impact in the shortest possible time for accelerated investment, job creation, improved efficiency and productivity, greater social equity, and a fairer distribution of economic opportunities and rewards, while undertaking serious social dialogue within broad policy frameworks,
- Securing the commitment and active participation of all constituencies in those areas identified for prioritized actions in ways that build on lessons learnt from development programmes.

The objectives as articulated above will be realised through a consolidated Programme of Action and Project Register that will result from continued interaction between partners at Working Group level and will be produced annually to complement the implementation of the Provincial Growth and Development strategy.

3. SITUATION ANALYSIS

North West is spatially a medium-size province, covering 116 320 km², or 9,7 per cent of the total surface area of South Africa. The province is home to approximately 3.7million people that constitutes 8.2% of the South African population and contributed approximately 7% to the National Economy. It registered a decreasing population growth per annum that reached 1.3% in 2001 (Source: Stats: South Africa).

Outside the mining sector that contributed approximately 23.5% of the Gross Domestic Product of the province in 2002, private sector activity is very modest.



These aspects place increasing pressure on the State to become pro-active in promoting growth and development and facilitating greater private sector participation and partnerships with special focus on the second economy.

Other challenges facing the province are that:

- The Province is mostly rural in nature.
 - It has a low population density and relative inadequate infrastructure, especially in the remote rural areas.
- The Province has inherited an enormous backlog in basic service delivery and maintenance that will take time to eradicate.
- The population is predominantly poor with high levels of illiteracy and dependency that seriously affect their productivity and ability to compete for jobs.
 - The Province is characterized by great inequalities between the rich and poor as well as disparities between urban and rural.
 - The Province is faced by HIV/Aids as a social and economic challenge.
 - Available resources are unevenly distributed and offer limited potential for improved delivery of services and growth;

From the above, Job creation and poverty eradication together with the low level of expertise and skills, stand out as the greatest challenges to be resolved.

4. VISION, GOALS AND OBJECTIVES

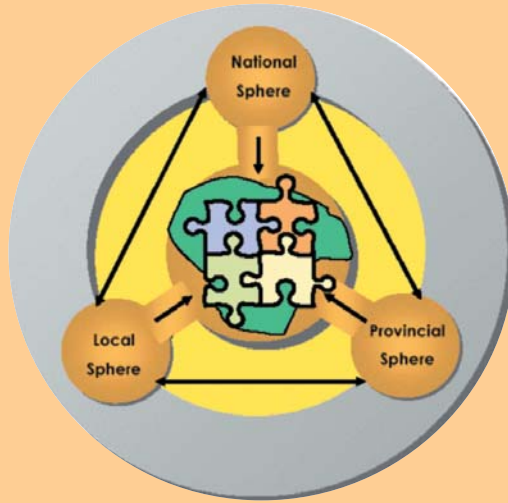
4.1. Vision

Guided by the policy and strategic framework established, the vision for 2014 is:

To build a truly united, non-racial, non-sexist, democratic and prosperous society that is jointly focused to deliver on key priorities aimed at growing a vibrant economy.

This agreement on a common vision and purpose of what South Africa should become, the formulation of a "Road Map" of strategies and an implementation plan to realise this vision and the introduction of mechanisms to monitor progress, are typical elements of a developmental state. In a developmental state it is essential for government to become an active partner in facilitating integrated systems of consultation and partnership at national, provincial and local level as depicted in the next figure.

FIGURE 1



Vision of the 'Developmental State'

In promoting this vision, the Province intends to build a society that by 2014 will have:

- Developed economic sectors and spatial localities in accordance with the needs and potential of the people through the sustainable use of resources and the protection of the environment;
- Delivered on the constitutional obli-

gation to provide basic services to all citizens;

- Promoted job creation and skills training;
- Addressed past and current social inequalities by focusing on people and developing strategies to avoid geographic inequalities,
- Supported full participation of and equal opportunities to all people;
- Offered the poor skills development and employment opportunities to exercise choices in improving their quality of life and work together towards a single and integrated economy in a dignified manner, and
- Fully capacitated the SMME sector.

4.2 Goals and Objectives

The challenges to **fight poverty and unemployment**, improve the **low level of expertise and skills** are both immediate and long term and require primary goals for sustained growth and economic development as follows:

- **The Economic Goal**, requires an average economic growth rate of 6.6% per annum, to halve unemployment over a ten-year period. This is considered the minimum economic growth that would create enough capacity and momentum to place the province on a virtuous cycle of integrated and sustainable growth and development during the next 10 years. The investment requirement to achieve this average growth rate from both the private and public sector is estimated at R6.3 billion per annum.
- **The Poverty Eradication Goal** to wipe out the 'basic needs' backlog in accordance with the provisions of the Constitution and prepare the poor for future growth and development, as calculated from the 2001 population statistics supplied by Stats SA

and included projections for new households expected to enter the market, will annually require investment estimated at R 854 million per annum.

Transversal objectives that must be promoted at all levels of interaction in the province to support the two macro goals are:

- Implementing a Public Sector Employment Programme (EPWP)
- Ensuring cooperative governance and the formation of Public-Private-Partnerships (PPP's);
- Promoting equal and fair access to opportunities and assets;
- Enhancing competitiveness, profitability and SMME development; and
- Ensuring sustainable development through resource and environmental management

4.3 Spatial Perspective of Needs and Potential

The National Spatial Development Perspective of 2003 formulated normative principles that represent a definite shift away from policy directives that were instrumental in promoting the apartheid policy in the past and that should in future supersede previous policies and strategies to guide infrastructure investment and development spending as follows:

- Economic growth has been formally adopted as a prerequisite for the achievement of all other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), should be focused on localities of economic growth and/or economic potential in

order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.

- Efforts to address past and current social inequalities should focus on people not places as follows:
 - In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.
 - In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose, to localities that are more likely to provide sustainable employment or other economic opportunities.

- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link up with the main growth centers.

As the different districts and municipalities in the province are not equally endowed with resources, infrastructure needs and population demands, different strategies and priorities should apply in optimally unlocking the provincial potential and the needs of the people.

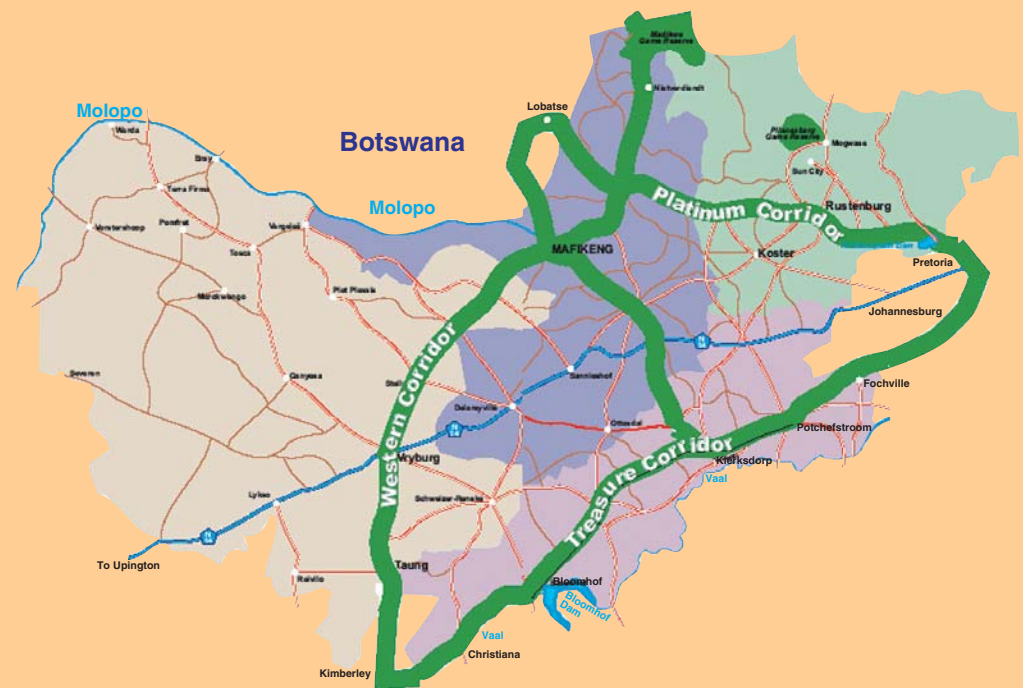
The North West Spatial Development Framework and Zoning Plan of 2003 adopted the normative principles of the National Spatial Development Perspective and categorized all municipalities in terms of their absolute potential and needs.

In unlocking this potential in accordance with the NSDP principle that future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link up with the main growth centers, note was taken of location advantages that the province enjoys because of its proximity to Gauteng. It also became imperative that the province has a limited potential towards the west. It was concluded that the province needs to strengthen its growth and development potential by way of the promotion of development corridors that link up with Gauteng

and promoting the East-West corridor through the Platinum Corridor within the Province with Botswana/ Namibia and Maputo.

As a result three Spatial Development Initiatives (SDI's) have been launched to strengthen a potential activity corridor link into the North West and create a "diamond of competitive advantage" within the province.

FIGURE 2 **SPATIAL DEVELOPMENT INITIATIVES**
IN THE NORTH WEST PROVINCE.



The declared spatial development initiatives are:

- The **Platinum Corridor** is focused on the North West portion of the EAST-WEST Corridor that links Maputo in the East with Walvisbay in the West through Nelspruit-Pretoria-Rustenburg-Lobatse-Windhoek.
- The **Treasure Corridor** is strengthening developments from Johannesburg to Potchefstroom, Klerksdorp and further south along the N12 national road.
- The **Western Corridor** is intended to strengthen a North- South initiative from SADCC through Botswana southwards through the North West and Northern Cape. This corridor simultaneously links the Platinum Corridor with the Treasure corridor through the Mafikeng airport and industrial zone and the Taung irrigation scheme and promoting the development and growth in between.

The province also supports the Presidential lead projects to promote an Integrated Sustainable Rural Development Project (IRSDP) at Kgalagadi and Urban Renewal Projects at Mafikeng and Rustenburg.

4.4 Functional Perspective and Economic Growth Targets

In assessing the ideal economic growth pattern that must be promoted between the different economic sectors to achieve integrated and sustainable development and growth, the following factors were taken into account:

- The characteristics and historical performance of each economic sector within each district as well as individual municipality.
- Key priorities at provincial level to achieve a more diversified economy in the province.

- The importance of bringing marginalized and previously disadvantaged communities and areas in the second economy into the economic mainstream.
- The Strategy for accelerating growth and development by the Department of Trade and Industry that targeted agriculture, tourism, information and technology, cultural industries and export sectors (minerals, metals, clothing, textiles, automobiles, agro processing and chemicals).
- Provincial initiatives such as food processing and agro processing (bio-technology), mining and mineral beneficiation, tourism and cultural industries, communication and transportation, and manufacturing.
- Anchor projects identified for the three Spatial Development Initiatives, the Kgalagadi ISRDP, The Mafikeng IDZ and the Rustenburg Urban Renewal Initiative.

A set of economic growth targets that represents the optimal balanced contribution that each economic sector and district should contribute towards the average economic growth of 6.6 % per annum in the North West is provided in Table 1.

These targets are not fixed but provide some normative idea of where and how investments in the province should be directed if the province is to contribute optimally towards economic growth and job creation. The challenge is to see these as

minimum contributions that motivate municipalities and institutions to reach even greater heights.

Five Key Pillars for growth and economic development were selected from a grouping of the economic sectors as indicated in the table above. Small Micro, Medium Enterprises (SMME), and Skills Development and Training were identified as two transversal pillars to complement the above five pillars.

Important observations from Table1 are that:

- The Importance of the Spatial Development Initiatives, Kgalagadi as Presidential Lead Project and the Central District as provincial seat of Governance is acknowledged;
- Recognition is given to location advantages and needs that the different economic sectors in the different districts enjoy;
- Recognition is given to the important role and function that the transport and communication sectors should play in unlocking the economic potential of the province;

TABLE 1: NORTH WEST SECTOR/SPATIAL GROWTH TARGETS (%)							
SECTOR OBJECTIVES		Bojanala	Central	Bophirima	Southern	Kgalgadi	SECTOR AVERAGE
1.	Agriculture	4.3%	6.6%	6.9%	6.3%	18.8%	6.6%
2.	Mining	7.5%	13.2%	8.9%	7.1%	13.7%	7.4%
3.	Manufacturing	5.1%	9.2%	7.4%	9.2%	27.3%	7.1%
	Trade	5.5%	9.0%	6.1%	4.7%	15.0%	5.9%
	Finance	6.4%	7.7%	7.6%	6.6%	12.8%	6.8%
4.	Tourism	8.3%	9.3%	4.7%	10.3%	16.3%	7.0%
5.	Infrastructure and Construction						
5.1	Utilities	2.1%	6.5%	4.7%	3.8%	7.7%	3.6%
5.2	Construction	5.1%	10.2%	5.4%	4.9%	7.5%	6.0%
5.3	Transport	6.7%	13.8%	10.7%	9.5%	17.0%	9.1%
5.4	Community/Social Infrastructure	3.9%	5.9%	5.7%	4.1%	3.7%	4.6%
District Average		6.3%	8.0%	6.8%	6.4%	10.2%	6.6%

Source: Own calculations

(Colours in Table relate to the Working Groups established at the PGDS Summit 2004)



- Provision is made for the Tourism sector to also play an important role and function in contributing to the macro provincial economic growth target of 6.6% per annum;
- Deliberate provision is made for a more diversified economy in future where tourism and manufacturing should play an increasingly important role and function.

Investment and basic needs targets for each economic sector and district is projected and motivated in chapter 6. These targets will be used to guide departments and municipalities on implementation plans that must be formulated in support of the PGDS and performances will be benchmarked against these targets.

5. MACRO-POLICY FRAMEWORK

5.1 Obligation in terms of International Conventions

The South African Government entered the international arena in 1994 as an important global player in the formulation of international policy and treaties. Key amongst these are the Millennium Development Goals and Objectives for 2015 that have been endorsed by the United Nations, World leaders, the World Bank, regional development banks, developing country governments and the International Monetary Fund (IMF).

The World Summit on Sustainable Development WSSD that took place in South Africa, and the formulation of the Johannesburg Plan of Implementation” (JPoI) in 2002, firmly established South Africa as an important role player in the international arena. This plan reaffirmed commitment to principles as contained in documentation presented and debated at the Rio de Janeiro Summit called “Agenda 21” and confirmed commitment to achieving the Millennium Goals and the major United Nations conferences and international agreements since 1992.

In becoming a co-signatory of international protocols and agreements, South Africa (and the provinces) accepted joint responsibility and obligation in realising these goals, objectives and targets.

5.2 National Policy

In a Multi-stakeholder Declaration in 2002, the North West Province adopted a provincial framework for integrated and sustainable growth and development that is aligned with the World Summit on Sustainable Development WSSD and the Johannesburg Plan of Implementation. The four building blocks of this framework are:

- The Environment;
- The Economy;

- The Community; and
- Governance

Provinces must operate within the provisions and competencies of the Constitution and shape their goals and objectives and strategy formulation within macro policy guidelines, events and legislation before their own unique goals, objectives and strategic road maps are designed and implemented.

Departments and municipalities are the key institutions within government to ensure compliance with the provisions and regulations formulated and follow correct procedures if revisions are to be introduced.

6. PROVINCIAL GROWTH AND DEVELOPMENT TARGETS

6.1. Economic Growth Target Setting

The Economic Growth Targets for each sector of the economy and district on the North West have been projected to result in employment and skills development targets as summarized in Table 2. The National, Provincial and Local spheres in consultation with Sector Education & Training Authorities (SETA's), should jointly contribute to these skills targets.

TABLE 2: JOBS AND SKILLS TARGETS PER ANNUM PER DISTRICT							
ECONOMIC SECTOR		Bojanala	Central	Bophirima	Southern	Kgalgadi	TOTAL
1.	Agriculture	726	1680	2043	1589	590	6,629
2.	Mining	4313	454	45	1044	45	5,902
3.	Manufacturing	2270	1589	227	1407	136	5,630
	Trade	1135	454	182	454	91	2,316
	Finance	726	318	136	636	45	1,861
4.	Tourism	2452	772	136	2043	45	5,448
5.	Infrastructure and Construction						
5.1	Electricity	45	45	45	45	45	227
5.2	Construction	227	227	45	136	0	636
5.3	Transport	953	772	227	590	45	2,588
5.4	Community/Social Services	4540	4359	1680	3269	318	14,165
	TOTAL JOB TARGETS	17,389	10,669	4,767	11,214	1,362	45,402
	TOTAL SKILLS TARGET	2,935	1,801	805	1,893	230	7,664

Source: Own calculations

(Colours in Table relate to the Working Groups established at the PGDS Summit 2004)

6.2. Basic Needs Target Setting

The imperative to balance economic growth and job targets with the challenges faced by poor people necessitates a basic needs approach and target setting to benchmark against. The basic point of departure is the Constitutional obligation of Government to meet the basic socio-economic rights of each individual and the norms and standards accepted as affordable in the

Reconstruction and Development Policy (RDP) of 1994.

The recently released 2001 census figures at individual place name level were used to calculate the overall basic needs requirements at a District level. Although it is recognized that this set of figures represent the 2001 situation, and that circumstances may have changed over the last 3 years, it remains the only detailed data set to enable a consistent District wide comparison within the province. (See Table 3).

An important input was that the basic needs delivery targets have to address both the current backlog in service delivery as well as the expected annual

new entry over the next 10 years. The targets are thus based on both the current backlog as well as the estimated total annual new increase which will have to be catered for over the next decade. For purposes of calculating the annual new entrants, an average population growth rate of 1.2% per annum that is slightly lower than the 2001 population growth rate of 1.3% was assumed for the next 10 years.

The estimated basic needs delivery targets and proportional investment requirement per district over a 10 year period are given in the next table. It is essential to note that these figures represent the assumption that all districts will experience a population growth rate of 1.2 % per annum. Actual population trends and basic needs delivery will be annually reviewed in collaboration with municipalities concerned to ensure that basic needs delivery remain on target with population movements that are experienced.

6.3. Investment Targets

The investments that are targeted to realise the economic growth and basic needs objectives per economic sector and district are summarised in the Table 4. Without achieving these investment targets per annum over a prolonged period of at least 10 years, it is unlikely that the province would be in a position to embark on its virtuous cycle of growth and development.

It is therefore imperative that each department and district accept these targets as a base line to realise the economic growth and basic needs objectives of the PGDS and prepare

TABLE 3: INDICATIVE ANNUAL BASIC NEEDS DELIVERY TARGETS							
CATEGORY		Bojanala	Central	Bophirima	Southern	Kgalgadi	TOTAL
Water (households)	Households	16,356	8,212	4,806	3,268	2,044	34,686
Sanitation	Households	36,898	16,729	10,328	5,993	3,510	73,459
Shelter (Units)	Households	9,895	2,286	1,349	3,838	280	17,657
Energy (households)	Households	14,933	6,433	5,007	5,361	1,822	33,556
Health (Beds)	Beds	215	89	54	84	16	457
Health (Clinics)	Clinics	3	1	1	1	1	7
Classrooms (New)	Classrooms	155	64	39	60	11	329
School Infrastructure	Schools	32	13	8	12	2	87
Social Net (Children's)	Units	2	1	1	1	1	6
Total Annual Investment	R'000	R437,691	R141,741	R91,034	R155,592	R28,113	R854,173
Requirement	Share	51.2%	16.6%	10.7%	18.2%	3.3%	100.0%
Source: Calculations from SA Stats Census data: 2001							

(Colours in Table relate to the Working Groups established at the PGDS Summit 2004)

implementation and business plans to access these funds. Maximum provision should be made for public funding aimed at infrastructure development and facilitating a climate that would make it attractive and profitable for the private sector to invest in the sectors and districts targeted.

Pro-active steps should then be taken to negotiate Public-Private-Partnerships and enter into negotiations to leverage donor and public sector funding based on the merits of the business plans prepared.

TABLE 4: NORTH WEST 2012 INVESTMENT TARGETS PER SECTOR AND AREA (Over 10 yearPeriod)

SECTOR OBJECTIVES		Bojanala	Central	Bophirima	Southern	Kgalgadi	TOTAL	
							Rand(mil)	Share(%)
1.	Agriculture	R70,619	R162,772	R200,125	R156,229	R56,254	R646,000	10.3%
2.	Mining	R1,254,990	R12,612	R5,434	R546,570	R5,394	R1,825,000	29.0%
	Manufacturing	R352,150	R308,060	R33,531	R219,366	R16,893	R930,000	14.8%
3.	Trade	R165,659	R67,901	R25,434	R62,643	R11,364	R333,000	5.3%
	Finance	R102,619	R47,942	R21,531	R92,082	R3,825	R268,000	4.3%
4.	Tourism	R282,249	R123,900	R93,456	R167,001	R41,064	R707,670	11.2%
5.	Infrastructure and Construction							
5.1	Electricity	R6,797	R7,167	R3,463	R10,198	R376	R28,000	04%
5.2	Construction	R34,306	R30,179	R6,332	R19,570	R1,612	R92,000	1.5%
5.3	Transport	R135,657	R109,574	R30,023	R84,773	R4,974	R365,000	5.8%
5.4	Community/Social services	R176,301	R162,733	R631,840	R122,627	R11,499	R1,105,000	17.5%
	Total	R2,581,347	R1,032,842	R1,051,169	R1,481,058	R153,254	R6,299,670	100.0%
	Proportional allocations	41.0%	16.4%	16.7%	23.5%	2.4%	100.0%	

Source: Own calculations

(Colours in Table relate to the Working Groups established at the PGDS Summit 2004)

7. OUTCOMES FROM GROWTH AND DEVELOPMENT SUMMIT (AUGUST 2004)

The Provincial Growth and Development Summit created the opportunity for strategic partners to officially identify policy shortcomings and gaps that must receive attention and formulate strategic and operational proposals for consideration and debate. A number of preparatory workshops and meetings were held to make sure that the Summit yields results that could build a better North West. From the inputs received it is evident that

participants seized the opportunity to contribute towards harmonization, alignment and integration of national, provincial and local policies and priorities resulting from both a “Top-down” and “Bottom-up” consultative process between government, labour, business and civil society structures.

Commissions contributed a situation and gap analysis to the Summit base document and formulated strategic inputs and proposed programmes of action, adoption and implementation.

A Summit Declaration was signed by representatives from Government, Labour, Business and Civil Society committing themselves to the North West Provincial Goals and Objectives and an undertaking “To use all means available to us to give meaning to all the commitments made at the Summit”. The complete Declaration is attached.

The following growth and economic development pillars were identified for strategy formulation at the Summit:

- Growth and Investment,
- Agricultural and Rural Development,
- Mining and Energy,
- Manufacturing,
- Tourism,
- Construction and Infrastructure,
- SMME,
- Training and Skills Development.

It was agreed as a basic point of departure that these sectors should not be compartmentalized, but that there should be a symbolic relationship with one another, across all that strengthens the interdependence between sectors.

Strategies formulated at the summit are given in the following sections.

7.1 The Growth and Investment Pillar

Under this pillar, the strategy is to

develop mechanisms that will make the population more dynamically productive. The Province will identify areas of potential growth and dictate the resource allocation approach to national. It will also identify comparative and competitive advantages of the various parts of the province and establish development hubs accordingly as well as identify competitive advantages globally. It will be necessary to identify skills gaps and match skills development initiatives with opportunities as well as to take care of the enabling environment to improve small business (especially women owned) access to finance.

The Province will address policy biases against women and other marginalized population groups, through countering or undoing them and ensure Quid-Pro-Quos from social partners whilst also requiring formulating these into accords by:

- Establishing minimum efforts required

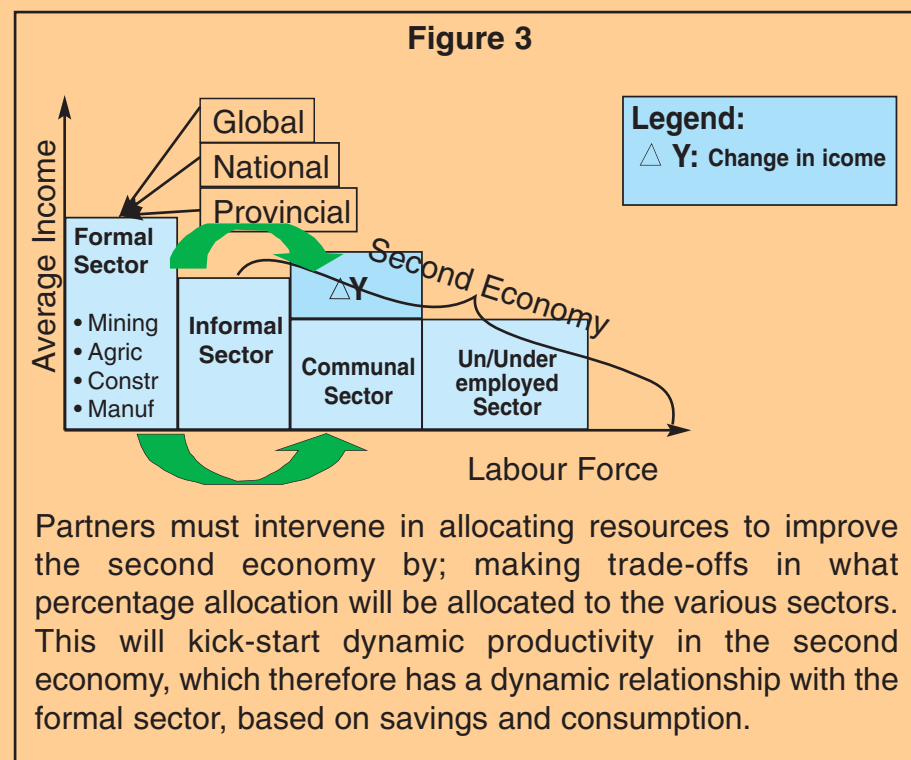
- Considering spill-over and multiplier effects
- Creating virtuous cycles

Further, the Province will accommodate national funding parastatals and international Financing Institutions (IFI) in the strategy to attract investments. It will in the process also need to re-invent and reposition some of the agencies, such as Invest North West to make it focus on the trade and markets development towards improving exports and investment attraction. The Province will strengthen partnerships between stakeholders in order to lobby for economic development opportunities for the Province as well as strengthen the stakeholders' relationship with utility providers.

The Public sector is viewed as an active player in facilitating growth and development. It should generally intervene where the desired outcome is not forthcoming from the economic system. The focus should be on

interventions primarily aimed at physical infrastructure and technical support to make it attractive for the private sector to invest.

In this process the provincial government will assume a special responsibility and mandate to assist and support communities trapped in the Second Economy to gain access into the economic mainstream. The plan towards growing the economy and increasing investment is conceptualised in Figure 3.



7.2 The Agriculture and Rural Development Pillar

The Province intends to address backlogs in basic needs; to capacitate and empower cooperatives and emerging farmers in terms of facilitating access to markets. The Province also intends to finance infrastructure, machinery and agro-processing technology and skills, whilst also promoting efficient land usage and environmentally sustainable agricultural production. It will also strengthen agricultural and rural development institutions,

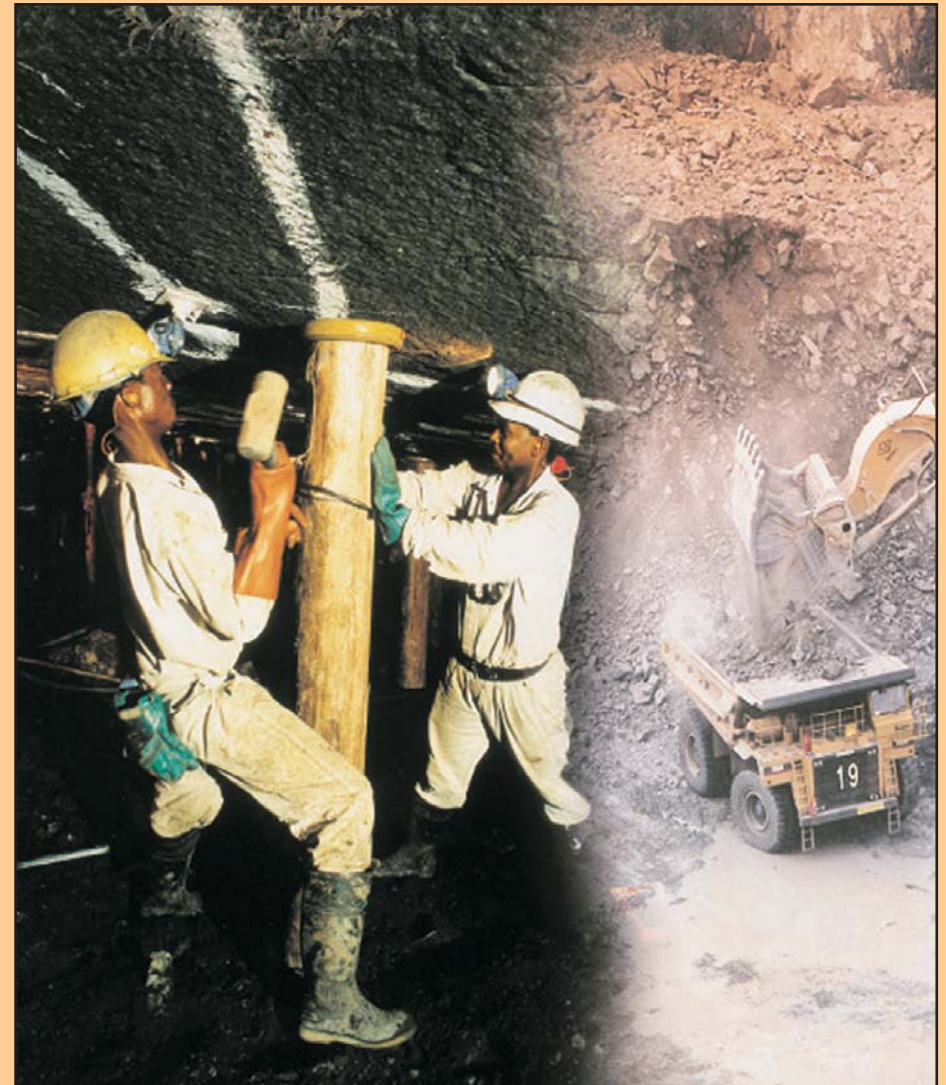


encourage and develop partnerships; and require the relevant authorities to speed up the land reform process in order to address asset poverty and unlock the value of restored land for the benefit of PDI's. Underpinning this approach will be the systematic implementation of the ISRDP.

7.3 Mining and Energy Pillar

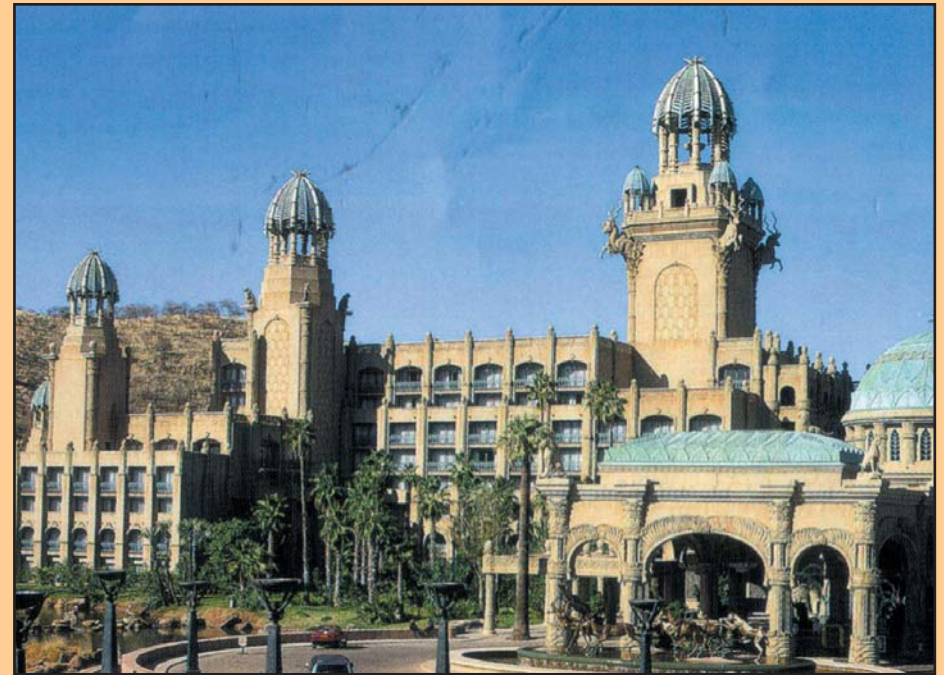
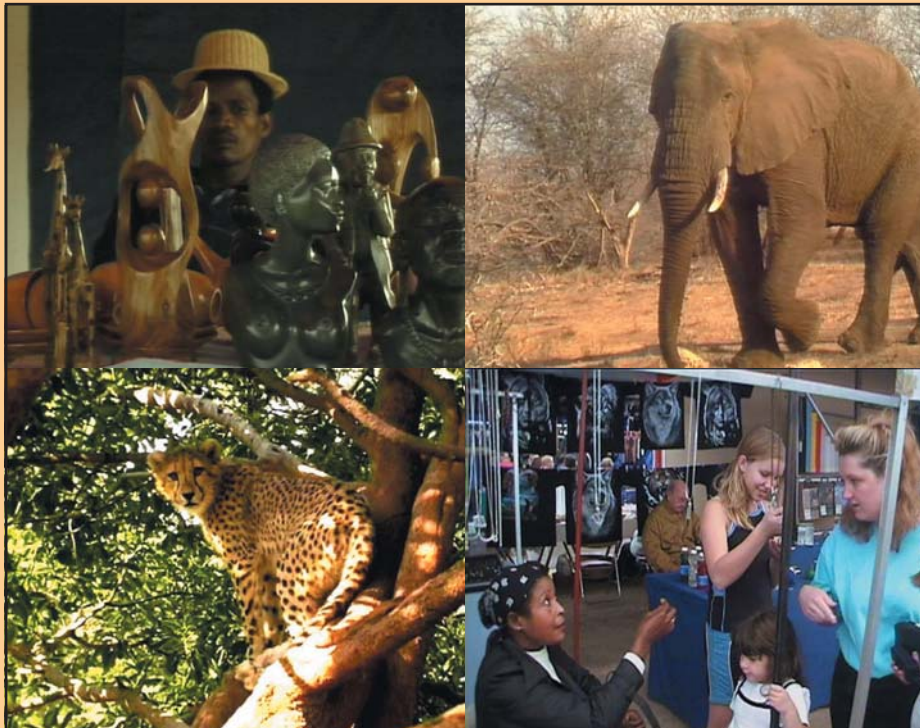
The Provincial Government will work closely with the Department of Mining and Energy in an effort to have a coordinated strategy that will assist in identifying and financing beneficiation opportunities in the mining sector whilst encouraging compliance with the Mining Charter and a triple bottom line approach to resource utilisation, outsourcing and ensuring that ghost mining towns are self sustainable beyond mining operations.

The Province participates in initiatives such as the South African Mining Preferential Procurement Forum, (SAMPPF) which aims to warehouse a database and accreditation functions for the mining industry. The prime objective is to establish a combined front amongst the mining houses and the Province wherein policies relating to BEE/HDSA businesses are used as a vehicle for preferential procurement lobbying in favour of growth and development in the Province. The province will also explore opportunities for small-scale mining and intensive job creation.



7.4 Tourism Pillar

Based on the perceived polarized international and domestic flows, the limited geographic spread within the province, the low occupancy and seasonality and infrastructure challenges including the limited tourism air traffic, the Province will lead and pursue the transformation of the tourism industry. Through this Pillar, it will also be necessary to reconfirm the four strategic pillars of the tourism management system as encapsulated in the Tourism Master Plan (TMP), namely:



- Tourism Policy and Strategy;
- Tourism Marketing;
- Tourism Development; and
- Tourism Information Management.
- Institutional arrangements

The ultimate objectives of the Province are to diversify its tourism industry through cultural tourism and to promote the entertainment and hospitality industries, build human capital amongst tour operators whilst also promoting heritage sites as international tourism destinations.

7.5 Manufacturing and Trade Pillar

The province should formulate an Industrial Promotion Programme that will attract foreign direct investments, stimulate industrial clustering and negotiate opportunities for research and development. The Province is looking at stimulating beneficiation processes, especially jewelry beneficiation in mining and agro-industry in agriculture, within identified nodal and spatial development areas wherein resources will be crowded into fast track secondary industries. The Brits area was identified as a motor manufacturing hub with tremendous location advantages to benefit from the Maputo railway line and harbour, while Rustenburg was identified as a mining supply and service centre.

Trade promotion is taking place in close collaboration with the Department of Trade and Industry.

A continuation to leverage the benefits of the AGOA in textile manufacturing and to provide

incentives to increase production of processed food and crafts for the export market towards facilitating SMME development will also be made.

7.6 Construction and Infrastructure Pillar

The strategy is to identify critical challenges facing the construction and infrastructure sector and to examine how the state resources can be used as an instrument to drive developmental priorities. This can also be achieved by aligning the empowerment portfolio instruments, i.e. public sector procurement process, Broad Based Black Economic Empowerment, Contractor Development Programmes, Semelela Expanded Public Works Programme, Spatial Development Initiatives, development and improvements of access to roads, rail and air networks in the province through influencing the relevant authorities. The need to constantly evaluate the costs and benefits of specific projects in terms of their contribution to social development and leveraging of economic growth will be imperative.



The existence of effective institutional arrangements to implement infrastructure development is a prerequisite towards, amongst others, the coordination and alignment of infrastructure implementation at national, provincial and local government spheres including the mobilisation of sufficient resources.

It will also be critical to increase skills and expertise capacity as well as to leverage the competitive advantages of the province.

7.7 SMME Development Pillar

The Provincial Government considers SMME development as an imperative to economic growth and wealth redistribution and observed a tremendous potential for job creation if only the existing informal activities in this sector could be properly harnessed and directed.

There is a general lack of awareness of the advantages of small business development through poor information dissemination, as well as a general lack of access to funding mechanisms required to promote BEE. It has also been noted that big



business is generally apathetic to small business whilst tertiary institutions are not accessible to assist small entrepreneurs. There is a general lack of business infrastructure e.g. incubation centers throughout the province and SMME's find it difficult to access markets and be competitive.

The SMME development will receive pronounced attention in future programmes and projects and, 60% to 80% of all future economic activities in agriculture, mining, manufacturing, trade and tourism should be SMME focused. This entails the creation and registration of 360 000 job opportunities during the next ten years. Multipurpose Centres should be used to enable SMME's to access information about tenders and the registration of companies. The establishment

of a functional database from where business could access potential entrepreneurs and Black Economic Empowerment deals has been identified as a priority objective. A closer attention will be paid to improving the performance of existing Entrepreneurial Support Centres which would be used to incubate SMME's as well as a strategy to provide incubators and aftercare services that

are essential in relation to the sustainability and viability of emerging small enterprises. The formation of co-operatives to assist small players in the second economy to join assets and energies in becoming more competitive in negotiating price preferences will also receive attention.

The provincial effort to promote SMME development will be aligned and integrated with National initiatives.

7.8 Training and Skills Development Pillar

The Commission agreed that investment in human capital is the most important contribution that government could make in equipping its residents with the skills and choices to benefit from opportunities in the labour market. The province will increasingly promote research and development initiatives through facilitation of the North West Research Coordinating Forum.

This strategy is to invest increasingly in SMME development and entrepreneurial development, mentoring and the provision of information communication technology skills to the youth, as well as to aggressively invest in learning facilities in rural communities. It is envisaged that skills development should constitute part of a broader, integrated effort at promoting job creation and that the focus should be on growing skills and vocational training in the services and financial sectors for long term sustainability and ability to compete globally.

A focused Adult Basic Education & Training (ABET) strategy was proposed to address high illiteracy levels and to facilitate further education and training. The province will investigate alternatives of fast tracking ABET HIV/AIDS training. Lastly, companies will be encouraged to promote employee development through on-the-job learning and learnerships.

8. FRAMEWORK TOWARDS IMPLEMENTING THE STRATEGY

Good governance in the public service is critical for the successful implementation of government programmes through which services are delivered. Over the past decade, capacity has gradually been built but more still needs to be done to ensure that there is systematic and effective delivery of services by building and consolidating for social and economic development.

The PGDS does not stand in isolation from other very important policy levers in the Province and must be implemented as one integrated system.

Budget transformation to correctly reflect the policy of government, institutional support and project management to deliver on commitments were identified as the three greatest structural challenges for government which require continuous reflection.

Some basic guidelines on how these systems should feature in the implementation plan are the following:

8.1 Budget integration:

It is imperative that the PGDS must be fully integrated within the Medium Term Expenditure Framework as a special initiative that requires dedicated funds.

All the economic growth and basic needs projections and priorities of the PGDS were taken into consideration in preparing a Public Funding Investment matrix for National and Provincial Government funding that is channeled through the Provincial budget system.

This Investment Matrix calculates the minimum annual public investment requirement at R2.2 billion and gives directives on the purpose and objective as to where and how these funds should optimally be invested to achieve the goals and objectives of the Provincial Growth and

SECTOR OBJECTIVES	PROPORTIONAL SPATIAL ALLOCATION					TOTAL	
	Bojanala	Central	Bophirima	Southern	Kgalgadi	%	R'000
1. Agriculture	0.97%	2.24%	2.72%	2.12%	0.79%	8.83%	R190,676
2. Mining	5.74%	0.60%	0.06%	1.39%	0.06%	7.86%	R169,780
Manufacturing	3.02%	2.12%	0.30%	1.87%	0.18%	7.50%	R161,944
3. Trade	1.51%	0.60%	0.24%	0.60%	0.12%	3.08%	R66,606
Finance	0.97%	0.42%	0.18%	0.85%	0.06%	2.48%	R53,546
4. Tourism	3.26%	1.03%	0.18%	2.72%	0.06%	7.25%	R156,720
5.	Infrastructure and Construction						
5.1 Utilities (Water)	1.17%	0.60%	0.36%	0.26%	0.17%	2.56%	R55,283
5.2 Utilities (Energy)	3.49%	1.52%	1.19%	1.27%	0.45%	7.92%	R171,014
5.3 Building Construction	0.30%	0.30%	0.06%	0.16%	0.00%	0.85%	R17,284
5.4 Transport & Roads	1.27%	1.03%	0.30%	0.79%	0.06%	3.45%	R74,442
5.5	COMMUNITY FACILITIES AND SERVICES						
Shelter	11.45%	2.84%	1.56%	4.44%	0.33%	20.43%	R441,337
Sanitation	1.71%	0.77%	0.48%	0.28%	0.16%	3.40%	R73,443
Education	1.75%	1.53%	0.64%	1.21%	0.16%	5.29%	r114,276
Health	3.53%	2.32%	1.10%	1.92%	0.32%	9.18%	R198,370
Social Services	1.77%	1.57%	0.62%	1.19%	0.14%	5.29%	R114,194
Sport & Recreation	1.51%	1.45%	0.54%	1.09%	0.06%	4.65%	R100,562
TOTAL(%)	43.41%	20.75%	10.54%	22.17%	3.13%	100.00%	
TOTAL (R'000)	R937,784	R448,298	R227,781	R478,924	R67,689		R2,160,47

Source: Own calculations

(Colours in Table relate to the Working Groups established at the PGDS Summit 2004)

The unbalanced contribution towards the provision of shelter is as a result of additional funding provisions that are channeled directly from National Government.

Development Strategy. The Consolidated Investment Matrix is given in Table 5.

8.2 Institutional Support

The design and implementation of an institutional support system that is mandated to manage and accept accountability for the goals, objectives, and targets of the PGDS will require a dedicated capacity.

Strategic partners towards implementing the PGDS are labour, business, civil society and the two spheres of government. Parastatals are key implementing arms of government and are critical in implementing the growth and development outcomes. As a result, it is envisaged that programmes and projects emanating from the Growth and Development Strategy will be implemented jointly by all organs of state and their social partners. It will be necessary for partners to contribute resources towards implementing the

PGDS if its objectives are to be achieved. It is therefore essential that the strategy should be periodically reviewed to accommodate the latest challenges and trends in the Province.

As also agreed at the Growth and Development Summit, all social partners will play a critical role in ensuring the successful implementation of the PGDS by participating meaningfully in the implementation process. The following are therefore, the envisaged roles of social partners towards ensuring that the PGDS is implemented successfully, i.e.:

8.2.1 Role of Government

This will be to:

- Establish a management and reporting framework for the PGDS implementation of the strategy which includes placing the PGDS implementation framework as a permanent feature of the EXTECH

(HoDs) Agenda to ensure preferential treatment.

- A structure will be constituted to manage the implementation process of the PGDS. This structure will be made up of members of the Social partners and its responsibility will be to provide a strategic direction to the implementation of the PGDS. A fulltime coordinator will be appointed to serve as the PGDS Secretariat. The leadership of the PGDS will be located in the Premiers office, with DFED being the lead department.
- Ensure that the Clusters do take the responsibility of ensuring that the PGDS projects are implemented.
- Promote the establishment of PPP's,
- Ensure the usage of existing legislative procurement framework to promote the Broad Based Black Economic Empowerment, (BBBEE) in support of SMME/HDSA.
- Identify specific departments to drive discussions/negotiations with potential investors.

- Facilitating the realignment of institutional and funding arrangements for the NWPGDS,

8.2.2. Role of the Private Sector

The Private Sector is expected to:

- Participate actively in the multi-sector structures
- Participate in PPPs to ensure that the PGDS Programme of Action is implemented,
- Provide technical assistance support where feasibility and other related studies are undertaken,
- Invest meaningfully in communities where they operate businesses, i.e. social responsibility undertaking,
- Direct joint investments to promote the objectives of the strategy
- Develop meaningful partnerships with civil society organizations.

8.2.3. Role of Civil Society

The Civil Society is expected to:

- Make an input into the developmental agendas of their localities,
- Actively participate in government and private sector structures,

- Serve as development agents within their communities,
- Monitor and evaluate the implementation of the NWPGDS in collaboration with other stakeholders.
- Perform an advocacy role
- Strengthen a Peoples contract

8.3 Project Cycle

The programme and project management delivery system is used to ensure that funds are effectively and efficiently allocated in realising results that should contribute to the outcome and output targets of the Provincial Growth and Development Strategy.

Funds that are available for development purposes are annually allocated proportionally in accordance with the Public Funding Investment Matrix. Departments and Municipalities are invited to prepare and motivate implementation and business plans to access these funds and present project lists with mandatory project information for appraisal and approval. Only business plans and project lists that meet basic requirements do qualify for funding.

8.4 Monitoring and Evaluation

Provision is made for the continuous monitoring and evaluation

of the PGDS in realising its goals and objectives. This monitoring should keep the Province informed of progress and achievements.

9. CONCLUSION

The successful implementation of the Growth and Development Strategy depends mainly on the cooperation between government and its social partners. Local government as a sphere of government and the one at the coal face of delivery is critical in the development of integrated development plans with the Provincial Government.

Another important success factor is the commitment and drive within government to see the strategy succeed and the establishment of the necessary institutional, financial and project management support systems to make the plan work. It is finally important to introduce a Management Information System that would enable management and government to monitor and evaluate progress and benchmark performances against the contents of the PGDS.

The strategy will be reviewed periodically to keep it relevant and applicable for the province.



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ANNEXURE

THE SUMMIT DECLARATION

1. PREAMBLE

- 1.1 We, the summit delegates gathered at the North West Provincial Growth and Development Summit (NWPGDS), in our capacities as set out below, commit ourselves to implement the resolutions contained in this declaration.
- 1.2 We confirm that our deliberations at this summit were aimed at reaching consensus on the way in which we will implement the National Growth and Development Strategy in the North West for the purpose of stimulating economic growth, creating jobs, reducing poverty and building human capital, but always in a manner that is environmentally sustainable, socially responsible and economically viable.
- 1.3 We are convinced the black economic empowerment, partnerships between the public, private sector and civil society organisations; and corporate governance are central to the achievement of our goals.

2. RECORDAL

- 2.1 We remain committed to the targets and objectives of Vision 2014, namely to:
 - 2.1.1 Reduce poverty and unemployment by half over the next ten (10) years;
 - 2.1.2 Provide the skills and build the capacity required to fight poverty and promote the economy;
 - 2.1.3 Promote the rights contained in the Bill of Rights amongst vulnerable groups like women, youth, people with disabilities, children and the aged;
 - 2.1.4 Efficiently and effectively provide compassionate government services to the people;
 - 2.1.5 Markedly reduce cases of preventable diseases and turn the tide on HIV/AIDS and;
 - 2.1.6 Create an environment of safety and security to promote sustainable development.
- 2.2 In achieving these objectives, we will take cognisance of the following approaches:

Provincial Growth and Development Strategy as encapsulated in the Draft North West 2014 Plan, under the theme **“Building a People’s Contract for Sustainable Development”**

2.2.2 A Sectoral Approach to Economic Growth, as follows:

2.2.2.1 Economic and Investment Sector – promoting SMME’s through BEE, women and youth empowerment, integration of LED’s Spatial Development Initiatives and improved access to finance and franchising indigenous products.

2.2.2.2 Training and Skills Development – Investment in entrepreneurial development, mentoring and providing ICT skills to youth.

Aggressively investing in learning facilities in rural communities. The undersigned to facilitate the establishment of 1000 learnerships across all sectors by the end of 2004.

2.2.2.3 Construction and Infrastructure – pursuing the EPWP to aggressively reduce poverty and increase skills in the road and infrastructure network of the province and leveraging the competitive advantage of the province in the cement and brick making business.

2.2.2.4 Agricultural and rural development – address backlogs in basic needs, capacitate and empower cooperatives and emerging farmers in terms of facilitating access to markets, finance, infrastructure, machinery and agro-processing technology and skills, promoting efficient land usage and environmentally sustainable agricultural production, strengthen agricultural and rural development institutions, encourage and develop partnerships and require the relevant authorities to speed up the land reform process in order to address asset poverty and unlock the value of restored land for the benefit of PDI’s.

2.2.2.5 Mining and Energy Sector – liaising with DME, assist in identifying and financing beneficiation opportunities in the mining sector whilst encouraging compliance with the Mining Charter and a triple bottom line approach to resource utilisation and ensuring that host mining towns are self sustainable beyond mining operations.

2.2.2.6 Tourism – diversify the province’s economy through cultural tourism and promote the entertainment and hospitality industries, build human capital amongst tour operators and promote heritage sites as international tourism destinations.

2.2.2.7 Manufacturing – leveraging the benefits of the AGOA in textile manufacturing and providing incentives to increase production of equipment, processed food and crafts for the export market.

2.2.3 The Summit recognizes the need to meet people’s basic needs and intends to achieve this objective by:

2.2.3.1 Income Poverty Alleviation – improving the efficiency of the EPWP and the income grants programme.

2.2.3.2 Human Capital Poverty Alleviation – general education, ABET, health, water, sanitation and electrification.

2.2.3.3 Asset Capital Poverty Alleviation – providing increased access to housing with emphasis on women, land in conjunction with the National Ministries of Land and Agriculture and preserving the environment and addressing social exclusions by entrenching gender equality initiatives.

3. CONCLUSION

3.1 We undertake to use all means available to us to give meaning to all the commitments that we have made at this Summit.

3.2 We will use our best endeavours to ensure that all the spheres that we represent act in a synergetic, cohesive and mutually complimentary manner to the benefit of the people of the North West.

3.3 The undersigned social partners commit themselves to making the necessary proactive trade – offs to ensure the success of the Growth and Development Strategy of the North West Province.

THUS DONE AND SIGNED AT SUN CITY ON THIS31st..... DAY OF AUGUST 2004



GOVERNMENT


ORGANIZED LABOUR



ORGANISED BUSINESS


CIVIL SOCIETY

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