



“TOGETHER WE MOVE SOUTH AFRICA FORWARD”

MEDIA STATEMENT ON THE RELEASE OF THE MEDIUM-TERM STRATEGIC FRAMEWORK 2014 - 2019

Date: 7 August 2014

Venue: GCIS, Pretoria

Time: 10:00

Ministers and Deputy Ministers present, National Planning Commissioners, Members of the Media,

Thank you for joining us this morning.

This year the country celebrates 20 years of democracy, and despite our continued challenges, there is little doubt that South Africa is a better place to live in than it was before 1994. The 20-year review provides a significant reflection on the undeniable achievements of this young, democratic government, as well as the key lessons we must build upon.

In 2012, Cabinet adopted the National Development Plan (NDP), to serve as a blueprint for the work that is still required in order to achieve the desired results in terms of socio-economic development and the growth of this country by 2030. With the adoption of the long-term vision and plan for the country, the NDP, a path was charted according to which the country would be able to address the triple challenge of poverty, inequality and unemployment. I would like to take this opportunity to thank the members of the National Planning Commission, including former Minister Manuel for their sterling work in producing the plan.

In the words of President Jacob Zuma: “*The plan has been adopted as a national plan for the whole country. It is our roadmap for the next 20 years. All the work we do in government is now part of the comprehensive National Development Plan, including all operational plans, be they social, economic or political.*”

Implementation already under way

Since 2012, the focus has been on implementing the parts of the NDP that did not require long lead times and additional funding. For example, the NDP proposal to

establish an Office of the Chief Procurement Officer in National Treasury, in order to ensure value for money and reduce corruption, has been implemented. Legislation to prevent public servants from doing business with the state was introduced in Parliament last year, as proposed in the NDP. And, the Employment Tax Incentive Act aimed at helping young people enter the labour market was passed by Parliament in 2013 and implementation began this year. Many of the proposals in the NDP related to developing infrastructure are also already in various stages of implementation.

A number of pilot projects are also already underway to test new policies proposed in the NDP. These include programmes such as:

- the Mpumalanga land reform project to test the “new land reform model” proposed in chapter 6 of the NDP
- a partnership between the Department of Education and various stakeholders focusing on improving learning outcomes under the auspices of National Education Collaboration Trust of which the Deputy President is a Patron
- the Partnership for Urban Innovation between the Presidency and Gauteng Government
- the social-dialogue initiative by the National Planning Commission towards determining a decent standard of living, and how it will be achieved by all citizens, as proposed in the NDP.

The proposals in the NDP regarding improving planning and the management of implementation are also already being taken forward. The President recently launched Operation Phakisa, which is an innovative approach to achieving outcomes, involving detailed collaborative planning between stakeholders, including the private sector and civil society. The Operation Phakisa project to grow the Oceans Economy from an estimated GDP contribution of R54 billion in 2010 to R129-177 billion by 2033, and to increase the number of people employed from approximately 300 000 people 2010 to 800 000 - 1 million by 2033. A similar initiative will be undertaken in the health sector shortly.

The message is very clear: the NDP train left the station in 2012 and is now moving at a very high speed. Tribute must be paid to those who were first to board the train by taking the first steps to implement the NDP as indicated earlier. An invitation is extended to those who are still standing on the sidelines to board this train and join us on this wonderful journey to 2030. They are invited to contribute towards remaking their country into one that is many times better than the present.

The Medium Term Strategic Framework 2014 – 2019

We are here to release government's comprehensive plan for implementing the National Development Plan and the commitments in the manifesto of the ANC as the governing party over this five year term. This plan is the Medium Term Strategic Framework (MTSF) for 2014 to 2019, which has now been approved by Cabinet.

Building on the experience of previous administrations, the MTSF will continue with the outcomes approach adopted by the 2009–2014 administration. It builds on innovations such as the Presidential Siyahlola Monitoring Programme, the coordination of the infrastructure build programme, through the Presidential Infrastructure Coordinating Commission (PICC), and the different interventions to unblock challenges in different sectors. The MTSF does not constitute the sum total of what Government does, but it serves as a prioritisation framework; aimed at focusing all government efforts on a set of manageable programmes.

The MTSF defines the strategic objectives and targets of government during the next five years. It is the frame of reference outlining the government's main priorities underpinning the strategic direction of government over the next five years. The MTSF therefore serves as the principal guide to the planning and the allocation of resource across all spheres of government. The MTSF priorities will inform the budget submissions that national departments make to the government's budgeting process, as encapsulated in the Medium Term Expenditure Framework, which details a 3-year rolling expenditure and revenue plan for national and provincial departments.

The Department of Planning, Monitoring and Evaluation and National Treasury have worked together to ensure that the commitments made in the MTSF can be funded within the resource constraints we face. Given continuity in the policy agenda since the last administration, most of the programmes contained in the MTSF have already been financed by spending plans already announced in the budget. For instance, the Budget Review document links our spending programmes to the critical actions identified in the NDP.

The MTSF is intended to enable Cabinet to monitor progress on the implementation of the NDP. The Presidency is the custodian of the MTSF, although implementation is undertaken by different Government departments and agencies. The Presidency will therefore provide overall leadership, coordination and monitoring and evaluation over its implementation.

The MTSF is structured around 14 priority outcomes which cover the focus areas identified in the NDP. These are: quality basic education, improving health outcomes, reducing crime, creating jobs, developing the skills and infrastructure required by the economy, rural development, sustainable human settlements, effective and efficient

local government and public service, the environment, international relations, social development, and social cohesion and nation building.

The MTSF consists of an executive summary which has been circulated. The main document which contains detailed plans per outcome is now available on the DPME website. In each of the 14 outcomes, the MTSF outlines goals, indicators, targets, actions, and responsibilities. A sample of these actions and targets is provided in the annexure to the media statement.

Why have we put so much effort on planning?

A 1977 message written by our former President Nelson Mandela to Adelaide Tambo reads thus: *“Significant progress is always possible if we ourselves plan every detail and allow intervention of fate only on our own terms. Preparing a master plan and applying it are two different things.”* In 2012 our master plan, the NDP, was approved by Cabinet, and this MTSF is a major step forward in applying it.

To quote from Vision Statement of the NDP, *“we have received the mixed legacy of inequalities in opportunity and in where we have lived, but we have agreed to change our narrative of conquest, oppression, and resistance.”* The broad acceptance of the NDP by South Africans is itself an indication of this agreement to change our narrative.

Contents of the MTSF

The actions and targets for the various outcomes covered by the MTSF are designed to change the life chances of young Thandi that the National Planning Commission’s Diagnostic report introduced us to in 2011. They include improving education and skills development and creating more employment opportunities for young people.

Government’s programme of radical economic transformation is about placing the economy on a qualitatively different path that ensures more rapid, sustainable growth, higher investment, increased employment, reduced inequality and deracialisation of the economy. The NDP sets a growth target of at least 5% a year, and emphasises measures to ensure that the benefits of growth are equitably shared.

Many of our young people do not currently share in the benefits of economic growth and development. There is an urgent need to expand the range of opportunities available to the youth. Drawing inspiration from the spirit of the youth of 1976 and the young lions of the 1980’s, our youth must be encouraged and assisted to channel their energy towards solving challenges they face, especially in the labour market. The NDP and MTSF include a range of actions aimed at creating more opportunities for young people.

It is in this context that we will ensure the rapid implementation of an Integrated Youth Development Strategy (IYDS) as a broad vehicle or tool towards the mainstreaming of youth development. The priority areas of youth development are employment creation, entrepreneurship support and education (skills development). By rapidly absorbing youth into the mainstream development of our country, we will have responded effectively to the fact that of the approximately 25% unemployed in South Africa, the vast majority are young people between the ages 15 to 35 years.

Achievement of economic transformation and inclusive growth will not result from a single intervention, but from a range of mutually supporting initiatives. In many cases, this does not require new strategies, but better implementation of existing ones.

The MTSF contains actions to grow and diversify the economy and reduce economic concentration. It details plans for developing infrastructure, skills and appropriate regulatory frameworks as key enablers of economic growth. It focuses on ensuring growth in the core productive sectors of manufacturing, mining and agriculture and opening new areas of economic growth such as the oceans economy, the green economy and shale gas. There are actions to ensure that small business makes a much larger contribution to growth and employment creation.

More rapid private sector investment is critical for higher growth, as the private sector accounts for 70% of production and employment. The NDP indicates that South Africa needs to increase its level of investment to at least 25% of GDP. To achieve this level of investment, the level of savings must also increase coupled with creating conditions favourable to foreign direct investment (FDI). The MTSF includes actions aimed at achieving an economic environment that encourages business investment and rewards competitiveness, especially in sectors that can catalyse longer term growth and job creation. Government will increase its engagement with business to unlock private sector initiative, build investor confidence, promote trust and seek long-term commitments to implementation of the NDP. These engagements will be led by the Presidential Business Working Group.

Some of the targets in the MTSF for growing the economy and creating jobs are:

- Increasing the investment rate to 25% of GDP
- Increasing public sector investment to 10% of GDP
- Adding 10 000 megawatts of electricity
- Increasing employment and reducing unemployment to 14%
- Increasing the share in household income of the poorest 60% of households to 10%.
- Increasing research and development investment to 1.5% of GDP – a 300% increase in the rand value of investment compared to 2013.

To quote our former President Mandela again, “*There is nothing I fear more than waking up without a programme that will help me bring a little happiness to those with no resources, those who are poor, illiterate and ridden with terminal disease.*” The MTSF provides such programmes, with regard to basic education, skills and improving the health of the population. For example, it contains a target of 60% of learners in Grades 3, 6 and 9 achieving at the required level in literacy, numeracy, home language and mathematics. It describes various actions aimed at achieving this target, including training more teachers, providing more in-service training and ensuring teachers are placed appropriately. With regard to health, the MTSF includes a target for raising average life expectancy from approximately 60 years currently to at least 63 years by 2019. This is towards the 2030 vision of an average life expectancy of 70 years. Amongst other actions, the MTSF commits to doubling the number of people on anti-retrovirals from the present 2.4 million to a projected 5.1 million.

Despite progress in reducing rural poverty and increasing access to basic services in rural areas over the past 20 years, rural areas are still characterised by great poverty and inequality. As stated in the NDP, by 2030, South Africa’s rural communities must have better opportunities to participate fully in the economic, social and political life of the country. Rural development remains a focus of Government during this MTSF period and the MTSF contains actions and targets in this regard, such as providing more technical, financial and infrastructure support to smallholder farmers.

Cognisant of the challenge South Africa faces with regards to the accommodation needs of the mass of its population, the MTSF focuses on ensuring that poor households have adequate housing in better living environments; the development of a functional and equitable residential property market; and improving institutional capacity and coordination for better spatial targeting. The impact of the earthquake in Orkney underlines the need to improve the quality of housing.

The NDP highlights the need to address the crime that is damaging our communities and the MTSF contains a range of actions and targets in this regard, such as increasing our focus on contact crimes which includes murders, attempted murders, sexual offences, assault with grievous bodily harm, common assaults, and robbery. Recent incidents involving three-year old Luke Tibbets who was shot in the head on Saturday evening in Westbury and four-year old Taegrin Morris who died after he was dragged behind a hijacked car for three kilometres the week beforehand are a sad reminder of the enormous challenge we face. On behalf of the Government, I would like to extend my condolences to the families of Luke and Taegrin, and all other South Africans who have been affected by violent crime.

Recently, the Auditor General released his 2014 general report on audit outcomes for local government, which indicated that we are still far from achieving the NDP vision of efficient and effective local government. The MTSF includes a range of actions to address this, including improving municipal management, such as providing basic water, sanitation, refuse removal, and road services, as well as fixing potholes, non-functioning traffic lights, service interruptions, and billing problems.

South Africa faces an enormous challenge in future in terms of managing and mitigating the impacts of climate change. The NDP recognises the finite nature of many of our natural resources, and stresses the need for economic development to be environmentally sustainable. In the environment sector, our efforts will focus on ensuring that ecosystems are sustained and natural resource are used efficiently; an effective climate change mitigation and adaptation response is adopted; and an environmentally sustainable, low-carbon economy results from a well-managed transition.

Recognising that *“in a society with deep social and economic divisions, neither social nor economic transformation is possible without a capable and developmental state”* as highlighted in the NDP, the MTSF describes a range of action actions aimed at addressing the challenge. The MTSF contains actions related to improving both the quality and extent of service delivery, as well as improving the performance of the public service and increasing the efficiency and effectiveness of local government. It also includes measures to improve recruitment and skills development, strengthen supply chain management and reduce the risk of corruption in government.

It is opportune that we are releasing the MTSF in Women’s Month, when we are celebrating women’s achievements in addressing vestiges of patriarchy. For example, we have increased the proportion of women in the legislatures and in the executive and are now ranked amongst the top ten in the world in this regard. In August 1956, women from all walks of life marched on the Union Buildings to protest against the pass laws. Those brave women refused to accept their situation as it was and took deliberate action to change it. Similarly, the MTSF contains deliberate actions and targets across many of the outcomes aimed at increasing gender equality. In addition to improving gender equity, the MTSF focuses on other actions aimed at achieving the NDP goals of nation building and social cohesion.

The NDP Vision Statement reminds us that: *“We are Africans. We are an African country. We are part of our multi-national region. We are an essential part of our*

continent. Being Africans, we are acutely aware of the wider world, deeply implicated in our past and present. That wider world carries some of our inheritance.”

To achieve the NDP vision for our international relations, the MTSF includes actions to support regional and continental processes to respond to and resolve crises and to promote peace and security. It also contains actions related to strengthening regional integration, significantly increasing intra-African trade and championing sustainable development in Africa, and advancing South Africa’s national priorities through bilateral engagements. There is a target for securing foreign direct investment of R230 billion worth of investments by 2019.

We have been working towards achieving the international relations objectives in the NDP, as evidenced by the recent agreement on the establishment of the BRICS Bank and indeed the current US Africa Summit on AGOA.

Ensuring government-wide implementation

By law, all national and provincial departments and municipalities have to produce five year strategic and annual performance plans and report against these plans. The MTSF is the mechanism through which all 5 year strategic plans and annual plans of the three spheres of government are being aligned to the NDP and made to pull in the same direction. The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. The Treasury Regulations have been changed so that all departments have to submit their draft plans to the Department of Planning, Monitoring and Evaluation in the Presidency to enable a review of whether the plans incorporate all the targets from the MTSF.

The MTSF will form the basis of performance agreements between the President and Ministers. Ministers will also ensure that the relevant actions and targets in the MTSF are reflected in the performance agreements of their Directors General and cascaded down to the performance agreements of other managers in the administration.

Cabinet will use the MTSF as the basis for monitoring the implementation of the NDP across government over the next five years. Cabinet will consider progress reports for each of the outcomes at least three times a year and these progress reports will be made public through the Programme of Action website managed by DPME. We will use our monitoring and evaluation work to inform improvements to our plans and programmes as we implement the MTSF. Statistics South Africa will play a key role in

providing data on a range of development indicators, which will assist us to assess whether or not the actions in the MTSF are achieving their desired impacts on society.

To quote again from the Vision Statement of the NDP again, “*our new story is open-ended with temporary destinations, only for new paths to open up once more.*”

Conclusion

The NDP is not just a plan for government, but for the whole country. Its implementation requires the involvement of all sectors of society and an active citizenry. In addition to implementing the MTSF within government, we will therefore also be paying attention to building partnerships across society to achieve the goals of the NDP, and we call on all stakeholders to work together with us in this regard.

We will be organising further on-going engagements with both the media and other interest groups regarding the MTSF and the implementation of the NDP. These will include symposia with universities and other research organisations and engagements with stakeholders such as civil society and community organisations, the youth, business and professional bodies, and organised labour.

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Annexure: Additional examples of targets and actions per outcome in the MTSF

A selection of additional targets and measures from the MTSF is provided below. For each of the 14 outcomes, many more targets, actions and measures are outlined in the MTSF.

1. Quality basic education and skills

Some of the targets for education and skills are:

- Achieving 100% Grade R coverage
- More than 50% of Grade 12 learners achieve 50% or more in Mathematics and Physical Science
- Increase headcount enrolments in Technical and Vocational Education and Training Colleges to 1.24 million
- Increase the percentage of university academic staff with PhDs from 38% in 2012 to 46%.

The actions we will take to achieve these education and skills targets include, amongst others:

- Establishing a teacher knowledge testing system for feedback into training and support
- Developing effective tools for monitoring class size, teacher posting and absences
- Developing protocols on the secondment of sector specialists to work in Technical and Vocational Education and Training Colleges
- Ensuring that Technical and Vocational Education and Training College lecturers are exposed to the work place.

2. Improving the health of the population

The MTSF contains a range of targets for improving the health of the population, including, for example:

- Raising life expectancy to at least 63 years
- Ensuring that the generation of under-20s is largely free of HIV
- Significantly reducing the burden of disease
- Achieving an infant mortality rate of less than 18 deaths per 1 000 live births, and an under-5 mortality rate of less than 23 per 1 000.
- Lowering the maternal mortality rate from 269 to below 100 per 100 000 live births.

The MTSF describes the actions which will be taken to achieve these targets, including, for example:

- Doubling of the annual training of doctors locally and abroad
- Phasing in of National Health Insurance
- Establishing the Office of Health Standards Compliance to address breaches of health care quality and patient safety in all public sector health establishments

- Expanding the coverage of ward-based primary health care outreach teams
- Implementing a mass mobilization strategy focusing on healthy options in order reduce risk factors for Non-Communicable Diseases including the reduction of obesity
- Establishing a National Health Pricing Commission to regulate health care in the private sector.

3. Rural development and land reform

Our broad strategy for rural areas includes:

- Improving land administration and spatial planning for integrated development
- Improving food security
- Increasing access to quality basic infrastructure and services, particularly in education, healthcare and public transport
- Growing sustainable rural enterprises and industries characterised by strong rural-urban linkages, increasing investment in agro-processing, trade development and access to markets and financial services – resulting in rural job creation.

Specific actions to achieve these goals include:

- Developing and implementing spatial development plans to guide how land is used while prioritising the 27 resource-poor district municipalities
- Acquiring and allocating 2 million hectares of strategically located land for land reform
- Developing under-utilised land and bringing into production 1 million hectares of land in communal areas and land reform projects
- Expanding land under irrigation by an additional 1 250 hectares
- Eradicating infrastructure backlog in rural schools, rural health facilities and provide rural communities with ICT infrastructure.

4. Sustainable human settlements

Actions to achieve this priority include:

- Reviewing and improving existing housing instruments and subsidies to better direct housing and human settlement investments
- Increasing the supply of housing opportunities using different tenure types to ensure the diversity necessary to address social, economic and cultural needs
- Fast-tracking release of well-located land for housing and human settlements targeting poor and lower middle income households

5. Reducing crime and corruption

The MTSF describes how we will:

- Put in place more visible policing, improve public order policing and community policing, improve rural safety, increase intelligence-led policing, and improve crime detection
- Fight drug and substance abuse by increasing access to treatment services nationally and intensifying mobilization of communities through local drug action committees
- Focus on combating violence against women and children
- Provide more training to police officers in areas of forensics, crime investigations, crimes against women and children, and in public order policing
- Improve investigation and prosecution of criminal and violent conduct in public protests
- Reduce levels of corruption in public and private sector, thus improving investor perception, trust in, and willingness to invest in South Africa
- Conduct safety audits and citizen satisfaction surveys.

6. Improving local government performance

The MTSF actions are aimed at:

- Addressing maintenance, upgrading, refurbishment and new infrastructure requirements in each municipality
- Addressing water and sanitation challenges among Water Services Authorities
- Improving the financial management and governance of municipalities
- Tackling corruption within local government more effectively and consistently by identifying key risks and the development of appropriate responses
- Creating an enabling environment for economic development to stimulate competitive, inclusive and sustainable local economies
- Expanding Community Work Programme sites in 234 municipalities in order to reach 1 million participants.

7. Building a capable and developmental state

Actions in the MTSF related to building a capable and developmental state include:

- Creating a stable political-administrative interface
- Making the public service a career of choice
- Ensuring sufficient technical and specialist professional skills in the public service
- Ensuring efficient and effective management and operations systems
- Putting in place procurement systems that deliver value for money
- Increasing the responsiveness of public servants and accountability to citizens

- Improving inter-departmental coordination and institutionalisation of long-term planning
- Improving mechanisms to promote ethical behaviour in the public service.

8. Improving social protection

In order to implement the commitment in the NDP to improve social protection, the MTSF contains actions intended to:

- Improve efficiency in the delivery of social protection services.
- Address exclusions by identifying and reaching those who are entitled to the existing benefits of social protection
- Reduce the administrative bottlenecks that prevent people from accessing benefits.
- Develop an enabling environment and create conditions for social partners such as the NGO sector to contribute to social protection.

9. Nation building and social cohesion

Key actions include:

- Promoting the Bill of Responsibility, Constitutional values and national symbols amongst children in schools
- Establishing Constitutional Monday and popularise the Moral Regeneration Movement's charter of good values
- Developing and implementing Constitutional rights awareness campaigns/programmes targeting the public with a focus on vulnerable and marginalised group
- Improving enforcement of the Employment Equity Act by ensuring that at least 40% of middle and senior management are African by 2019
- Building non-racialism through community dialogues and combating racism, racial discrimination, xenophobia and related intolerance.

10. International relations

The MTSF contains targets for:

- Increasing the number of foreign visitor arrivals to more than 44 million annually by 2017
- Increasing the contribution of tourism revenue to the economy to more than R370 billion by 2017.