

**THE MPUMALANGA PROVINCIAL
GOVERNMENT
FIVE YEAR REVIEW (2004-2008)**

Final report submitted

By

Umhlaba Group of Consultants

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1. Executive Summary

The Mpumalanga Provincial Government has embarked on a review process of the programmes and projects of the provincial government for the period 2004-2008. The purpose of this review is to promote continuous improvement and create institutional learning opportunities as new administration is expected to take up office in April 2009. The findings of this review will be used in the formal handover to the new incumbents as it marks the beginning of an induction process where lessons learnt from past experiences are shared between outgoing and incoming political heads and public servants.

The process involved a review of 13 provincial government departments including the Premier's Office. Annual reports, budget and policy speeches, strategic plans and implementation plans were reviewed and the successes of each department were measured against whether the departments were in line to reach the targets set by the PGDS. Department programmes, sub-programmes, strategic objectives and the achievements of each department were compared with the key priority areas of the PGDS, its strategic objectives, the programmes specified by the PGDS and the targets set.

Some of the limitations experienced during this process of review include:

1. The departmental reports have been compiled by reviewing annual reports, budget and policy speeches, strategic plans and implementation plans. As a result of that, much of the information in this report is derived from the information presented in the departmental reports. Due to the fact that the documents that were reviewed are focused on outputs as opposed to outcomes, there could be no depth of analysis or impact assessment.
2. In some cases the set of documents received from departments were incomplete for the period 2004-2008, for example, an annual report for one year in the review period was not submitted to the reviewers. This resulted in weaknesses in some department reports. It also presented a challenge to the reviewers in that they were unable to map trends due to the missing information. In those cases, the reviewers had to make use of statistical data from South Africa Survey, Social Surveys and Statssa, some of which differ to the provincial departments' statistics.

Two key strategy documents have had significant impact on the development of the provincial strategy of the Mpumalanga province. These are the Millennium Development Goals set by the United Nations Development Programme and the ANC's Election Manifesto. The MDG are targets set by the United Nations for countries to alleviate poverty and inequality. The South African government's response to the poverty alleviation programme outlined by the MDG is to grow the economy, create jobs by building skills and providing the necessary environment for business development, build the necessary infrastructure to ensure delivery of basic services and social security services and build an efficient and effective government administration based on the principles of good governance to ensure efficient delivery of services. This outline of government interventions are found in the ANC 2004 Election Manifesto and has become the foundation upon which provincial governments' strategy frameworks have been developed. The Mpumalanga Provincial Growth and Development Strategy is strongly aligned to the ANC 2004 Election Manifesto making the PGDS a sound provincial strategy.

Some key achievements in Economic Development have been that there has been a constant growth in the provincial economy in line with the country's GDP. Agriculture has managed to exceed its target set and make a 7% contribution to GGP. The success of DALA's support programmes such as CASP, Masibuyele Emasimini, and the Land Care programme has boosted agriculture and attempted to support peasant and subsistence farmers. There has been increase support to SMME's and this has seen the number of SMME contracts awarded increase. The province has also done well in implementing the EPWP, with the Department of Roads and Transport having great success in its best-practice intervention through the Siyantentela programme. The success and spin-offs from the Maputo Development Corridor and the new Moloto Rail Corridor Development has also given the province a boost.

Some challenges that still exist:

- The province has struggled to attract Foreign Direct Investment into the province.
- The beneficiation programme has not been implemented adequately
- The PPP programme has not been implemented despite there being the necessary policy objectives in place. PPPs are one of the key strategies that the province should be utilizing in addressing its financial and human resource shortages
- The province is also lagging behind in implementing BBBEE. It has done most of the groundwork on BBBEE but has not actively implemented BBBEE so that black businesses can benefit from this initiative
- LED is still in its infancy stages and as such is five years behind. The province is still to actively implement LED initiatives at local municipal level.

Development Infrastructure has managed to achieve the delivery of infrastructure to ensure that people have access to roads, water, electricity and sanitation. The Water for All flagship project has resulted in some of the water infrastructure backlog being reduced and there has been improvements made to decrease electricity provision backlogs and there has been the eradication of the bucket system in formal areas. The Department of Local Government has established the Free Basic Services Forum to address the provision of free basic services.

Some challenges that still exist:

- Whilst the province has adequate public transport infrastructure, it is still to implement IRMA
- The housing backlog still exists and is growing on a year-on-year basis
- Land redistribution has not reached its target
- Land claims not settled
- ICT, although implemented in the provincial government, has been slow to reach communities

Some key achievements in Social Development have been the decrease in the rate of HIV/AIDS infection as reported at ante-natal clinics. There has also been success in child immunization.

The province has also seen an increase in the number of people accessing social assistance grants and this can be attributed to SASSA. There has also been a decrease in the waiting period to receive grants. There has been an overall success in the accessing of social welfare services for older people, children and disabled people. The Department of Safety and Security has reported a reduction in crime statistics. There have been a number of community campaigns launched to build social cohesion by the Department of Sports, Culture and Recreation and the Department of Social Development.

Some challenges that still exist:

- The province is still facing shortages in health care staff personnel especially in rural areas
- The province is still facing challenges in reducing the TB and malaria rates
- There is still a backlog of social infrastructure in public schools, especially the installation of functional toilets
- The current efforts by the Department of Safety and Security in promoting moral regeneration needs to be revisited so that better interventions with greater impact can be developed

There have been a number of campaigns and projects launched by DALA to achieve Sustainable Environmental Development. These have been the launch of the Decade of Education for Sustainable Development; The Mpumalanga Biodiversity Conservation Spatial Assessment launched; the Municipal Integrated Pollution Control Model and A Provincial Hazardous Waste Management Plan in place; the Land Care Programme and the Greening Mpumalanga flagship project. There are some challenges that still exist and this includes the implementation of Integrated Air Quality management plans and infrastructure as well as the development and implementation of a strategy to attract skilled, technical personnel to deliver in specialist areas.

Some key achievements in Good Governance have been the effort made by Departments to improve their financial management systems and to address corruption and fraud. The Provincial Government has a draft M&E framework in place and it is being implemented. There are also effective performance management systems in place and a strong Human Resource programmes in place. There have been improvements in the capacity of local municipalities in terms of systems of accountability and transparency. The launch of the Mpumalanga Management Centre is contributing significantly to capacity building for provincial government. To improve service delivery in the province, the capacity of Traditional Institutions have been strengthened to participate in provincial government structures and processes, there has been the establishment of 14 fully functional MPCCs and the target of deployment of CDWs has been met and the achievement of success of the work of CDWs in bringing services closer to communities. There has also been engagement of provincial government with communities through Izimbizos and ward committees.

Some challenges that still exist:

- The province needs to implement proper internal financial controls to obtain a clean record from the Auditor General. Some of the issues raised by the Auditor General are repeated year after year.

- There also needs to be adequate planning processes to ensure correct budget expenditure so that departments are not constantly under or over spending
- The current M&E tool is not being utilized effectively and some departments are experiencing problems with implementing it. Effective capacity building needs to take place on the M&E tool
- The province has a high staff turnover mostly at the lower management level and with support staff. These are crucial positions as these posts are at the coalface of implementation. Mechanisms need to be put place to ensure staff retention especially for technical, support and specialist skills
- The high staff turnover, coupled with the slow filling of vacancies is having an impact on budget expenditure as well as on implementation of programmes. The province needs to look at ways to improve the processes for staff employment to fill vacancies timeously
- Inter-Governmental planning needs to take place to ensure integrated planning and implementation
- Customer satisfaction surveys must be conducted to gauge citizen sentiments towards government service delivery

The Premier's Office has in place a comprehensive human resources programme that has seen the launch of the Mpumalanga Management Centre and the implementation of learnerships and bursaries to encourage learning and skills development. The Department of Education has reported an increase in the number of learners sitting for matric examinations and a reduction in the rate of learners repeating grades from 1-7. There has been an increase in ABET learning as well as an increase in the number of ECD centres. The Department of Education's MRTT programme has seen education being made more accessible in rural areas.

Some challenges that still exist:

- Resources are being spent on developing technical skills in the province only to lose these skills to other institutions. The province needs to find ways to harness the development of scarce technical skills to bring them into the Provincial Government
- Despite the increase in the number of students sitting for matic examinations, the pass rate is still low with many not being able to gain entrance into universities.
- There is a backlog in the number of schools without adequate school infrastructure with a number of schools still without water, electricity and toilets
- There has been a serious decrease in the number of FET enrollments in 2007/08
- There have been challenges faced in implementing the nutrition and scholar programme in schools

From this review, it is clear that the provincial government's strategy is in line with the national strategy for poverty alleviation and job creation. However, the departments are struggling to

meet the targets set in the PGDS and these are largely due to the internal working of the provincial government. Based on the findings made in this review, the following recommendations are offered:

Advancing the goals of the PGDS

In advancing the goals of the Provincial Growth and Development Strategy, it is crucial that the province accelerates investment in social infrastructure, improving access to housing along with basic services such as water, decent sanitation and electricity, improving access to quality education and skills development opportunities, advancing access to comprehensive health care as well as addressing high rates of crime in our communities. While there have been achievements in each of these, the provincial government still has backlogs to address, all of which are increasing on a yearly basis. The province needs to re-look at the targets set by the PGDS, the several programmes outlined for departments as well as the resources available and assess whether these are realistic targets with realistic programme interventions. At present, the targets set and the non-delivery on programmes makes it appear as if the government is under-performing.

Baseline studies and Targets

One of the key shortcomings identified in this review is the province's setting of targets against which their performance is measured. The targets set in the PGDS were done in the absence of any baseline data, hence in most instances, the targets set appear to be unrealistic when one takes into account the financial, human and time constraints. In the absence of such properly collected baseline data, and incorrect targets set, it is difficult to assess whether the province is performing adequately. The second problem identified in setting targets is that there does not seem to be any system in place to incorporate the unmet targets at each year end and at the start of each year. Whilst the backlogs appear to be growing each year, they do not appear to be included in the new targets set. This, together with the fact that there is no proper baseline information, makes it increasingly difficult to assess whether the province is actually meeting its targets and addressing the backlogs. It is essential that the province engage in properly conducted baseline studies, especially in areas of service delivery, so that it is able to set targets in a scientific manner so that the province has properly founded information against which it can measure its performance. It is also important for the province to develop a system to address the backlogs that accumulate on a year on year basis and to have the data on unmet targets included in the newly defined targets.

Streamlining and consolidating

Government departments need to look at their programmes and look at ways in which they can be streamlined, simplified and consolidated so that they can achieve some of the targets set. Also, it should try to keep programme restructuring to a minimum and not have these changes take place every year. This makes it difficult to consolidate the work of departments. Departments should move closer towards a more streamlined programme structure and should do these gradually as opposed to every year.

Skills capacity building and retention

The provincial government, through the Office of the Premier, has a comprehensive capacity building programme for the provincial government. The kinds of capacity building being offered are sometimes more administratively inclined. However, the weakness in the provincial government is its inability to access technical, specialist skills. In this regard, it needs to look at what partnerships its needs to form with civil society organisations, the private sector and with tertiary institutes to build the technical and specialist skills needed. Something to consider is

“apprenticeship programmes” where graduates from FET colleges and universities are partners with contractors to learn on-the-job skills. This could be made a requirement for contractors to fulfill in order to qualify for government contracts. Many departments also do not have a retention strategy in place. This is urgently required as is a “quality of work” study that investigates the general feeling among government personnel towards their work environment. Finally, when vacancies exit a department, the department takes a long time to fill these posts resulting in some delays in implementing projects and underspending on budgets. Staff vacancies should be dealt with through an expedited process of appropriate staff appointment to fill up the posts.

Monitoring and evaluation

To ensure greater synergy between the PGDS, the department’s strategic objectives, programme objectives, budget speeches and the Premier’s state of the province address, effective monitoring and evaluation techniques should be put into place. The Strategic Plans and Logical Frameworks developed during the planning processes must include outcome indicators that report directly to the targets set by the PGDS and the MDG’s. The M&E tool and system required of the Office of the Premier is urgently required. At the same time, the province needs to rethink its M&E strategy to include more qualitative data to assess the impact of its programmes on the lives of citizens.

Policy objectives and implementation mechanisms

A major challenge facing the Province broadly typifies the gulf between policy objective and implementation mechanisms required to generate the envisaged outcomes of the policy. In the post 1994 period, concerted efforts to adopt policies and practices designed to serve the interests of all were adopted. In the post 1999 period, the diminished intensity of that legislative work is a reflection of the progress made, and of the shifting emphasis of the government from policy formulation towards implementation. The latter is marked by increasing attempts at improving the effectiveness of implementation systems and enhancing delivery of basic services. When one considers the extent of policy formulation since the change of government in South Africa in 1994, it is clear that policy makers have been very productive. At the same time, however, it is not so clear that the performance and delivery of the public service have in any way matched the intentions of the policy makers. In retrospect, provisional support for this viewpoint was acknowledged in the Presidential Review Commission on the Reform and Transformation of the Public Service in South Africa (1998), where it noted that state Departments are generally strong in policy but weak on delivery. Notwithstanding the period this observation was made (pre – 2000), the gulf between policy objective and outcome is still widely evident in the Province. This is demonstrated in the disjuncture noted between measurable objectives articulated in the PGDS, and the programme performance across the review period. Despite having explicit policy guidelines, the outcome of a given policy is necessarily influenced by the process of its implementation. Policy formulation not only involves the decision to act on particular problems, but includes subsequent decisions relating to its implementation. Conventional development practices often visualise models of policy-making in a way that tends to disengage the formulation process from the implementation process. Once devised, a policy is seen as largely a technical process to be implemented by administrative agencies at the national or sub-national levels. Attempts are rarely made at the policy-making level to close the gap between formulation of policy and its implementation. In essence, the bureaucratic, financial, managerial and technical aspects of the policy often create the most intractable challenges that have the potential to compromise the success of the policy itself. The core challenges inhibiting the Province’s full realization of the objectives stated in its PGDS and

across its various programmes are mainly capacity challenges – fiscal and human resource capacity are continually acknowledged as major encumbrances. Hence the success of these programmes will depend on the ability of the Department to be able to implement the programme.

Planning

Departments needs to engage in proper planning on a yearly basis and have in place effective monitoring systems that monitor the progress of implementation of programmes and the progress of expenditure on programmes. Over and under-spending is as a result of poor planning. Realistic targets need to be set against staff capacity, external risks and time constraints. The planning process should be more inclusive, comprising input from parastatals, local municipalities and most importantly from community stakeholders so that the department's outcomes are recorded by beneficiaries. Inter-governmental planning needs to also be implemented to ease the constraints of financial and human resources.

Internal systems of control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. Whilst there are some departments that have made great strides in improving their financial management there are still some departments that have had “Emphasis of the Matter” raised by the Auditor General indicating that some parts of the provincial government does not have financial discipline. The provincial government needs to relook at its strategy for ensuring efficient financial management. This is achieved by means of a risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. Internal processes for financial reporting and a system of checks and balances needs to be put in place. This extends to the development of skills capacity and systems in municipalities to capacitate them through skills transfer and the provision of financial resources to improve the delivery of services.

2. Introduction

The Mpumalanga Provincial Government has embarked on a review process of the programmes and projects of the provincial government for the period 2004-2008. The purpose of this review is to promote continuous improvement and create institutional learning opportunities as new administration is expected to take up office in April 2009. The findings of this review will be used in the formal handover to the new incumbents as it marks the beginning of an induction process where lessons learnt from past experiences are shared between outgoing and incoming political heads and public servants.

The process involved a review of 13 provincial government departments including the Premier's Office. Annual reports, budget and policy speeches, strategic plans and implementation plans were reviewed and the successes of each department were measured against whether the departments were in line to reach the targets set by the PGDS. Department programmes, sub-programmes, strategic objectives and the achievements of each department were compared with the key priority areas of the PGDS, its strategic objectives, the programmes specified by the PGDS and the targets set.

The findings of this document review were encapsulated in 13 separate departmental reports. These findings are summarized in this consolidated provincial report. The findings of the document review were also presented to the reference group that was set up for this provincial government review. Their comments and suggestions were fed into this report. Interviews were conducted in January 2009, with HODs that had made themselves available. In addition, the consolidated report was presented to the HODs at the PMC Lekgotla as well as to the Executive Committee Lekgotla in February 2009. The amended department reports were circulated to all HODs and comments on the reports were received from 10 departments¹.

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1. The departmental reports have been compiled by reviewing annual reports, budget and policy speeches, strategic plans and implementation plans. As a result of that, much of the information in this report is derived from the information presented in the departmental reports. Due to the fact that the documents that were reviewed are focused on outputs as opposed to outcomes, there could be no depth of analysis or impact assessment.
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¹ These included the Departments of Housing, Local Government, Finance, Public Works, Education, Roads and Transport, Safety and Security, the Premier's Office, Economic Development and Planning and Sports, Culture and Recreation.

3. The reviewers were unable to interview all the HODs as they were not available on the scheduled day for interviews. In some cases, the planners for the departments were interviewed.
4. Not all departments gave input into the department reports. The reviewers received comments from the Departments of Housing, Local Government, Finance, Public Works, Education, Roads and Transport, Safety and Security, the Premier's Office, Economic Development and Planning and Sports, Culture and Recreation.

Whilst there have been many successes achieved by the province, for example "the Big Five" flagship projects with special mention of the Maputo Corridor and the Accelerated Capacity Building programme as well as the successes in alleviating some challenges facing specific target areas such as in rural areas and the delivery of water and eradication of the bucket system, there have been some challenges facing the provincial department. These challenges speak to the internal systems and workings of the provincial government and the inability to translate policy into action. These are highlighted at the end of the report together with a list of recommendations for improvement of internal systems to enhance performance.

3. Alignment of Goals

Two key strategy documents have had significant impact on the development of the provincial strategy of the Mpumalanga province. These are the Millennium Development Goals set by the United Nations Development Programme and the ANC's 2004 Election Manifesto.

3.1. Millennium Development Goals (MDG)

There are 7 MDGs that are key to enhancing development. These goals form 7 strategic areas of focus. These include:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV, malaria and other diseases
7. Ensure environmental sustainability

The MDG also sets indicators against which national governments can measure their successes. These indicators include the reduction by half the proportion of people living on less than a dollar a day as well as the reduction by half the proportion of people who suffer from hunger. The MDG links poverty to unemployment and specifies as a target for eradicating poverty the achievement of full and productive employment and the creation of decent work for all, including women and young people. As education is the backbone to skills development and employment, the MDG states that national governments must ensure that all boys and girls complete a full course of primary schooling and that there is no gender disparity in primary and secondary education, preferably by 2005, and at all levels by 2015. Health and the mortality of children is a key area in the MDG. It recommends that national governments put in place strategies to reduce by two thirds the mortality rate among children under five and the maternal mortality ratio by three quarters. By 2015 there will be universal access to reproductive health. There is also a focus on HIV/AIDS where the spread of HIV/AIDS will be halted or reversed and by 2010 there will be universal access to treatment for HIV/AIDS for all those who need it. The MDG also focuses on other communicable diseases and calls for the halt and reversal of the incidence of malaria and other major diseases. Focusing on sustainable development, the MDG sets as an indicator, the integration of the principles of sustainable development into country policies and programmes; the reversal of the loss of environmental resources; and the reduction of biodiversity loss.

As part of sustainable development linked with improvements to the quality of life of people in the world, the MDG states that countries need to reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation and achieve significant improvement in lives of at least 100 million slum dwellers, by 2020.

3.2. ANC 2004 Manifesto

There are 6 key priority areas set by the ANC 2004 Manifesto. These priority areas also include sub-programmes that will assist in achieving the goals set by these key priority areas.

A Growing Economy

- 1.1. Ensure low interest and low inflation rates, as well as low government debt so that more resources are spent on attacking poverty, building economic infrastructure and creating work opportunities.
- 1.2. Through government and state-owned enterprises, invest more than R100-billion in improving roads, rail and air transport as well as telecommunications and energy; encourage more investment in key economic sectors such as manufacturing, information and communications technology, mining, and business services - this will further enhance our economy's competitiveness.
- 1.3. Spend over R15-billion to facilitate broad-based Black Economic Empowerment which also benefits communities - including youth, women and people with disabilities - as well as workers and small businesses.
- 1.4. Take more and more young people through learnerships so they can gain skills and work experience in order for them to access jobs; and intervene to ensure proper functioning of skills development authorities
- 1.5. Encourage the use of labour-intensive methods in sectors of the economy which lend themselves to this form of operation, including through the government procurement system
- 1.6. Conduct research into the full impact of casualisation of labour and outsourcing, and devise ways of dealing with their negative impact on workers and the economy as a whole

Sustainable Livelihoods

- 2.1. Create 1 million job opportunities through the Expanded Public Works Programme.
- 2.2. Ensure that those who wish to start and sustain their small businesses, including youth and women, have access to credit, through dedicated funding to support micro-loan financing, through further reforms to existing support agencies and through changes being introduced in the financial system and institutions.
- 2.3. Intensify assistance to youth agencies such as the Umsobomvu Youth Fund to provide skills training for employment and self-employment, ensure implementation of the National Youth Service and help unemployed graduates to get work skills.
- 2.4. Complete the land restitution programme and speed up land reform, with 30% of agricultural land redistributed by 2014, combined with comprehensive assistance to emergent farmers.
- 2.5. Intensify efforts aimed at building a spirit of community, good citizenship, social activism, moral regeneration and solidarity at the local level.
- 2.6. Ensure involvement of communities in local economic development initiatives to provide work, build community infrastructure and ensure access to local opportunities, and encourage the emergence of co-operatives

Access to services

- 3.1. Speed up programmes to provide water and sanitation, electricity and telephone services to those who are not yet connected.
- 3.2. Build more focused housing and introduce medium density housing closer to places of work; and provide those who have as yet not received such housing with serviced stands for more decent living.
- 3.3. Improve services in health facilities staffed by adequate well-trained and caring staff, with new funds added to the budget to recruit and retain health personnel, improve infrastructure, enhance health promotion and nutrition, promote awareness on, and provide comprehensive care, management and treatment of HIV and AIDS

3.4. Ensure that all children have decent classrooms, further reduce the teacher/pupil ratio, improve spending in favour of children and students from poor households, and expand the school nutrition programme.

3.5. Realise Batho Pele principles and improve services in government offices, through electronic means and by working with citizens to monitor those who work in these offices.

Comprehensive social security

4.1. Ensure that all who are eligible for social grants, including poor children up to 14 years of age, receive these grants which increase at least at the rate of inflation.

4.2. Improve the functioning of the Unemployment Insurance Fund and ensure that it covers as many workers as practicable

4.3. Introduce a national health insurance system so that all citizens are covered by both the public and private health system which they can afford.

4.4. Speed up the programme to provide free basic water and electricity so that each family is ensured a basic minimum of these services.

4.5. Speed up the extension of free health services to persons with disabilities

Crime and Corruption

5.1. Deploy more than 150 000 police in active duty, with more visible policing, better training, better management as well as community liaison at police station level.

5.2. Strengthen the prosecution system and the Scorpions, improve co-ordination among all law-enforcement and intelligence agencies and set up additional special courts especially to deal with abuse of women and children and commercial crimes.

5.3. Improve protection of borders to stem illegal migration, massively reduce cross-border crime, including meeting our obligation to South Africans and humanity in the fight against terrorism and to protect our marine resources

5.4. Ensure efficient functioning of all anti-corruption structures and systems including whistle-blowing, blacklisting of corrupt companies, implementation of laws to ensure exposure of, and action against, private sector corruption, and quicker processes to deal with any corrupt civil servants and public officials.

Constitutional rights and governance

6.1. Improve interaction between government and the people through accountable public representatives, one-stop government centres, izimbizo and the use of electronic government services.

6.2. Ensure better co-operation among national, provincial and local governments with integrated planning and monitoring of implementation, and a common system of public service.

6.3. Ensure quicker and more effective intervention in local government and other spheres of government where there are problems in implementing programmes agreed upon.

6.4. Fully integrate the institution of traditional leadership into democratic governance and development.

6.5. Improve access to government information so that citizens are aware of their rights and take advantage of opportunities provided by democracy, and ensure progressive realisation of rights of persons with disabilities.

6.6. Strengthen all institutions of democracy, including the legislatures and bodies such as the Constitutional Court, Human Rights Commission, Auditor-General and the Public Protector so as to improve citizens' exercise of their rights

Development, Sustainable Environmental Development, Good Governance and Human Resources Development. Each of these six key priority areas is derived from the ANC 2004 Election Manifesto and the Millennium Development Goals.

The MDG are targets set by the United Nations for countries to alleviate poverty and inequality. The South African government's response to the poverty alleviation programme outlined by the MDG is to grow the economy, create jobs by building skills and providing the necessary environment for business development, build the necessary infrastructure to ensure delivery of basic services and social security services and build an efficient and effective government administration based on the principles of good governance to ensure efficient delivery of services. This outline of government interventions are found in the ANC 2004 Election Manifesto and has become the foundation upon which provincial governments' strategy frameworks have been developed. The Mpumalanga Provincial Growth and Development Strategy is strongly aligned to the ANC 2004 Election Manifesto making the PGDS a sound provincial strategy.

ANC 2004 Manifesto		PGDS			
Goal	Tools	Goal	Tools		
A growing economy	Economic infrastructure	Economic development	Agriculture investment		
	Transport infrastructure		Business development support		
	Investment in mining, manufacturing, ICT and business service		Beneficiation in mining, manufacturing and forestry		
	BBBEE		BBBEE		
	SMMEs		SMMEs		
			Development Infrastructure	ICT infrastructure	
	Learnerships and skills development		Human Resource Development	Learnerships, bursaries and ABET	
	Labour intensive methods			Spatial Development Initiatives	
			Development Infrastructure	Roads and rail infrastructure, SDIs	
Sustainable livelihoods	EPWP	Economic Development	EPWP		
	Financing SMMEs		Financing SMMEs		
	Assistance to youth		Youth Commission		
	Land restitution		Development Infrastructure	Land restitution, redistribution	
	Social cohesion		Good governance	Social Cohesion	
	LED		Economic development	LED	
	Access to Services		Water, Electricity and sanitation provision	Development Infrastructure	Water, electricity and sanitation infrastructure building
			Delivery of houses		Rural and Urban Housing
			Health infrastructure		Health care infrastructure

	Education infrastructure		Education infrastructure
	Batho Pele	Good Governance	Batho Pele
Comprehensive Social Security	Access to social grants	Social Development	Access to social grants
	Access to health services		Access to Primary Health Care
	Access to Free Basic Services	Development Infrastructure	Free Basic Services provision
Crime and Corruption	Increase police personnel	Social development	Safety and security
	Improve coordination of law enforcement		Safety and security
	Effective functioning of anti-corruption structures and systems	Good Governance	Anti-corruption measures
Constitutional Rights and Governance	Government engagement with citizens	Good Governance	Community participation
	Integrated planning in 3 spheres of government		Inter-Governmental Relations
	Effective local government		Building local government capacity
	Integration of Traditional Leadership into democratic governance		House of Traditional Leadership
	Improve access to government information		Multi-Purpose Community Centres

Table 1: Alignment of PGDS goals

4. Province's achievements of goals

4.1. Economic growth and development

According to the PGDS, economic growth in Mpumalanga is broadly in line with the rest of the country, averaging a 2.5% growth rate between 1996 and 2001. Since 2004, South Africa's GDP has been on an increase averaging about a 5% growth rate between 2004 and 2007. The GDP for Mpumalanga, over the 2004-2007 period has also shown a steady increase and in 2005 showed an economic growth rate of 4.3% and a 4.4% increase in 2006. Its increase in GDP between 2006 and 2007 was close to R21.5 billion giving it a 5.4% growth in the economy of the province. The trend that the GDP for Mpumalanga is showing is that there is an upward trajectory in economic growth for the province and that its growth pattern is in line with the country's GDP growth.

INDICATOR: ECONOMIC	2004	2005	2006	2007
GDP (South Africa) in R billions	1 395	1 544	1 745	1 999
GDP (SA) as %increase	4.9%	5.0%	5.1%	5.4%
GDP (MP) in R billions	92.5	99.8	118.8	140.3
GDP (MP) as % increase		4.3%	4.4%	
Gross Domestic Product real growth rate	4.2%	4.3%	4.4%	5.4 %
Regional GDP contribution to the economy of South Africa	6.8%	6.7%	6.8%	Unavailable

Table 2: GDP comparison: province vs. country GDP (Statssa and South Africa Survey)

The main economic sectors in Mpumalanga, as of 2004, were the mining, energy and manufacturing industries that comprise 60% of the Gross Value Addition of the province. However, these industries only provide 20% of the jobs in the province. By 2005, this had shifted slightly with community services replacing energy as a key industry. Because of employment in government, community services have contributed to 20% of the employment rate.

The PGDS's strategy for Economic Development in the province has been to enhance economic development to improve the quality of life for all. It has identified key "tools" to be used to drive economic development. These include:

- **Foreign Direct Investment** where the target set by the PGDS was to see an increase of R1.5 billion within 3 years.

- **Broad-based Black Economic Empowerment** as part of the beneficiation chain and at least 20 BBBEE beneficiation firms established in the province by 2014.
- **Business incubators** in each industry cluster by 2009/2010 Financial Year end
- **Beneficiation** and value added in the mining, forestry and manufacturing sectors
- **Downstream value added** manufacturing in petro-chemicals and stainless steel where a 20% increase in the number of new products manufactured was set as the target
- **Export promotion** that shows a percentage increase in contribution to national exports
- **SMME** development where there is a percentage increase in the establishment of new SMMEs in labour intensive sectors such as agriculture and manufacturing
- **Spatial Development Initiatives** that show an increase level of economic activity and development along identified strategic SDIs and improved and increased transport networks within and along SDIs
- **Public Private Partnerships** where at least 3 PPP are identified and implemented each year

The mission of the PGDS 2004-2014 is to improve the quality of life for all the people of Mpumalanga and this is influenced primarily by the aim to sustain the development process through the creation of a stable investment climate which in turn will promote employment, create income generation opportunities and eventually create an impetus for greater local investments. The Department of Economic Development and Planning has been given the responsibility of most of the Economic Development targets. In response to the targets set for it, DEDP set up the parastatal, Manufacturing Economic Growth Agency, an institution which is planned, defined and controlled within the context of the PGDS and thereby mirrors the provincial strategy of reconstruction, development and sustainable growth. Other departments, such as the departments of Public Works, Finance and Roads and Transport have taken on some of the Economic Development initiatives.

4.1.1. Foreign Direct Investment

Foreign Direct Investment is located in the “Sector Development” programme of DEDP. Its objective was defined as developing competitive industries in growth industries. To achieve this DEDP’s parastatal MEGA was tasked with intervening in these growth sectors. In the period under review, the province was able to achieve improve support to business development opportunities and as such was able to generate exports valued at R22 million for 27 new exporters. It was also able to attract FDI worth R5million and attracted R51 million in local investments.

Whilst the province is quite far off its target of R1.5 billion FDI within 3 years of the 2004 PGDS, the inclusion of MEGA as a catalyst for FDI and looking at its achievements over a short period of time, gives some indication that the province is on the right track to increasing FDI.

4.1.2 Broad-based Black Economic Empowerment

The Broad Based Black Economic Empowerment Act is aimed at broadening the base of ownership and means of production away from white male ownership to one that is more representative. The government’s BEE strategy is based on four pillars, viz. preferential procurement policies, charter processes in specific sectors, targeted awarding of licenses and concessions for regulated sectors and through the restructuring of state enterprises. Many small businesses have benefited from being awarded contracts through the procurement framework.

The DEDP was tasked with putting in place a provincial strategy by March 2008 that would outline the province's implementation strategy for establishing BBBEE as a means of encouraging Economic Development. This strategy has been completed and is going through the Executive Committee processes for adoption. The Province has a BEE directorate in place

As a way of ensuring that there is continuous empowerment of Black-owned businesses into the main stream of the economy, the DEDP has sensitised approximately 10 big companies on the implementation of the BBBEE Act. In order to inform the communities of the opportunities that are available in the province, 16 BBBEE seminars were held in all the three districts to ensure that the people of the province take advantage of the opportunities made available by big corporates such as SASOL, ESKOM and TSB.

Whilst some work is being done to promote BBBEE such as BEE awareness programmes and conferences and sensitization of companies to BEE, and also work done to indicate that the province is serious about BEE in that it has completed its report on compliance to BEE by government and state institutions, it has still to set up the implementation systems. This includes the establishment of the Advisory Committee and the BEE Council. The slow set up of the implementation machinery of the current Charters has also hampered the delivery of this essential programme.

DEDP has finalized an agreement with regard to the National Empowerment Fund where it has been stipulated that the function of BBBEE will now be performed by MEGA. The agreement includes the fact that the start-up funding by MEGA should range from R0 to R1million and the rest will be funded by DTI. The Department of Trade and Industry has finalized the verification list and that will assist the sector department to verify the BBBEE status of companies in the Mpumalanga Province. The Province also has a BEE directorate in place.

The slow start-up of the BBBEE programme in terms of only finalizing key essentials of programme in 2009 will have a detrimental impact on the province reaching its PGDS targets on BBBEE.

The Department of Public Works has provided support to BEE companies and this has resulted in the increase in value of contracts to BEE companies from R62 421 888 in 2005 to R221 946 221 in 2007.

The Department of Roads and Transport also has, as a target, to promote BBBEE. It identified the taxi industry as an area of intervention for this. This, however, was not achieved as the Department did not approve the draft designs for this intervention due to the exclusion of taxi subsidization. However, the Department is on track to meet its 2010 goal of removing 80% of old taxis from provincial roads and therefore improving the safety and quality standards of public transportation. To date, 9715 applications were received and this is an indication of the support from the taxi industry for improved public transportation. Furthermore, the Mpumalanga Provincial Taxi Council has worked closely with the department to re-establish taxi co-ops so that job creation can be spurred on in the transport sector and managed more efficiently – the aim is to manage the monopoly by big business of the local transport industry. However, there are weaknesses in this outcome which can be attributed to poor stakeholder management and systemic weaknesses. Delays by DoT in setting up the scrapping agency for old taxis affected department's ability to meet its targets. DoT systems have also negatively affected the 9 interim

bus contracts because they delayed the bus subsidy funds to the department. The non co-operation from the taxi industry also stopped the envisaged training programme.

The Department of Finance embarked on projects to lift the profile of BBBEE and investigated ways in which marginalized groups could be included in economic development. In 2004/05 the Department of Finance hosted a "Women in dialogue" Conference which was aimed at sharing information on how women can empower themselves, and actively participate in the economy of the province and the country as a whole. It also concluded and adopted the Financial Services Sector Charter which was adopted in 2004 in order to address the BBBEE imperative.

4.1.3. Business incubators

As part of its objective to stimulate economic development in growth sectors, the PGDS identified the establishment of business incubators in each industry cluster. These industrial clusters are stainless steel, agri-processing, agri-products, wood products, chemicals and tourism. The DEDP identified the manufacturing sector to establish business incubators and as of 2008, it has established 4 out of the 5 incubators for manufacturing. The outstanding incubator is the food technology centre which is still awaiting a feasibility study. Industrial clusters have been set up for stainless steel and wood. The long term goal for the business incubators is that they will eventually develop into SMMEs or Cooperatives. DEDP also granted 51 new loans valued at R13,3 million to emerging businesses. There was also an increased occupancy of business incubators 77% to 93% over the review period.

4.1.4. Beneficiation

DED is still in the process of revising the Trade and Industry strategy for the development of industrial clusters to reflect the principles of the National Industrial Strategy. The strategy is meant to move the provincial economy away from a resource-based economy to one which focuses on beneficiation using small and medium size entrepreneurs. In addition, the strategy is yet to increase the rate of achieving the targets set in the PGDS, the programme has not as yet implemented the resolutions of the Mining Summit, and it is still in the process of verifying whether the identified industry sectors are still relevant and appropriate or if this would necessitate a change in geographical, industry sector and key stakeholder identification.

Although feasibility studies were conducted, the Food Technology, Bio fuels and Wood Cluster projects are formed but not fully functional. It has therefore not significantly increased the level of beneficiation and value added in the mining, forestry and manufacturing sectors, the downstream value added manufacturing in petro-chemicals or the stainless steel industries. Of concern is the slow pace of securing the number of broad based BEE firms in the beneficiation chain.

One of the PGDS targets in relation to the agriculture sector is providing support to emerging agri-businesses through beneficiation and to broaden the participation of previously disadvantaged individuals in agri-business. To this end, the Department of Agriculture and Land Administration (DALA) has provided support to 131 agri-businesses by assisting them with developing agricultural development plans. Six new and 7 on-going value-adding projects were funded through the Agricultural Rural Development Fund (ARDF). The department assisted emerging farmers with processing facilities for sunflower cooking oil, honey processing, lemon packaging, and maize milling plants for value adding purposes. Between 2006 to 2008 local farmers were assisted to access 32 local markets opportunities. These opened up opportunities

for farmers to sell their produce. The Cooperative Act was promoted by conducting 48 training sessions for farmers, of these, 36 were successfully registered as Agricultural cooperatives (2007/08)

4.1.5. Exports (Trade and Investment)

The Trade and Investment Promotion programme in DEDP aims to ensure growth in exports and investment in the province. Its target is to implement export based development programmes through the Small Exporters Development Programme. This includes finding new markets and securing new export and investment deals. By the end of the review period, the province successfully implemented 4 Small Exporters Development programmes and conducted 4 trade shows, securing one new export deal. The remaining three are still pending. It also conducted export training in 4 districts, 3 export awareness road shows and assisted 36 exhibitors to participate in trade shows. It has also trained 553 small exporters to be export ready. A total of 255 small exporters were exposed to local and international exhibitions in order to ensure that there is sufficient skill in the province to deal with export related issues.

The DEDP also conducted research into a needs analysis for overseas niche markets. It has secured local investment projects worth R51 million and secured R22 million from 27 exporters.

4.1.6 SMME

SMME and Co-op support projects are recognized throughout the country as having the ability to unlock the economic potential of previously marginalized communities. The DEDP was tasked with developing and finalising a Cooperative Strategy which it has achieved within the review period. It began work to raise awareness of SMMEs and conducted seminars with women, youth and the disabled.

The Department of Economic Development and Planning has managed to facilitate access to business development for SMME's in the Province through the Provincial SEDA Network as well as Departmental out-reach programmes. Over the period under review and since SEDA Network's inception a total number of 47 244 SMME's accessed business development services. Business development services offered to SMME's ranged from ; pre-assessments of viability of a business ideas, general business advice, advice on the various forms of entities, basic business skills training, financial management and marketing to registration of close cooperation and co-operatives.

DEDP has also managed to facilitate access to finance for SMME's in the labour intensive sectors such as agriculture and manufacturing through both provincially and nationally based Development Finance Institution to a total of 17 516 entrepreneurs. The department has also facilitated the establishment of 49 cooperatives in the various sectors in the province. Mpumalanga Provincial Government has taken a conscious decision to encourage the establishment of viable cooperatives enterprises, to the extent that it is reasonable and appropriate.

The Department of Public Works (DPW) also has SMME in its programme stable and has made significant investments in the support of SMME's with an almost fourfold increase in the value of contracts awarded to SMME's in the province from 2006 to 2007. The department has also steadily increased its expenditure on SMMEs over the review period indicating its commitment to the project. The value of contracts to SMME's in 2005 was R35 498 286 and it increased in value in 2007 to R136 777 458. SMME development – it has increased the number and

sustainability of SMMEs in the labour intensive sectors such as agriculture and manufacturing through funding 94 SMME's through the Umsobomvu Youth Fund and made 4100 microfinance loans to other SMME. Their target of 1000 enterprises accessing business development services was largely met (905) and 19 475 enterprises were able to access products and services from SEDA.

4.1.7 Spatial Development Initiatives

The governments of South Africa and Mozambique through its revival of the historic Maputo Corridor have pioneered the Spatial Development Initiative (SDI) methodology. This is a South African methodology developed in 1996 as an integrated planning tool aimed at promoting investment in regions of the country that were underdeveloped but have potential for growth. The methodology involves a process in which government facilitates conditions (enacts statutes and bilateral policies) conducive to private sector investment and Public-Private-Community Partnerships. To date, the upgrading of infrastructure and crowding-in of investment has led to consistent and increasing public and private sector investments and a deepening of the sub-regional economic base to support local economic development in both countries. The private sector has committed an estimated figure of well beyond R35 billion worth of investments in southern Mozambique and Mpumalanga.

The Maputo Development Corridor (MDC) is Mpumalanga's SDI and one of its "Big Five" flagship projects. The Corridor runs from Witbank in the Eastern South African province of Mpumalanga, through Nelspruit, to Maputo the capital of Mozambique. One hundred and thirty investment opportunities have been identified in the provision of infrastructure, agriculture, mining, energy, chemicals, tourism and manufacturing sectors. Lead-time on anchor investments is about three years.

Since the implementation of the MDC, Mpumalanga's importance in energy production has taken on an even greater role through the completed gas pipeline running from the Maputo gasfields to Sasol's plant in Secunda and the construction of liquid petrochemical pipelines along similar routes. The Maputo Corridor also passes through vast industrial and primary production areas such as those in the Nkangala District Municipality which have extensive deposits of coal, vanadium and iron ore. The rate of secondary manufacturing of stainless steel has improved due to the efficiency of the MDC project and this has had a positive knock on effect on the sustainability and efficiency of businesses in the district.

The Maputo Corridor has been in operation since 1998 and for the period of review, there has been no report from DEDP of any increased level of economic activity along this identified SDI, improved and increased transportation networks within and along strategic this SDIs, or an increase in the number of Public Private Partnerships. The Department of Roads and Transport has reported (in 2006) plans to resuscitate the Maputo Development Corridor through the launching of the Maputo Freight Forum. The Maputo Corridor Logistics Initiative was identified as the Secretariat of this Forum and the National Department of Transport had given the Province an amount of R300 000 to enable the Maputo Corridor Logistics Initiative to undertake this responsibility.

The province has a second SDI, viz the Moloto Rail Corridor Development which is still in its development stages. It would include rail, road and transfer facilities where the rail line aims to

link Gauteng, KwaNdebele and Sekhukune, with road feeder services to the line. The project is aimed at improving passenger mobility and reducing the number of vehicles on the road.

4.1.8 Public Private Partnerships

The Department of Finance established, in 2005/06, the Public Private Partnership (PPP) Unit. It also developed the Provincial framework and policy for PPPs which was approved by the Executive Council. The overall aim of the PPP policy framework is to guide the Provincial Government Departments on the process to be followed to identify and register PPP projects that will benefit the province. The Department of Economic Development and Planning reported on its PPP initiative in that it had undertaken the restructuring of 4 Public Private Partnerships and as a result of this there has been a notable improvement in that MEGA and the MGB are operating efficiently as a result.

4.1.9. Extended Public Works Programme (EPWP)

The Department of Public Works (DPW) is responsible for the overall coordination of EPWP. There are four sectors through which EPWP is implemented in the province. These are the infrastructure, environmental, social and economic sectors. DPW formulates and coordinates EPWP in the infrastructure sector which includes the Department of Roads and Transport, Department of Local Government and Housing, Department of Education, Department of Health and Social Services and the Department of Agriculture and Land Administration. The Department of Agriculture and Land Administration heads the Environmental sector in the province. This sector also includes the Department of Culture, Sport and Recreation. The Department of Health and Social Services heads the social sector in the province and includes the Department of Education, through its Early Child Development programme. The Department of Economic Development and Planning heads the economic sector. The identification and implementation of EPWP happens through projects at national, provincial and municipal level across all sectors and work opportunities will be created through different mechanisms.

The province has an EPWP implementation framework in place. A Provincial Steering Committee, EPWP four Sector coordinating committees, Regional Cluster coordinating committees and Learnership coordinating committees have also been established. Three of the four sectors finalized their implementation plans (Social sector, Cultural sector and the Environmental sector). The fourth sector, Economic, finalised its implementation plan in 2005/06.

Of the targeted 100,000 jobs over 5 years the Department had already exceeded its target and had created cumulative 106 159 job opportunities from 2004/05 to 2008/09. During 2005/6 the EPWP budget was less than half the allocation for the previous year, however, the report for 2005/06 still reports significant progress in terms of jobs created (19 150). A reason why the 2004/05 budget exceeds that of 2005/6 could be because the programme was launched across the province in 2004.

For the 5-year period under review, the following table represents the achievements under the creation of job opportunities under the EPWP:

OBJECTIVE	ACHIEVEMENT		
	Year	Actual	Cumulative total
EPWP successfully coordinated and 100	2004/5	15 453	15 453

000 jobs created over a 5 year period from 2004/5 to 2008/9.	2005/6	19 150	34 603
	2006/7	16 739	51 342
	2007/8	26 245	77 587
	2008/9	28 572 (2 nd quarter)	106 159

Table 3: EPWP job creation

Since the introduction of the Construction Industry Development Board, there has been a yearly increase in the number of registered contractors as well as an improvement in their grading status. In 2006 there were only 682 registered contractors. By 2007 this figure rose to 3 098 and 5352 in 2008. Of this 2008 total, 3 068 are women owned and 1 812 owned by youth. The Department of Public Works has initiated an emerging contractor development programme called Sakh'abakhi of which 84 contractors are developed from 2006-2009. If one looks at the number of contractors that are ready to secure the more lucrative opportunities, then one can see that there is room for improvement (only 13 are registered at grade 7, an increase of only 3 out the 10 contractors of 2006.)

The province has responded to the call for the involvement of the youth in the economy. Its participation in the National Youth Service announced by the State President in 2007 has been particularly successful. Up from target of 500, a total of 1 865 youth have been enrolled as the province's contribution to the national target of 5,000 youth enrolments from 2007-2009. The youth have undergone trade-related training such as plumbing, carpentry, painting, tiling, electrical and bricklaying-plastering.

The Department of Roads and Transport has had the biggest success with EPWP. Through its 7 EPWP projects, 1184 jobs were created. Already in 2005, R35 million had been allocated for job creation and 1158 jobs created with 3600 expected to be created by 2008. The biggest impact on poverty eradication has been felt through its Siyatentela Rural Road Project which is one of 19 EPWP projects and emphasizes the need to employ female headed householders. By 2008 the project had created employment for 832 women and because of its resounding success, the department has made provisions to upscale it to 2000 beneficiaries at a cost of R20 million. Through its road construction and maintenance programmes, the department has successfully put in place a best practice model for the creation of labour intensive jobs.

In 2004/2005, the Department of Agriculture and Land Administration implemented 7 Land Care Projects whose main focus was on soil care, water care and land management for sustainability. The Land Care initiative in the province was instrumental in enhancing sustainable resource utilisation. As a measure to counter rising unemployment rates, the Land Care project utilizes labour intensive technology as opposed to capital intensive technology, thus heading the ANC's 2004 election manifesto. In 2005, the province had a total of 27 Land Care projects that were funded through R7.8 million allocated in the 2004/2005 financial year. In 2007/2008, the number of Land Care projects implemented in that year did not drastically change from the 2004/2005 figures. In 2007/2008, a total of 8 Land Care projects were implemented whereby water conservation, veld improvement as well as soil management activities were carried out. Through Land Care programmes, job opportunities were created for female, male, youth and the disabled by the Land Care programme in the Province. For the period 2007/2008, R15 million has been earmarked for the land care programme to continue to address land degradation and environmental rehabilitation using the EPWP job creation guidelines. This programme is in sync with the PGDS focus area on sustainable Environmental Development which lists Land Care as a core facet of its programme.

4.1.10. LED

The PGDS priority area of Economic Development focuses attention on the need for LED initiatives in the province. It sees the establishment of an environment conducive for LED projects as the means to address poverty and unemployment. This is being implemented as a sub-programme by the Department of Local Government in its Development and Planning programme. The PGDS specifies that the strategy for LED should include the building of capacity of local municipalities to drive LED initiatives, to create jobs through LED initiatives, develop a database of LED initiatives at local government level and effectively implement LED learnerships. The Department has come a long way since 2004, in relation to identifying and implementing LED projects. In 2004/05 LED was only mentioned as a strategic objective of the department but was not developed further into a project. In 2005/06 LED did not feature as part of the Department's strategic objectives and there were no projects on LED. LED was mentioned again as a strategic objective of the Department in 2006/07 but again there was no project identified. 2007/08 is the first year that the Department identifies LED as a strategic objective and develops LED as a sub-programme in the Development and Planning programme. This new sub-programme is in line with the PGDS in that its strategy for building LED in the province is based on providing support to local municipalities that have been prioritised by deploying LED expert staff.

A draft Provincial Local Economic Strategy has been developed thus far, and the Department of Local Government has established a full LED structure at a Directorate level. It has also included the provision of LED skills and capacity building to officials and councillors in 10 municipalities from funding raised through the GTZ. This provision of skills is at the NQF level 7 which is the equivalent of an Honours degree. The Department is also offering learnerships that will see it recruiting FET or university students who will be deployed to municipalities that are in need.

The Department conducted capacity assessment report of all municipalities in the province. The report has identified LED gaps and strategic interventions. Based on this report, the following municipalities have been assisted to develop their LED strategies:

- Thaba Chweu
- Govan Mbeki
- Msukaligwa
- Dipaliseng
- Albert Luthuli.

The following municipalities were assisted to revive their LED Forums:

- Govan Mbeki
- Mkhondo
- Thaba Chweu
- Mbombela.

In an assessment done with the municipalities, the department of Local Government identified the following gaps which are hindering the implementation of the programme:

- LED is not given the same attention as other Key Performance Areas
- There is no separate budget to execute core functions
- There is no designated and special staff to implement LED

- The LED Forums are not functional
- The LED strategy is not linked to the IDP and SDF

The DEDP also has LED as part of its programmes. Its targets are to monitor the implementation of the LED Plan, facilitate the implementation of the intervention programmes, and facilitate the implementation of the Investment Plan. Within the period of review, the DEDP has analysed 21 Municipal IDP's and made them credible. It has completed its capacity building programme with input from DTI. The Investment Plan is still in its development stage.

Despite a four year delay, LED has finally been developed into a programme intervention. At this stage LED is in its infancy stage where capacity is still being built in local municipalities to lead LED initiatives. The Department is already five years behind on achieving the LED targets set out in the PGDS and if it is going to do achieve this, then LED must remain a key project in the Department and be given priority attention by the Department.

4.1.11. Agriculture Development

The PGDS has also identified the agricultural sector as a means of enhancing economic development in the province. It saw the sector as both the means of contributing to the GGP as well as the sector where employment can be created.

The Department of Agriculture and Land Administration developed the Comprehensive Agricultural Support Programme (CASP). CASP has been adopted to deal with the challenges of the provisioning of agricultural infrastructure in both on and off farm as a strategy to intensify support to farmers. The aim of CASP is to develop infrastructure to support farming and agrobusiness activities. During the financial year 2004/05 CASP has assisted many emerging commercial farmers who are beneficiaries of land and agrarian reform. This programme has also given meaningful support to small-scale and peasant farmers, often involved in communal farming systems. In 2004/05, the programme had a total allocation of R38, 2 million that was made up of a national conditional grant and a portion of equitable share. Specific areas of CASP support to farmers included the provision of value adding projects, small dams, irrigation schemes, fencing, boreholes, dip-tanks, storage facilities, animal handling facilities, building and reviving of small-scale food security projects. Increase in CASP funding was noticeable across the review period. By 2008, a total of R84 million was spent on this programme. Included in this amount was R41 million of Comprehensive Agricultural Support Programme (CASP) conditional grant, and R43 million of a provincial allocation. These monies were injected into four main Anchor Projects totaling 17 individual projects in the area of Macadamia and Apple Orchards establishment, Poultry and Horticulture development. These are anchor projects that have been identified within the agricultural sector as a development strategy in dealing with redress of inequalities of the past, and to maximize the growth potential offered by these commodities.

Masibuyele Emasimini was initiated by the Department of Agriculture and Land Administration to fight poverty in rural areas by providing assistance to peasant farmers and poor households. Masibuyele Emasimini is an intervention strategy aimed at urging and supporting the rural people in using under utilized piece of land maximally for their own livelihood. PGDS indicates that 60% of the people, who live below the poverty line, are in rural areas). Therefore about 1,625,016 people need the intervention. The range of support services offered range as follows:

- Mechanization – provision of the mechanization service for free of charge primarily for the households who are producing for own consumption.

- Production input – provision of seed for the staple food crops including indigenous crops i.e. maize, legumes (beans) ground nuts and vegetable; fertilizers and chemicals
- Technical and advisory support - Technical and advisory support need to be strengthened to ensure optimize production while ensuring sustainable use of natural resources.
- Basic infrastructure. Communal field will need fencing, building of conservation works, etc. For backyards/homesteads and vegetable gardens, fencing material, water harvesting, drilling of bore holes and irrigation infrastructure is necessary.

The programme was first implemented during the 2005/06 financial year. The interrelated objectives of Masibuyele Emasimini are as follows:

- Encouraging community members to till fallow land and realize economic benefits and social safety nets.
- Provide mechanization support to the poor community members whose land is lying fallow to participate in agriculture through tilling their fields/ backyards. The targeted beneficiaries are only those who have been excluded in the past government interventions and do not qualify under the Land and Agrarian Reform Project (LARP).
- Provision of production inputs
- Training of community members on tractor operations and production aspects
- Increase food production to attain household food security in poor and vulnerable communities
- Utilize land for agricultural activities and prevent exposure to other competing land uses
- Create jobs through tractor operators and production operations
- Increase farm income and expand food security to neighboring households where production exceed household food requirements
- Where possible promote other sectors in rural areas through the agricultural backward and forward linkages.

An amount of R15 million was allocated for the Masibuyele Emasimini programme and this was spent on purchasing tractors, small machinery, fertilisers and seeds to be used by beneficiaries in places such as Mbusini and Matibidi in Ehlanzeni District, Dagga kraal and Dundonald in Gert Sibande District, and Machipe and Kameelpoort in Nkangala District The introduction of mechanisation saw the peasant farmers till a total of 1 355 hectare of land in the province. The issue of micro finance for agriculture has been a challenge for small scale and emerging commercial farmers who have been viewed as high-risk and had no collateral. In 2007, through Masibuyele Emasimini programme, a total of R 30 million was invested to assist identified beneficiaries in the three districts of Mpumalanga namely Ehlanzeni, Gert Sibande and Nkangala District. A total of 57 tractors were distributed across the districts to assist farmers in need as noted in the 2008/09 budget speech. For the period 2008/2009, the Department has earmarked to spend R 35 million to strengthen the programme by distributing a further 83 tractors, implements and production inputs across the province. Close to 6 000 subsistence farmers are expected to benefit from this programme that will allow them to till close to a total of 15 500 hectares of land that will have been tilled through the provision of tractors under the Masibuyele emasimini programme. In sum, this programme has doubled its budgetary allocation since inception (2005), from R15 million to the projected R35 million in aid of emerging farmers in the province for the period 2007/2008.

For the last three years, the Department spent R60m on Masibuyele Emasimini programme. In addition a total of 74 tractors and implements were procured. In total about 13 674 ha of land

has been ploughed and planted, and about 13 000 households assisted over the last three years. In sum, the programme supported cultivation of 15% of the land under subsistence agriculture in the province. In total only 0,12% of the households in Mpumalanga were reached through the programme. Initially the initiative was implemented at Pickley Sa Seme (Daggakraal), Thabachweu (Matibidi) and Greater Marble Hall (Bareki). It was rolled out to Bombela (Malekutu), Bushbuckridge, Nkomanzi, Mkhondo (Driefontein) and Albert Luthuli (Dundonald and Elukwatini, Dr. JS Moroka (GaMaria) and Thembisile (Bundu and Machipe).

To further bolster its capacity to assist emerging farmers, the Province established a development agency for agriculture called Mpumalanga Agricultural Development Corporation (MADC) in 1999 to meet this challenge. This was in recognition that farmers require support for skills, capacity building, access to information, appropriate technology and market to farm successfully. Most emerging and subsistence farmers are previously disadvantaged individuals (PDI's) who lack resources and face structural constraints in attempting to penetrate the commercial farming sector which is white dominated, capital intensive and integrated within local, national and international markets. This dualism poses a challenge for the small scale subsistence sector that seeks to ascend through the commercial ranks of the agricultural value chain. Hence since its inception the MADC has performed its task of providing agricultural credit funding and empowerment of primarily small-scale and emerging farmers in order to develop viable agricultural enterprises. The MADC continues to provide loans to small-scale farmers aspiring not only to climb the development ladder but also to contribute to economic growth. For instance in 2008, an amount of R42,7 million has been allocated to assist emerging farmers compared to R 39 million which was transferred in 2007 to enable small-scale farmers improve productivity, profitability and sustainability. This is a marked improvement in loans accessibility from the period 2003/2004 period where loans worth R 7.8 million were approved during this period, and in 2005, the loan approval stood at R 27.2 million. In sum, MADC has provided financial assistance to the value of over R 150 million between 1999 to 2007/2008 period to emerging farmers in the province. The expertise available in MADC has also been drawn into the Department to assist in managing the high impact projects of the Department in areas such as apples, macadamia and poultry production.

4.1.12. Arts and Culture

The objective for Arts and Culture was to increase investment in arts, culture and sports. To this end the Department of Sports, Culture and Recreation recognized its limited financial resources, and as a strategy for increasing investment, engaged partners to collaborate with the Department in implementing some of its programs and projects. The additional funding was leveraged and helped to speed up service delivery in the different programmes. An example is through the department's bilateral agreement, where the Department managed to secure R5 million for the establishment of a computerised public library. Another partner is the Department of Economic Development and Planning, where there is continuous engagement in the process of identifying key areas of cooperation with regard to cultural tourism. A significant achievement has been the continuous support of the Letsa Litsemba Mobile Craft Clinic in which skills of crafters are harnessed to be internationally competitive. A strategy that has been used to deal with the limited funding was to register Mpumalanga Arts and Culture Council as a public entity which could raise funds independently in order to maximize its potential. The budget has increased over the period under review from R66,9 million in 2004/5 financial year to R156 075 000 in 2007/8.

4.1.13. 2010 World Cup

The 2010 World Cup presents an opportunity for economic development and job creation for the province of Mpumalanga. To take advantage of this opportunity, the province has developed the 2010 programme. Located in the Premier's Office is the 2010 World Cup Coordinating Programme which is tasked with the successful facilitation and coordination of the 2010 programme. In the Policy and Governance programme in the Premier's Office is the Programme Facilitation Unit which is supposed to provide oversight of the World Cup Programme to ensure that government departments have 2010 programmes included in their programmes. Whilst the PFU is still to be set up, work on the 2010 and the other flagship programmes has already begun.

Since the inception of the 2010 World Cup programme in 2007/08, the Premier's Office has a 2010 master plan in place that has been approved by EXCO. Mpumalanga through the Mbombela Local Municipality is one of host Cities of the 2010 FIFA World Cup games. The provincial government has recognized that the 2010 FIFA World Cup presents an opportunity to create a lasting legacy for the people of the province and for the global branding and marketing of Mpumalanga as a destination for investment, tourism, competitive sport and other major events. To this end the strategy for the 2010 Master Plan has been developed in consultation with municipalities to ensure that Mpumalanga contributes to the successful hosting of the World Cup 2010 and maximizes the socio-economic development opportunities presented by this event. Focus has been on continued investment in strategic economic infrastructure, implementing the necessary infrastructure and other programmes to ensure the success of the 2010 FIFA World cup in Mpumalanga.

A 2010 Technical and Political Committee were established and is fully functional. The Premier's Office also hosted three 2010 Business Opportunity workshops which were held in the districts to highlight the business opportunities that 2010 offers for the province. The districts and local municipalities developed 2010 plans to outline their programme interventions. A Provincial Business Summit was held in 2007/08. In addition, a 2010 Safety and Security Committee has been established and monthly sector meetings have been held. The Department of Safety and Security has drafted a 2010 Safety and Security Plan and is being presented to the Premier.

4.1.14 Achievements against PGDS targets: Economic Development

MP PDGS		Key Priority Area: Economic Development	
<i>Enhance Provincial economic development to improve the quality of life for all</i>			
Programme	Performance Indicator	Targets	Target Achieved
1. maximum exploitation of agricultural potential and opportunities	Growth in agricultural investment, production and beneficiation	Increase sector contribution to GGP from 6.1% to 10% by end of 2008/9 financial year	By 2008, agriculture contributing 7% to provincial GGP
	Increase sustainable employment in the agricultural sector	Increase sustainable job creation in the agricultural sector from 18% to 20% by end 2014/15 financial year	Job creation through CASP, Masibuyele Emasimini, Land Care
	Improved food security	Reduce food insecurity by 50% by end 2014	Masibuyele Emasimini project, Food security project involving distribution of agri-starter packs
	Increased number of sustainable agri-business enterprises	20% increase in beneficiation projects by 2007/8 financial year	Support from CASP (4 anchor projects) and ARDF (support given to 6 new and 7 ongoing value-adding projects), 131 business plans prepared,
	Broaden participation of previously disadvantaged persons in the agri economy	Implement national agri BEE targets	Support from MADC, Masibuyele Emasimini,
2. Business Development Support	Improved support to business development opportunities	10% increase in new sustainable businesses by 2007/8 financial year	Support provided through beneficiation and SMME
	Increased FDI	R1.5 billion in FDI within 3 years	R5 million FDI
	Improved loans and financing to emerging businesses	10% increase in loans to emerging businesses by 2007/8 financial year	20 580 SMMEs received financial support
	Increased number of business incubators established	Incubators established in each industry cluster by 2009/10 financial year	Industrial clusters set up in stainless steel, wood and manufacturing, 4 out of 5 incubators established in manufacturing

3. Beneficiation within economic sectors	Increased level of beneficiation and value added in the mining, forestry and manufacturing sectors	Implementation of an integrated manufacturing strategy with initial implementation impact assessment achieved within 2 years; Increase in the number of economic clusters to cover all sectors by 2006/7 financial year	Target not reached Value-adding taking place in agriculture
	Increased downstream value added manufacturing in petro-chemicals and stainless steel	20% increase in the number products manufactured	Target not reached
	Increase in the number of broad based BEE firms in the beneficiation chain	At least 20 broad based BEE beneficiation firms established in the Province by 2014	Target not reached
	Increased investment in manufacturing and beneficiation	Percentage increase in manufacturing sector contribution to GGP through new and expanded beneficiation projects	Target not reached
4. Promotion of arts and culture industry	Increased investment in the arts and culture industry	Growth in arts and culture products	Engaged in bilateral arrangements to increase investment in Sports, Arts and Culture
5. Tourism growth promotion	Increased number of domestic tourists	20% increase in the number of domestic tourists by the end of 2008/9 financial year	Data not provided
	Increased number of international tourists	5% increase in the number of international tourists over a five year period	Data not provided
	Broadening the participation of historically disadvantaged individually in the tourism industry	30% of the Provincial tourism industry owned by HDIs by the end of 2014	Data not provided
6. Export promotion	Improve exports	Percentage increase in contribution to national exports	One export deal confirmed, three pending
7. SMME development	Increased number and sustainability of SMMEs in the labour intensive sectors such as agriculture and manufacturing	Percentage increase in the establishment of new SMMEs in the targeted sectors over 3 years	SMME contracts awarded increased by 400% in Public Works
8. Spatial Development Initiatives (SDIs)	Increased level of economic activity along identified SDIs	Percentage growth in economic activity along identified SDIs	Maputo Development Corridor: stainless steel,

			energy Moloto Rail Corridor Development
	Improved and increased transportation networks within and along strategic SDIs	Percentage growth in investment in SDIs transportation networks	N4 road network, Rail network operated by Spoornet
	Increased number of Public Private Partnerships	At least three PPPs to be identified and implemented within each reporting cycle	Target not reached
<i>Prioritise the advancement of the 2nd economy to address poverty and unemployment</i>			
Programme	Performance Indicator	Targets	Target Achieved
1. Extended Public Works Programme (EPWP)	Number of jobs created through EPWP	100 000 jobs created in the province within 5 years	71 742 jobs created (DPW, DRT)
	Number of employees graduating through EPWP learnerships	80% of entrants into EPWP graduate and find permanent employment over 5 years	Learnership committee set up
2. LED	Enhanced capacity of local municipalities to drive LED	Increased percentage contribution to GGP by local municipalities	Capacity building provided to local municipalities
	Number of jobs created through LED initiatives	Increased employment levels in local municipalities	Target not reached
	Database of LED initiatives at local government level in place	Information accessible by the end of June 2005 and update on a half yearly basis	Target not reached
	Effective implementation of LED learnerships	LED learnerships rolled out in all municipalities by 2007/8 financial year	Learnerships are being implemented
3. Broad based economic empowerment	Increased participation of women, youth and disabled	30% ownership by women, youth and disabled by the end 2008/9 financial year; 50% of government procurement expenditure is granted to BEE companies (of which 5% is capital projects granted to women, youth and disabled)	Target not reached
	Increase equity and management representation in the economy	BEE scorecard targets met within nationally specified periods	Target not reached
	Increased procurement expenditure by big business to local contractors	40% or procurement expenditure to local contractors over a 3 year period	Target not reached

4.2. Poverty and Employment

One of the biggest challenges facing Mpumalanga is the crisis of growing unemployment. The spiral effect of unemployment is the impact it has on the levels of poverty and on the quality of lives of people.

Mpumalanga has a population of 3 614 718 million people, constituting less than 7% of the total population of the country. The population has been steadily increasing. Of the total population, just over 2.1 million fall within the working age population of 15-64 years.

INDICATOR: ECONOMIC AND DEMOGRAPHIC	2004/2005	2005/2006	2006/2007	2007/2008
Population				
Male				
Female	1 691 632	1 707 042	1 735 129	1 748 520
Both Sexes	1 808 694	1 824 438	1 852 942	1 866 198
	3 500 326	3 531 480	3 588 071	3 614 718
Population of Working Age (15 – 64 yrs)				
Male	949 000	980 000	986 000	996 000
Female	1 088 000	1 093 000	1 121 000	1 144 000
Both sexes	2 037 000	2 073 000	2 107 000	2 140 000

Table 4: Demographics for the province (Statssa)

Yet of this 2.1 million, only 1.1 million are employed (2007/08). Between the period March 2001 and 2006, Mpumalanga province saw its unemployment rates increase by 0.7%. It reached its peak of 30% unemployment in 2002 and 2003. This increase in unemployment rates continued up until 2007, and over the last year there has been a tapering off with unemployment set at 20.6%. The tapering off of unemployment is not a substantial drop implying that the province is breaking even in terms of the number of jobs created offset against the number of new entrants into the labour market.

INDICATOR: ECONOMIC AND DEMOGRAPHIC	2004/2005	2005/2006	2006/2007	2007/2008
Workers (employers, employees and self-employed) aged 15–64 years				
Male	475 000	492 000	512 000	596 000
Female	369 000	345 000	390 000	543 000
Both Sexes	844 000	837 000	901 000	1 139 000
Unemployment rates	19.1%	21.6%	23.9%	20.6%
Number of Employed people	776 000	764 000	803 000	844 000
Number of Unemployed people	269 000	288 000	303 000	302 000

Table 5: Rate of employment and unemployment (Statssa)

There has been, despite interventions made by the Mpumalanga Provincial Government, an increase in the percentage of women who have become unemployed. In 2001, 20.7% of the unemployed were women. By 2006, this percentage had increased to 35.4%. The percentage increase of unemployed women was a staggering 5.2%.

INDICATOR: ECONOMIC	2004/2005	2005/2006	2006/2007	2007/2008
Gini co-efficient	0.64	0.65	Unavailable	0.68
Household average annual income ² (in Rands)	60 166	65 898	72 667	80 727
Poverty levels: Number of people living on less than \$ 1per day in the province	170 874	122 267	93 824	77 527
	Proportion of people living on less than \$ 1 per day in the province dropped from 4.7% in 2004 to 2.1% in 2007.			

Table 6: Poverty measures (Statssa)

The Gini Co-efficient for the province has been on an upward trajectory indicating that the gap between high income earners and low income earners is increasing. At the same time, however, the average income per household has been increasing over the last 5 years and poverty levels have been decreasing. The percentage of people living in poverty dropped from 4.7% in 2004 to 2.1% in 2007. The Human Development Index, which is a measure of the standard of living of people, has increased in Mpumalanga, although not substantially, from 0.5 in 1996 to 0.54 in 2005. The HDI for black people has seen a more pronounced increase of 0.43 to 0.5 over the same period. This has been attributed to government spending on education, basic health services, policies of affirmative action and employment equity.

The Provincial Government has also developed a range of interventions to address poverty and inequality. The EPWP and the LED programmes are examples of such interventions. In addition to this, the Premier's Office has also taken on the task of addressing the effects of poverty and inequality on the lives of specific targets groups who are more susceptible to the impact of poverty.

The Premier has in his Office, the Mpumalanga Youth Commission, The Office on the Status of Women, the Office of the Rights of the Child and the Office on the Rights of Disabled People.

Mpumalanga Youth Commission: This is new sub-programme of the Premier's Office, established in 2007/08 to coordinate, facilitate and monitor the implementation of the Provincial Youth Programme. The National Youth Service Programme was launched in 2006/07 and in that year 100 youth participated in the province's Conservation and Tourism project. In 2007/08 815 youth were recruited into the EPWP (500), the e-literacy project (50), the Emalahleni Youth Housing Project (165) and the MTPA project (100).

² At current prices

Special Programmes: This sub-programme hosts the Office of the Rights of the Child, Office on the Status of Women and Office on the Status of Disabled Persons. The purpose of these special programmes is to raise awareness of the target groups, facilitate and coordinate inter-sectoral participation and commitment in the rights of these target groups, ensure mainstreaming of the rights of the target groups into departmental programmes and to monitor and evaluate the progress on the improvement of the lives and status of the target groups. The Premier's Office has succeeded in developing rights frameworks for each of the target groups and each year has coordinated a series of events to generate public awareness of vulnerable groups. It has assisted municipalities in developing transversal units to mainstream the issues of the target groups into their programmes and government departments also have a transversal unit to deal with sensitisation.

The Department of Agriculture and Land Administration is responsible for the food security programme and it distributed 7 800 starter packs in 2004/05, in 2005/06 a total of 1 800 agricultural starter packs were distributed benefiting 2 300 women in rural and peri-urban areas. This has continued through to 2007/08 period.

4.3. Development Infrastructure

The Provincial Government has recognized that access to infrastructure is fundamental to the alleviation of poverty and raising the quality of lives of people living in the province. Mpumalanga has a population that is scattered throughout the province and in most part, it is rural with households living in informal settlements, having no or limited access to clean water, sanitation and electricity. Mpumalanga is made up of formal homeland areas where poverty is more pronounced. These areas are characterized by high unemployment rates, high poverty rates and low infrastructure. The three high poverty areas in the province are Bushbuckridge, Dr JS Moroka and Pixley ka Seme. Bushbuckridge and Dr JS Moroka have the highest population density. Bushbuckridge was identified by the President as an ISRDP node.

To address the challenges of poverty and inequality, the PGDS has identified the development of infrastructure as a key priority area. Its main aim is to develop multi-faceted infrastructure to address basic needs and improve the quality of life. The programmes outlined in the PGDS include:

- **Transport:** improved passenger and freight transport system, improvement in road and rail safety, improved provincial road network system, improved access to public transport including increased number of subsidized routes for the poor and the implementation of the taxi recapitalization project
- **Water:** provide 20-30 litres of clean safe water per person per day within 200 meters to all households within 5 years
- **Electricity:** provide all households with access to electricity within five years
- **Sanitation:** elimination of the bucket system and unimproved pit latrines within five years
- **Housing:** reduce housing backlog from 145 000 to 60 000 within a five year period and address the waiting list of application lodged between 1994 and 1994
- **Land:** 30% of all agricultural land in the province redistributed by the end of 2014, all restitution claims settled, all labour tenant claims settled by 2014 and 60% of State land disposed for land reform purposes
- **Information Technology:** the aim is to develop multi-faceted infrastructure to address basic needs and improve quality of life. This is to be achieved through development of ICT infrastructure and facilities that ensures service delivery.

The task of building road infrastructure and infrastructure to facilitate the provision of basic services as well as housing and land has been allocated to the Departments of Road and Transport, Local Government, Housing and Land and Agriculture.

4.3.1. Transport

The Department of Roads and Transport has three key programmes that address the targets of the PGDS. These are the Roads Infrastructure, Public Transport and Traffic Management. It has largely met the targets set by the PGDS for the department to provide safe and adequate transport infrastructure, increase the number of subsidized routes for the poor and increase the number of poverty alleviation projects. There was the successful implementation of a multimodal model of motorized and non motorized

forms of transport (bicycles, animal drawn, foot paths/walkways and pedestrian bridges) in the province. The department embarked on the Sivuth'Umlilo campaign and this increased traffic law enforcement and reduced road deaths. The department also met the target set by the PGDS to support the smooth implementation of the taxi recapitalization project which was effectively rolled out in the province.

Since 2004, the department has had to contend with increasingly high demand for good quality roads. It is responsible for the maintenance of 14 045 km of roads (both gravel and paved). Apart from the years of neglect, the main cause of the rapid deterioration of roads are multifaceted and is attributed to predominantly the coal hauling industry which Eskom depends on to transport increasing amounts of raw material to meet the increasing demand for electricity created by the rapid growth of our economy. Should this road network not function optimally, the department predicts that 2009 will experience more power shortages and more jobless growth for the nation. The Department is currently engaged in the development of the Moloto Rail Corridor, which it hopes will alleviate the pressure placed on Mpumalanga's roads.

Another challenge for the department is accommodating infrastructure backlogs. The demand for increased local economic development has created the need for more routes and the department has set aside R9,7 million to subsidize these routes. The incorporation of the Bushbuckridge Municipality has created a need for an additional R300 million to be spent on the development of road infrastructure. To remedy these backlogs, the department has engaged National Treasury, DoT, SANRAL, Eskom and Department of Public Enterprises to jointly fund the shortfall (needs 5,8 billion in total).

The department has also performed well in setting up and managing strong strategic partnerships to assist it in dealing with backlogs and road quality. It has worked in conjunction with Eskom, DoT and DPE to come up with short and long term solutions to create a Coal Grid Road Network to resuscitate the rail infrastructure so that coal haulage can be done by rail and lessen pressure on its roads system. It also continues to assist municipalities with graders to improve their worst roads even though this is not a department competency but saw the need and responded to it. The Department has transferred 595 kilometres to SANRAL who have thus far performed exceedingly well in managing the roads allocated to them. It has also produced a world class innovation in a new construction method which has proven to be more effective than conventional methods and has been piloted on 3 roads. This innovation has been officially adopted by the department as the model to be used in Mpumalanga for future road construction and maintenance.

The multi-modal public transport infrastructure projects in 5 municipalities have been delayed to the 2009/10 financial year due to municipality uncertainty about land ownership. Some targets for the IRMA project (rural foot bridges, cycle paths and walkways) have not been achieved because of skills and resource inefficiencies at municipal level and the taxi recapitalization project has been delayed because of the slow printing of licenses by the department. On the whole, it can be concluded that the MEC's opinion is correct and that the systems and procedures are in place within the department to achieve full recapitalization by 2010 and that the benefits will be felt by local communities, local businesses and tourists who will have access to efficient public transportation.

4.3.2. Housing

The PGDS priority area of Economic Development focuses attention on the Urban and Rural Development Programme that is attempting to focus infrastructure development in rural areas specifically but also to address poverty issues as they manifest in urban areas as well. The Department of Housing's approach to Urban Development has been to upgrade informal settlements in urban areas and to provide state rental stock by converting hostels to rental units as well as community residential units. The Rural development approach has included a Rural Housing project as well as a Farm Worker Housing Assistance project.

The Development Infrastructure strategic area of the PGDS aims to alleviate the housing backlog in the province both in terms of providing houses for those who don't have access to houses and by relieving the list of people who had been waiting for the housing applications to be processed. The PGDS target was to provide "quality housing facilities by reducing the housing backlog from 145 000 to 60 000" between 2004 and 2009, meaning that the Department would have to deliver 85 000 houses. To do this, the Department had implemented a range of projects:

Financial Year	Housing Units Targeted	Achievements	Over/ under Achievement
2004/05	11 491	12 854	+1 363 (O)
2005/6	17 084	13 491	-3 593 (U)
2006/7	7 510	6 643	-867 (U)
2007/8	8 548	12 491	+3 943 (O)
2008/9	11 816 (Nine Months)	12 072 (Nine Months)	+256 (O)
TOTAL	56 449	57 551	+1, 102 (O)

Table 7: Housing achievements

The Rural Housing project was on the Housing programme's agenda since 2004/05 where in that year it exceeded its target for providing housing. Since 2004, the Department has delivered 6905 houses under the Rural Housing project exceeding its target of 236 (2006/07 did not have a target set). The Rural Housing project also awards subsidies for beneficiaries in accordance with its Rural Housing policy. Between 2004 and 2008, 3327 subsidies were approved. No subsidies were awarded for the period 2005/06 and 2007/08. This had a negative impact on the budget expenditure in the 2005/06 where the collective Department of Local Government and Housing underspent on its budget by 21%.

Instrument	2004/05		2005/6		2006/7		2007/8		2008/9-(9Months)	
	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
Farm Dweller	No allocation		No allocation		No allocation		444	35	75	62
Rural housing	656	3215			500	500	1000	2867	170	323

Table 8: Rural Housing Programmes (2004-2008)

Also included in the Rural Development Programme is housing assistance for farmworkers. This project is new, with it only being implemented in 2007/08. In its inception year a target of 444 houses for farmworkers was set with the Department only delivering 35 of these. The target set for 2008 was 75 and as of September 2008, the

Department had delivered 62 of these houses. The Department was unable to meet these targets due to insufficient work being done in preparation for delivery. This included inadequate planning and setting of appropriate targets to be achieved.

The Urban Development Housing Programmes includes the project to upgrade informal settlements. This is in line with the PGDS objective of focusing on urban development. It is also in keeping with the Breaking New Ground policy that has prescribed in situ upgrading as opposed to removing and relocating residents. The period 2004-2006 was spent conducting feasibility studies and identifying sites for upgrade. In 2006/07 the project was not reported on as part of the Housing programme. However, since 2007, the Department has set a target of 2341 units to be completed in the upgrade and for 150 sites to be serviced. By September 2008, it had achieved a target of 2126 and none of the 150 sites identified in 2007 were completed.

Instrument	2004/05		2005/6		2006/7		2007/8		2008/9-(9Months)	
	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
CRU	600	136	128	128	600	8	762	273		
PHP	4121	2484	2068	1767	3000	517	1177	1758	884	1058
Integrated Residential Unit-Top Str	No allocation						2475	619	307	474
Emergency housing	No families assisted		-	1038	94	94	-	271	1470	1262
Informal Settlement Upgrading									2341	2126

Table 9: Urban Housing Programmes

The rental stock project was part of the Urban Restructuring Programme. In this project, the department locates housing for rental. Some of these include the conversion of hostel units into Community Residential Units. In this review period, a target of 2090 Community Residential Units was set by the Department. At the end of the review period, the Department has provided only 545 Community Residential Units where hostel units have been converted to Community Residential Units for rental. Progress has been made in securing contractors and service providers to begin work on this and address the backlog on rental stock.

The Housing Department put in place a rectification programme to renovate houses that were built under the RDP programme because of the poor quality of houses built during that time. It also undertook to rectify the houses built prior to 1994. These undertakings have only been reported on in the 2008 mid-term report and do not feature as a project in any of the other years. The RDP rectification for houses built between 1994 and 2002 saw a target of 300 units identified but as of September 2008, the Department had not met this target but reported that advertisements for bids had been submitted and in some instances assessment reports had been received. For houses built prior to 1994, a target of 1600 units was identified but this target had not been reached but progress had been made in terms of identifying the units and bids have been advertised.

The Integrated Residential Development Programme seeks to integrate communities into broader society by procuring land for housing that is well located to urban centres

and construct units as well as providing them with infrastructure to link them to basic services. These include providing sewerage facilities and water reticulation facilities. The project has been running since 2007 and 7 projects were implemented in 2007 and work has begun on 3337 units in 2008. To date, 1093 units have been developed. The Department made extensive use of the MHFCo to provide finance to low income households who would otherwise not be able to access finance from banking institutions.

People's Housing Process (PHP) is part of the Breaking New Ground plan and seeks to engage people in their own housing process to reduce conflicts that may arise out of beneficiary selection and relocation decisions. It also gives people an opportunity to contribute towards the building of their houses by lending their physical labour to the construction. However, many challenges emerged nationally in this regard and National Department took the decision to have the project delivered by contractors. 7584 houses were delivered through this project during 2004-2008 against a target of 11 250. The Department spent much of its resources training members of communities through the PHP only to lose them to other construction projects where people were getting paid an income. The appointment of contractors to take on the building of housing units has speeded up the process of housing delivery.

Instrument	2004/05		2005/6		2006/7		2007/8		2008/9-(9Months)	
	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
Individual subsidies	2334	2599			610	610	481	977	2670	2674
Consolidation subsidies	610	45	No allocation		163	94	100	70	100	59
Project linked	1020	4375	4559	1961	2642	2387	1839	5620	3490	3976
Finance linked	No allocation		No allocation		400	-	100	1		

Table 10: Housing Subsidy Programme (2004-2008)

There are four subsidy projects that the Department is implementing, viz Individual, Finance-linked, Project-linked, and Consolidation. In each project, the Department makes funds available to qualifying beneficiaries and provides housing in accordance with the project subsidy. Since 2004, 6860 Individual Subsidies were allocated against a target of 6095, thus exceeding the target set. The Finance-linked subsidy project had a target of 500 set for the period 2006 – 2008. It did not meet this target but had already held a consultative meeting with the municipalities and the MHFCo. 18 319 subsidies were provided through the Project-Link subsidy programme against a target of 13 550 thereby exceeding its target over the five years. The Consolidation subsidy project delivered 268 subsidies against a target of 973. Over the five year period under review, the Department has reduced its subsidy targets for most of the projects at the start of each year and at the same time it is not achieving its targets at the end of each year. It is not clear what plan the Department has in place to address the deficit on the targets on a year-on-year basis.

The inability to provide the subsidies was due to problems with sourcing ethically sound contractors. The Department attempted to apply the BBBEE principles to this delivery of houses but found that it was plagued with fraud, corruption and incomplete houses being built. This brought the programme to a halt until the Department could conduct an assessment, find the right contractors and put in place systems of control.

The Housing Department has also implemented a project to build social and economic facilities in communities as part of the Breaking New Ground policy to develop sustainable human settlements. This project was new, only appearing in the 2007/08 Department annual report. In that year it identified a target of 8 facilities but was unable to meet that target. In the mid-term report for 2008, the Department had set a new target to construct 6 Community Hall and Child Care facilities. All 6 social and economic facilities have had construction begin on them.

In the review period, the department was able to deliver 57 551 houses against a target of 56 449. Despite the delivery of houses as indicated above, the housing backlog is still growing. The limited capacity and resources largely at Provincial and more significantly local level linked with limited funding hinders the delivery of quality houses at scale so as to meaningfully reduce the backlog. Large construction companies are playing a minimal role in the sector however with the financial services charter and the implementation comprehensive plan for the Development of Sustainable Human Settlements should draw them to the sector again. The spiralling materials and transport costs and the competition with other large capital projects for limited building materials have affected the sector as well. The movement by housing beneficiaries from one area to another, leaving the area where they had made the housing application, resulting in them being untraceable, has frustrated the speed of housing delivery.

Effective integrated planning towards the development of sustainable settlement and alignment of sector budgets still pose a problem. However it is hoped that with the development of the housing chapters of the IDP, this problem will be progressively addressed.

The implementation of the black economic empowerment policy had a slow down effect on housing delivery due to capacity problems. This happened despite the department's effort to help them develop and grow through training and workshops.

The EIA processes, though they are a very important element in delivery, have contributed in slowing down the department's housing delivery. The issue of the availability of well located land for the development of sustainable human settlements posed a problem. However, this problem has been overcome by the Department being able to procure certain tracts of land for Municipalities for the development of sustainable human settlements.

4.3.3. Water

The provision of infrastructure for the supply of basic services is found in the Local Governance programme of the Department. Its objective is to facilitate and monitor the infrastructure development within municipalities as it relates to water, electricity and sanitation. This sub-programme supports the management of CMIP, facilitate water and sanitation strategies at District Council level, supports MIIP & IDP process and co-ordinate infrastructure delivery.

Households access to water	DATA SOURCE	2004/2005	2005/2006	2006/2007	2007/2008
No. of households that have access to Water	Community Survey 2007 Census 2001 Budget Speeches Annual Reports	Census 2001: 85.7% of households had access to piped water CS 2007 – 91.3% of households had access to piped water		732 980 households have access to water 474 961 have access to 6 kl of free basic water	667 495 households have access to water 305 632 have access to 6 kl of free basic water

Table 11: Provision of water (2004-2008)³

The Department has been plagued with backlogs in service delivery. It has established the Water for All flagship project, the main objective of which is to report on, monitor, facilitate and accelerate the roll-out of water infrastructure to meet higher level of services by 2010. This is to ensure that the basic level of water services is provided in areas that do not have water infrastructure. The project is funded by the Department, the provincial Fiscus, Municipalities, DWAF and the MIG. Since its inception 86 water projects have been completed with 25 400 households now being able to access adequate water. 231 projects are currently under construction. However, there is still a major backlog to address with only 305 632 indigent households out of 499 837 households that receive free basic water, that is 61% of the population who should be getting free basic water. With the support provided there was an improvement in the capacity of municipalities to spend their allocated Municipal Infrastructure Grant with 7 of the 19 municipalities spending 100% of the MIG.

4.3.4. Electricity

Electricity provision is not mentioned as a project in the Department of Local Government but the provision has been mentioned in the MEC's budget and policy speech of 2008. In that speech she notes that the Department has provided 583 505 households with electricity and that the department still has to address the backlog of 242 059 households who don't have access to electricity. Of these households, 232 230 are receiving free basic electricity. The Department set up the Provincial Energy Forum where all municipalities, Department of Minerals and Energy, SALGA and ESKOM are participating and where issues relating to electricity and energy are discussed.

Households access to electricity	DATA SOURCE	2004/2005	2005/2006	2006/2007	2007/2008
No. of households that have access to electricity	Community Survey 2007 Census 2001 Budget Speeches Annual Reports	Census 2001: 68.9% of households used electricity for lighting purposes CS 2007: 81.7% of households used electricity for lighting purposes		551 649 households have access to electricity 42 319 have free access of basic electricity	583 505 households have access to electricity 232 230 have free access of basic electricity

Table 12: Households access to electricity⁴

³ Census 2001, Community Survey 2007

⁴ ibid

4.3.5. Sanitation

By 2006, the Department of Local Government had eradicated all the bucket toilets in formal settlements and had turned its attention to informal settlements, making it the first province in the country to eradicate the bucket system in formal settlements before December 2007.

The Department of Local Government set up the Free Basic Services Task Team in 2006 to support municipalities in providing free basic services.

4.3.6. Land Affairs

In land restitution, the Province had a total of 1 400 land claims lodged with the Department of Land Affairs at the beginning of the process. By 2008, only 502 were successfully settled, estimated at 1.1 million hectares. There are 898 land claims still outstanding. The provincial target of redistributing 30% of agricultural land is derived from the national target to redistribute 30% of agricultural land by the year 2014. By 2008, 250 000 hectares have been transferred to aspiring and emerging farmers. With the newly developed Proactive Land Acquisition Scheme (PLAS), the Department of Land Affairs has managed to deliver 50 000 hectares in the last financial year (2007/2008).

Overall, along with national targets of transferring 30% of agricultural land by 2014, the PGDS targets and department's target have adopted a similar target for the province. Redistributing 30% of agricultural land in the province is equivalent to 1.5 million hectares, of which, to date (2008) 250 000 hectares have been transferred to aspiring and emerging farmers. On the tenure front, the PGDS aims to settle labour tenants claims by 2014. The department has aimed to settle 9 000 labour tenants, majority of whom are in Gert Sibande. Using the Pro-active land acquisition strategy (PLAS), it is hoped that the remaining 1 600 Labour Tenants would be settled, of which, the majority are in Gert Sibande.

As part of the land redistribution intervention, in 2004/05, the department managed to create 6200 sites/erven for residential settlements and a total of 312 applications for change in land use and subdivision were received and approved during the financial year. The tenure-upgrading programme is progressing well and it is expected that all erven within existing R293 towns in the Province would be upgraded within the next 7 years. In 2006/07, a total number of 106 land use change applications were processed and a total number of 35 land reform projects were assisted. In 2007/08 financial year, it is estimated that about 3 400 Title deeds will become available for distribution to residents in various areas where they did not enjoy security of tenure of their properties. The establishment of Standerton Extension 8, which would be finalized by the end of the next financial year, would contribute 3 000 residential erven for development in the Lekwa Municipality. The project would contribute significantly towards integrated housing within the municipality

The Department of Land and Agricultural Affairs Post-settlement support has seen an increase in farmer contacts, planning and designing of contours, stock water dams and fencing due to increase demand of LRAD beneficiaries. The Farmer Support Programme has managed to settle land reform beneficiaries into viable agricultural projects – key

services provided include knowledge and technology transfer, agriculture extension support, training and capacity building, regulatory services. For e.g. in 2006/07, 46 LRAD projects and 8 restitution projects were given extension support. 2005/06, 63 CASP projects completed. Land Reform beneficiaries received 80% of CASP funding to assist land reform beneficiaries in farming. Actual expenditure on CASP (R 26, 120 million) was 100%, and 6000 people benefited from this programme in 2005/06. In 2008, R 41 million has been injected to augment CASP programmes.

The Department is increasingly required to provide agricultural support services to the land reform beneficiaries who come from the previously excluded groups. A large number of the land reform projects that are driven from the Department of Land Affairs cannot succeed unless they receive appropriate support that they require. There is also a need to attend to some of the land reform projects that are collapsing. The Department is expected to expand support services to emerging farmers who are mainly characterised as resource poor farmers. This calls for increases in resource endowments to meet the increasing demands for farmer support services in particular the resource poor subsistence farmers in the communal lands. However there is a weakness in the funding structure of the Department in that there is no budget allocation for funding development projects. Lessons learned from other provinces indicate that projects for food security and emerging farmers require more support that could be best served by the development funding.

4.3.7. Information Technology Infrastructure

The overall aim in the PGDS is the development of multi-faceted infrastructure to address basic needs and improve quality of life. This will be achieved through increased access to ICT infrastructure and facilities that ensures service delivery. It is envisaged that 70% of Government services should be available online within five years.

The Department of Finance has integrated Information Technology into its Financial Governance programme. This programme ensures that Information Technology infrastructure is able to support services in the province. In addition the focus on infrastructure development led to the inception of the National Treasury-driven initiative, the Infrastructure Delivery Improvement Programme (IDIP) which has attempted to address the underlying causes for poor infrastructure delivery and expenditure across all nine provinces. Part of the corrective action in improving the current trend, is the introduction of the new regulations, which have linked budgets and funding to the implementation of best practice, as well as to conditions in the case of the infrastructure grant to provinces. Mpumalanga province has benefited from the IDIP, with the introduction of Technical Assistants in the Departments of Public Works and Education and the Department of Health and Social Services which will soon benefit. The primary focus of this technical support has been strategic in nature, with the emphasis being on improved department structuring, planning, resource development, capacitating and implementation of best practice and principles.

In addition, the implementation of Information Technology (IT) in the Treasury department, as with all other departments, is informed by the State Information Technology Agency (SITA) Act, in order to ensure uniformity in processes and in software and hardware applications departments have to sign Business Agreements with SITA. In terms of the SITA Act, the network connectivity, and transversal system, can only be acquired through SITA, as well as the procurement of IT goods and services. All

network upgrades, procurement of IT goods and services for the province have been done with and through SITA.

The provincial government also has in place the Interlinked Financial Systems sub-programme which consists of Information Technology and Financial Systems. The IT Unit has managed to establish connectivity to 121 government owned/leased buildings to enable provincial departments to access IT services such as Internet, electronic mail, Transversal Systems, Management Information Systems as well as departmental specific systems. The Unit managed furthermore to maintain uptime of 98% at 90% of these sites. The programme also provides transversal systems user support to ensure accessibility to functional and management information by all relevant stakeholders. Continuous training is offered to departmental officials to enhance knowledge of the transversal functions. It also renders an on-site printing facility for the PERSAL salary runs that include the printing of cheques, pay slips, IRP5's and reports. During the 2006/07 financial year, Bushbuckridge was incorporated in Mpumalanga as a result of cross boundary demarcations. This has resulted in a high demand of training on BAS; Logis & Vulindlela during 2007/08, since the officials from the above-mentioned region were not using these transversal systems.

However, Telkom/SITA infrastructure failures impact on the availability of networks and the Unit needs to focus on the implementation of the Next Generation Network by SITA and the upgrading of data lines and research the possibility of obtaining wireless connection.

In a partnership between the department of Education, ABSA and the Premier' Science Education Award, a wireless ICT facility to support learner development has been installed at the Ligbron Academy of Technology, Umzimvelo and Camden Combined Schools in the Ermelo area of Gert Sibande Region on June 19, 2008. This project will support ICT-based interactive learning (science, mathematics, technology and ICT) to learners and educators.

4.3.8. Achievements against PGDS targets: Development Infrastructure

MP PDGS		Key Priority Area: Development Infrastructure	
<i>The Development of multifaceted infrastructure to address basic needs and improve the quality of life</i>			
Programme	Performance Indicator	Targets	Target achieved
1. Provision of safe and adequate transport infrastructure	Improved passenger and freight transport systems	35% improvement in passenger carrying capacity on road and rail; 25% improvement in freight carrying and handling capacity on road and rail by 2014; Resolutions adopted at the 2004 taxi indaba to be implemented within a 3 year period	Delay in achieving target due to human resource capacity Improvement of coal haulage route through use of rail Taxi recapitalisation project on track
	Improvement in road and rail safety	30% decrease in road and rail accidents	Decrease in accidents due to Arrive Alive and SIVUTH'UMLILO campaign
	Improved provincial road network system	Kms of roads maintained; Kms of roads upgraded; Kms of road constructed 80% of households with direct access to a road that is at least 80% graded and 20% gravel within 5 years	Formed strategic partnerships to ensure that roads are maintained, upgraded and constructed
	Improved access to public transport Increased number of subsidized routes for the poor	All public transport infrastructure is accessible to people with disabilities by 2014 At least 70% of qualifying routes receive subsidies by 2014	Not achieved because Provincial Transport Bill shelved and NLLTA used as guideline to regulate transport
2. Support the smooth implementation of the taxi recapitalization project	Programme effectively rolled out in the province	Conversion of all permits to operating licences by 2006/7 financial year; Full registration of taxi associations by 2006/7 financial year	Taxi recapitalisation project on track
3. Provision of clean and safe water	Increased access to water for all households	Provide 20-30 litres of clean, safe water per capita per day within 200m to all households within 5 years;	61% of indigent households receiving free basic water

		Increased level of free basic services provided to the poor by 2007	Free Basic Services Forum established
4. Provision of electricity	Increased access to electricity for all households	Provide all households with access to electricity with 5 years; Increased level of free basic services provided to the poor by 2007	583 505 households receiving electricity 232 230 households receiving free basic electricity
5. Provision of sanitation facilities	Improved access to sanitation facilities	Eliminate the bucket system and unimproved pit latrines within 5 years; 50% increase in access to households to refuse removal services or a communal refuse dump	Bucket system eradicated in formal areas
6. Provision of quality housing facilities	Increased access to housing facilities	Reduction of housing backlogs from 145 000 to 60 000 within a 5 year period; Waiting lists (applications lodged) between 1994 and 1999 prioritised and eliminated with a 3 year period	50 643 houses delivered through various housing projects – short of target of 80 000 houses
7. Facilitation of land integrated land reform	Increased number of land redistribution projects	30% of all agricultural land in the province redistributed by the end of 2014	Target not reached
	Increased number of settled restitution claims	All claims settled by the end of 2005	898 land claims still outstanding
	Increased number of secured farm rights for farm dwellers through ESTA and Land Reform	All labour tenant claims settle by 2014	Target not reached as yet but target set to resolve these claims by 2008
	Increase in the amount of state land disposed	60% of state land disposed for land reform purposes	Target not reached
8. Facilitation of ICT infrastructure development	Increased access to ICT infrastructure and facilities	Increase in provincial ICT investment; Percentage increase in access at schools and community service centres	IT infrastructure in place in provincial administration
	Increased ICT knowledge and skills in communities	Percentage increase in ICT training programmes provided to communities at community service centres	Target not reached
	Improved service delivery through the use of ICTs	70% of government services available online within 5 years	14 MPCCs have been set up and fully functioning

4.4. Social Development

The province has been plagued with social development backlogs especially in the former homeland areas. Social development services refer to education, health services, safety and security services and provision of recreational facilities.

The province has, through its PGDS, recognized that social services form part of the human basic need requirements. It also notes that if an economy is unable to meet the basic needs of the people it would result in poverty, malnutrition, unemployment and political instability. Hence the provision of social services is key to holding together the fabric of society.

The PGDS has identified social development as its third key priority area, the main aim of which is to attain high levels of social development that will ensure a well educated citizenry that is healthy, safe and has access to sufficient recreational facilities. To achieve this aim, the PGDS outlines the following interventions:

- **Health services:** increase access to primary health care by decreasing the backlog of health facilities by 20% by 2005/06; achieving staffing norms and standards by 2014; 3% reduction in the number of deaths caused by communicable diseases and a 10% reduction in HIV infection rate by 2008/09
- **Social security services:** improve access to social security services by ensuring eligible beneficiaries for social grants receive their grants according to the norms and standards
- **Social welfare services:** improved access to social welfare services by ensuring a 100% compliance with minimum National norms and standards
- **Safety and security services:** improved public safety by ensuring a 15% decrease in the incidences of crime
- **Culture, sport and recreation:** increase number of community sport and recreation programmes by ensuring that there are at least 5 community sport and recreation programmes implemented in each district each year.

In 2005/06, the Mpumalanga Provincial Government spent R250 million on social development. In 2007/08 this had increased to R 459 million, representing a percentage change of 83.60%. This is a clear indication of the government's commitment to relieving the backlog of social infrastructure.

The implementation of programmes to achieve the targets for social development falls under the responsibilities of the Departments of Health, Social Services, Safety and Security and Culture, Sport and Recreation.

4.4.1. Public Works

The vision of National Infrastructure Maintenance Strategy is that infrastructure is adequately maintained and operated, resulting in sustained service delivery, growth and employment creation, thus contributing to the goals of ASGISA and the EPWP (the latter being a key imperative of the Department). In recognition of this imperative as well as the observation of the poor state in which public assets are in, the Department of Public Works developed a National Infrastructure Maintenance Strategy (NIMS) that was approved by Cabinet in July 2006.

There are four thrusts around which the NIMS is structured, namely:

- strengthening the regulatory framework governing planning and budgeting for infrastructure maintenance ;
- assisting institutions with non-financial resources;
- developing the maintenance strategy; and
- strengthening monitoring, evaluation and reporting and feeding this into a process of continuous improvement.

This strategy gives substance to PFMA Act, which places an obligation on accounting officers “for the management of the assets of the entity, including the safeguarding and maintenance of those assets”. The department has since established an Intergovernmental Implementation Steering Committee lead by the Minister to develop an implementation plan of NIMS.

The Department of Public Works is responsible for the management and construction of infrastructure projects as per Infrastructure Programme Implementation Plan. It had a target of 4327 projects and under the review period 2293 of these were monitored by the department since the financial year 2004/05. A major achievement in the delivery of public health infrastructure in the 2007/08 financial year was the completion of the Middelburg Pharmaceutical Depot. This facility will provide the province with its first state-of-the-art depot from where pharmaceutical supplies will be distributed to other health facilities. The project was reportedly completed ahead of schedule.

As of 2008, there are 1873 public schools in the Province⁵ and of these schools, 1632 schools have access to a water supply, 1631 have access to electricity and 488 schools have functional toilets, indicating a serious backlog of service delivery to educational facilities.

The Department of Finance reported that at the beginning of the five year period under review the infrastructure delivery in the Mpumalanga Province was characterised by poor planning resulting in:

- Under-expenditure on infrastructure budgets
- Delay, withholding and subsequent re-allocation of Infrastructure Grant to other provinces that have demonstrated capacity to spend
- Rollovers

In addition to the Provincial Tactical Assistance Teams, placed by the Department of National Treasury in the Provincial Department of Education and the Provincial Department of Public Works to assist the Provincial Departments with infrastructure delivery strategies, the Mpumalanga Provincial Treasury responded to challenges related to infrastructure delivery by providing operational support in seven Departments with six of the identified departments participating fully in the initiative. The Operational Support Teams were placed in the following departments: Department of Education, Department of Health and Social Services, Department of Roads and Transport, Department of Agriculture and Land Administration, Department of Culture, Sports and Recreation and Department of Public Works.

The Operational Support Programme implemented by the Department of Finance in December 2006 brought success in planning and implementation of infrastructure delivery in the Provincial

⁵ Annual School Realities Report, National Department of Education and Education Statistics 2004: DOE publication

Departments and has also revealed a number of persisting challenges. All departments required by law to submit Infrastructure plans have complied. The department reported that the Infrastructure Plan for Roads & Transport scored the highest points on the review done by National Treasury on all infrastructure plans for Roads and Transport departments submitted by the Provinces for the 2008/2009 financial year. All the Departments are making strides to complete their Infrastructure Programme Management Plans with 3 of the 5 departments having finalised their IPMPs, i.e. Department of Education, Department of Culture, Sports and Recreation and Department of Roads and Transport. The other 2 departments i.e. Department of Agriculture and Land Administration, and Department of Health and Social Development are still in the process of finalising their Plans. Department of Public Works prepares Infrastructure Programme Implementation Plans for client departments, viz. the Department of Health and Social Development, Department of Education and Department of Culture, Sports and Recreation. The IPIPs have not been finalised by the departments due to the IPMPs that were not been concluded on time. The Department of Agriculture is further challenged by the fact that MADC (Mpumalanga Agricultural Development Agency) was not familiar with the above processes and ultimately the Department removed MADC as an implementing agent.

The Department of Finance conducted an analysis of the implementation of infrastructure delivery in the Provincial Departments and this revealed a number of persisting common trends or challenges which are listed below.

- Departments lack capacity to manage Infrastructure projects.
- Ad hoc project selection resulting in lack of alignment of project budgets to infrastructure plans.
- Lack of sense of urgency around service delivery and spending.
- Delays in finalizing enabling processes in terms of procurement.
- High level of dependency on Consultants such as OST, PTAT and other consultants
- Inadequate institutional support to the IDIP programme in the province
- Operational Support Teams Work plans not approved by departments
- Cash Flow management is generally weak as departments continue to perform below their projections
- Lack of reliable information on the current backlog in the Province.
- Lack of ownership in terms of closing projects.
- Poor consultant performance and management
- Poor attendance of site meetings.
- Poor flow of information between different stages of project implementation

4.4.2. Health services

The focus of the health services provision is to address health infrastructure backlogs and address the staffing shortages in the health sector. The PGDS noted the doctor-to-patient and nurse-to-patient ratios in the province were below the national average. During the period of review, the provision of health services has become a priority issue for the provincial government. It has increased the budget allocations for health during the last five years: in 2004/05 the budget allocation for health was R2.4 billion making up 18% of the provincial budget. By 2007/08, the health budget had increased to R4.2 billion, showing the province's commitment to meeting the health targets set. The effects of the increase in budget allocations can be seen in the achievements the Department of Health has made in terms of addressing the infrastructure problems. In line with the national plans the department set aside funding for health infrastructure delivery programmes. In the period under review over 10 new clinics were

built and completed as part of the Clinic Upgrading and Building Programme, therefore improving the PHC services in the communities. Another achievement is that free health care for children under six years continues to be provided at all department hospitals and clinics.

The Department of Health has experienced acute human resources constraints, particularly in the rural parts of the province. The merger and separation of the Department of Health and Social Services, to Health and back again has resulted in a loss of focus in the development of specific Human Resource Management for Health. The rural nature of the province poses a serious challenge to attracting and retaining skilled personnel. A number of attempts have been done to deal with this challenge such as the introduction of the rural allowances but this has not resolved this challenge. The high unemployment levels in the Province together with a shortage of skilled manpower, severely constrain service delivery. The shortage of doctors particularly in the rural areas has brought about the department implementing the formal primary Health care training as a post-basic course. Doctors, pharmacists, radiographers, speech and hearing therapists, and financial managers have been scarce resource. Currently all TB hospitals do not have CEO and a number of hospitals have acting CEO's

The District Health Service's function is to provide comprehensive primary health care services to the community, and the majority of health challenges facing people can be attended to at primary health care level. In 2007/8 financial year the primary health care head count was at 7 432 363 accounting for a 2.1 utilisation, which is below the targeted 3 per annum. Majority of patients still bypass the clinics and go straight to the hospitals which puts a strain on the hospitals. Increase access to Primary Health Care is regarded as a Key Performance Indicator for the Provincial Growth and development strategy on social development in Mpumalanga, therefore further effort has to be put by the Department of Health to strengthen the district health systems for the delivery of Primary Health Care. The district management capacity needs to be strengthened through the strengthening and, in some districts, the establishment of district management structures; decentralization of management capacity and improving community participation.

The Provincial strategy of improving and managing priority health programs is in line with the Millennium Development Goal of combating HIV and AIDS, Malaria and other illnesses. The MDG calls for the halting and reversing the spread of HIV and AIDS and incidents of Malaria by 2015. The Province has one of the highest HIV and AIDS infection rates in the country (30%) and HIV and AIDS stretches the social system to its limits and results in the rapid increase in the number of orphans. For HIV and AIDS the provincial priorities are prevention, treatment, care and support; and VCT. An integrated strategy to tackle the HIV and AIDS pandemic forms a key part of the Provincial Growth and Development Strategy. The antenatal survey has revealed a drop in prevalence from 34.8% in 2005 to 32% in 2007. There has also been an increase in the number of facilities providing VCT in the province to a total of 333 facilities. There was a noticeable increase annually of the condom distribution where the distribution doubled from 6.2 in 2005/6 to 12.5 in 2006/7 and it dropped in 2007/8 to 10.7. This drop is partially attributed to the defected condoms that had to be withdrawn from SABS.

The malaria program managed to spray 474 624 structures which include Bushbuckridge and the spray coverage improved from 74% in 2005/6 to 87% in 2007/8. All notified malaria cases were followed up to identify the source of infection. In spite of these achievements the case fatality rose in 2007/8 to 0,74% which is above the target of 0.5 %. In the three previous years the case fatality was at 0.49%.

Tuberculosis is considered to be a national and international Health crisis. The cases being treated for TB have increased annually over the period under review yet the TB cure rate remains low at 56.1% while the death rate is at 10.4 % which is still above the national target of less than 5%. TB has been identified as a national priority as most HIV-positive patients are found to have contracted TB.

Maternal Health immunisation programme is an integrated service, practice at PHC facilities to decrease childhood morbidity and mortality which is in line with the Millennium Development Goal of reducing child mortality by two thirds between 1990 and 2015. In 2007/8 80% of one year olds were immunized against measles which is a drop from the 84% reported in 2006/7. The infant mortality rate has also been decreasing annually over the period under review and part of the reason for the success has been the Integrated Management of Childhood Illnesses and the Peri-natal problem Identification Program. Maternal deaths still remain a challenge as there has been an increase even though the ante-natal care coverage has been increasing and is now at 88%. Maternal deaths, according to Millennium Development Goal, should be reduced from 150/100 000 by three quarters by 2010. In 2004 the province had 139.6/100 000 maternal deaths. In 2005 there was a significant increase of 147 to 152/100 000 and some of the contributing factors are HIV and the late attendance or non attendance of antenatal care.

4.4.3. Social services

The Millennium Development Goal of eradicating extreme hunger calls for the halving between 1990 and 2015 of the proportion of people who suffer from hunger. There has been a gradual decrease in incidents of severe malnutrition for children under 5 years from 0.75% in 2004/2005 to 0.44% in 2007/2008.

There has been a gradual increase in the value of social grants to deal with rising inflation. The administration of the social grants is part of bridging the poverty gap and reducing the proportion of people who suffer from extreme hunger. At the end of March 2006, 279 930 children between 7 to 14 years were benefiting from the system. This exceeds the set target by 7 101 children. This is due to the vigorous registration and awareness campaigns that were conducted. The extension of the child support grant to children under 14 years in 2005/6 has been another contributor to the reduction of poverty. A total of 9 619 vulnerable children were assessed throughout the province in 2005/06 of which a total of 7 110 children were placed in foster care. The province was able to meet its mandate by ensuring provision of social assistance to qualifying and eligible individuals. This is in line with the 2004 ANC Manifesto of coordinating social security services through providing comprehensive social security and addressing the needs and changing the balances in welfare support.

Although the Province has been successful in dealing with social grants, the ability of the province to spread the social security net across the Province remains a key programme. Even though a significant part of the Provincial expenditure is spent on social services, there is still a need, however to effectively target expenditure towards the poor, which reduce the risks faced by poor households. Targeted interventions in support of women, youth, disabled people and other vulnerable groups was part of the re-prioritisation for attaining high levels of social development. These have contributed to the improved health, safety and access to social services facilities.

One of the foremost challenges facing the Department of Social Services has been the integration of the structures of the former departments of Health on one hand and Social

Services, Population and Development on the other and then the re-separation of the departments. Institutional transformation has been one of the core strategies of the Department.

A significant change has been the migration of Social Security to South African Social Security Agency (SASSA) in April 2006 which helped the Department to refocus its attention on the core business of providing developmental social services. Before the establishment of SASSA in 2006 Mpumalanga established governance structures consisting of critical stakeholders to ensure access to social grants and these were consisting of Department of Education, Department of Health and Social Services, Department of Local Government , South African Police Services and Faith Based Organizations. The Social Assistance Programme is now being implemented by SASSA.

The formation of SASSA was part of strategy to counter tendencies towards social exclusion, inequality and the disruption of social support systems. The aim is to empower the vulnerable and build strong and caring communities. SASSA is responsible for the administration of social grants. The provision of social grants has continued to provide a safety net for the province. There have been significant improvements in the payments of pensions, child care and other grants since 2004/2005. The number of beneficiaries increased from 580, 392 in 2004/2005 to 925 797 in 2007/8 which is a 37 % increase in the number of beneficiaries over the period under review.

There have been a number of Conditional Grant programmes managed by the department during this reporting period such as:

- HIV and AIDS programme on the National Integrated Plan for Children Infected and Affected by HIV and AIDS
- Integrated Social Development Grant
- Social Assistance Transfers Grant
- Social Assistance Administration Grant

The Social Assistance Programme has been successful, because in most cases the actual performance exceeds the target set for the year. In 2004/2005 every grant target was exceeded and in some cases by 40 %.

GRANT TYPE	2004/2005	2005/2006	2006/2007	2007/2008	NUMBER OF BENEFICIARY GROWTH	GROWTH %
Old Age	146, 151	152,352	155,877	158,015	11,864	8 %
War Veterans	127	97	85	72	-55	-76 %
Permanent Disability	51,118	62,070	67,190	69,075	17,957	26 %
Temporary Disability	14,011	9,364	14,742	13,234	-777	-6 %
Forster Care	6,620	16,223	20,295	23,561	16,941	72 %
Care dependency	4,110	4,440	4,878	5,306	1,196	23 %
Child Support Grant (0-7 years)	277,108	309,240	328,095	332,013	54,905	17 %
Child Support Grant (7- 9 years)	80,662	93,919	96,133	98,386	17,724	18 %
Child Support Grant (9-11 years)	-	90,181	95,217	95,147	95,147	100 %
Child Support Grant (11-14 years)	-	95,830	118,874	130,149	130,149	100 %
Grant in Aid	485	674	734	839	354	42 %

Table 13: Summary of Grant Analysis for 2004 to 2008

The objective of the Social Welfare programme is to provide integrated development Social Welfare Services to the poor and vulnerable in partnership with stakeholders and civil society organizations. This programme is made up of sub-programmes that have different focus.

Children

The Department of Social Development's programmes implemented for Child Care and Protection include the "Operation Nakekela" project in which the department identified children in need of care and also those that need to be placed in Early Childhood Development centres

Social Statutory work services provided to children include counselling for abused, neglected and orphaned children; placement of children in foster care services; shelters for children living and working on the streets; children's homes, places of safety and secure care centres for children in conflict with the law. The overall performance in the services provided to children in foster care increased steadily over the past four years. The department succeeded in eradicating the backlog of cases over the years. Family preservation and re-unification programmes were also undertaken to re-integrate vulnerable children into their families. Policies and guidelines for Child Protection were developed and work shopped to staff and institutions.

The performance of the Department in the intake of beneficiaries in ECD facilities has increased at an average of 20% in the past four years. There has been an increase of subsidy from R6.00 in 2006 to R11.00 per child per day in 2008. The number of children in ECD as at the end of 2008 was 30808. ECD centres are challenged with:

- poor infrastructure for the majority of sites;
- ensuring that the majority of 399,191 children aged 0-4 years have access to ECD in the Province (Community Survey of 2007);
- improving the quality of services to children and creating a balance between increasing number of children and quality of services

The performance of the department in providing support to beneficiaries of places of safety run by the NGOs has increased at an average of 4% over the past four years (2004/2005 to 2007/2008). Its performance in the area of providing services to children living and working on the streets has fluctuated over the years. The overall performance increased at an average of 15% in the past four years (2004/2005 to 2007/2008). The department's performance on family reunification beneficiaries has fluctuated over the years. The overall performance increased at an average of 45% over the past four years.

Some of the main challenges for services to Children include:

- Underfunding of services to children especially early intervention and preventative services.
- Underfunded NGOs for the delivery of statutory services to children
- Absence of Information Management System and monitoring and evaluation systems for child care and protection services
- The soaring numbers of children who require alternative care due to HIV and AIDS pandemic
- Involvement of local government

Persons with Disabilities

Initiatives implemented in this area include Social Work Counselling and Services; Residential Facilities; Protective Workshops for skills development and financial empowerment of profound and severe mental handicap. The department has ensured that policies, norms and practice standards were compiled and implemented for service delivery. Provincial forums and workshops were also instituted for persons with disabilities. Other initiatives included preferential procurement and employment equity opportunities.

The Department of Social Development has reported that the performance on social work services for abused and neglected persons with disabilities decreased at an average of 15% over the past four years. However, the performance indicated an improvement of 16% in year 2007/2008. The beneficiaries from the programs for the prevention of abuse for disabled persons have fluctuated over the years, the overall performance increased by 107% over the past four years. There were however decreases in performance over two years (2005/2006 and 2007/2008) at an average of 59%. The department's performance in the implementation of protective workshops for the disabled indicated an average increase of 93% in the past four years (2004/2005 to 2007/2008). The performance decreased by 81% in year 2007/2008 as compared to year 2006/2007. The performance in the implementation of NGO protective workshops has increased at an average of 5% over the past four years (2004/2005 to 2007/2008). However, the performance decreased by 17% in the year 2007/2008. The persons with disabilities provided with counselling services increased at an average of 375% over the past three years (2004/2005, 2006/2007 and 2007/2008). The performance was not indicated in the annual report for year 2005/2006. The persons with disabilities admitted into NGO homes have fluctuated over the years. The overall performance increased by 63% in the past three years (2004/2005 to 2006/2007). However, the performance decreased by 8% in year 2005/2006 compared to 2004/2005. The programs implemented for the prevention of abuse for people with disabilities has significantly increased at an average of 821% in the last four years (2004/2005 to 2007/2008). There was however a decrease of 15% in performance in year 2005/2006. The performance on the number homes for persons with disabilities has fluctuated over the years. The overall performance decreased by 6% in last four years.

Older Persons

The Department of Social Development implemented the Operation Dignity Programmes; Statutory Intervention & Counselling Programmes, Luncheon Clubs and Service Centres as well as Residential Care facilities for older persons as part of the department's efforts to protect and preserve the dignity of older persons.

The beneficiaries of the prevention and early intervention programmes have increased by an average of 74% over the past three years (2004/05, 2006/07 and 2007/08). However, the performance decreased by 66% in year 2007/2008 as compared to year 2006/2007. The performance data for year 2005/2006 was not indicated in the annual report. Overall, the number of older persons counseled by government clients has increased at an average of 26% over the past 4 years however, the performance decreased by 53% in year 2007/2008. The number of older persons that received NGO counselling have fluctuated over the years. The overall performance decreased by an average of 8% over the past 4 years. The performance for year 2005/2006 decreased by 34% as compared to year 2004/2005. The performance increased by 79% in the

following year 2006/2007, however decreased by 70% in year 2007/2008. The older persons that received NGO based service centre decreased at an average of 36% in the past three years (2005/06 to 2007/08). The performance for year 2004/2005 was not indicated in the annual report. There was an increase at an average of 11% in number of older persons served at NGO based service centres over the past 4 years. The performance has fluctuated over the years.

Crime Prevention

Crime Prevention has been a key focus of the department. The department has embarked on crime prevention programmes by appointing additional probation officer to expand the home based supervision services. Probation officers have been a scarce resource which could have slowed down the work of the programme. Continuous work has been done to divert children from Criminal Justice System which has been successful as it has at time exceeded the target where in 2006/07 the target was to divert 3926 and the programme managed to divert 4782 children. Strategies were also in place to ensure that children awaiting trial were not kept in prison through increasing capacity.

Substance abuse remains one of the major challenges and alcohol, drugs and the abuse of other substances were on the increase in Mpumalanga and the 'KE Moja Programme' was intensified in an attempt to reduce the dependence and abuse of substances. The Ke Moja programme is a national campaign to raise awareness among South Africans, particularly young people, about the dangers of drug abuse, and is focused on youth, who have found it to be appropriately pitched and youth friendly.

Youth

Department established a Youth Directorate to contribute for the development of young people. One of the objectives of the department for this programme, in terms of youth development, was to intensify the empowerment and development of the youth and discourage reliance on handouts and social grants. Part of the strategy was to provide financial support income-generating entities for the youth.

HIV/AIDS

HIV/AIDS projects implemented include Home Community Based Care (HCBC) Project; Prevention and Awareness Programmes on HIV/AIDS; Psychosocial Counselling for infected and affected persons; Material and Nutritional Assistance for affected and infected persons. Policies and Practice Guidelines were developed on service delivery. Departmental and institutional staff were trained and capacitated on the policies and practice guideline.

The performance on HIV clients counselled has increased at an average of 249% in the past four year (2004/2005 to 2007/2008). The community based care serving HIV and AIDS clients have decreased by 70% in year 2007/2008 as compared to 2006/2007. The performance results for years 2004/2005 and 2005/2006 were not provided in the annual reports.

Number of children cared for by community based care projects has fluctuated over the years. The overall performance increased by 12% in the past four years (2004/2005 to 2007/2008). The beneficiaries on education and awareness programs have increased by

315% in year 2007/2008 as compared to year 2006/2007. There were no performance data indicated in the annual results for years 2004/2005 and 2005/2006.

As part of developing sustainable strategies to cope with the challenge of orphans in the province, a number of programmes were implemented. The Isibindi Model is one of them and is aimed at creating a safe, caring and supportive environment for orphans in child-headed households, as well as vulnerable children in single-headed families. A key challenge is to intensify the implementation of a comprehensive HIV and AIDS programme that would include the expanded implementation of an HIV and AIDS care and treatment. This programme has also focused on the development and supporting institutional structures and professional, community workers and child and youth care workers through targeted training programmes in order to ensure effective delivery of services.

Sustainable livelihood

Addressing challenges of hunger, poverty and underdevelopment endemic has remained a priority for the department. This is inline with the Millennium Development Goals, of halving poverty by 2014. One of the department's strategies has been through Development Centres & Cooperatives which were designed to encourage skills development and promote SMME initiatives. Participants entering and exiting programmes were provided with material and psychosocial support. Intergovernmental and Intersectoral (business) programmes were undertaken to develop skills and promote job creation. Food parcels were also provided to vulnerable households. The beneficiaries from the income generating programmes have slightly increased by 16% in year 2006/2007 as compared to year 2005/2006. The performance for the other years was not indicated in the annual reports. The beneficiaries capacitated through development programmes have fluctuated over the years. The overall performance increased by 6% in the past four years. The beneficiaries reached through skills development increased by 35% in year 2006/2007 as compared to year 2005/2006.

Institutional Capacity Building and Support

The department has implemented the strategy of using public and private partners in assisting to deliver equitable and quality services to communities. These partners include amongst others, Home based care organisations, youth and women formations, early childhood development centres, organisations of people with disabilities, older persons and faith based organisations. Some disparities were noted of capacity gaps between established and emerging non-profit organisations (NPOs) which resulted in the department embarking on a structured capacity building programme for NPOs. In 2006/07 a total of 489 NPOs were subsidized and an additional 318 NPOs were funded in 2007/06 in terms of the Financial Awards policy. Service Level Agreements were signed with NPO's. Capacity of NPO's was assessed and training provided accordingly including training NPO board members on good governance. Community based programmes managed by NPO's were funded. The NPOs trained has increased at an average of 39% in the years 2006/2007 and 2007/2008 as compared to year 2005/2006. The performance data for year 2004/2005 was not indicated in the annual report. The NPOs assessed also decreased at an average of 38% in the years 2006/2007 and 2007/2008 as compared to year 2005/2006. The performance data for year 2004/2005 was not indicated in the annual report.

Research & Demography

The Department through the Population and Development Services, provides technical support in terms of research, data collection, analysis and interpretation to inform policy, planning and programme development. These services are provided through programmes which include advocacy, capacity building, vital registration and population integration among others. Through this programme the following has been achieved:

- An analysis of the changes in the population profile of Mpumalanga Province has consistently been done through a reflection of the Province's population profile. Population estimates for the province have been made available on an annual basis since 2004 to 2008. This has been done to enhance programme specific planning across sectors of Government.
- A number of research projects have been completed in the province with the aim of strengthening programme development and implementation:
 - Experiences and Needs of Older Persons in Mpumalanga
 - Appraisal of Home Based Care Projects in Mpumalanga
 - Report on Provincial Survey of Orphaned Children in Mpumalanga
 - Information Needs for Integrated Development Plans for Local Municipalities
 - A Population, Development and Environment Paradigm for Mpumalanga
 - The Development of an Integrated Plan of Action for Orphans and Children Living Alone in Mpumalanga
 - Early Childhood Development Needs of Children Aged 0-6 years in Mpumalanga

Population Capacity Development and Advocacy

The Department has recognized that conducting research without disseminating it proactively bears no results. To ensure that recommendations provide a platform for programme interventions, capacity building workshops have been conducted on the basis of the outcome of the completed research projects. Issues impacting negatively on population and development are not static. With their evolving nature, Information, Education and Communication (IEC) become a vehicle for exposing them to be addressed through an integrated and intersectoral approach. Performance on advocacy projects executed to promote population issues increased at an average of 33.3% over the past three years (2004/05 to 2007/08). The Department has reported that there has been an increase in number of government departments assisted in data analysis.

Social Development Information Management System

Attention was given to strengthening of management information system. The Social Development Information Management System (SDIMS) is going to assist the department with accurate and up-to-date information, which will be the key to planning and future allocation of resources.

4.4.4. Social Infrastructure

The growth in social welfare personnel has implied a need for additional infrastructure, because there has always been a backlog in the provision of offices and other facilities in the Social Services Component. Some of these backlogs were addressed through the ten year infrastructure plan and the Medium Term Expenditure Framework (MTEF) budget allocations. Within this review period, the Department of Social Development built new offices and some of these were in Tonga, Umjindi and Shongwe. Offices in

Swartfontein Treatment Centre, Piet Retief, Ermelo, Belfast, Verena, Waterval, Dullstroom, Witbank, Marapyane and Delmas were renovated and upgraded:

The DPW had a total of 1 587 infrastructure projects which were managed and monitored by the department since the financial year 2004/05. Of the 1587 projects, 1417 are Department of Education (DOE) projects, 133 are Department of Health (DH) projects, 33 are Department of Social Development (DSD) projects, 3 are Department of Culture Sports and Recreation (DCSR) projects and 1 is the Department of Local Government and Housing (DLGH) project.

The completion of the Middelburg Pharmaceutical Depot for the Department of Health is one such social infrastructure project which was reportedly completed ahead of schedule.

Of the 1587 projects in the DPW, 607 projects were completed but not yet closed, 730 projects are completed and closed, 170 projects are still under construction, 61 projects are under planning and 20 projects were cancelled since the financial year 2004/05. As of 2008, there are 1873 public schools in the Province and of these schools, 1632 schools have access to a water supply, 1631 have access to electricity and 488 schools have functional toilets, indicating a serious backlog of service delivery to educational facilities. Challenges that remain are the pending finalization of the maintenance plan for shared and own buildings which will ensure that buildings are kept in good repair.

The establishment of accredited provincial recreational structures has been a slow process in the province. In 2006/2007 and in 2007/2008 the objective and target, although it did not specify exact numbers, was to facilitate the establishment of provincial structures. By the end of 2006/2007 there were no provincial structures established and in the 2007/2008 financial year only an interim structure had been established. In 2004 there was a shortfall of 95 library institutions. In 2004/05 the Library and Archives Services programme set out to establish a Provincial Archives Centre which was estimated at R60 million and this figure was almost equivalent to the total budget allocated to the entire Department. Construction of the Archives Building began in 2007/2008.

4.4.5 Safety and Security

The police-to-population ratio is improving with more police personnel entering the police service. However, the anticipated reduction of crime is only between 7 and 10% for the 2008/9 financial year. This means that will be a firmer effort needed to achieve the planned crime reduction of 15% as set out under the PGDS. The extent to which the department can play a direct role in the reduction of crime is constrained by virtue of the relationship between the Department (as Civilian Secretariat) and the South African police services (as the operational arm). A key factor that impacts on the Department's role in crime reduction is its relationship with the SAPS and the extent to which they can coordinate their goals and cooperate in terms of strategic aims. There has been a significant improvement in the relationships between the Department and the SAPS and they now share planning and implementation initiatives. The monitoring role of the Department is regarded less as policing than developmental and the joint efforts in the identification of problems at police station level have improved.

INDICATOR: SELECTED CRIMES ⁶	2004/2005	2005/2006	2006/2007	2007/2008
Ratio of police officers to the population	1:461	1:455		1:457
Escapes from police custody	312	319		260
Murder	1 049	874	Unavailable	835
Robbery with aggravating circumstances	6 955	6 658		5 907
Rape	3 942	3 991		2 635
Stock Theft	2 944	2 514		2 950
Theft of Motor Vehicles	3 804	3 454		2 956
Commercial Crimes	Unavailable at provincial level	2 663		3 778
Burglary at residential premises	Unavailable at provincial level	20 109		18 855
Burglary at business premises	Unavailable at provincial level	2 937		4 273
Drug related crimes	Unavailable at provincial level	1 857		1 770

Table 14: Selected crimes (South Africa Survey)

Overall, there has been a decrease in the number of various crimes. The notable increases have been in stock theft which saw a decrease in 2005/06 but then this crime increased again in 2007/08. There has also been a notable increase in the number of crimes against businesses with burglaries at business premises increasing quite substantially.

The Department's initiatives at schools to raise awareness were evidenced by an increase in the visits to and campaigns with schools. The work with Community Policing Forums remains a challenge and in the light of the change in the form of the forums, new challenges will be inevitable. Provincial JCPS has been established to enhance the overall strategic direction and operations of the criminal justice system. The Multi Agency Mechanisms are also being established at a municipal level and the transformation of CPFs to CSFs is underway. The CSFs will remain an important mechanism for community policing and part of the civilian monitoring role of the Department.

There was a finalization of the Rural Safety Implementation Framework which is a product of the Rural Safety Summit in 2005/6. This framework sets out the integrated approach to security and safety on farms (which includes paralegal information to farming communities through workshops). Other community safety initiatives include the Schools safety programme (although there have been challenges around coordination,

⁶ South Africa Survey Publications sourced its data from the SAPS. Data on conviction rates etc was unavailable at the provincial level using these sources

this remains an important achievement in raising crime fighting awareness and community support).

4.4.6. Social Cohesion

A range of cultural and arts activities have been conducted to promote social cohesion and national building as well as develop the sector as an economic growth sector with job creation potential. The Letsa Litseba Mobile Craft Clinic contributed to the skills development of the crafters and fine artists in Mpumalanga in partnership with media, advertising, printing, packaging and publishing SETA (MAPPSETA) and the investing in culture unit of the national Department of Arts and Culture, artists and crafters were trained and assessed and (SAQA) certified the training.

The Department has hosted successful Arts and Culture Festival, featuring National and International acclaimed artists which have attracted patrons from all over the world which have converged at Emalahleni and Steve Tshwete Municipalities. These festival have had significant economic spin offs for the two municipalities

National Commemorative days such as Freedom Day, Heritage Day, Day of Reconciliation, Africa Day and Human Rights Day have been run annually and in most cases build-up programmes were conducted that have been educative and which culminated into the actual event. There has been broader participation of the grassroots artists as well as their entire community. In so doing social cohesion and nation building was achieved to some extent. This programme also has serious challenges with the budget allocated.

The Siyadlala Programme has a strong element of social change for active participants. It has created work opportunities for volunteers where over 100 volunteers have had an opportunity to generate some income. This is in line with the PGDS on economic Development whose strategic trust is to enhance economic development to improve the quality of life for all. Even though the income generated is temporary through this programme some income is generated and opportunities for work are realized. The objective of the Siyadlala Project is to get as many as possible people who will participate in sport activities. A spin off has been the identification of talent that have been sent for further development to the Mpumalanga Academy of Sport. The programme has offered participants opportunities for self-expression and has helped to foster mass participation amongst the youth in the crime hotspots areas with most youth having embraced the programme and have started moving away from anti-social activities such as crime. There are over 140 000 participants enjoying the benefits of the Siyadlala programme.

In 2007/8 the Department received a conditional grant of R5 million to co-ordinate the Siyadlala Mass Participation Programme to ensure that the programme is presented in all municipalities in the province. Efforts have been continuous to build and support participation of women in sport. The women structure for sports was established and a programme has been developed.

The Department of Social Development has implemented several programmes to foster social cohesion at community level. These include:

- Victim Empowerment: Social Work Counselling and Shelters for abused women and children were provided. Prevention and Early Intervention programmes were implemented as well as Gender Awareness Programmes for departmental staff. Probation Staff and service providers were capacitated on legislations, policies and service delivery. The department was also actively involved in Women's day and 16 days of activism celebrations.
- Crime Prevention & Support: Services provided under Crime Prevention included Probation Services; Reception Assessment & Referral Programmes as well as Diversion Programmes. Secure Care Facilities and After Care Programmes are also in place to assist those in conflict with the law. Ongoing capacitation was provided to Probation Officers and Institutional staff on service delivery to persons in conflict with the law. Social Crime Prevention Awareness Programmes and Provincial Forums on Crime Prevention were held.
- Substance Abuse, Prevention & Rehabilitation: Awareness programmes on prevention of use of substances as well as counselling services are provided to people dependent on substances. Family re-unification and After Care programmes are also implemented for recovering users after detoxication at NPO Facilities & Institutions. The National Drug Master Plan was implemented through the establishment of Local Drug Action Committees. Service providers are capacitated on service delivery to persons living with substance abuse.

Mpumalanga got the rights to host the World Gold Panning Champions and in September 2005 the 21st World Gold Panning Championships were hosted at Pilgrim's Rest where approximately 1 000 gold spectators from 16 member states converged into the province. This was used as a springboard to market Pilgrim's Rest as a tourist destination. Furthermore, positive publicity for South Africa and a boost for tourism was the result from this event. This was also part of the Provincial Growth and Development Strategy of Mpumalanga to deal with the need to increase the tourism potential of the Province and through the World Gold Panning Championship opportunities for entrepreneurs to benefit were realised.

4.4.7. Moral regeneration

The Department of Safety and Security was given the responsibility of encouraging moral regeneration. It has done so through awareness raising workshop and campaigns on issues such a tourist safety, rural safety, gender based violence, anti-stolen goods, anti-crime rallies and moral regeneration campaigns. The workshops and campaigns were targeted at community level and also at schools. There were also Crime Awareness initiatives with shebeen and tavern owners where 16 tavern and shebeen owners participated in crime prevention initiatives, 7 crime awareness efforts with tavern owners in 7 municipalities and 6 workshops with tavern owners. The number of workshops and interventions over a five year period is inadequate to facilitate moral regeneration.

The mobilization of communities forms a key component of the Department's function and during the period under review the transformation of Community Policing Forums to Community Safety Forums have started and all 31 priority stations has established. The

remaining work in respect of the CSF's is the provision of resources, recruitment of volunteers and ongoing training and development of these volunteers.

Other partnership projects include the Tourism Safety Monitors Campaigns, Rural Safety Campaigns and Schools Campaigns. The School's campaigns such as school visits, debates, symposia, school games have been of great assistance as there has been significant success in crime awareness in schools. Not all the campaigns have had equal success, especially the Rural Safety Campaigns which have not achieved its objectives satisfactorily.

Monitoring of the SAPS at police stations has improved. The monitoring tool was developed in partnership with SAPS and the results are anticipated to have greater integrity. The number of police stations targeted for monitoring purposes was not achieved with the non-cooperation and unavailability of station management reported as reasons. This verifies the view that there is still some way to go in the building of strong, constructive relationship with SAPS despite it being reported that there has been significant progress made already.

There was also the establishment of Community Policing Forums where 91 CPFs were established. There was a revival of 28 CPFs in 2004/5, 38 were revived in 2005/6, 17 were revived in 2006/7 and 6 in 2007/8. Not all CPFs are functioning effectively and some have been revived more than once. 64 training workshops out of a planned 74 were conducted to build CPF capacity. The nature and structure of the CFPs are reported as a key problem to the effective functioning of CPFs.

The Department of Social Development has implemented programmes designed for youth development which include Moral Regeneration Programmes; Volunteering under the National Youth Strategy (NYS); Job Creation through the Expanded Public Works Programme; Skills development; Income Generation Projects; Learner ships, Bursaries and Internships. Youths on learnerships were trained as Assistant Probation Officers and Social Auxiliary Workers. Participants were absorbed into the department as employees. The beneficiaries from the moral regeneration programmes have fluctuated over the years. The overall performance increased by 75% in past years (2004/2005 to 2007/2008). However, there was a notable decrease of 42% in performance in year 2006/2007. The beneficiaries from the department's youth volunteering program have fluctuated over the years. The overall performance of the programme indicated a commendable increase of 378% over the past four years (2004/2005 to 2007/2008). However the years 2006/2007 to 2007/2008 experienced an average decrease of 58% as compared to year 2005/2006. The beneficiaries in income generation programs for youths have fluctuated over the years. The overall performance of the program has increased by 28% in the past three years. There was however a decrease of 14% in year 2007/2008 as compared to year 2006/2007. The performance of year 2004/2005 was not indicated in the annual report. The training of youths in entrepreneurship programmes have increased significantly by 2142% in year 2007/2008 as compared to year 2006/2007. The performance for years 2004/2005 and 2005/2006 were not indicated in the annual reports. The projects and programmes intended for youth development has increased over the years. The youth development projects increased at an average of 267% in the past three years 2005/2006 to 2007/2008. The moral regeneration programmes have decreased at an average of 1% over the past four years. The income generation programmes increased at an average of 155% in the past four

years. However the performance decreased by 65% in year 2007/2008 as compared to year 2006/2007.

4.4.8 Achievements against PGDS targets: Social Development

MP PDGS		Key Priority Area: Social Development	
<i>Attain high levels of social development that will ensure a well educated citizenry that is healthy, safe and has access to sufficient recreational facilities</i>			
Programme	Performance Indicator	Targets	Targets achieved
1. Comprehensive and adequate health services	Increase access to primary health care services	20% decrease in backlog of health facilities by 2005/6 financial year; Achieve staffing norms and standards by 2014; 3% reduction in the number of deaths caused by communicable diseases by the 2008/9 financial year	Health facilities are being built Staff intake is decreasing Decrease in communicable diseases except TB which rose in 2007/08
	Increased access to integrated HIV/AIDS prevention programmes	10% reduction in HIV infection rate by the 2008/9 financial year	HIV infection rate dropped to 32% (a 2.8% decrease since 2005)
2. Coordinated social security services	Improved access to social security services	Eligible beneficiaries for social grants receive their grants in terms of determined norms and standards by the 2006/7 financial year	Increase in number of people accessing grants The waiting period for grants reduced to 21 days
3. Coordinated social welfare services	Improved access to social welfare services	100% compliance with minimum National norms and standards by the 2006/7 Financial year	There has been an increase in access to children facilities, facilities for older persons and youth services
4. Coordinated social development	Increased number of poverty alleviation projects Improved capacity for monitoring and impact evaluation of poverty alleviation initiatives	A comprehensive strategy for the integrated implementation and coordination of poverty alleviation projects exists by the 2005/6 financial year; 10% increase in the number of sustainable poverty alleviation projects by the 2007/8 financial	Many departments have put in place poverty alleviation programmes like the food security programme, farmer assistance, youth projects, and sustainable livelihoods project

		year	
5. Safety and security	Improve public safety	15% decrease in the incidences of crime within 5 years	Decrease in crime statistics between 7 and 10%
6. Culture, Sport and Recreation	Increased number of community sport and recreation programmes	At least 5 community sport and recreation programmes in each district municipalities over a reporting cycle	A number of community campaigns were launched to build social cohesion

4.5. Sustainable Environmental Development

This is the fourth key priority area of the PGDS and focuses on the development of a sustainable environment. Its main objective is to ensure sustainable development and environmental management. It aims to do this by ensuring that there is a 100% compliance with international and national treaties and conventions as well as the environmental regulatory framework. The Land Care programme, mentioned earlier, is also one of the interventions recommended to ensure that there is environmental rehabilitation. The Department of Land and Agricultural Affairs has successfully implemented this programme. The other proposed programmes are developing sustainable systems for natural resource utilization and encouraging sustainable development through increasing levels of energy efficiency and renewable energy use.

The Province has a flagship project that is geared towards encouraging sustainable environmental development. This is the Greening Mpumalanga flagship project. This project has set the following milestones:

- Pollution and waste management;
- Biodiversity planning and management;
- Spatial planning and development;
- Environmental awareness and planning

The Province will focus on the following projects to further the objectives of greening the Province of Mpumalanga:

- Clean-up campaigns will be rolled out in all municipalities to encourage communities to take care of their environment. Job opportunities will be created for local people to clean up areas where they live. This will be done within the framework of the expanded public works programme
- Tree and grass planting will mobilise communities and schools to plant trees and grass to contribute to the 'greening' of areas where communities live, and ensure that these areas are maintained in a good state at all times. A target of planting 100,000 trees has been set for the 2007/2008 financial year.
- The establishment of 3 central waste disposal sites and 1 provincial hazardous waste site will improve waste management practices in municipalities

Along with Mpumalanga Parks Board, the department has developed the Mpumalanga Biodiversity Conservation Spatial Assessment which highlights key ecological and natural areas in the province that need to be managed. In 2007/08, the department together with its stakeholders planted 123,675 trees. In 2005/06, the programme managed to develop 5 policies, guidelines, norms and standard documents. Five municipality-training modules were presented to officials to enable them respond to environmental management requirements

On the environmental front, a major constraint the department is facing is staff shortage especially at the level of middle management and environmental compliance monitoring posts at the district level. For instance, the implementation of requirements of the National Environmental Management: Air Quality Act 2004 has not been successfully achieved. This is largely due to a limited availability of qualified individuals in the country as a whole. The Department and municipalities in the Province have not been able to

attract Air Quality Management professionals into the organizations. Municipalities have a limited capacity to comply with environmental legislation and for capital projects, such as waste management infrastructure. The Department has limited capacity to implement environmental Extended Public Works Programmes (EPWP).

Environmental awareness and planning: Information sessions on water, wetlands, biodiversity conservation, waste and greening were conducted to increase awareness. Schools and communities were the target audiences, especially since unsustainable practices and urban development poses a great threat to the limited natural resources. A total number of 42 environmental articles and radio talks were conducted including the media outreach for the DESD conference, wetlands and environmental celebrations (2006/07). In 2007/08, a total of 82 media articles and radio slots were facilitated to create environmental awareness. 651 661 people were reached with environmental presentations and environmental workshops and 80 environmental education and awareness resources were compiled.

Environmental management : The Department of Land and Agriculture also provided environmental awareness and capacity building, rendered environmental impact assessments, and pollution and waste management services. Regulatory functions have been successfully performed in areas such as nature conservation, environmental protection and animal disease control. Environmental programmes such as Adopt - a - Schoolyard and adopt-a-spot competitions provide incentives to schools and communities to implement sound environmental practices. Cleanest Town Competition [CTC] has been used on an annual basis as a vehicle to increase public awareness and education on waste management for communities and business. The province has also made funds available to develop models for integrated waste management systems to assist municipalities to deal with the challenge of waste management.

Land Care programme: in 2004/2005, 7 Land Care Projects whose main focus was on soil care, water care and land management for sustainability were implemented. The Land Care initiative in the province was instrumental in enhancing sustainable resource utilisation. The Decade of Education for Sustainable Development (DESD) – 2005 to 2010 as declared by the United Nations was launched in Mpumalanga on 15 November 2005. The Province was the second in South Africa to launch this significant initiative. In 2005/06, the environmental awareness campaign was taken to high levels during the international Gold Panning Championship that was hosted by the country in Pilgrim's rest, on environmental cleanliness and waste management.

4.5.1. Achievements against PGDS targets: Sustainable Environmental Development

MP PDGS		Key Priority Area: Sustainable Environmental Development	
<i>To ensure sustainable development and environmental management</i>			
Programme	Performance Indicator	Targets	Targets achieved
1. Environmental management	Adherence to international treaties and conventions	Conform with international conventions and agreements on environmental issues	Target achieved
	Improved state and health environment	100% compliance with international treaties and conventions by the end of 2007/8 financial year; 100% compliance with the environmental regulatory framework by the end of the 2008/9 financial year	Target achieved Decade of Education for Sustainable Development launched
	Increased compliance with Environmental Implementation Plan (EIP)	Departments and municipalities meet targets in EIP	Capacity building held for municipalities
	Improved biodiversity conservation	Conserve 80% of high intrinsic biodiversity land by the end of 2014; 4% increase in area of land under conservation by 2014; Percentage increase in species protection programmes	Mpumalanga Biodiversity Conservation Spatial Assessment launched
	Increased capacity for environmental monitoring, compliance and enforcement	Departmental establishment makes provisions for resources by the 2006/7 financial year	Intensive training on environmental inspection for officials to enforce environmental compliance
	Improved integrated waste management systems	Legally permitted disposal facilities exist within each municipality; Each municipality develops and	Municipal Integrated Pollution Control Model and A Provincial Hazardous Waste Management

		implements an integrated waste management plan	Plan in place
	Integrated air quality monitoring systems are developed and in place	Each district municipality develops and implements as integrated air quality	Not achieved due to shortage of skills
2. Environmental rehabilitation programme	Increase the participation of the Province in land care programmes; Increase the participation of the province in Working for Water programme	Participation of the province in all land care programmes within 2 years	Land care programme
3. Community based natural resource management	Sustainable systems for natural resource utilization	Systems for natural resource utilization within Protected Areas implemented by the end of 2007/8 Financial year	Greening Mpumalanga flagship project
4. Sustainable development	Sustainable development strategy in place	Sustainable development indicators in place	Decade of Education for Sustainable Development
	Increased levels of energy efficiency and renewable energy use	At least 0% of energy use of the province is renewable by the end of 2014	Decade of Education for Sustainable Development
	Integrated intergovernmental approach to sustainable development	Compliance with national targets achieved by the end of 2007/8 financial year	Greening Mpumalanga flagship project

4.6. Good Governance

The main aim of this key priority area is:

- to enhance and develop institutional capacity of the public sector to ensure effective and efficient delivery,
- to promote and enhance cooperative governance for integrated service delivery,
- promote a culture of accountability and transparency in the public sector
- improved integrated service delivery through innovative and proactive practices,
- strengthening of social partnerships and community participation in development and service delivery

Some of the key programme areas identified to achieve these objectives are:

- **Audits:** all departments receive unqualified reports without “Emphasis of the Matter” comments from the Auditor General
- **Anti-corruption:** 50% decrease in cases of fraud and corruption by the end of 2007/08
- **Monitoring and Evaluation:** a fully functional M&E system implemented by the Office of the Premier and that M&E capacity exists within all departments
- **Batho Pele:** integration of Batho Pele into the performance management system with customer surveys and Service Delivery Improvement Plans
- **Multi-Purpose Community Centres:** establishment of MPCCs which are integrated into IDPs
- **Community Development Workers:** deployment of CDWs to improve accessibility to government services
- **Community participation:** through Izimbizos and fully functional ward committees.

Many of these interventions lie with the Premier’s Office, the Department of Local Government and the Department of Finance.

4.6.1. Audits and Financial Management

The target set by the PGDS was to have all departments receive unqualified reports and for them not to have any “Emphasis on the Matter” comments from the Auditor General. However, for the period under review, there were several departments who received qualified reports over consecutive years. Where departments received an unqualified report, there were always references, by the Auditor General, to “Emphasis of the Matter”. Some of the reasons given for either qualified reports or “Emphasis of the Matter” have been:

- Underspending or overspending on the budget
- Non-compliance with legislative and policy frameworks
- Inadequate internal controls
- Lack of financial discipline
- Lack of proper policies and procedures in place
- Lack of proper debit and credit, procurement and invoicing systems

- High staff turnover and the inability of departments to fill these vacant positions timeously
- Late start up of projects resulting in funds having to be carried over
- Non-implementation of programmes

Department	2004/05	2005/06	2006/07	2007/08
Housing	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter
Local Government	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter
Agriculture and Land Administration	Unqualified	Unqualified	Unqualified	Unqualified
Finance	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified	Unqualified
Culture, Sports and Recreation	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter
Education	Qualified	Qualified	Qualified	Qualified
Public Works	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Qualified	Unqualified with Emphasis on the Matter
Safety and Security	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter
Health	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Qualified	Qualified
Economic Development	Qualified	Qualified	Qualified	Qualified
Roads and Transport	Unqualified	Unqualified	Unqualified	Unqualified
Social Services	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter	Qualified	Qualified
Premier's Office	Unqualified with Emphasis on the Matter	Unqualified	Unqualified with Emphasis on the Matter	Unqualified with Emphasis on the Matter

Table 15: Auditor General's comments per department

The Department of Finance has provided support to departments to ensure effective financial management. There are bi-monthly meetings with departments to establish progress with the attainment of their revenue budget targets and also to identify new revenue sources. Budgets were aligned to national and provincial priorities.

Service delivery has been enhanced through the proper implementation of departments' budgets. The Provincial Treasury has implemented budget reforms that assist the province in the improvement of budget planning. Treasury has managed to stabilise the finances of the province by moving towards adequately funding the social services sector. Spending of departments and municipalities were monitored and aligned to their

budgets. The fiscal policy was implemented and the budget process managed. Research and analysis that inform the fiscal policy development and the annual budget process was conducted.

The target for the 2007/08 was to assist provincial departments to collect own revenue of R 337 855 million. The provincial departments were assisted to collect R 506649 million, 49% above the estimated collection of R 337 855 million. The provincial treasury has continued to assist departments through own revenue forums, cash office site visits and monitoring of monthly revenue trends to ensure all departments collect against set targets. The Department also provided support to departments on the management of petty cash and transfers and on asset management matters.

Asset Management ensures that immovable property owned and/or utilised by the State for delivering various government services yield functional, economic and social benefits to the State. The Department of Public Works duties as asset manager for the provincial government encompasses ensuring effective and efficient management of government's immovable assets, implementing GIAMA once promulgated, developing norms, standards and toolkits for proper management of immovable assets. The property performance standards will enhance the optimal performance of state owned and leased properties through determination of the minimum requirements in relation to cost and space as well as ensuring that the true cost of assets are reflected. The responsibility of asset management falls under the Department of Public Works. Some of the progress issues that the department has noted is that the data integrity of the Department's National Asset Register is currently being improved. The department also reports that it has identified a number of unutilised properties from the asset register to ensure linkage between service delivery and resource planning through out all government spheres. This rationalisation takes into consideration Integrated Development Plans (IDPs), Local Economic Development (LEDs) and Community Based Programmes.

4.6.2. Corruption

Each department has an anti-corruption objective linked to its good governance programme. Departments have been conducting awareness raising campaigns to stamp out corruption and fraud. In some instance, department have set up internal audit units to monitor the financial management of departments.

The Budget and Expenditure Management Unit in the Provincial Treasury is a key link between Provincial Departments and the National Treasury. The unit seeks to promote development of the provincial budget that is in line with National Treasury requirements and aligned to the departmental strategic plan and performance plan and to monitor budget implementation as approved by the Provincial Legislature. The unit continues to monitor alignment of departmental strategic plans, performance plans and budgets. It conducts analysis of departmental budget documentation and provides advice to departments to ensure that departmental budgets are aligned with the broad national and provincial policies and priorities. The unit further monitors the implementation of the provincial budgets to ensure compliance with the PFMA, Division of Revenue Act (DORA), Treasury Regulations and Provincial legislative mandates. The budget process allows government to evaluate departmental plans in line with the objectives of the PGDS and Integrated Development Plans (IDPs). The Budget and Expenditure Management Unit assists municipalities in assessing and analysing their IDPs and budgets. This analysis will assist in establishing the extent to which their budgets give

expression to national and provincial policies and priorities. The unit will also assess capacity in budget units and conduct workshops to build capacity in budget compilation and management.

The Department of Finance, to minimize corruption and fraud, also established Bid Advice Centres to ensure a broad-based submission of bid documents by previously disadvantaged individuals and provide access to bid information and gain assistance in bid submission

The Department of Local Government is still plagued with problems of fraud and corruption with municipalities charged with maladministration, fraud, corruption and poor service delivery. Municipalities are still failing to account for funds meant for service delivery. Many municipalities are under investigation for charges of fraud, corruption and maladministration. This has been attributed to a critical shortage of staff and lack of internal controls.

4.6.3 Monitoring and Evaluation

The Office of The Premier has an M&E programme which offers effective M&E of government programmes including identifying early warning systems by implementing standard performance monitoring system for all programmes and projects in the Province, produce reliable and evidence based reports on the implementation of projects, provide ongoing strategic consultancy support to Departments to improve quality of performance reporting, maintain fully functional Provincial performance structures and review the impact of the Executive Council and PMC resolutions. It is also tasked with monitoring the implementation of the resolutions of EXCO meetings and Outreach programmes and coordinating the African Peer Review Mechanism (APRM). As of 2007/08, the M&E unit has developed a draft Provincial M&E Policy framework. It has put in place an Integrated Development Planning Nerve Centre in all municipalities and departments. It has still to develop and implement a monitoring and tracking system with an early warning facility. The Premier's Office is able to generate reliable, evidence based reports and has done so with the MPCCs, Health and Social Services and Local Government and Housing. A Planning, Monitoring and Evaluation Forum was established and is fully functioning and has held several meetings where the Five Year Local Government Strategic Agenda is a standing item. The Premier's Office has not as yet been successful in monitoring the performance and impact of the EXCO and PMC decisions and resolutions.

However, there are departments that are still experiencing problems with M&E. For example, DED reported that M&E was not working optimally. There was no indication that regular internal project/programme evaluations are conducted by sub programme managers nor was there any evidence presented of external evaluations, including those for Parastatals, where external/international donor agencies are most likely to request this type of report at the end of each financial year.

4.6.4. Batho Pele

One of the key targets of this programme is to ensure service delivery coordinators are appointed in departmental programme management units, performance agreements and plans articulate clear performance targets for Batho Pele implementation. In this regard, all public sector institutions should develop and publish their Service Delivery

Improvement Plans and Customer Surveys that reflect satisfaction with Government service delivery should be conducted. Effective and timely reporting on Batho Pele implementation is an envisaged outcome.

The Institutional Development programme of the Premier's Office also implements the Batho Pele change management/revitalisation campaign. This forms part of its Public Service Transformation and Service Delivery Improvement sub-programme which falls under the Strategic Human Resources programme. This sub-programme has provided technical support to all departments through the development of a policy guideline for the establishment of Departmental Transformation Units and has given support to developing SDIPs in departments. It has also conducted Impact Assessment studies (only in 2007/08) in seven of the MPCCs. The coordination, monitoring and evaluation of all government agencies, private sector institutions and civil society organisations as part of customer satisfaction audit on the provision of basic services is on the cards for implementation in 2008/09 as a service provider has been appointed. Every year, since 2004, the Premier's Office has conducted workshops on the Batho Pele programme and has held a consultative workshop on the establishment of a Batho Pele Provincial Forum. To enhance the delivery of Batho Pele principles in service delivery, the Premier's Office hosts the Premier's Service Excellence Awards (PSEA), an award given to the department that has provided service excellence. While most of the departments did not report on the Batho Pele programme, there were a few departments who had included Batho Pele in its Good Governance programme. The inclusions have been in formal standing operating procedures (DED), training of staff on Batho Pele principles (Local Government and Housing) and in some instances departments have established Departmental Transformation Units. Some departments do have Service Delivery Improvement Plans.

Department	Batho Pele Programme
Housing	<ul style="list-style-type: none"> ▪ Training of staff on Batho Pele principles ▪ Established a Departmental Transformation Unit
Local Government	<ul style="list-style-type: none"> ▪ 2 workshops on Batho Pele ▪ Draft SDIP ▪ Supply Chain Management project ▪ Bid Adjudication Committee
Agriculture and Land Administration	<ul style="list-style-type: none"> ▪ No programme in place
Finance	<ul style="list-style-type: none"> ▪ No programme in place ▪ Has established Bid Advice Centres ▪ Has Supply Chain Forums
Culture, Sports and Recreation	<ul style="list-style-type: none"> ▪ No programme in place
Education	<ul style="list-style-type: none"> ▪ Not reported on
Public Works	<ul style="list-style-type: none"> ▪ Not reported on
Safety and Security	<ul style="list-style-type: none"> ▪ Workshop held on Batho Pele
Health	<ul style="list-style-type: none"> ▪ Client satisfaction survey held ▪ Hospital Service Implementation Plan developed and implemented
Economic Development	<ul style="list-style-type: none"> ▪ Principles adopted in service delivery
Premier's Office	<ul style="list-style-type: none"> ▪ Institutional Development programme hosts Batho Pele ▪ Conducts workshops ▪ Provides support to departments ▪ Public Service Excellence Awards

Table 16: Batho Pele implementation per department

4.6.5. Multi-Purpose Community Centres (MPCCs)

MPCCs have been identified by the Department of Local Government as being the bridge between the department and the community. The aim of MPCCs is to make government services available to members of the community through “one-stop” service centres. The Department has included this in its programme as the Thusong Service Centres. The PGDS target is for all municipalities to have implementation plans for MPCCs and for each municipality to have established at least 2 MPCCs by the end of 2006/07, ie. 36 Thusong Centres in the province. By the end of 2007/08 the Department had ensured the functionality of 14 MPCCs. The Department is on course to reach this target as it has the framework in place and the sub-programme is operational. The development of Thusong Service Centres (MPCC) intends to provide a one stop comprehensive service to citizens closer to where they reside at a reasonable cost. The aim is to integrate delivery systems, strategies and activities, and provide a one-wholesale support which will be a benefit to the province. This is to be done through the inception of the Master System Plan that aims to develop IT infrastructure.

4.6.6. Public Participation and the CDW programme

The PGDS set the target of deploying 200 Community Development Workers by the end of 2006/07. The Department of Local Government has developed a CDW sub-programme to increase the good governance of the department and to bring services to communities. For 2006/07 the Department had set its own target of recruiting, training and deploying 300 CDW. It was able to achieve a target of 248. Whilst below its own departmental target, it has exceeded the target set in the PGDS. By the end of the 2007/08 financial year, the department had further recruited, trained and deployed 95 CDWs. Again this was below the department target of 160. In total, since 2004, the department has recruited, trained and deployed 751 CDWs. Of the 751 CDWs recruited into the department, 420 still remain. Of the 420 CDWs, 95 are still in Learnerships and 325 are permanently appointed into the Public Service. There appears to be a high turnover of CDWs recruited and trained through the Department and an assessment needs to be made as to the reasons for this turnover. Some Departments have reported that the successes they have had with service delivery has been attributed directly to the work of CDWs, for example work on delivery of social grants and ECD.

The Department of Local Government was tasked with facilitating community participation. Its strategy for implementation was the establishment and strengthening of ward committees. By the end of 2007, all local municipalities had established ward committees through the assistance and support provided by the Department’s Ward Committee Unit. The department was able to reach its target of 365 ward committees. The department also has a system in place to monitor community participation through the ward committees. The Department of Local Government has also successfully held izimbizos every year since 2004 sometimes exceeding the target set.

4.6.7. Public service and local government capacity

To further promote good governance, the province has focused on the development of local government capacity.

It is the Department of Finance's responsibility to provide professional advice and support on Provincial and Local Government's Fiscal Policy issues, Infrastructure Co-ordination, Budget and Expenditure management as well as on Municipal Finance Management issues to the Executive Council, provincial departments, Public entities as well as delegated municipalities. The introduction of the Municipal Finance Management Act (MFMA) requires that the Provincial Treasury provide capacity and support to municipalities, and to ensure proper implementation of the Act. For instance the 2007/08 budget speech aptly acknowledges the continued support the provincial Treasury has rendered through the Municipal Finance Unit to assist municipalities in assessing and analyzing their Integrated Development Plans (IDPs) and budgets. The analysis assists in establishing the extent to which their budgets give expression to national and provincial policies and priorities.

The financial matters of municipalities delegated to the provincial Department of Treasury are therefore monitored to ensure accountability in terms of the management of their revenues, expenditures, assets and liabilities and the handling of budgetary and financial planning. An inordinate amount of work (e.g. training) has been done to capacitate and help these municipalities to comply with the MFMA. As a result of these efforts, most of the delegated municipalities are now submitting monthly reports on expenditure as prescribed by the MFMA. The interventions of the Department of Finance have also enabled municipalities to compile their service delivery Budget Implementations Plans (BIPs). A notable improvement in this front is the fact that 20 out of 21 municipalities submitted their Financial Statements on time for 2006/07 as compared to 18 in 2005/06 financial year. Another key positive development is that municipalities overall have improved their efficiency to manage their business, e.g. all 21 municipalities have appointed Municipal Managers and signed their performance agreements and a marked improvement in their audit reports since 2006/07 is noticeable.

The Department of Finance's Budget and Expenditure Management Unit assists municipalities in assessing and analysing their IDPs and budgets. This analysis will assist in establishing the extent to which their budgets give expression to national and provincial policies and priorities. The unit will also assess capacity in budget units and conduct workshops to build capacity in budget compilation and management. In 2008/09 out of 21 municipalities, sixteen got unqualified support. Municipalities must comply with generally recognized accounting practices/generally accepted municipal accounting practice (GRAP)/(GAMAP) by 2009/10 and convert their reporting format in terms of Institute of Municipal Officers (IMFO) to GRAP/GAMAP. In 2006/07, 9 municipalities converted their reporting format in terms of GRAP/GAMAP.

The Provincial Internal Audit Unit has been established during November 2007 to provide support to Provincial Departments, Municipalities and Public Entities with Internal Audit issues whereby it supports and monitors the capacity and effectiveness of Internal Audit units and Audit Committees. A major challenge this Unit is facing is that stakeholders are uncertain about the roles, functions and responsibilities of the different

Internal Audit Units, i.e. the Provincial Internal Audit Unit as a Provincial Treasury function and the Internal Audit Units as a departmental/municipal function. The Programme started to address this uncertainty through presentations and workshops and the roles and responsibilities of specific Committees that are established to provide oversight, such as the Audit Committee and the Audit Steering Committee were also addressed during 2008.

The Department of Housing, in line with National policy, has undertaken to decentralise the provision of housing to District and Local municipalities. In so doing, it has put in place a series of capacity building and support initiatives to ensure that the necessary skills exist to do so. In its "Housing Needs, Research and Planning" programme the Department has listed a project to provide capacity and support to municipalities so that they can engage in housing development planning. This included providing Accreditation Support to identified municipalities and Operational Support to the various Housing Programmes. Also included in this is to assist municipalities to enrol their housing programmes with the NHBRC. At present the Department of Housing is assisting local municipalities with achieving a level 1 accreditation which will allow local municipalities to manage the housing beneficiary list. This will involve managing information that indicates the number of people who need housing, receiving and processing applications, and providing feedback on applications.

A crucial intervention in providing support to municipalities for planning Housing development is the establishment of Housing Chapters linked to the IDP process. Housing Chapters are located in each municipality and allows municipalities to plan for housing at a very local level. The Housing Chapters are also a new project and has been implemented in 2008. At this stage the department has received the draft inception report of the Housing Chapters. It has also had to source external capacity due to the new nature of the project and service providers have been appointed for each district. A land audit within each municipality which looked at what land was available for housing development has been completed and is being review through discussions. These one-on-one discussions with municipalities also include an assessment of how far municipalities have gone in developing planning processes taking into account Environmental Impact Assessment and the readiness of each municipality to begin the process of bulk infrastructure. The Department works closely with municipalities to reprioritise projects and plan over a five year period. By end of June 2009, it is hoped that housing plans will be incorporated into the IDP and approved by council.

The Department of Local Government has, over the period in review, improved in its provision of support and capacity to local municipalities. Whilst this still remains a key challenge for the Department to have fully capacitated local municipalities it still faces problems of establishing core municipal systems, local municipalities' capacity to implement projects and deliver services, challenges with financial management and poor accountability. The Department is still plagued with municipalities charged with maladministration, fraud, corruption and poor service delivery. Municipalities are still failing to account for funds meant for service delivery. This has been attributed to a critical shortage of staff and lack of internal controls. However, there was a slight improvement in the percentage of unqualified audited reports. There was also an improvement in the capacity of municipalities to spend their allocated Municipal Infrastructure Grant with 9 of the 21 municipalities spending 100% of the MIG. In this

regard, the department has the necessary mechanisms in place and is already seeing some progress in meeting the PGDS targets of improved municipal capacity.

The DLG's Municipal Administration focuses on monitoring and supporting the institutional arrangement within municipalities in terms of their capacity to comply with relevant local government legislative frameworks and prescripts. The section monitors that municipalities are able to develop and implement basic administrative policies, systems and by-laws and that the implementation of the 5year LGSA by all stakeholders is monitored, evaluated and reported on.

The following were achieved

- Conducted Section 78 assessment to support the capacity of municipalities in providing municipal services
- Monitored the roll out of free basic service policy by local municipalities
- Monitored the implementation of the project consolidate programme which was later replaced by the 5year LGSA
- Provided secretariat support to the Mpumalanga Provincial Energy Forum as well as District Water Services Collaboration Forums
- Consulted working in collaboration with Municipal Demarcation Board on how the Powers and Functions between Districts and Local Municipalities will be implemented

The Municipal Finance sub programme facilitates the implementation of financial policy and legislative framework at municipal level and further provides for support and monitor municipal finances. It also provides for valuations on MPRA.

All Municipalities in the Province have credit control and debt collection policies. The effectiveness of these policies, however, remains a challenge. Service providers were appointed and are assisting municipalities with policies and procedures. The municipalities were assisted with the roll out of the Local Government anti-corruption strategy which included assistance to put in place anti-corruption policies, systems and procedures. The existing policies of municipalities were reviewed.

The submission of credible Annual Financial Statements by Municipalities was also a priority of the department. 11 out of 12 Municipalities received unqualified audit reports during the 2006/07 financial year. This was the highest % unqualified audit outcomes between all provinces. All municipalities received hands-on support with regard to the implementation of the Municipal Property Rates Act. A Valuation Appeal Board was established and introduced to municipalities in Gert Sibande

The spatial planning sub programme in the DLG includes research and policy development, preparation of guidelines on spatial planning, mechanisms to monitor and support capacity building in municipalities. The Department had over the years since 2004, challenges in creating a support unit to facilitate the support of such mandate to the local government sphere. Through the IDP analysis and the engagement process the department realised the importance of developing a support structure to enable the struggling municipalities with in that regard.

Though there was no institutional support available, through the IDP IGR structures the department had been able to mobilise other support from the National and Provincial Department with the technical expertises. During 2005/06 the department facilitated the technical IDP assessment comments with a view to strengthen the development of the Spatial Development frameworks of the municipalities.

Land Use Management includes research and policy development, preparation of guidelines on development administration / land use mechanisms to monitor and support capacity building in municipalities. This sub-directorate is new to the Department of Local Government, will start functioning in 2009/10 financial year

The Integrated Development and Planning sub programme includes research, policy development and preparation of guidelines on integrated development planning mechanisms to monitor and support, capacity building in municipalities. It further includes the URP, IDP and ISRDP. This sub-programme IDP/PMS has been in existence since the establishment of the Department of Local Government and Housing i.e. 2005. The most important function of the section had always been to co-ordinate and support the development of the Integrated Development Plans (IDP's) of the Municipalities in the Province. During the financial year 2005/06 the department had to co-ordinate all 21 municipalities including the former cross boundary municipalities. On the very same financial year the department of Provincial and Local Government introduced through the Cabinet Lekgotla resolution the IDP evaluation framework and all provincial department of local government and relevant stakeholders had to embark on a process of evaluating whether these municipal plans are realistic so the term "credibility" come into play. During 05/06 only 3 out of 21 municipal IDP's were found to be credible whilst on the following financial year i.e. 06/07, 9 municipal IDPs were found to be credible. All 21 municipalities adopted and submitted their IDP's for 2008/09, of these 8 were final IDPs and 13 were still draft IDPs, 7 were credible. The lack of human capacity within the department together with the lack of capacity at the municipal level lead to a poor outcome of the 2007/08 financial year were by only 7 municipal IDP's were found to be credible. The above outcome had come as a wakeup call for the department that is why the importance of prioritising the fully establishment of the Directorate to support the municipal IDP development and implementation. The PGDS target was set at having all aligned

The DLG also has a capacity building programme which is divided into three sections, viz. Individual Capacity, Institutional Capacity and Environmental Capacity. It has conducted capacity development to municipal councillors, section 57 Managers and other managers in all municipalities in the province.

4.6.8 Traditional Leadership

Traditional Leadership and Institutions focuses on establishing Traditional Councils and providing technical, financial and resource support to these institutions. Support and enhance the capacity of Traditional Authorities. The PGDS specifically mentions the strengthening of the contribution made by Traditional Institutions to facilitate service delivery and good governance. The Department of Local Government implemented this priority in the following manner:

Traditional Institutional Administration

This sub programme includes: The House of Traditional Leaders, Regional Authorities and Traditional Authorities. It is further responsible to formulate and develop policy and legislation, fulfil duties in dispute resolution, Anthropological Services, provide Administrative support and include the payment of salaries of Traditional Leaders

Traditional Resource Administration

This sub-programme draws administrative policy guidelines, capacity building programmes and to implement capacity building programmes. It promulgated/proclaimed the following Acts:

- The Mpumalanga Traditional Leadership Governance Act, 2005
 - Mpumalanga House and Local Houses of Traditional Leaders Act, 2005
- To date, DLG has run a number of workshops to build the capacity of Traditional Leaders on the Acts in the province and in the three districts. 53 Traditional Councils were established in the province and these were inducted in roles and responsibilities of Traditional Councils. 3 Districts Summits were held on Traditional Leadership Governance and Dispute issues and the DLG hosted 30 Annual Cultural ceremonies of Traditional Councils.

Rural Development Facilitation

This sub programme improves access to community services, empowerment of traditional leadership and support structures and strengthening of functional linkages with Municipalities. This sub-directorate is new to the department, will start functioning in 2009/10 financial year

Traditional Land Administration

This sub programme provides for the demarcation, registration and provision of land rights in Traditional areas. This sub programme also provides for the settlement of land disputes and the development of land use management plans in Traditional Authorities. This sub-directorate is new to the department, will start functioning in 2009/10 financial year

4.6.9. Twinning agreements with international partners

The Premier's Office hosts the International Relations programme. The objective of this sub-programme is to enhance the management of twinning agreements through effective implementation of programmes for all partnership agreements to ensure contribution to the PGDS; to review and maintain existing MOUs and to identify African countries for purpose of developing partnerships to give effect to NEPAD. By 2007/08, the International Relations unit has developed a Provincial International Relations Framework, the Provincial International Affairs Coordinating Committee was established and is fully functional and a draft plan for implementation of NEPAD in the province was developed. It has also hosted political and technical missions from Germany, China and Mozambique with MOUs in place with these three countries. A second objective of the International Relations unit is to effectively coordinate and manage donor funding and in this respect a Official Development Assistance policy framework is in place.

The DPW has reported that it has entered into a bilateral agreement with the Cuban Government in May 2007, to source built environment professionals from Cuba to be deployed in the various spheres of Government

4.6.10 Outreach programmes

The DED, through its parastatals has performed well in social upliftment contributions and examples of this is the Gaming Board's Champions Casino which was able to allocate R1,5 million back into the community where the direct beneficiaries were the disabled in Witbank, Child Welfare and AIDS orphans. The Gaming Board's Lowveld National Botanical Garden is an example also of a successful eco-tourism attraction where R4,1 million of its contract value has been allocated to BEE contractors

The establishment of MPCCs is aimed at providing a one stop comprehensive service to citizens closer to where they reside at a reasonable cost. This is based on the premise that there is a need to integrate delivery systems, strategies and activities, and provide a one-wholesale support which will be a benefit to the province.

The Department of Safety and Security has established 12 Multi-Agency Mechanisms as a community structure to promote safety and security at community level. The 12 MAM's have been established at Dr. Moroka, Emakhazeni, Thebisile, Emahleni, Delmas, and Steve Tshwete.

4.6.11. Achievements against PGDS targets: Good Governance

MP PDGS		Key Priority Area: Good Governance	
<i>Promote a culture of accountability and transparency in the public sector</i>			
Programme	Performance Indicator	Targets	Target Achieved
1. Strengthen financial management	Unqualified audit reports received by all public sector institutions	100% by the end of the 2006/7 Financial Year	Not all departments received unqualified reports
	Auditor General's report without "Emphasis of the Matter" comments	Total elimination of "Emphasis of the Matter" comments on all Provincial Annual Financial Statements by the end of the 2005/6 financial year	Departments still receiving "Emphasis of the Matter"
	Budget allocations and expenditure in line with government programmes and delivery targets	Quarterly and annual expenditure in line with programmes and targets on an ongoing basis	Departments underspending on budgets
2. Implement effective anti-corruption and fraud measures	Decrease in all cases of corruption and fraud; Effective fraud and corruption investigative capacity	50% decrease in cases of fraud and corruption by the end of the 2007/8 financial year	Departments have anti-corruption objectives included in their programmes, systems still need to be put in place
3. Improve and effectively manage internal control systems	Risk management plans developed and implemented in public sector institutions	All risk management plans approved and implemented by the end of the 2005/6 financial year; Fully functional Internal Audit units in all departments by the end of 2005/6	Some departments have internal audit units
4. Establish an maintain an effective Provincial Monitoring and Evaluation system	Impact of government programmes is measured and gaps and opportunities for service delivery improvement identified	System is fully functional by the end of the 2004/5 financial year; Information reports on the outcome and impact of government programmes is available at any point in time	Draft Provincial M&E system framework in place
	Monitoring and evaluation capacity exists within all public sector institutions	A framework for monitoring and evaluation is developed in all public sector institutions and responsible officials are capacitated by the end of the 2005/6 financial year	M&E systems in place but not working effectively
5. Strengthen compliance with	Decrease incidences and	Total elimination of cases of litigation resulting from non-	Litigation cases

the government regulatory framework	cases of litigation against government and its employee resulting from non-compliance and poor performance	compliance by the end of the 2005/6 financial year	averaging about 20 per year in departments
	Compliance capacity established in all public sector institutions	All public institutions capacitated to comply with government regulations and policies on an ongoing basis	Capacity building taking place in departments
<i>Enhance and develop the institutional capacity of the public sector to ensure effective and efficient service delivery</i>			
Programme	Performance Indicator	Targets	Target Achieved
1. Effective implementation of performance management	Performance agreements and employee performance plans to be signed and monitored	100% by the end of 2005/6 financial year	Most departments have Annual Performance Plans in place
	Service delivery impact achieved through the attainment of departmental objectives within approved budget	100% achievement of specified service delivery targets on a quarterly and annual basis	Service Delivery Improvement Plans developed by departments
2. Ensure effective development and utilization of human capital	Correct placement of human capital against suitable posts	Skills audit finalized by the end of 2004/5 financial year; Correct person-to-post matching and placements achieved by the end of the 2005/6 financial year	Staff turnover is still high Rate of filling vacancies is too slow
	Development of human capital in line with Personal Development Plans and career paths	Every employee has an opportunity to undergo training to address specific skills requirements	All departments have comprehensive human resources programmes
3. Support the development of institutional capacity in Local Government	A management support framework detailing key intervention programmes is developed and implemented	Framework developed and implemented by the end of 2005/6 financial year	Department of Local Government has a detailed programme in place for local municipal support
	Budget and expenditure in line with municipal programmes and delivery targets	Quarterly and annual expenditure in line with programmes and targets	Improvements in accountability and transparency of local municipalities
4. Develop leadership capacity in public institutions	Best practice, innovations and new models adopted in managing	Each public sector institution implements one best practice innovation or new model per	Not reported on

	service delivery	reporting cycle	
	Service delivery innovation and knowledge management hub established	An innovation and knowledge management hub is established for the province by the 2006/7 financial year	Mpumalanga Management Centre launched
	Availability of researched and accurate information for informed decision making	An executive decision making support system is developed and implemented by the end of the 2005/6 Financial year	System in place for accurate reporting from departments to Premier
	Successful implementation of all Executive Council decisions	All Executive Council decisions implemented	Difficulty in monitoring EXCO decisions
<i>Promote and enhance cooperative governance for integrated service delivery</i>			
Programme	Performance Indicator	Targets	Lead Dept
1. Promote integrated development planning and implementation	National (MTSF), Provincial (PGDS) and Municipal (IDP) planning frameworks are harmonized and aligned	All plans are aligned on annual basis	Work is being done by Department of Local Government to promote integrated development planning
	Effective implementation and functioning of coordinating inter-governmental structures	Clear terms of reference and work plan for each structure is in place and implemented per reporting cycle	IGR not fully functioning
2. Strengthen the contribution of Traditional Institutions to service delivery	Increased participation of Traditional Institutions in Provincial and Municipal planning and implementation processes	Each DM should initiate at least 4 joint programmes with traditional institutions within a reporting cycle	Department of Local Government and the Premier's Office have in place programmes to increase participation of Traditional Institutions
<i>Improved integrated service delivery through innovative and proactive practices</i>			
Programme	Performance Indicator	Targets	Lead Dept
1. Implementation of the Batho Pele change management/revitalization campaign	Leadership capacity established in departments to champion and implement the campaign	Service delivery improvement coordinators appointed in departmental programme management units	Batho Pele workshops and campaigns held in each departments
	Integration of Batho Pele into the performance management system of government	Performance agreements and plans articulate clear performance targets for Batho Pele implementation	Some departments have Batho Pele plans in place
	Service delivery improvement	All public sector institutions publish plans by	Target not reached

	plans and standards are developed and published	the end of the 2004/5 financial year	
	Customer surveys reflect satisfaction with government service delivery	Results from surveys reflect an increase in satisfaction index on an annual basis	Very few departments have conducted customer surveys
	Effective and timeous reporting on Batho Pele implementation	Adherence to the reporting requirements of the Public Service Commission	Target not reached
2. Implementation of the Multi-Purpose Community Centres Programme	The MPCC programme is fully integrated into IDPs	All municipalities have implementation plans for MPCCs; Each municipality has established at least 2 MPCCs by the end of the 2006/7 financial year; 13 MPCCs are established and fully functional in the province by the end of 2014	14 MPCCs are established and fully functional
	An integrated package of government services is available at each MPCC	Each MPCC that is established is to provide access to the e-Gateway of electronic government services by the 2008/9 financial year	MPCCs still need to be fitted with ICT
3. Implementation of the Community Development Worker programme	Improved accessibility to government services by the community particularly in under-served areas	200 CDWs deployed by the end of 2006/7 financial year	325 CDWs permanently employed by the Province
4. Strengthen the capacity of Parastatals to contribute effectively to service delivery	Effective corporate governance in terms of the King report	100% compliance is achieved by the end of the 2005/6 financial year	Some Parastatals' have corporate governance structures in place
	Parastatal programmes informed by and integrated with provincial priorities and programmes	Provincial service delivery targets are met by Parastatals	Parastatals are in place to deliver on targets set by provincial departments
	Improved contribution by Parastatals to economic growth and investment	Return on investment is measured against parastatal expenditure per reporting cycle	Some returns on investment
5. Strengthen the contribution of Memoranda of Understanding	Increase in the number of service delivery and good governance	Impact evaluation conducted annually for all MOUs and partnerships to establish	Impact evaluation of MOUs not reported on

⁷ Not all Parastatals were reviewed due to the lack of availability of information

(Local and international partnerships) to service delivery and good governance	programmes as a result of the MOUs and partnerships	contribution to service delivery; At least one project per MOU cooperation focus area is implemented within two years of signing such MOUs	
<i>Strengthening of social partnerships and community participation in development and service delivery</i>			
Programme	Performance Indicator	Targets	Lead Dept
1. Strengthen sector development consultative process	The number of forums established to facilitate consultation; The number of forums established to facilitate consultation between government and civil society	A consultative forum is established for each sector by the 2005/6 financial year	No report on consultative forums in each sector department Department of Local Government works with ward committees to ensure community participation
2. Strengthen community participation in development and service delivery initiatives	Increased interaction and consultation between government and communities (Izimbizo, Executive Council Outreach and other initiatives)	Each municipality hosts at least one consultative event per reporting cycle	The Department of Local Government has hosted izimbizos every year sometimes exceeding its target
	Establishment of a volunteer service initiative to enhance service delivery	Each municipality to establish a volunteer coordinating structure by the 2005/6 financial year	Not reported on
	Enhanced role and effectiveness of ward committees	Fully functional ward committee system in place by the 2005/6 financial year	Ward committees established
3. Implementation of an integrated communication programme	Improved access to government information	Greater access to information is measured per reporting cycle through the customer satisfaction surveys	Very few departments have conducted customer surveys. Premier's office conducted one at 7MPCCs

4.7. Human Resource Development

This final priority area of the PGDS is crucial to the development of skills in a province whose current labour force is characterized by a narrow skills base, poor levels of productivity, outdated technological skills and high levels of illiteracy. Many of the departments in the provincial government have been plagued by the inability to fill technologically based vacant posts or technical skilled posts. The main aim of this priority area is:

- to invest in people's skills to promote service delivery, economic growth and development
- to position higher education institutions to meet the skills demand of the province
- improve access to and ensure quality education

4.7.1. Human Resource Capacity in Departments

The Provincial Government has been plagued by shortage of skilled staff as well as a high turnover of staff. In some instances this relates to support staff providing technical assistance to departments and in other cases it has been the loss of leadership with change in HODs. Departments have implemented Human Resource initiatives to attempt to alleviate these problems.

Department	Skills lost	HR Intervention
Housing	Technical Skills Quality Assurance Project Management	<ul style="list-style-type: none"> ▪ Staff Retention strategy finalized in 2008 ▪ Learnerships and Bursaries ▪ Decentralising of housing planning to local municipalities
Local Government	Technical Skills Quality Assurance Project Management	<ul style="list-style-type: none"> ▪ Learnerships and Bursaries ▪ Intensive support and capacity building for local municipalities ▪ Project Management Units ▪ Employment of CDWs
Agriculture and Land Administration	Veterinary Science Agricultural Economics Agricultural Engineering Environmental middle management Environmental compliance monitoring posts	<ul style="list-style-type: none"> ▪ Bursaries to under-privileged students ▪ ABET ▪ Continuous professional development
Finance	Unclear	<ul style="list-style-type: none"> ▪ Internships ▪ Learnerships and bursaries ▪ Employment for youth
Culture, Sports and Recreation	Unclear	<ul style="list-style-type: none"> ▪ No specifications in the Human Resource programme
Education	Mathematics and Science Educators Senior management	<ul style="list-style-type: none"> ▪ Incentives for specialist posts
Public Works	Senior Management Supervisory staff in Technical skills	<ul style="list-style-type: none"> ▪ Performance agreements

	Finance	
Safety and Security	Political leadership Highly skilled Human resources Senior management	<ul style="list-style-type: none"> ▪ Learnerships ▪ Bursaries ▪ ABET
Health	Political leadership Senior management Senior health care management Health care personnel in rural areas	<ul style="list-style-type: none"> ▪ Incentives to attract personnel to rural areas ▪ Bursaries
Economic Planning	Support staff (high turnover due to resignations) Middle management Skilled technical staff Senior management in parastatals	<ul style="list-style-type: none"> ▪ Retention strategy ▪ Outsourcing ▪ Workshops and training
Roads and Transport	Political leadership Senior Management Middle Management Technical and professional staff Law enforcement officers	<ul style="list-style-type: none"> ▪ Capacity building and training ▪ Bursaries and learnerships
Social Services	Political leadership Social Workers	<ul style="list-style-type: none"> ▪ Bursaries for social workers
Premier's Office	IT Skills Support staff	<ul style="list-style-type: none"> ▪ Accelerated Capacity Building programme

Table 17: Skills shortage per department

4.7.2. The Office of the Premier

The Institutional Development programme of the Office of the Premier has as its focus, Human Resource development (which includes Batho Pele), marketing and communication as well as IT provision through the PGITO. This programme, and its sub-programmes, are in line with three of the PGDS priority areas, viz the ICT provision in Development Infrastructure, the development of human capital and the establishment of a service delivery innovation and knowledge management hub in the Good Governance priority area and the improvement of skills in the Human Resource Development priority area. In the Institutional Development Programme, the flagship project of the Premier's Office has been the Accelerated Capacity Building programme. Through this programme the Mpumalanga Management Centre (MMC) was established and launched in 2007/08. This Centre provides management training and development interventions for Provincial Government in a coordinated way. The MMC offered the 3-module training, Executive Development Programme where 126 senior management staff have been trained in different areas of the programme. The Middle Management Development Programme and the Junior Management Development Programme training has commenced and progressing well. The Premier's Office also builds skills capacity by offering learnerships and access to ABET. In 2006/07, the Premier's Office awarded 431 learnerships in Human resource Management, Public Administration, Sector Accounting and workplace induction. A further 315 learnerships were awarded to unemployed youth to attend training in Public Administration, Public Sector Accounting, Project Management and IT. 1610 General Assistants in Provincial Administration went through ABET and received certificates in 2006/07; 2672 officials were enrolled in 2004/05 and in 2005/06 2089 officials went through the ABET programme. In the learnerships and the ABET

programme, the Premier's Office had to liaise with higher education institutions to provide courses, thus fulfilling the task set out in the Human Resources PGDS key priority area.

The Transversal Human Resources Development programme, also in the Premier's Office has a cross-cutting development approach that is implemented across all provincial departments. The THRD is responsible for managing the Human Resources Development Strategy for the province and to ensure that all departments submit their skills plan training reports. The THRD was formally known as the Transversal Public Service and was responsible for implementing the Presidential Strategic Leadership Development Programme and for coordinating a skills audit (2004/05- 2005/06). In 2006, the Transversal Public Service training project became a sub-programme of Human Resources Development and its scope expanded to include all aspects of human resource development in the provincial government. THRD is now responsible for:

- Awarding bursaries through the National Skills Fund Strategic Project for scarce and critical skills: 91 engineering bursaries were awarded in 2007/08
- Implementing the Accelerated Capacity Building Flagship project
- Establishing the Mpumalanga Management Centre (discussed above)
- Coordination of learnerships in the Provincial Administration: Since 2004-2008, 1105 learners from the Provincial Administration have participated in capacity building programmes or have been assessed in key fields of organisational development and human resource development
- Learnerships targeted at unemployed youth: from 2004-2008, 1405 unemployed youth have gone through learnerships from the Premier's Office
- Coordination of ABET for General Assistants in Provincial Administration: this project has been functioning since 2004 and since then 10558 officials, general assistants and facilitators have gone through the ABET

The Presidential Strategic Leadership Development Programme was not operational in 2007/08, but was functional from 2004/05-2006/07. During that time, a range of local and international workshops were held where 627 senior managers and officials from all departments attended.

Almost all the departments have in place programmes that are promoting the development of skills. These departments have in place learnership projects aimed at building the skills required in the specific departments. Bursaries have also been offered to government officials as well as to students from universities. Each department also has in place facilitated access to ABET training, through which many government officials have gone.

4.7.3. The Department of Education

The Department of Education has been tasked with improving access to quality education in the province. The Department of Education's expenditure has increased steadily over the review period indicating the province's commitment to the development of quality education and increasing learners' access to education. In 2004/05 the province's expenditure on education was R4 871 000. This increased to R5 780 000 in 2005/06 and by 2007/08 the Department's expenditure was R8 601 000.

Description of objective	Actual outputs (%)				Comments
	2004/5	2005/6	2006/7	2007/8	
Number of learners benefiting from scholar transport				35 953	<p>During the review period the department faced the challenge of recovering teaching time lost during the public services strike. As part of a national plan, the department developed and instituted a 4 phase recovery plan which focused on recovering teaching time, providing direct learner support, offering multi-media support and mass mobilisation. Other difficulties that the department contended with during the same period are the problems related to scholar transport and the school nutrition programme. Both these issues have direct implication for effective education and enabling an environment for learners to learn effectively. The department also needs to address the AG's comments in respect of the nutrition scheme and to pay keen attention to the wasteful expenditure incurred on scholar transport.</p> <p>The incorporation of Bushbuckridge into Mpumalanga placed additional strain on an already burdened department. This reportedly occurred without proper planning ahead of the incorporation. What was not clear was the strategy that the Department intended to employ to tackle the incorporation of Bushbuckridge. Infrastructure remains a challenge with a number of schools in a poor state of repair and basic services not rolled out to all public schools.</p>
Percentage of learner days covered by the nutrition programme		80.4	83.25	156 days	
Percentage of learners in public ordinary schools with special needs		50.7	22.61	17 884 learners	
Percentage of public ordinary schools with a water supply	6 schools	78.29 (9 schools)	79.64	1 632 schools	
Percentage of public ordinary schools with electricity supply		71.41	76.41	1631 schools	
Percentage of schools with an adequate number of functional toilets		0.07	4.73	488 schools	
Expenditure on maintenance as a percentage of the value of school infrastructure		1.1	0.9	1.1%	
Percentage of schools with more than 40 learners per class		2.5	2.38	352 schools	
Percentage of non-Section 21 schools with all LTSMs and other required materials delivered on day one of the school year	100	100	100	0 schools	
Percentage of schools with Section 21 status	100	100	100	1 801 schools	
Percentage of working days lost do to educator absenteeism in public ordinary schools	3.1% (Primary phase) 3.61% (Secondary phase)	2.8% (Primary phase) 2.1% (Secondary phase)	2.78	138 230 days	
Percentage of learner days lost due to learner absenteeism in public ordinary schools	5.56% (Primary phase) 4.53% (Secondary phase)	4.1% (Primary phase) 0.6% (Secondary phase)	27.55	3 104 228 days	

Table 18: Public Ordinary Education

Description of objective	Actual outputs (%)				Comments
	2004/5	2005/6	2006/7	2007/8	
Number of public primary phase schools	1 417	1 391	1360	1360	The department identifies data collection from schools as a problem. This is substantiated by the quality of information contained in reports. It is also the most likely cause for the inconsistencies and contradictions highlighted in the Audit reports from the Auditor-General. Literacy and numeracy levels are also confirmed to be very low. A strategy to address this would have been launched in June 2008, but there are no reports on further developments at this point.
Number of spaces provided for enrolled learners in the public primary phase	551 022	545 900			
Number of educators provided at the public primary phase	16 525	16 982			
Learner: educator ratio in the public primary phase	1:36	1:35.2			
Number of new classrooms built	52	39			
% of capex spent on maintenance	2.9%	3.5%			
Gender parity in public primary schools	1:1.013	1:1.012			
Number of learners in public primary schools who are challenged	11 872	12 920			
Number of ordinary full-service schools per 100 000 learners at the primary phase	254	270			
The performance ratio of the least advantaged schools to the most advantaged schools with regard to grade 3	1:1,73	1:1.59	1:1.56	1:1,53	
Repetition rates in Grades 1 to 7	6.7%	0.08%	3.74%	0.074	Implementation of the new curriculum (2006/7) would be supported by curriculum officials. The scholar transport system (identified for investigation by the Auditor-General) remains a problem. The province planned to conduct an investigation by the Premier's Office. An investigation is also underway by the Auditor-General and is still to be reported on.
Drop out rate in the foundation phase	4.23%	4%			
Drop out rate in the intermediate phase	4.6%	4%			
Percentage of under-aged learners in public ordinary primary schools	1.67%	1.4%	
Percentage of learners in Grade 3 attaining acceptable outcomes in Numeracy and literacy	91%	92%	92.77%	80 637 learners	
Percentage of learners in Grade 6 attaining acceptable outcomes in Mathematics, Literacy and natural Science	92.67%	93%	95.12%	74 980 learners	

Table 19: Public Primary Phase

Description of objective	Actual outputs (%)				Comments
	2004/5	2005/6	2006/7	2007/8	
Number of public secondary phase schools	375	381			<p>One of the main challenges faced under this programme is Grade 12 education. The Grade 12 pass rate remains consistently low despite some of the interventions made. The department recognises the challenges that contribute to this situation, namely:</p> <ul style="list-style-type: none"> ▪ Under and unqualified educators; ▪ New systems difficult for educators; ▪ The availability of LSM at the start of the school year is still not on track; ▪ Inadequate facilities; ▪ Additional learning and support programmes for learners not operating effectively <p>Other challenges that impact on all the grades at the secondary phase include:</p> <p>Extending the school nutrition to secondary schools would assist in alleviating learning problems caused by poverty; inadequate sports facilities at most schools; low focus on cultural programmes. There have been solutions identified to address some of the concerns (such as requesting funds from the Treasury to extend the school nutrition programme to secondary schools).</p> <p>Again, here it is also difficult to assess the progress due to limited information in the report.</p>
Number of spaces provided in the public secondary phase	340 317	343 361			
Learner: educator ratio in the secondary phase	1:33	1:32			
Number of new classrooms built	48	39			
Number of new toilets built	25	115			
Learner: classroom ratio in the public secondary phase	1:35	1:34.5			
% of capex budget spent on maintenance	3%	3.9%			
Percentage of girl learners who take Mathematics and science in Grades 10 to 12	56,02%	46.2%	48%	1 265 learners	
The performance ratio of the least advantaged schools to the most advantaged schools with regard to the Grade 12 pass rate	1:2,68	1:2.57	1:2.20	1:2,1	
Repetition rate in Grades 8 to 12	11.9%	11.8%	18.67%	20 354 learners	
Drop out rate in the public secondary phase	16.2%	12.8%			
Pass ratio in Grade 12 examinations	61.8%	58.8%	65.3%	60.8%	
Pass ratio in Grade 12 for Mathematics and Science		0.65%	71.9%	1:1.03	
Percentage of learners in Grade 9 attaining acceptable educational outcomes in all learning areas	87.2%	53.8%	85.75%	58 295 learners	
Number of schools with a Grade 12 pass rate less than 40%	102	89	50	70	

Table 20: Public Secondary Phase

The number of learners enrolling in public schools has been on the increase (with slight fluctuations in 2005 and 2007). The intake in 2008 was less than in 2007. The enrollment of learners in independent schools has been on the decrease. The number of educators employed by the Department has increased steadily since 2004 with 32 784 teachers being employed in 2008 as compared to 25 631 in 2004. The number of teachers employed by private, independent schools has been on the decrease. There was a slight increase in the number of public schools, but in 2008 there was a decrease to 1899 schools, almost equaling the number of schools there were in the 2005/06 year, with this being a decrease from the number of schools functioning in the province in 2006/7. There has been a decrease in the number of independent schools from 2004 to 2008. The learner-to-educator ratio has been decreasing in public schools and still remains below 40 learners to 1 educator.

The Department was only able to implement the scholar transport programme in 2007/08 and the nutrition programme was only able to provide food at schools for 156 days to 572876 children. The problems related to scholar transport and the school nutrition programme have both had direct implication for effective education and enabling an environment for learners to learn effectively.

INDICATOR: EDUCATION	2004/2005	2005/2006	2006/2007	2007/2008
Senior certificate examination results				
Number of Candidates	37 091	38 811	39 040	51 787
Matric Pass	Unavailable	Unavailable	25 568	31 449
Proportion passed	62%	59%	65%	61%
Proportion with university entrance pass	13%	13%	14%	13%
Senior certificate examination performance in Mathematics				
Number of candidates per the subject	276 094	303 152	317 642	358 195
Number passed	156 795	169 001	165 865	149 228
Proportion passed	57%	56%	52%	42%
Number passed on higher grade	24 143	26 383	25 217	25 415
Proportion passed on higher grade	9%	9%	8%	7%

Table 20: Matric examinations (South Africa Survey)

The number of candidates sitting for a senior certificate examination has been steadily increasing. There was a significant increase in the number of candidates entering the senior certificate in 2007/08 with 51 787 students enrolling, an increase of 12 747

students. Despite the increase in numbers, the matric pass rate decreased by 4% between 2006/07 to 2007/08 with only 13% of those passed being eligible to enter university. The number of candidates enrolled to obtain a pass in mathematics has been on the increase, exceeding the number of candidates enrolled just for a matric qualification. However, the percentage of those who passed has been decreasing over the period under review. The number of higher grade passes has been decreasing since 2004.

Description of objective	Actual outputs (%)				Comments
	2004/5	2005/6	2006/7	2007/8	
Number of registered ABET sites	236	253			The shortage of skilled educators and ongoing development remain a crucial problem. The kinds of support offered to learners at centres where educators are under qualified have also emerged as a constraint to achieving the department's goals. Other challenges are governance of the centres, funds for learnerships and campaigns to increase the interest from potential learners.
Number of learners enrolled in public ABET centres	22 014	22 828			
Percentage of ABET learners relative to adults in the province	3.06%	3.98%	2.48%	26 339 learners	
Percentage success rate per ABET output levels 1 to 4	Levels 1: 43.8% 2: 27.7% 3: 9.70% 4: -49.5%	Levels 1: 60% 2: 55% 3: 60% 4: 13%		

Table 21: Adult education (South Africa Survey)

Further Education Training colleges offers adults an opportunity to develop their skills after completing school. It is a vital intervention in the strategy of trying to build the skills capacity of adults to meet the demands of the labour market. The Department was doing exceptionally well in recruiting adults into FET colleges with an increase of about 6000 adult learners between 2004/05 and 2005/06. However, there was a drastic reduction of over 16000 adults enrolling in FET bringing the number of enrolled adults down to 1901 in 2007/08. The Recapitalisation of FET Colleges is well on track and is now focusing on the rollout of the New National Vocational Curriculum. It rolls out side by side with recapitalisation of infrastructure and capacitation of lecturers to deliver programmes that are relevant and responsive to Labour Market needs. As part of the recapitalisation process, the programmes that are on offer include:

- Civil Engineering
- Electrical Infrastructure Construction
- Engineering and Related Design
- Marketing
- Finance, Economics and Accounting
- Management
- Office Admin
- Tourism
- Hospitality
- Information Technology and

- Primary Agriculture

The target for 2008 was to double the number of learners to be enrolled from 1901 to 3802. The increase in learner intake seeks to capture as many matriculants as possible as the region has no university. FET Colleges are Ehlanzeni FET, Gert Sibande FET and the Nkangala FET. The merger process delivered a total of 3 FET colleges for the province: Gert Sibande FET, Nkangala FE and Ehlanzeni FET. Each of these colleges have a number of campuses and so further education and training opportunities are very well represented across the entire province. The department reported the process as strenuous and challenging. It also reports that the province completed the merger process ahead of those in other provinces

With Adult Basic Education, there has been a steady increase with 23 337 adults enrolled for adult literacy in ABET. The ABET pass rate in 2007/8 stood at 74%. 2108 illiterate community members from throughout the province were recruited during the same period.

In 2008 the number of schools declared 952 schools as “no-fee” schools. This represents 49.8% of all schools in the province and will benefit 408 196 (420 238) (or 34.9%) learners in the public schooling system. In 2009 the number of schools will increase to 1 440, representing 75 of schools in the public schooling system. This is a significant development as the net of free education has been significantly widened and many more children and their parents will enjoy this benefit.

As part of the Department’s rural development approach, MRTT has empowered more than 10 000 people through training development and placement. Ninety percent of these people benefitted from this intervention are residing in the rural areas of the province. Through mobile training approach MRTT managed to take training to all corners of the province and beyond. This capacity enabled MRTT to reach a wide range of people and areas that are very marginalized. The beneficiaries are constituted of designated groups (women, youth and people with disability). Eighty percent of these people were assisted and equipped to take job opportunities that were created as a result of labour intensive projects (that includes infrastructure development, road construction, housing development), that were taking place in their area of jurisdiction. SMMEs and emerging businesses were catered for through intensive business management and entrepreneurship development training. This intervention benefitted structures such as NAFCOG, Youth Commission and People with Disabilities.

4.7.4. The Department of Culture, Sports and Recreation

The key priority area of social development whose strategic thrust is to attain high levels of social development that will ensure a well educated citizenry that is healthy, safe and has access to sufficient recreational facilities. The Department of Culture, Sports and Recreation has, through the arts and culture programme, identified the need to have at least five community sports and recreation programmes implemented in each District Municipality over a reporting cycle. The establishment of accredited provincial recreational structures has been a slow process in the province. In 2006/2007 and in 2007/2008 the objective and target, although it did not specify exact numbers, was to facilitate the establishment of provincial structures. By the end of 2006/2007 there were no provincial structures established and in the 2007/2008 financial year only an interim structure had been established. To encourage reading a special campaign was

launched called 'Fundza For Fun' which culminated in awarding of four winner annually with prizes of R50 000 bursaries. During the 2005/06 financial year the "Fundza for Fun" campaign had over 29 000 people participating through 77 public libraries and 246 schools and the four final winners were selected and awarded their bursaries. This project continues to encourage the young, old and blind to read. This is an indication of the seriousness of the programme to revive and inculcate the culture of reading.

Another challenge that has faced the DCSR is the purchasing of new books for each library where in 2004/5 only 200 new books could be purchased per library as opposed to 500 new books needed per library per year. Even for 2005/6 the R2,8 million that was budgeted was not enough and the Department had a backlog of 90 libraries. In 2006/07 an amount of R4,088 million was set aside to purchase library material for all 139 public libraries and this was still not enough. A strategy that is utilised to deal with this shortage in libraries and library resources is through providing libraries through mobile libraries and book boxes where libraries are not available. Books in African languages have remained a challenge because of limited number of titles available; however material reflecting the African experience has been the focus areas for continuous development. Another strategy that has been implement to improve this programme was through the National Department of Arts and Culture which allocated a conditional grant of R22,8 million through the Medium Term Expenditure Framework (MTEF) to refurbish and upgrade public libraries in the province, purchase latest and relevant books for libraries, increase titles in libraries that do not have sufficient titles, market and popularise the use of libraries and make them accessible to communities, facilitate the implementation of identified Information Communication Technology (ICT) projects.

4.7.5. Achievements against PGDS targets: Human Resources

MP PDGS		Key Priority Area: Human Resource Development	
<i>Invest in people's skills to promote service delivery, economic growth and development</i>			
Programme	Performance Indicator	Targets	Target achieved
1. Improving the skills base in order to promote economic empowerment and job creation	An increase in the availability of scarce skills, as required within the province	Percentage increase in the availability of scarce skills	Enrolment and pass rates from FET and ABET colleges is very high
	Supply of skills meet labour market demands	10% annual increase in meeting provincial skills demand	Still a shortage of technical and specialist skills such as veterinary and engineering skills
	Target utilization of SETA funding to address the provincial skills gap	90% of SETA funding is used for targeted priority programmes	Province has established strong partnerships with SETAs
	Learnerships developed in all sectors where scarce skills exist	50% of learnerships approved by SAQA and launched by the 2006/7 financial year	Courses offered through the Mpumalanga Management Centre are SAQA/NQF approved
<i>Position higher education institutions to meet the skills demand of the province</i>			
Programme	Performance Indicator	Targets	Target achieved
1. Building strategic partnerships with institutions of higher learning	Strategic partnerships are established with targeted institutions based on the province's requirements	The MPG will have signed agreements with all strategic service providers by the end of 2007/8	Partnerships have been formed with local universities and colleges
	Increasing the number of post matric students enrolling in and completing these programmes	Percentage increase in students enrolling and completing matric	Percentage increase in number of students enrolling for matric Percentage decrease in matric pass rate
2. Facilitate coordination in ensuring that higher educational institutions provide relevant	Approved higher education programmes/courses linked to addressing scarce skills	Percentage increase in programmes addressing scarce skills	FET colleges and the MMC are providing courses to aligned to

courses			scarce skills. Strategies need to be looked at as to how these new skills can be brought into the provincial government
	Increase participation by industry in curriculum design to address labour market demands	Percentage increase in number of validated programmes by industry sectors	Not reported on
<i>Improve access to and ensure quality education</i>			
Programme	Performance Indicator	Targets	Lead Dept
1. Improve access to Adult Basic Education	Improve adult literacy level	20% reduction in illiteracy levels by 2014	ABET enrollment increasing
2. Promote ECD programmes	Increase in the number of pre-primary educational facilities	Access to pre-primary educational facility is within at least a 5-10km radius throughout the province	Number of ECD centres increasing
3. Promote a culture of educational management, teaching and learning excellence	Improved management and governance of schools	All schools to have functioning governance structures by the end off 2005/6	Not reported on
	Improved quality of teaching and learning	Pass rates for all grades to improve to 80% within 3 years; 80% of teachers are capacitated to deliver outcomes based education by end 2008	There has been a decrease in percentage of learners repeating grades
	Promote a secure and conducive environment for teaching and learning	Reduction in incidences of crime and drugs in schools; At least 70% of schools should be secured/fenced by end 2006/7 financial year	Not reported on
4. Inclusive education	Increased number of educators trained in inclusive education principles; Improved mainstreaming of inclusive education in all schools	20% of all primary school educators trained by the end of 2005/6 financial year; All schools make provision for access to learners with disability by end 2014	Inclusive education part of Premier's programme

5. Challenges

The provincial government has put in place many programmes to assist in achieving the targets set by the PGDS. While some of these programmes will achieve these targets, others are experiencing problems. Some of the challenges facing the provincial government are outlined below.

Service delivery challenges

The first challenge in service delivery is the lack of proper IT capacity in the provincial government. The result is that it is difficult to put in place systems to effectively control the delivery of services and the management of information. The Premier's Office has established the Provincial Government Information Technology Office in 2005/06 to develop policy and regulatory framework for IT, to manage and coordinate IT through the PGITO in accordance with the national GITO Council and to facilitate capacity building of Information Management and Information Technology (IMIT) staff. One of the key challenges faced in the provincial government is having access to personnel that are skilled in IT. The PGITO was set up to alleviate that challenge by providing IT skills to department. However, the Premier's Office had some trouble implementing the IT capacity building due to the inability to find staff with the requisite skills. The IMIT unit also had difficulty being set up in 2005/06 and once it was set up towards the latter end of 2006, it could not appoint any personnel. As of 2007/08, still no personnel had been appointed to this unit. This has had an impact on the development and practical implementation of systems in provincial departments.

Structure of programmes

There have been many changes made in departmental programmes within a very short period of time. In some departments changes to their structure of programmes and projects have changed every year since 2004. In this five year review, programmes and projects have been structured in very complicated ways often with objectives and projects not corresponding with programmes. In some instances, the budgets have not matched the programme outline. The complications also extend to the expansiveness of the number of projects that departments have to implement. With very limited staff and budgets, departments are forced to spread their resources very thinly to implement the projects, resulting in projects not being able to meet their targets. The constant changes do not lend itself to a stable environment for planning and implementation and the complicated structure of programmes does not lend itself to efficient delivery of projects.

Capacity of the province to deliver

There are two key issues affecting the provincial government's capacity to deliver, viz budgetary constraints and lack of skilled human resources. Many programmes being implemented by government departments are under-budgeted forcing many departments to raise funds from sources other than government. Even in those cases, the funds sourced from the private sector and from donors remain inadequate. The provincial government has also been plagued by shortage of skilled staff as well as a high turnover especially in areas where technical skills are required. This has had a

serious impact on the delivery of programmes and the inability of government to reach its targets.

Extent of meeting the needs of the citizens of Mpumalanga

Despite Batho Pele requiring departments to conduct customer satisfaction surveys, there is no evidence these surveys being conducted during the period under review. There is no indication of how the citizens of Mpumalanga feel about the services they receive from government nor is there any assessment of whether their needs are being met. There is also no indication of the impact the delivery of programmes of government are having on the quality of life in the province as the provincial government, itself, monitors only its outputs in terms of numbers and no qualitative findings on impact.

Inter-Governmental Relations

Generally, IGR appears on some of the departments' list of projects but there is no clear evidence that departments are working closely together to develop integrated development plans for their departments and integrated implementation plans. Whilst the PGDS does call for the development of clusters to assist in integrated planning and pooling of departmental resources, no government department reported that such integrated planning and inter-department collaboration was taking place.

Capacity of Municipalities

Despite efforts to assist the capacity of local municipalities to deliver services and to maintain accountable and transparent processes, there is still a lack of capacity in local municipalities. In some instances, government departments have not been able to form relationships with municipalities because of lack of cooperation from municipalities. There have also been delays in some departments' implementation of projects because of the low skills levels in local municipalities to do some of the work required for delivery.

Provincial planning, monitoring and evaluation

There have been some reports that planning in departments are done in a top-down approach and this has led most programmes to believe that planning is still fragmented and 'siloesed'. The quality of plans has been further affected by the long decision-making time frames required of the 3 spheres of government. The lack of a information management system, inconsistent collection of socio-economic data, and absence of updated information per region all affect the quality of planning and the most glaring omission in this core process is the lack of input from civil society (private sector, NGO's, communities) in the strategic direction and priority areas that departments should focus on in the interest of local economic development. The data collected is largely quantitative in nature and does not report in detail the impact of the programmes on the quality of life of the citizens of Mpumalanga. No evidence was presented which indicates that formal external impact evaluations and reviews of a qualitative nature are an intrinsic part of the department's organizational culture. In documents scanned, all departments note that the M & E system is not operating optimally especially since M&E input from external stakeholders such as the private sector transport industry, community members and construction enterprises are not actively solicited.

6. Recommendations

Advancing the goals of the PGDS

In advancing the goals of the Provincial Growth and Development Strategy, it is crucial that the province accelerates investment in social infrastructure, improving access to housing along with basic services such as water, decent sanitation and electricity, improving access to quality education and skills development opportunities, advancing access to comprehensive health care as well as addressing high rates of crime in our communities. While there have been achievements in each of these, the provincial government still has backlogs to address, all of which are increasing on a yearly basis. The province needs to re-look at the targets set by the PGDS, the several programmes outlined for departments as well as the resources available and assess whether these are realistic targets with realistic programme interventions. At present, the targets set and the non-delivery on programmes makes it appear as if the government is under-performing.

Baseline studies and Targets

One of the key shortcomings identified in this review is the province's setting of targets against which their performance is measured. The targets set in the PGDS were done in the absence of any baseline data, hence in most instances, the targets set appear to be unrealistic when one takes into account the financial, human and time constraints. In the absence of such properly collected baseline data, and incorrect targets set, it is difficult to assess whether the province is performing adequately. The second problem identified in setting targets is that there does not seem to be any system in place to incorporate the unmet targets at each year end and at the start of each year. Whilst the backlogs appear to be growing each year, they do not appear to be included in the new targets set. This, together with the fact that there is no proper baseline information, makes it increasingly difficult to assess whether the province is actually meeting its targets and addressing the backlogs. It is essential that the province engage in properly conducted baseline studies, especially in areas of service delivery, so that it is able to set targets in a scientific manner so that the province has properly founded information against which it can measure its performance. It is also important for the province to develop a system to address the backlogs that accumulate on a year on year basis and to have the data on unmet targets included in the newly defined targets.

Streamlining and consolidating

Government departments need to look at their programmes and look at ways in which they can be streamlined, simplified and consolidated so that they can achieve some of the targets set. Also, it should try to keep programme restructuring to a minimum and not have these changes take place every year. This makes it difficult to consolidate the work of departments. Departments should move closer towards a more streamlined programme structure and should do these gradually as opposed to every year.

Skills capacity building and retention

The provincial government, through the Office of the Premier, has a comprehensive capacity building programme for the provincial government. The kinds of capacity building being offered are sometimes more administratively inclined. However, the

weakness in the provincial government is its inability to access technical, specialist skills. In this regard, it needs to look at what partnerships it needs to form with civil society organisations, the private sector and with tertiary institutes to build the technical and specialist skills needed. Something to consider is “apprenticeship programmes” where graduates from FET colleges and universities are partners with contractors to learn on-the-job skills. This could be made a requirement for contractors to fulfill in order to qualify for government contracts. Many departments also do not have a retention strategy in place. This is urgently required as is a “quality of work” study that investigates the general feeling among government personnel towards their work environment. Finally, when vacancies exit a department, the department takes a long time to fill these posts resulting in some delays in implementing projects and underspending on budgets. Staff vacancies should be dealt with through an expedited process of appropriate staff appointment to fill up the posts.

Monitoring and evaluation

To ensure greater synergy between the PGDS, the department’s strategic objectives, programme objectives, budget speeches and the Premier’s state of the province address, effective monitoring and evaluation techniques should be put into place. The Strategic Plans and Logical Frameworks developed during the planning processes must include outcome indicators that report directly to the targets set by the PGDS and the MDG’s. The M&E tool and system required of the Office of the Premier is urgently required. At the same time, the province needs to rethink its M&E strategy to include more qualitative data to assess the impact of its programmes on the lives of citizens.

Policy objectives and implementation mechanisms

A major challenge facing the Province broadly typifies the gulf between policy objective and implementation mechanisms required to generate the envisaged outcomes of the policy. In the post 1994 period, concerted efforts to adopt policies and practices designed to serve the interests of all were adopted. In the post 1999 period, the diminished intensity of that legislative work is a reflection of the progress made, and of the shifting emphasis of the government from policy formulation towards implementation. The latter is marked by increasing attempts at improving the effectiveness of implementation systems and enhancing delivery of basic services. When one considers the extent of policy formulation since the change of government in South Africa in 1994, it is clear that policy makers have been very productive. At the same time, however, it is not so clear that the performance and delivery of the public service have in any way matched the intentions of the policy makers. In retrospect, provisional support for this viewpoint was acknowledged in the Presidential Review Commission on the Reform and Transformation of the Public Service in South Africa (1998), where it noted that state Departments are generally strong in policy but weak on delivery. Notwithstanding the period this observation was made (pre – 2000), the gulf between policy objective and outcome is still widely evident in the Province. This is demonstrated in the disjuncture noted between measurable objectives articulated in the PGDS, and the programme performance across the review period. Despite having explicit policy guidelines, the outcome of a given policy is necessarily influenced by the process of its implementation. Policy formulation not only involves the decision to act on particular problems, but includes subsequent decisions relating to its implementation. Conventional development practices often visualise models of policy-making in a way that tends to disengage the formulation process from the implementation process. Once devised, a policy is seen as

largely a technical process to be implemented by administrative agencies at the national or sub-national levels. Attempts are rarely made at the policy-making level to close the gap between formulation of policy and its implementation. In essence, the bureaucratic, financial, managerial and technical aspects of the policy often create the most intractable challenges that have the potential to compromise the success of the policy itself. The core challenges inhibiting the Province's full realization of the objectives stated in its PGDS and across its various programmes are mainly capacity challenges – fiscal and human resource capacity are continually acknowledged as major encumbrances. Hence the success of these programmes will depend on the ability of the Department to be able to implement the programme.

Planning

Departments needs to engage in proper planning on a yearly basis and have in place effective monitoring systems that monitor the progress of implementation of programmes and the progress of expenditure on programmes. Over and under-spending is as a result of poor planning. Realistic targets need to be set against staff capacity, external risks and time constraints. The planning process should be more inclusive, comprising input from parastatals, local municipalities and most importantly from community stakeholders so that the department's outcomes are recorded by beneficiaries. Inter-governmental planning needs to also be implemented to ease the constraints of financial and human resources.

Internal systems of control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. Whilst there are some departments that have made great strides in improving their financial management there are still some departments that have had "Emphasis of the Matter" raised by the Auditor General indicating that some parts of the provincial government does not have financial discipline. The provincial government needs to relook at its strategy for ensuring efficient financial management. This is achieved by means of a risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. Internal processes for financial reporting and a system of checks and balances needs to be put in place. This extends to the development of skills capacity and systems in municipalities to capacitate them through skills transfer and the provision of financial resources to improve the delivery of services.