



MPUMALANGA
PROVINCIAL
GOVERNMENT

MPUMALANGA PROVINCIAL ECONOMIC SUMMIT 2009 SUMMIT AGREEMENT

'Working together to protect jobs and create opportunities for individuals and communities through a diversified, growing, competitive and inclusive regional economy'



1. Introduction

- 1.1. In response to the Premier's call for an Economic Summit, as announced in his inaugural State of the Province Address, social partners established a Multi-Stakeholder Economic Summit Preparatory Team whose deliberations have resulted in this Summit Agreement
- 1.2. The Summit Agreement reaffirms and outlines the social partners' commitment to an effective collective provincial response to the economic recession and global economic downturn

2. Vision

- 2.1. The stakeholders commit to working together to achieve a growing, competitive and inclusive provincial economy that will generate sustainable decent work opportunities, arrest growing inequalities, and eradicate poverty
- 2.2. The provincial Economic Summit is intended to outline a provincial response to emerging economic challenges whilst also laying a platform for a better performing economy that will support a better life for the people of the province in line with Millennium Development Goals (MDG's) and vision 2014 (halving poverty and unemployment by 2014)

3. Strategic Objectives

- 3.1. To establish and align provincial economic interventions with the national **"Framework for South Africa's Response to the International Economic Crisis"** as adopted at Nedlac but taking into account the unique features of the province and challenges it faces
- 3.2. To defend jobs and create an environment for the generation of many more decent work opportunities in the province
- 3.3. To respond to the specific needs of most affected sectors and individuals such as the youth, women and people with disabilities

4. Proposed Outcomes

- 4.1. A set of priority initiatives that will be implemented by the social partners in the short, medium and longer term, intended to create jobs, promote investment, accelerate service delivery and build social partnership

5. Principles governing our proposed interventions

- 5.1. All initiatives are to be sustainable, labour intensive, enterprise and co-operative development bias, fiscally responsible, pro-poor
- 5.2. Improved intergovernmental relations and alignment of programmes between spheres of government will be prioritized
- 5.3. The principles of the Nedlac framework will be emphasized with focus on reducing the burden on the unemployed and vulnerable groups whilst ensuring that the initiatives strengthen 'the capacity of the economy to grow and create decent jobs in the future'.

6. Strategic projects

- 6.1. Stakeholders agree on a set of strategic projects that will capture the imagination of the people of Mpumalanga whilst generating significant economic multipliers with far-reaching consequences for jobs and development in the province
- 6.2. The proposed strategic projects include;
 - 6.2.1. The proposed Mpumalanga University
 - 6.2.2. Upgrading of major hospitals and establishment of a tertiary hospital
 - 6.2.3. Maintenance and upgrading of the coal haulage network
 - 6.2.4. Construction of an International Convention Centre (ICC)
- 6.3. The Provincial government commits to establish Task Teams that will oversee the realization of these projects through appropriate action plans, budgeting, and delivery. Furthermore, government will consult with stakeholders through the relevant structures.

7. Cross cutting issues

- 7.1. Parties agree that a number of cross-cutting issues deserve focused attention and are critical to the successful realization of the Economic Summit Agreement. These include inter alia;
 - 7.1.1. Price Fixing
 - 7.1.2. Labour broking
 - 7.1.3. Skills development
 - 7.1.4. Crime and security

7.1.5. Climate change

- 7.2. With regards to price fixing, the parties agree that provincial interaction with the Competition Commission should be encouraged and stiffer penalties for companies engaged in price fixing made mandatory
- 7.3. Parties agreed that the national discussions on labour broking should be noted and a provincial commitment on eradicating the worst forms of practices that violate the dignity of workers should be adopted
- 7.4. All parties agreed to prioritize skills development and retention in the province
- 7.5. All parties agree to prioritize the environment and sustainable development issues. Climate change generally viewed as a major challenge for which appropriate strategies are to be developed as part of a comprehensive response to issues such as land degradation, access to and the quality of water, and levels of pollution in many parts of the province.

8. Finance and Investment

8.1. Public infrastructure investment roll out

- 8.1.1. The government will rollout infrastructure projects in all corners of the province especially in rural areas. The infrastructure projects will include the building of schools, clinics, roads, houses, bulk water and broadband infrastructure
- 8.1.1.1. Roads Projects : government will Implement access roads projects as part of Rural Development using EPWP (R240m)
- 8.1.1.2. Eskom & Other Routes
- 8.1.1.2.1.1. Road between Hendrina-Van Dyk's Drift & Middleburg-Bethal junctions
- 8.1.1.2.1.2. Bethal-Standerton
- 8.1.1.2.1.3. Bethal Sanderton junction to Cilliers
- 8.1.1.2.1.4. eMalahleni-Ogies;
- 8.1.1.2.1.5. R35m re-gravelling of various roads
- 8.1.1.2.1.6. Routine maintenance: R160.8m
- 8.1.1.2.1.7. P166/1; Bulembu road; Rolle-Oackley; Lefiso-Marapyane
- 8.1.1.2.1.8. Sibange- Madadeni; Swaziland-Diepdale; Daantjie-Luphisi; Manzini-Swalala; Sandriver-Tshabalala; Bruno Bridge
- 8.1.1.3. Implement Siyatentela projects: R20m for 2000 beneficiaries
- 8.1.1.4. Further elaborate and implement Mbombela Multi-Modal (*public & freight transport*)
- 8.1.1.5. **Non-Roads Projects**
- 8.1.1.5.1. Education building infrastructure projects: 187
- 8.1.1.5.2. Social Services construction projects: 7
- 8.1.1.5.2.1. New housing development units in Thabachweu(606), Govan Mbeki (333), Dipaleseng(222), Steve Tswete (37), Emalahleni (486), Mbombela (235) and installation of services in 1230 sites in informal settlements
- 8.1.1.5.2.2. Tourism projects as identified in the Mpumalanga Tourism Growth Strategy

8.1.2. Municipal Interventions

8.1.3. High level MPG Infrastructure Committee

Government agrees to establish a high level MPG Infrastructure committee to prepare and provincial infrastructure development plan. This committee will undertake an audit of provincial infrastructure needs, explore multi-year funding requirements, and possible PPP's for delivery

8.2. Maputo Development Corridor

All parties to promote the Maputo Development Corridor as the provincial development spine

8.3. Moloto Rail Development

All parties to support developments in Moloto as part of medium-term response

8.4. Cargo airport in Delmas

Private sector and government to explore delivery of cargo airport as a longer-term response

8.5. New 'merged' infrastructure delivery focused parastatal

A short and medium term commitment by all parties linked to the promise of no job losses through the merger and a reduction in duplication of activities in existing parastatals

9. Promoting the retention and creation of jobs

9.1. Training and retraining of retrenched employees, learnerships, and internships

9.1.1. Government commits to promote the training and retraining of employees and the introduction of learnerships and internships through institutions such as the Mpumalanga Regional Training Trust (MRTT), SETA's, and section 28 training

9.2. Skills development and employment in new provincial projects

9.2.1. All parties agree to work together and identify skills needed, facilitate required training and ensure local community employment within major investment projects in the province such as Kusile (ESKOM), Goedgevonden (Xstrata), the expansion of Secunda (SASOL) and other projects

9.3. Expanded Public Works Programme

9.3.1. Government commits to create 31 000 employment opportunities by March 2010 through EPWP phase two

9.4. Public sector employment issues

9.4.1. Government commits to filling all vacant funded posts by March 2010

9.5. Training plan for local government

9.5.1. In pursuit of effective and efficient service delivery, all parties commit to strengthening capacity at the local government level

9.5.2. Business commits to seconding personnel to assist in areas critical to the functioning of municipalities, such as finance and engineering

9.6. Access to UIF benefits

9.6.1. All parties agree to assist newly unemployed workers to access the appropriate Unemployment Insurance Fund (UIF) benefits for which they qualify

9.7. Review of hospitality plan for 2010 World Cup

9.7.1. Parties agree to support the review of the hospitality plan for the 2010 World Cup as an effort to ensure that benefits of the 2010 World Cup are also accessed by members of the previously disadvantaged community

9.8. Launch of provincial ICT strategy

9.8.1. Government commits to finalizing and launch as provincial ICT strategy intended to improve access and utilization of cutting edge technologies in order to facilitate innovation, entrepreneurship and wealth creation

10. *Distressed sectors*

10.1. Fast-response for companies in distress

10.1.1. Parties agree to support the fast-tracking of financial support (including soft loans) to SMME's affected by the global economic downturn within the existing measures in institutions such as MEGA and the IDC

10.1.2. All parties agree to promote SMME's through the provision of assistance such as training, access to business/industrial areas at subsidized rates and marketing opportunities

10.2. Local procurement

10.2.1. Parties agree to a procurement priority focus on SMME's including the target of 10 percent improvement on procurement spend and no. of SMME's involved year on year

10.2.2. It is agreed to pursue the buying of goods and services from Mpumalanga based suppliers wherever possible

10.2.3. Government and Business commit to the payment of suppliers (especially SMME's) within 30 days of submitting an invoice

10.2.4. Government is to set up a call centre where suppliers can report and resolve problems of non-payment for their goods and services

10.2.5. Government and Business will develop and put to good use a register blacklisted companies that for various reasons fell foul of regulations and legislation

10.3. Monitoring and evaluation of sectors

10.3.1. Government will develop a partnership with relevant agencies such as Statistics South Africa and units such as the Department of Labour's Labour Market Information System (LMIS) in order to prepare monthly/quarterly data that can be monitored for trends

10.4. In the longer term parties agree to support government to lead and undertake planning and research regarding the provincial economic sectors (new products & markets, diversification, specialization, downstream manufacturing, value/commodity chain analysis etc)

11. Social Interventions

11.1. Targeted emergency food relief programme
In the short-term (by March 2010), Parties agree to;

11.1.1. Establish emergency food relief programme.

11.1.2. Conduct a survey/scan to identify people who lost jobs in the province due to the global economic meltdown.

11.1.3. Fast track access to social grants

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11.1.4. Identify beneficiaries of the programme.

11.1.5. Establish a provincial food bank.

11.2. Food for all

In the medium term, parties are committed to addressing food security deficits and increased agricultural production in the province through actions that will include the following:

11.2.1.1. Prohibiting the mining industry from exploiting and contaminating agricultural land, natural and water resources in an unsustainable fashion

11.2.1.2. Provide technical advice and guidance to emerging farmers

11.2.1.3. Upscale and improve the impact of the Masibuyel'emasimini project aimed at improving assistance to subsistence and emerging commercial farmers

11.2.1.4. Establish collaboration between emerging and well-established farmers

11.2.1.5. Introduce measures to combat veld-fires

11.2.1.6. Finalize the proposed agricultural development strategy

11.3. Co-operative development

11.3.1. Government will finalize and implement the provincial co-operatives development strategy with clear measures for providing on-going support to co-operatives in the province

11.3.2. Business will support co-operatives by recognizing their potential as income generating enterprises that can also be beneficiaries of local procurement strategies

11.3.3. Labour will partner government in educating their members about the nature and role of worker co-operatives particularly during this period of the economic recession

11.4. Small enterprise development

11.5. Government commits to continue to implement supply and demand side strategies to support SMME's including access to finance and training

11.6. All parties pledge to support the newly launched Mpumalanga Local Enterprise Fund aimed at providing funding to SMME's to a maximum amount of R250 000 per project

11.7. Parties agree to prioritize programmes that are targeted towards the most affected sectors in the community, particularly youth, women and people with disabilities

- 11.8. War on Poverty
- 11.9. Parties commit to support the programme as rolled out in the various districts in the province
- 11.10. Support to people living with HIV/AIDS is to be prioritized
- 11.11. Government urged to also prioritize assistance to orphans and child headed households
- 11.12. Municipalities to fast track the registration of indigent beneficiaries

12. Implementation Plan

- 12.1. Parties agree to the finalization of an Implementation Plan of the Summit Agreement with clear programmes, targets , deliverables , roles and responsibilities
- 12.2. The model for a Provincial Development structure, that will be a vehicle for further co-operation between social partners, will be finalized by social partners and will be launched within two months after the summit
- 12.3. All social partners will indicate their commitment towards the functionality of the Provincial Development Council (PDC)

13. Post-Summit process

- 13.1. All parties commit to participate in the foras and structures required for the successful implementation of the Summit Agreement, including the PDC
- 13.2. Parties further commit to making available the necessary resources (human and financial) for the successful implementation and regular review of the impact of the Summit Agreement in the province
- 13.3. Government commits to mobilizing district and local municipalities to contribute and participate in the implementation of the Summit Agreement through the Provincial Co-ordination Forum (PCF) and other integrated planning processes within government
- 13.4. Business, Community and labour organizations pledge to mobilize their constituencies to participate in the implementation of the Summit Agreement
- 13.5. Organized business commits to facilitate the involvement of large corporates with a significant presence in the provincial economy in the implementation of the Summit Agreement.

