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PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

WHITE PAPER ON RECONSTRUCTION AND DEVELOPMENT

CAPE TOWN, 15 NOVEMBER 1994

WPJ/1994

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# WHITE PAPER

## ON

### RECONSTRUCTION AND DEVELOPMENT



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# SUMMARY OF GOVERNMENT PROGRAMMES TO ADVANCE THE RDP

## PREAMBLE

Our country is going through a profound transformation at all levels of government and society to ensure the implementation of the RDP.

At the heart of the Government of National Unity is a commitment to effectively address the problems of poverty and the gross inequality evident in almost all aspects of South African society. This can only be possible if the South African economy can be firmly placed on the path of high and sustainable growth.

The interdependence of the objectives of reconstruction and development on the one hand, and growth on the other is now widely accepted, not only within the Government and the Parliament, but indeed throughout South African society. Achieving these objectives will require a national effort from all groups, sectors and communities.

This White Paper on the RDP sets out the initial plans of the Government to orientate its activities fully and effectively towards these goals.

The Government is fully committed to macro-economic policies which promote the RDP as an integrated and coherent growth and development strategy.

- The Government is firmly committed to the gradual reduction in the fiscal deficit, thereby avoiding the debt trap.
- To this end, the Government intends to ensure that recurrent government expenditure does not increase in real terms.
- A further commitment is to reduce government dissaving over time.
- The Government is committed to changing the ratio of government spending towards increased capital expenditure.
- The Government is committed to financing the RDP primarily through restructuring the national, provincial and local government budgets to shift spending, programmes and activities to meet RDP priorities.
- The Government will reorganise and train the civil service to ensure effective and efficient services to all citizens and progressive cost savings.
- The Government will develop our human resources, facilitate labour market reform and establish effective collective bargaining-based rights for all.

All the above measures are essential if we are to succeed in attaining the objectives contained in the RDP.

This transformation will permeate every level of government, every department, and every public institution. The Government's RDP activities therefore should not be seen as a new set of projects, but rather as a comprehensive redesign and reconstruction of existing activities. Growth and development are more than interdependent. They are mutually reinforcing. Addressing inequalities will expand markets at home, open markets abroad and create opportunities to promote representative ownership of the economy. The expansion of the South African economy will raise state revenues by expanding the tax base, rather than by permanently raising tax rates.

To succeed in both areas of endeavour the Government will need active partnership with civil society, and with business and labour in particular. While both business and labour have the freedom in a democratic South Africa to protect and promote their immediate interests, it is the Government's fervent hope that they will jointly pursue the broader challenges of extending opportunity to the millions of adult South Africans who can currently find no place in the formal economy.

The soon to be established National Economic Development and Labour Council will provide a process of engagement between government, business, labour and other groups in civil society where a commitment to common goals can be turned into collective action in a concrete programme.

The Government believes that the publication of this White Paper is an important step in establishing the dialogue in which all South Africans will take part to build a better society and economy for all, and to build our nation.

Our people have elected us because they want change. Change is what they will get. Our people have high expectations which are legitimate. While the Government cannot meet all these needs overnight, we must put firmly into place the concrete goals, time frame and strategies to achieve this change.

I thank all South Africans sincerely for the confidence they have placed in the Government of National Unity and the pledge to do all in our power to deliver the goods and services our people want.

Mandela

Dr Nelson Mandela

President

PREFACE

My Government's commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from oppression and freedom from fear. These freedoms are fundamental to the guarantee of human dignity. They will therefore constitute part of the centrepiece of what this Government will seek to achieve. The focus point on which our attention will be continuously focused. The things we have said constitute the true meaning, the justification and the purpose of the Reconstruction and Development Programme, without which it would lose all legitimacy.

— President Nelson Mandela in his Inaugural Address to a Joint Sitting of Parliament, 24 May 1994

0.1 The election of a new government set South Africa on a path of renewal and transformation. Centuries of oppression and decades of formal apartheid endure that every talent and energy be brought to the task of reconstruction. The Government of National Unity has begun to give direction to the process by working to establish a new system of governance. New ways of governing will set the example for the restructuring of our society. No one doubts that this will be a long and arduous process but all are convinced of its importance.

0.2 The Reconstruction and Development Programme (RDP) is the policy instrument which will direct the progress of the transformation strategy. It is a programme of policy development and implementation procedures co-ordinated in the Office of the President, and founded in the Government of National Unity (GNU). As the programme develops it will integrate the different organs of government, centrally, regionally and locally in a concerted drive towards the national goals of renewal. Each province will, in time, prepare its own RDP in relation to the central RDP initiative. The RDP offers our country a unique opportunity to bring about renewal, peace, prosperity, reconciliation and stability. It is the product of ongoing consultation, and has been adopted and supported by all political parties in the GNU and in Parliament, and by all sections of our society. It is designed on the foundation of a national consensus and embodies the vision of the future.

0.3 The interdependence between growth, reconstruction and development is a crucial concept in the White Paper. The Government is committed to redistributing resources to address entrenched inequalities. It is in this context that the recent proposals adopted by the Cabinet in the 'battling against exercise' must be understood as the release and/or redeployment of resources for more effective utilisation for redistribution through the provision of basic services. Equally, the Government is committed to economic growth, especially to the stimulation of sustainable employment, and will take measures to support industry generally, and especially to advance the development of small and medium-sized enterprises.

0.4 President Mandela defined the original RDP document as representing 'the end of one process and the beginning of another'. In this text, that document is referred to as the RDP 'Base Document', and it is the basic starting point for the RDP White Paper. The Base Document underpins the GNU's approach to reconstruction and development, while this White Paper translates the Base Document into a set of concrete implementation strategies. It seeks to enrich and elaborate the RDP through systematic consultation within the GNU and with all organisations of civil society. More detailed policy programmes relating to RDP goals will be incorporated into the White Papers now being prepared by different Ministers.

0.5 This document incorporates the oral and written submissions to the Select Committee. It reflects Government policy, and is submitted to Parliament for its adoption.

0.6 The White Paper will be followed by a second White Paper in March 1995 which will

- evaluate progress with implementation
- set out more detailed socio-economic policy programmes
- set out a constant macro-economic framework

# WHITE PAPER

## ON RECONSTRUCTION AND DEVELOPMENT

### GOVERNMENT'S STRATEGY FOR FUNDAMENTAL TRANSFORMATION

November, 1994

#### PREFACE

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  - evaluate progress with implementation
  - set out more detailed socio-economic policy programmes.
  - set out a consistent macro-economic framework

## CHAPTER ONE

### INTRODUCTION

#### 1.1 What is the Reconstruction and Development Programme?

1.1.1 The Reconstruction and Development Programme (RDP) is a policy framework for integrated and coherent socio-economic progress. It seeks to mobilise all our people and our country's resources toward the final eradication of the results of apartheid. Its goal is to build a democratic, non-racial and non-sexist future and it represents a vision for the fundamental transformation of South Africa by:

- developing strong and stable democratic institutions
- ensuring representivity and participation
- ensuring that our country becomes a fully democratic, non-racial and non-sexist society
- creating a sustainable and environmentally friendly growth and development path

1.1.2 The RDP is well aware that the birth of a transformed nation can only succeed if the people themselves are voluntary participants in the process towards the realisation of these goals they have themselves helped to define. In this spirit, the RDP, which has developed through a process of consultation and joint policy formulation, will continue to encourage organisations within civil society to take responsibility for the effective implementation of the Programme.

#### 1.2 Why do we need the RDP?

1.2.1 Our history has been a bitter one dominated by colonialism, racism, apartheid, sexism and repressive labour practices. The result is that poverty and degradation exist side by side with modern cities and a developed mining, industrial and commercial infrastructure. Our income distribution is racially distorted and ranks as one of the most unequal in the world. Women are still subject to innumerable forms of discrimination and bias, rural people and youth are marginalised. A combination of lavish wealth and abject poverty characterises our society.

1.2.2 The economy was built on systematically enforced racial division in every sphere. Rural areas were divided into underdeveloped bantustans and well-developed, white-owned commercial farming areas; towns and cities were divided into townships without basic infrastructure for blacks and well-resourced suburbs for whites. Segregation in education, health, welfare, transport and employment left deep scars of inequality and economic inefficiency. Violence has had a devastating effect on our society and the need to restore peace and a sense of community security, is paramount.

1.2.3 In commerce and industry, very large conglomerates dominated by whites control large parts of the economy. Cheap labour policies and employment segregation have concentrated skills in white hands. Workers are poorly equipped for the rapid changes taking place in the world economy. Small and medium-sized enterprises are underdeveloped, while highly protected industries lower investment in research, development and training. The informal sector and 'survival sector' include many of South Africa's women workers, who are underpaid and exploited.

1.2.4 The result is that in every sphere of our society — economic, social, legal, political, moral, cultural, environmental — South Africans are confronted by serious problems.

1.2.5 Against these great odds our people have now achieved a remarkable political transition. All parties in the National Assembly have committed themselves to the RDP objectives. In a common effort, we can begin to rebuild and stabilise our society.

1.2.6 At the same time, the challenges facing South Africa are enormous. Only a comprehensive approach to harnessing the resources of our country can reverse the crisis created by apartheid.

1.2.7 No political democracy can survive and flourish if the majority of its people remains in poverty, without land, without their basic needs being met and without tangible prospects for a better life. Attacking poverty and deprivation is the first priority of the democratic Government.

1.2.8 How can we do this successfully? A programme is required that is achievable, sustainable and meets the objectives of freedom, and an improved standard of living and quality of life for all South Africans within a peaceful and stable society characterised by equitable economic growth.

1.2.9 The RDP is designed to be such a programme, in full knowledge of the challenges and obstacles facing

the country. Not every expectation will be met immediately but the RDP provides the framework within which choices can be made.

### **1.3 The six basic principles of the RDP**

1.3.1 The challenge facing the Government is to facilitate and give content to the six basic principles of the RDP. It is the combination of these principles that ensures a coherent programme.

#### **1.3.2 INTEGRATION AND SUSTAINABILITY**

First, we require an integrated and sustainable programme. The legacy of apartheid cannot be overcome with piecemeal, unco-ordinated policies. The RDP harnesses our resources in a coherent set of strategies which will be implemented at national, provincial and local level by the Government, parastatals and local authorities. Business and organisations within civil society all will be encouraged to work within the framework of the RDP. Due regard will be given to affordability, given our commitment to sustainability and to achievable goals.

#### **1.3.3 PEOPLE-DRIVEN**

Second, this programme must become a people-driven process. Our people, with their aspirations and collective determination, are our most important resource. The RDP is focused on people's immediate as well as long-term needs and it relies, in turn, on their energies. Irrespective of race or sex or age, or whether they are rural or urban, rich or poor, the people of South Africa must together shape their own future. Development is not about the delivery of goods to a passive citizenry. It is about involvement and growing empowerment. In taking this approach the Government will build on the many forums, peace structures and negotiations that our people are involved in through the land. The Government therefore commits itself to maximum transparency and inclusivity.

#### **1.3.4 PEACE AND SECURITY**

The programme and the people-driven process are closely bound up with peace and security for all. Promoting peace and security will involve all people. It will build on and expand the national drive for peace and combat the endemic violence faced by communities in South Africa, with special attention to the various forms of violence to which women are subjected. To begin the process of reconstruction and development the Government will now establish security forces that reflect the national and gender character of our country. Such forces will be non-partisan and professional; will uphold the Constitution and respect human rights. They will assist our society in developing a different, demilitarised ethic. The judicial system will reflect society's racial and gender composition, and provide fairness and equality for all before the law. Peace and political stability are also central to the Government's intention to create an enabling environment to encourage investment. The Government will not tolerate the taking of hostages nor the wilful vandalism and destruction of property or the environment. Decisive action will be taken to eradicate lawlessness, drug trafficking, gun running, fraud, crime and especially the abuse of women and children.

#### **1.3.5 NATION BUILDING**

As peace and security are established, we will be able to embark on nation-building. The success of the electoral process and the establishment of the GNU have set us on the road to nation-building. All parties in the National Assembly have committed themselves to the RDP. Important parties that stayed out of the election began a dialogue with the Government. All these developments are contributing to the task of nation-building. We are a single country, with a single economy, functioning within a constitutional framework that establishes provincial and local powers, respect and protection for minorities, and a process to accommodate those wishing to retain their cultural identity. It is on the basis of our unity in diversity that we will consolidate our national sovereignty.

#### **1.3.6 MEETING BASIC NEEDS AND BUILDING THE INFRASTRUCTURE**

Nation-building links reconstruction and development. The RDP is based on the notion that reconstruction and development are parts of an integrated process. The RDP integrates growth, development, reconstruction, redistribution and reconciliation into a unified programme. The key to this link is an infrastructural programme that will provide access to modern and effective services such as electricity, water, telecommunications, transport, health, education and training for all our people. This programme will both meet basic needs and open up previously suppressed economic and human potential in urban and rural areas. In turn, this will lead to an increased output in all sectors of the economy, and by upgrading our infrastructure and human resource development we will also enhance export capacity. For this process to be effective, attention will be paid to those economic factors inhibiting growth and investment and placing

obstacles in the way of private sector expansion. Success in linking reconstruction, development and growth is essential if we are to achieve peace and security for all.

### 1.3.7 DEMOCRATISATION

A thorough-going democratisation of South Africa is central to a coherent programme of reconstruction and development. Above all, the people affected must participate in decision-making. Democracy is not confined to periodic elections, but is an active process enabling everyone to contribute to reconstruction and development. The democratisation of society will require a process of transformation of both the state and civil society. The Government and its institutions will be restructured to fit the priorities of the RDP. Here, especially, there is no 'business as usual'.

### 1.3.8 ASSESSMENT AND ACCOUNTABILITY

These principles of the RDP must inspire the whole of society to accept that their individual and collective welfare is best served by enthusiastic pursuit of the goals and the programmes of the RDP. These principles require clearly identified and substantiated integrated goals. They require organised structures which can ensure co-ordinated action. They require a standard of measurement accepted by society by which the progress towards the phased achievement of the goals can be judged.

## 1.4 The programmes of the RDP

### 1.4.1 The RDP Base Document refers to five key programmes:

- Meeting Basic Needs
- Developing our Human Resources
- Building the Economy
- Democratising the State and Society
- Implementing the RDP

### 1.4.2 The five sections of the Base Document establish the long-term social objectives of the RDP. These are a guide to action and a checklist of performance for all participants. The objectives described below give the framework for participation in the programmes.

#### 1.4.3. MEETING BASIC NEEDS

The basic needs of people extend from job creation, land and agrarian reform to housing, water and sanitation, energy supplies, transport, nutrition, health care, the environment, social welfare and security. In creating the infrastructure to meet these needs the RDP will encourage and support the participation of people in making the key decisions about where the projects should be and how they should be managed. These large scale developments are expected to stimulate the economy through the increased demand for producer and consumer goods and services.

#### 1.4.4 DEVELOPING HUMAN RESOURCES

In developing our human resources, our people will be involved in the decision-making process, and implementation of the programmes of the RDP. This will empower them, but can only succeed if there is also an appropriate education and training programme. Proper recognition for previously disregarded skills and an integrated approach to education and training will make it possible to achieve maximum capacity. Discrimination on grounds of race, class and gender will be abolished and the creative capacity of the society will be unlocked.

#### 1.4.5 The key support areas for the human resource initiative lie in the education system, in industry, as well as in the home. The RDP sees it as part of its role to bring these institutions together in the most productive way. It will foster the concept of life-long learning and it will work towards restructuring training and education to integrate the energies of all the institutions from the pre-school upwards.

#### 1.4.6 The cultural diversity of our people is a major national asset. The RDP will support an arts and culture programme which will provide access to all and draw on the capacities of young and old in all communities to give creative expression to the diversity of our heritage and the promise of the future. Sport will have a significant role in the development of young people, and the cultural activities of the youth, especially of those who have suffered so severely, will be given special attention. Youth, especially young women, will be enabled to play a full role in reconstruction and development.

#### 1.4.7 The human resources objectives underpin the capacity to democratise and renew the society. They are planned to empower the full participation of people on the basis of knowledge, creativity and skill.

#### 1.4.8 BUILDING THE ECONOMY

The economy is in bad condition. The benefits of its strengths in mining, manufacturing and agriculture are delivered mainly to the small wealthy sector. Its weaknesses are seen in the low levels of investment in productive enterprises, in low productivity and high costs. The poor majority of the people carry the burden of unemployment, bad housing, poor health — in short of the poor performance of the economy. The RDP is committed to reversing the distortions of the economy.

1.4.9 The economy also suffers from other barriers to growth and investment, such as government dissaving and a comparatively high proportion of our gross domestic product (GDP) absorbed in government consumption expenditure. Other barriers include falling rates of return, capital outflows, low exports and high import propensity, and stagnating productivity.

1.4.10 A critical issue in building the economy is the question of worker rights. Past policies of labour exploitation and repression will be redressed and the imbalances of power between employers and workers corrected. The basic rights to organise and to strike will be entrenched. Negotiations and participative structures at national, industry and workplace level will be created to ensure that labour plays an effective role in the reconstruction and development of our country. Negotiations have already commenced on reforms in collective bargaining and in the broader labour market to facilitate this.

1.4.11 In the world economy, the demand for raw materials including minerals has not grown rapidly and there is intense competition in the production of manufactured goods. The General Agreement on Tariffs and Trade (GATT) was recently updated to achieve substantial reductions in tariff levels. Our economy must adjust to these pressures if we are to sustain economic growth and continue to develop a large domestic manufacturing sector that makes greater use of our own raw materials and minerals.

1.4.12 A central proposition of the RDP is that we cannot build the South African economy in isolation from its Southern African neighbours. Such a path would benefit nobody in the long run. If South Africa attempted to dominate its neighbours, it would restrict their growth, reducing their potential as markets, worsening their unemployment and causing increased migration to South Africa. If it seeks mutual corporation, it can develop a large, stable market offering stable employment and common labour standards in all areas. Agreements on the Southern African Power Pool, entrance of South Africa into the SADC, restructuring the Southern African Customs Union and co-operation on security, transport and energy lay the basis for strengthening co-ordination.

1.4.13 The pressures of the world economy and the operations of international organisations such as the International Monetary Fund (IMF), World Bank and GATT affect our neighbours and South Africa in different ways. In the case of our neighbours, they were pressured into implementing programmes with adverse effects on employment and standards of living. It is essential that we combine to develop an effective growth and development strategy for all Southern African countries.

#### 1.4.14 DEMOCRATISING THE STATE AND SOCIETY

Democratic institutions and practices are the cornerstone on which the new society is being built. Proper development is not possible without them. The establishment of a single Public Service in South Africa is a major challenge to the economy and the GNU. The size of the civil service will have to be reduced; equitable and common conditions of service must be guaranteed; increasing efficiency, productivity and accountability are essential preconditions for the success of the RDP.

#### 1.4.15 IMPLEMENTING THE RDP

The implementation objectives of the RDP are bold and innovative. They set out the procedures and the indicators through which the programme will mobilise the participation of the fullest range of social organisations and institutions. The details of implementation are examined and specified in the White Paper.

### 1.5 The RDP White Paper: a government strategy for fundamental transformation

1.5.1 The RDP White Paper is addressed to all of the personnel of the GNU, and to all South Africans who are taking an active role in the implementation of the RDP.

1.5.2 The White Paper expresses the vision for the fundamental transformation in our society and demonstrates the ways in which the processes of achieving the goals will be implemented and managed. It is the duty of the Government to manage this transformation. The Presidential Projects are designed not only to meet identified basic needs but to demonstrate the processes of management through which the RDP will operate.

1.5.3 The White Paper is structured as follows:

Chapter Two outlines the role of the different levels of government in the RDP.

Chapter Three provides an overview of government economic policies to illustrate the enabling environment that will link growth, reconstruction and development.

Chapter Four considers fiscal policy and the Budget.

Chapter Five puts forward the RDP's views on the reorganisation of the public sector, with particular attention being given to the Public Service.

Chapter Six describes the planning frameworks required for effecting the forms of restructuring envisaged in the RDP.

Chapter Seven gives a commentary on the importance of the processes of consultation, popular participation and capacity-building in implementing the RDP. The goal is building the national consensus on which the success whole programme of change contained in the RDP rests.

Chapter Eight sets out conclusions and poses the major challenges to government and civil society.

Chapter Nine is an overview of short to medium-term programmes of the departments of government.

## CHAPTER TWO

### THE GOVERNMENT AND THE RDP

#### 2.1 Introduction

- 2.1.1 To implement the transformation of society, the Government's first priority is to transform the way the Government itself operates. Co-ordinated, efficient, transparent and consultative government is a basic premise of the RDP. This lays the groundwork for the involvement of other sectors of society.
- 2.1.2 The Government will take the lead role in implementing the RDP, but with clear criteria so that all citizens can become involved in implementation and can monitor the Government's progress. Together, the Government and the people of South Africa will give renewed priority to the provision of goods and services to meet basic needs, develop our human resources, build the economy, and democratise the State and society.
- 2.1.3 This chapter of the RDP White Paper outlines the different roles of the Government. The 1993 Constitution provides for different levels of government at national, provincial and local levels, and allocates competencies and powers to each. When the final Constitution is adopted, the parameters for the roles of different tiers of government over the coming years will be set. It is anticipated, however, that every office of government, from the smallest village council to the largest national department, will have to be restructured to take forward the RDP.
- 2.1.4 The Government, through a process of consultation with various stakeholders and the different tiers of government, has identified the following programmes as the key medium and long-term programmes to drive implementation of the RDP:
- Meeting basic needs
  - Urban and rural development
  - Human resource development
  - Democratisation and institutional reform
  - Economic restructuring
- 2.1.5 These programmes relate closely to the major principles set out in the RDP Base Document. The programmes will include carefully identified and selected projects. The projects and the monitoring of performance are designed to ensure compliance with project business plans, and reporting of salient information.

#### 2.2 National Government RDP structures

- 2.2.1 The National Government will set the broad objectives of the RDP and with Provincial and Local Governments provide a policy and regulatory framework to facilitate its implementation at provincial and local level. This will involve setting up RDP funding processes in the context of sound fiscal policies; the provision of research, monitoring, statistical, auditing and performance assessment for the RDP; the facilitation of intergovernmental consensus and the restructuring and reorienting of the Public Service towards the goals of the RDP. A variety of structures are already being formed to carry out these objectives.
- 2.2.2 The President is leading the transformation and renewal of our society, and is responsible for the overall co-ordination of the RDP.
- 2.2.3 The Special Cabinet Committee on the RDP, co-ordinated by the Minister without Portfolio, comprises Ministers from the departments responsible for policy formulation and implementation of the RDP. The Special Cabinet Committee will
- assist in formulating RDP policies and strategies
  - ensure interdepartmental and intergovernmental co-operation
  - set goals, targets and priorities
  - develop an institutional framework and change management strategy including performance monitoring
  - ensure that projects comply with accepted environmental norms
  - ensure adequate funding of programmes
  - monitor and evaluate progress with implementation
  - co-ordinate the preparation of RDP-related legislation
  - link RDP planning to the Budget process
  - establish a poverty-monitoring and information management system.
- 2.2.4 A Core Committee, constituted by the Ministers, Deputy Ministers and Directors-General of Finance and State Expenditure, Public Administration, Constitutional Development, Public Works and the Office of the President, supports the work of the Special Cabinet Committee.

- 2.2.5 Within Parliament, the Select Committee on the RDP will
- provide input on RDP policy and strategy
  - receive and review reports and plans
  - provide a direct link between the Government and the grassroots in the implementation of the RDP through their constituency work
  - conduct public hearings on key aspects of the RDP
  - evaluate progress with implementation, in consultation with the Standing Committees responsible for other departments
  - review and promote RDP-related legislation.
- 2.2.6 The Minister's Annual Report on the RDP will be submitted to the Select Committee in conjunction with the Annual Budget Review. The Annual Report will set out RDP programmes and projects, and their successes and failures. It will assist in cementing the relationship between the RDP and the Budget (which is the expression of the Government's priorities and should thus conform to the priorities of the RDP). This review will better enable Parliament and the public to judge the way in which the Government has used the funds voted in the Budget and focus Budget debates more clearly on RDP priorities.
- 2.2.7 Other Select Committees with jurisdiction over RDP implementation will have similar rights and responsibilities, particularly with respect to the budgetary process and performance monitoring. Parliamentarians also have a vital role in RDP implementation and monitoring, and their ability to integrate the concerns of local constituencies with the process of governance will become crucial as the RDP is tested on the ground. Like all other institutions of government, Parliament should review its activities, structures and rules in order to advance the RDP. Significant progress has already been made in this respect.
- 2.2.8 The Minister without Portfolio has convened task teams to build interdepartmental and intergovernmental co-operation around RDP implementation. These task teams comprise representatives of appropriate national departments, Provincial Administrations and parastatals, with the assistance of technical experts and representatives of appropriate organisations of civil society. The task teams briefs are to:
- facilitate co-operation and integration of planning and implementation between government departments and with all levels of government
  - develop methodologies to facilitate policy-formulation
  - advise on implementation of programmes
  - monitor the implementation and impact of integrated strategies
  - advise the Special Cabinet Committee on the RDP on strategic priorities.
- 2.2.9 Interdepartmental task teams have been established in the following areas and others are being created as necessary:
- human resource and capacity development
  - urban development
  - rural development.
- 2.2.10 The Cabinet has established a Working Group of Ministers which is preparing for the establishment of the National Economic, Development and Labour Council (NEDLAC). The committee is comprised of the Ministers and Deputy Ministers of Labour, Trade and Industry, Finance, Public Works, and the Minister without Portfolio.
- 2.2.11 Under the Minister without Portfolio several existing planning and information bodies will be restructured into a core policy and planning capacity. This will include the Central Economic Advisory Services (CEAS), the Central Statistical Service (CSS) and the National Productivity Institute (NPI), among others. The roles and functions of these bodies will be reformed in line with the RDP and constitutional requirements. With a leaner, but more co-ordinated system of information, measurement and strategic planning, the Development Planning Branch will support the Government in development planning and change management strategies. It will also set out a draft urban development policy and draft rural development policy. This will occur in consultation with interdepartmental RDP task teams, Provincial and Local Governments, the civic movement and organised business. The Development Planning Branch will aim to complete an initial draft for submission to the RDP Special Cabinet Committee, the RDP Parliamentary Standing Committee and the NEDLAC by March 1995. Such policy frameworks are essential contributions to a national development strategy.
- 2.2.12 Procedures are being developed by the Public Service Commission, the Commission on Provincial Government and line function departments to access and possibly rationalise the policy capacity of parastatal institutions. All these agencies will provide support to national line function departments and to other institutions involved in RDP implementation.

- 2.2.13 The RDP is implemented through the programmes of the national line function departments and particularly of Provincial and Local Governments. The RDP Office is not in competition with these departments. The Office of the Minister without Portfolio is not an implementing agency, nor are RDP co-ordinating structures in Provincial Government. Without detracting from emerging forms of co-operation amongst Ministries, the RDP Office will ensure effective management of the transformation process.
- 2.2.14 To this end, the Intergovernmental Forum has been established to provide for consultation and joint decision-making between Ministers representing the National Government and the Premiers of the respective provinces on matters of mutual interest including the RDP. The forum meets on a monthly basis, and will be attended twice a year by the President and the Executive Deputy Presidents. The permanent members of the forum are the provincial Premiers, the Minister of Constitutional Development and Provincial Affairs, the Minister without Portfolio responsible for the RDP, the Minister of Finance and the Minister of Public Service and Administration, assisted by their directors-general.
- 2.2.15 The Intergovernmental Forum is supported by the Intergovernmental Technical Committee, comprising the Directors-General of the Departments of Constitutional Development (as chairperson), State Expenditure, Finance, Office of the Minister without Portfolio, Office of the Public Service Commission and Justice, as well as those of the nine Provincial Administrations. This forum will assist the Intergovernmental Forum on technical matters.
- 2.2.16 A number of Ministerial Forums between national Ministers responsible for Schedule 6 functions and their provincial counterparts have also been established. These forums, which will also be supported by their respective technical committees consisting of senior officials of the provincial and national line function departments, can also play a crucial role with regard to the RDP as their briefs include co-operation on:
- policy and strategy formulation and implementation
  - the co-ordination of legislation
  - the efficient and effective employment of resources
  - the transfer of information
  - national norms and standards governing the performance of these functions.
- 2.2.17 The interaction with the Financial and Fiscal Commission which advises on the fiscal transfers and financial arrangements to support those strategies, and the Commission on Provincial Government, will help ensure that all levels of government are working in harmony to implement the RDP.

### 2.3 Resourcing: The RDP Fund

- 2.3.1 The RDP Fund, established in terms of the RDP Fund Act of 1994, and administered by the Ministry of Finance, is vital for both the reform of the Government and the implementation of the RDP. Allocation of funds is controlled by the Minister without Portfolio. As a crucial tool for change management, its goals are:
- to leverage Government spending and the entire Budget to the new priorities,
  - to encourage institutional reform and public sector restructuring,
  - to redeploy the civil service in line with new priorities,
  - to kick-start the Presidential Projects and launch the long-term programmes,
  - to assist Government in directing expenditure away from consumption spending and towards capital investment,
  - to change the budgeting process.
- 2.3.2 There are several sources for the RDP Fund. First, the fund will initially draw its resources from money appropriated by Parliament for the fund through savings by the departments. In the 1994/95 Budget R2,5 billion was allocated to the RDP Fund. This amount will increase to R5 billion in 1995/96 and will progressively increase to R10 billion in 1997/98 and R12,5 billion thereafter. Future decisions on RDP Fund allocations will be made on the basis of its effectiveness as a tool for RDP implementation. In effect therefore the RDP Fund consists of funds which have been removed from departmental allocations and can be reassigned to them subject to compliance with the new priorities. Priorities will be determined through proper strategic planning by Ministries and Departments.
- 2.3.3 Second, the Government's receipt of international and domestic grant aid will be directed to the fund. The process of democratisation has normalised relationships and now allows access to the broadest possible international financial base. An interdepartmental committee has been established from the Departments of Finance, State Expenditure, Trade and Industry, Foreign Affairs and the Office of the Minister without Portfolio as well as the CEAS to consider the aid offers of donor nations and multilateral agencies. The committee will further investigate and negotiate with donors on the utilisation of aid for the funding of RDP

programmes, with a view to optimising the use of grant aid and of concessionary finance as part of integrated funding package for each programme.

2.3.4 The first major donor conference was held in October 1994 on human resource development. The conference welcomed the establishment of the Interdepartmental Committee on International Development Co-operation (ICIDC) which will liaise with the donor community. It was agreed that aid would be provided within the framework of the RDP. Donors have emphasised the need for co-ordination of aid and for clear priorities from the Government. The Government distinguished between co-ordination and implementation arrangements for development assistance. The arrangements now adopted have been developed in consultation with donors.

2.3.5 Similar conferences will be held with donors to facilitate the process of channelling development aid. Careful attention will be given to assessing both the appropriate uses and applications of foreign support and conditions which attach to such funds. Where grant aid is utilised, care will be taken that grants used in RDP programmes are for once-off programmes and do not entail carry-through costs to be accommodated in departments' budgets in ensuing years, unless this has been included in forward planning. Where concessional loans are granted, care will be taken to assess the effective cost given currency fluctuation. It is expected that all Departments and Provinces will liaise with the interdepartmental committee in soliciting aid. In effect, the ICIDC requires that Government to Government aid is utilised subject to the same strict budget procedures as other funding

2.3.6 Third, the RDP Fund will benefit from interest earned from the investment of money standing to the credit of the fund.

2.3.7 Fourth, the RDP Fund will benefit from proceeds from the sale of state assets. The Government recognises that the location and composition of state assets may not be optimal and has begun an audit to dispose of those assets not relevant to the RDP. Due regard must be taken of section 239 of the Constitution.

2.3.8 Fifth, the RDP Fund will draw upon other sources of funds, including revenue from lotteries and gambling. These are potentially huge sources of revenue and a very high percentage of earnings should accrue to the programmes of the RDP.

2.3.9 Local Government is in the process of redirecting funds for utilisation within its total area of jurisdiction. The exact value of this redirection is not determinable at present, but over a period of years could represent a substantial amount of financial and human resources.

2.3.10 About half of the R5 billion allocated from the RDP Fund for 1995/96 is required for carry-over costs. The remainder of the allocation will be directed into RDP projects which are already being funded as priorities by Department, but which require further bridging finance. Proposals for the allocation will arise from the discussion on reprioritisation of the Budget which will take place with each line department and provincial government.

## 2.4 Presidential Projects

2.4.1 In his State of the Nation Address to Parliament on 24 May 1994, the President set out key programmes which would launch the delivery of the RDP in the first 100 days. The task teams in consultation with national departments and the Provincial Administrations then identified specific projects which could be initiated within the 100 days while at the same time launching the key programmes. The projects chosen conformed with the following criteria:

- high impact on the communities they serve
- empowerment of these communities
- economic and political viability and sustainability
- job creation
- provision of basic needs
- training and capacity development
- affirmative action with respect to gender and race
- visibility
- transparency
- potential to leverage funds from old priorities to new priorities by requiring departments to provide matching funds from their budgets and to carry all recurrent costs. Other than in very exceptional cases, no recurrent costs will be funded
- some existing capacity to start implementation.

The payment of service charges will be crucial for the funding of recurrent costs. It is recommended that

the Financial and Fiscal Commission gives special attention to the case of local authorities with severe constraints arising from a small tax base and poverty.

2.4.2 The projects have been approved by the Cabinet subject to two processes. First, there must be analysis of the carry-over and recurrent costs generated by the project. The Department of State Expenditure has analysed these costs and ensured that they can be accommodated within departmental and provincial budgets. Alternatively, the Minister and accounting officer concerned must undertake in writing that funds will be found in future budgets of the relevant department. Such forward planning will be a prerequisite for all projects funded wholly or partly from the RDP Fund. In addition, projects must be implemented without increasing staffing levels except in authorised exceptional circumstances. These requirements are intended to become standard for government.

2.4.3 Second, standard format business plans are being devised for all projects. This is dealt with in more detail later and is intended to become a standard for all programmes of the Government at all levels. The National and Provincial Government will enter into a performance contract with each other and with the local community and all other stakeholders based on the business plan. Such a performance contract will spell out the rights and responsibilities of all stakeholders.

2.4.4 The Presidential Projects demonstrate that the RDP Fund is not intended to provide money for a selection of isolated projects. However deserving in themselves, projects will only be funded from the RDP Fund if they have long-term implications for communities, and for the transformation strategy and programmes.

#### 2.4.5 IMPLEMENTATION AND TRANSFORMATION

An initial misunderstanding amongst government officials, local government employees and communities is to view the RDP as merely a collection of large or small development projects. They therefore expect the relationship between themselves and the Minister without Portfolio and the Minister of Finance to be purely related to funding. As a result, many communities and all Provincial Governments are in the process of drafting their own RDPs with an external funding orientation in mind, whether from the RDP Fund or development aid. Some flexibility will be required because local government structures will not be in place in all areas.

2.4.6 While these initiatives are extremely encouraging and creative, the constraints on the RDP Fund will make it impossible to finance from this source alone the vast majority of projects proposed in local and provincial RDPs. Local community RDPs must therefore consider instead the reform of local spending priorities, the re-allocation of resources including staff, the reform of local government practices, increased consultation, transparency and accountability, and improved service quality to all citizens.

2.4.7 This transformation focus should also be the major concern of provincial RDPs. As a result, those development projects which are solely funded from external sources — whether from the RDP Fund or development aid — will be the exception. Most RDP-related projects will have to be funded either from existing funds of the Local or Provincial Governments or from the line function departments of the National Government. Some can be funded from the R250 million which has been allocated to the National Public Works Programme (NPWP) from the RDP Fund and the discretionary funds made available to the Provincial Administrations for this purpose from the RDP Fund (in total R100 million). Within its constraints, government will look more favourably on community projects.

2.4.8 In particular, Provincial and Local Governments should be required to implement efficiency programmes, and to review all existing programmes and projects in the same way as is now expected of the National Government. In spite of this reorientation, it is clear that there will continue to be a huge shortfall in the funds which communities, Local and Provincial Governments, and national government departments regard as essential for their high-priority RDP-related programmes.

### 2.5 Transformation plans

2.5.1 All line function departments and provinces have been asked to prepare a five-year strategy to reorientate their programmes, improve their efficiency and enhance their use of resources consistent with the RDP. President Mandela commented in his 100-days Speech of 18 August 1994:

'In line with the objectives of the RDP, we will, by the end of the year, require clear medium and long-term strategies from all departments and parastatal institutions on mechanisms of shifting their operations to meet the requirements of reconstruction and development.'

Difficult decisions will have to be made, including the closing of programmes, in order to redirect resources and staff to RDP priorities.

2.5.2 The President continued, in his speech closing the Presidential Budget Vote debate on 21 August:

'This means a new culture within the Government as a whole, to ensure hands-on management by the Ministers and the Office of the President. Yet we should constantly improve on this, to ensure that we do not allow . . . a sense of unguided drift at any level of Government . . . We [must] ensure constant monitoring and timely interventions where necessary to reorientate all departments to the major national tasks at hand. This includes a system of regular reports from Ministries on the basis of guidelines dictated by reconstruction and development perspectives.'

- 2.5.3 Implementation of transformation strategies is an extremely difficult management exercise. Departments have to situate their strategies within short, medium and long-term goals and priorities. Ministries and institutions will be asked to agree on key performance indicators and reporting procedures to comply with the President's instructions. A systematic business planning exercise for each Ministry, tier of government and parastatal institution will be facilitated where required by the Office of the President. Public enterprises, the private sector and NGOs will also be requested to make expertise available to assist.
- 2.5.4 An Act, to be called the RDP Act, will be tabled in Parliament to set out the procedures which the Government and its agencies will follow in complying with these reporting procedures. In particular, the Budget Review will be linked on a programmatic basis to the annual evaluation of the RDP, and will link RDP categories and programmes to those in the Budget for the purposes of the review and the evaluation. The Government accounts will also be redrawn to allow evaluation of the progress of reconstruction and development.
- 2.5.5 There will be a tendency for inertia when existing programmes of the Government at all levels are reviewed for the purpose of redirecting expenditure and resources. In the planning and budgeting process, it is therefore essential that departments and tiers of government place all programmes on an equal footing in allocating funds, staff and resources. Programmes should not be preferentially funded and staffed purely because they have been previously established. Similarly, a programme should not be prejudiced simply because it is new. It is only if this process of review 'on a level playing-field' takes place that significant redirection of resources can occur. Otherwise, most RDP programmes will remain as 'add-ons'.
- 2.5.6 In order to improve efficiency and effective resource utilisation, programmes must be based on clear business plans. These plans must provide for clear and measurable outputs, and for performance assessment by means of defined indicators. The structure and format of business plans as well as key performance indicators must ensure uniform performance appraisal. Key performance indicators which encapsulate the output from programmes are required to be reported regularly to the Minister responsible for each department.
- 2.5.7 High-level indicators which reflect more general progress of departments and broad programmes will be reported regularly to the President and the Cabinet. An annual evaluation of the RDP will be reported to Parliament, based on indicators which specify the results of all programmes funded from the Budget, with indicators of effectiveness and compliance with stated aims and goals. Indicators will be developed or adapted to allow, among other things, the reporting of issues such as transparency, accountability, affirmative action, accelerated development, empowerment of communities, freedom from fear of crime and repression, recreation, and educational development.
- 2.5.8 An efficient information management system is the key to the maximum utilisation of scarce resources. It is crucial that we develop an information management system that allows Government to effectively communicate and avoid duplication of effort between different Departments and Provinces. This is also a prerequisite for proper governance and performance assessment. Improvement in the statistical base is necessary if we are to collect accurate information on poverty and to measure progress in implementing the undertakings contained in the Constitution, the Bill of Rights and the RDP. To achieve these goals we need to define a common set of data elements, and create a common and a compatible system that is user-friendly.
- 2.5.9 The Office of the Minister without Portfolio will develop a communication strategy on the RDP. The aim of such a strategy will be to effectively communicate the objectives of and progress with implementing the RDP to allow the public to be fully informed and to participate. The communication strategy will seek to inform the nation through the effective use of the mass media and co-operating with existing organisations. The RDP is based on consensus and so depends on effective communication.

## 2.6 Provincial Government and the RDP

- 2.6.1 South Africa is characterised by uneven development, with extreme poverty in many parts of the country. Basic infrastructure is lacking in poorer areas of most provinces. In all provinces the spatial distribution of resources is extremely uneven. Each province should develop a strategy for implementing the RDP in the context of its particular circumstances.

- 2.6.2 All of the provinces have established responsibility for the RDP either in the Office of the Premier or in the Office of the MEC responsible for economic affairs. Provincial Administrations and Legislatures have been encouraged to establish co-ordinating structures of Members of Executive Committees (MECs) and of members of the Legislatures, and interdepartmental task teams to assist in the process of provincial and local delivery.
- 2.6.3 In some provinces, non-statutory regional economic development forums and the statutory Regional Development Advisory Committees have merged, a process the Minister without Portfolio will encourage in all provinces to facilitate formal inputs to provincial RDP policy-making involving all stakeholders. These new statutory provincial bodies will be linked to the new statutory National Economic, Development and Labour Council to ensure consistent and coherent national and provincial policy formulation.
- 2.6.4 Provincial Governments will
- carry out RDP activities in accordance with their current responsibilities under the Constitution
  - redirect expenditure and resources to the RDP priorities
  - introduce the necessary reforms to meet the conditions for RDP implementation and devolution
  - consult with local communities on RDP programmes
  - distribute untied funds to local communities in accordance with conditions contained in the RDP contract with the National Government
  - conduct operations in such a way as to meet the monitoring and auditing requirements of the National Government.
- 2.6.5 Provincial RDP co-ordinating mechanisms will be geared strongly towards developmental planning and delivery. Although individual line function departments and the provinces will have autonomous relationships, it is desirable that overall integrating mechanisms be established. Provincial RDP offices will develop policy advisory capacity, either on a contract basis from other levels of government and parastatals or from the private sector, universities, technikons and civil society.
- 2.6.6 What is crucial again is that the RDP is not reduced to a collection of projects, but instead becomes an integrated programme of transformation. Some of the challenges Provincial Governments must address are the
- restructuring of the provincial budgets to reflect the priorities of the RDP
  - restructuring of the Public Service at provincial level
  - development of institutional capacity to implement the RDP
  - the engagement of civil society (labour, community organisations, business) in a meaningful process to implement the RDP
  - harnessing and unlocking the political and creative energies of our communities to ensure a truly people-driven process.
- 2.6.7 These provincial strategies for implementing the RDP should be presented to the Minister without Portfolio, as well as to the Intergovernmental Forum.
- 2.6.8 In addition, the Constitution requires that allocations to provinces out of the National Government's fiscal resources be equitable and distributed on the basis of Financial and Fiscal Commission formulae. Equity also implies that the cost of service delivery is not excessive. Finally, the National Government requires that audit and monitoring functions be vested also in the appropriate national department or associated structure.

## **2.7 Local Government and the RDP**

- 2.7.1 The National Government wishes to unlock the political and creative energies of the people and bring the Government closer to the people. Local Government is therefore key. The National Government, together with the Commission on Provincial Affairs and Provincial Governments, will ensure proper co-ordination of the development process, maintenance of standards and coherence of change management strategies. Local government faces critical financial problems and will have to find new financing strategies with the provincial and national government, with due regard to section 158 of the Constitution. An ad hoc committee of Parliament, including the Departments of Finance, Constitutional Development and Provincial Affairs and the Office of the Minister without Portfolio has initiated this process already.
- 2.7.2 In general, local authorities are key institutions for delivering basic services, extending local control, managing local economic development, and redistributing public resources. However, for the first time in South Africa's history, emerging democratic local authorities must work with community-based organisations and NGOs to establish minimum conditions of good governance and to implement effective

development projects.

- 2.7.3 Because the RDP depends on democracy and social stability in local communities, the management of institutional change and the delivery of municipal services must occur simultaneously. Restoring and upgrading services where they have collapsed, and extending services to new areas, are vital preconditions for the continued legitimising of the new local authorities. Improved services must be implemented in a manner which enhances appropriate institutional change within local authorities.
- 2.7.4 The principle of payment for services is fundamental to the implementation of the RDP, with due cognisance given to poverty, administrative constraints and an equitable and fair default procedure. Payments must be related to costs.
- 2.7.5 Local authorities must make sufficient resources available for the extension and upgrading of municipal services, and for capacity-building to permit community-based structures to assist in local planning and implementation of the upgrading. Local Government will need additional sources of revenue for operating, maintenance and subsidy expenses, as well as staff retraining and some new capital expenditure.
- 2.7.6 Additional funding from the RDP Fund will be conditional upon a set of criteria which demonstrate local authorities' good faith in moving to democracy as rapidly as possible. RDP funding will be made available only if amalgamation of different jurisdictions proceeds effectively, if single budgets are adopted for a single municipal area, and if the local government electoral process is under way. The transitional local authority will gain access to increased resources only if it becomes developmental in its orientation, proactive in winning the trust of all local residents, sensitive to issues of affordability, creative about financing, and more efficient in delivery of services. Local authorities must demonstrate that they are already, in the transitional phase, shifting resources (staff, management, equipment, skills), switching their spending priorities, freezing clearly inappropriate projects and engaging in consultation with community groups. Through such means, it will be feasible to build new local institutions which will take the RDP forward.
- 2.7.7 In sum, the establishment of democratic and developmental processes in Local Government is vital. In most rural areas, where the third tier of government does not exist, Provincial Government will be encouraged to initiate a process of building Local Government. This process should be driven by local communities themselves. In addition, where there are interminable delays in implementing the Local Government Transition Act, where interim councils are not being appointed, where boundary disputes are debilitating, and where preparation for the 1995 Local Government Elections is not proceeding effectively, the Provincial Government will use its power to impose solutions.

## CHAPTER THREE

### THE ECONOMIC POLICY FRAMEWORK

#### 3.1 Introduction

- 3.1.1 The GNU inherited an economy characterised by a number of structural problems. These are fully set out in the Base Document and will not be repeated here. The challenge is to correct those problems and regenerate economic growth and a more equitable distribution of the benefits of such growth. The RDP provides a strategic framework to address these problems. It recognises the simultaneous necessity of meeting basic needs, developing human resources, building the economy and democratising the State and society. In implementing these programmes, changes are necessary in institutional arrangements as well as in the orientation of policy. Reconstruction and development will be achieved through the leading and enabling role of the State, a thriving private sector and active involvement by all sectors of civil society.
- 3.1.2 The role of the Government and the public sector within the broader economy has to be redefined so that reconstruction and development are facilitated. In a wide range of areas the GNU will take the lead in reforming and addressing structural conditions. In doing so its guidelines will remain the basic people-driven principles of the RDP.
- 3.1.3 Employment creation is the central priority. We have to reverse the low levels of investment and saving and the outward flow of capital to improve the environment for productive investment. In addition the GNU will facilitate labour intensive methods in the public sector through the National Public Works Programme administered by the Department of Public Works.
- 3.1.4 Greater participation in the economy and less concentrated, more racially and gender inclusive ownership patterns are essential. Small, medium and micro enterprises need to play substantially larger part in economic activity. The RDP must address the legacy of inequality is addressed.
- 3.1.5 In the labour market discriminatory practices of the past have distorted collective bargaining and left our workforce with a distorted and inadequate skill base. In both these areas substantial progress has been made in recent years and we will now build on and accelerate these developments.

#### 3.2 Economic policy goals and objectives

- 3.2.1 The Government's central goal for reconstruction and development is to meet the social and economic needs of the people and to create a strong, dynamic and balanced economy which will
- create jobs that are sustainable, and increase the ability of the economy to absorb new job-seekers in both the formal and less formal sectors
  - alleviate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system to meet basic needs, and thus ensure that every South African has a decent living standard and economic security
  - address economic imbalances and structural problems in industry, trade, commerce, mining, agriculture and in the finance and labour markets
  - integrate into the world economy utilising the growing home base in a manner that sustains a viable and efficient domestic manufacturing capacity, and increases the country's potential to export manufactured products
  - address uneven development within the regions of South Africa and between the countries of southern Africa
  - ensure that no one suffers discrimination in hiring, promotion or training on the basis of race or gender
  - develop the human resource capacity of all South Africans so the economy achieves high skills and wages
  - democratise the economy and empower the historically oppressed, particularly the workers and their organisations, by encouraging broader participation in decisions about the economy in both the private and public sector.
- 3.2.2 The RDP will foster a new and constructive relationship between the people, their organisations in civil society, key constituencies such as the trade unions and organised business, the Government, and the workings of the market.
- 3.2.3 The Government can only achieve its economic objectives if it establishes transparent, participatory and accountable policy-making procedures in both the public and private sectors. The Government, the trade

union and civic movements, business associations and other relevant organisations of civil society must co-operate in formulating economic policy. The Government will review the inherited economic departments and agencies to streamline policy-making and implementation, and to define appropriate relationships with interest forums and the various tiers of government. The National Economic, Development and Labour Council will extend and enhance the work of the National Economic Forum as a consultative structure.

- 3.2.4 Economic growth is critical for sustainable improvements in services and incomes. We must shape the expansion of the social and economic infrastructure to stimulate industry and agriculture. These policies must be co-ordinated with the development, on a co-operative basis, of the southern African region as a whole.
- 3.2.5 The Government's economic policies require human resource development on a massive scale. Improved training and education are fundamental to higher employment, the introduction of more advanced technologies, and reduced inequalities. Higher labour productivity will be the result of new attitudes towards work and especially new skills in the context of overall economic reconstruction and development. New and better management skills are urgently required.
- 3.2.6 Basic to the consultative and interactive approach to economic policy are the protection of worker rights and labour standards, and proactive labour market policies. The RDP makes a decisive break with the exploitative cheap labour policies of apartheid and moves toward education, training, skills, a living wage and collective bargaining as the basis for enhanced productivity in the economy.
- 3.2.7 Gender equality is also a major objective of economic policy. Market failure often exacerbates discrimination which already exists within the Government and the wider society, leading to comprehensive conditions of discrimination against women, to artificial notions of 'women's work' and 'men's work'; employment discrimination in public works projects; unpaid labour by women; credit constraints for women with limited collateral; insufficient resource allocation to early child care and education.

In addition to economic discrimination women also suffer under the social consequences of discrimination such as gender discrimination in law enforcement and treatment of offenders; discriminatory treatment on the basis of marital status or pregnancy, and insufficient public health services.

Policy objectives include identifying and addressing gender-biased aspects of government practice and economic management, and in particular increasing training opportunities for women, establishing parental rights, improving credit subsidies and innovative credit schemes ensuring the public provision of child care, and improved opportunities to benefit women.

### 3.3 An economic policy strategy

- 3.3.1 To these ends, economic policy must specifically address South Africa's problems on the basis of its strengths. The GNU draws on the following basic strategy to achieve its objectives:

- financial and monetary discipline in order to finance the RDP, reprioritise public sector activity, facilitate industrial restructuring and establish fair and equitable user charges
- the establishment of an economic environment conducive to economic growth
- trade and industry policies designed to foster a greater outward orientation so as to sustain high employment levels and levels of participation in the economy
- a modernisation of human resource programmes to meet the challenges of changing production processes
- a reform of labour market institutions in order to facilitate effective and equitable collective bargaining and the restructuring of employment patterns.

- 3.3.2 The Government has already acted decisively to bring about a structured change in fiscal policy and this will begin to have the desired macro-economic effects. The immediate challenge facing the Government has been the need to finance and staff the RDP without exacerbating the unacceptably high government debt. In particular, consumption expenditure has risen to more than 20 per cent of GDP and interest repayment is absorbing more than 17 per cent of the Budget. Increasingly, the market evaluation of such a situation was that the Government could not curb expenditure, dissaving would continue, the balance of payments would be adversely affected and inflation would rise. As a result, interest rates rose and increased the government debt burden. In the context of such macro-economic instability, other crucial objectives can be undermined.

- 3.3.3 Therefore, not only has the RDP Fund financed the overall process for taking forward the RDP, but it is also aimed at reducing government expenditure wherever possible. Certain problems faced the Government

in achieving this objective in the 1994/95 Budget. These included the additional transition costs and the incorporation of debt incurred by the former Transkei-Bophuthatswana-Venda-Ciskei (TBVC) territories. This raised the stock of debt and interest payments that were previously accounted for as intergovernmental transfers. For the first time an overall National Revenue Fund indicating revenue and expenditure by National and Regional Government within South Africa was set out, thereby increasing transparency.

- 3.3.4 A substantial part of the additional transitional costs was paid for by a once-off levy. Stringent steps are being taken to curb actual expenditure and no additional expenditure is authorised unless it passes the rigorous tests of the Treasury Committee.
- 3.3.5 Guideline figures for the 1995/96 Budget have already been circulated and they again reflect no real increase in consumption expenditure. The guideline figures also achieved no real increase in the deficit before borrowing as a percentage of GDP. It should also be borne in mind that in 1995/96 an amount of R5 billion is allocated to the RDP Fund. This effectively imposes lower real expenditure on departments which can be corrected by recourse to the RDP Fund, a process set out in more detail in the next chapter.
- 3.3.6 A process of co-ordinating and identifying all development assistance has been decided upon. This ensures that the Government will not incur further debt through such assistance and that it is utilised in the most effective manner.
- 3.3.7 The requisite fiscal and monetary discipline, and reorganising the financial relations of National, Provincial and Local Government, will ensure that the public sector's impact on the macro-economy will be positive. The public sector will therefore better utilise its resources; increase capital expenditure and facilitate private sector investment, have relatively more resources for meeting needs, rather than paying interest.
- 3.3.8 In addition, a stable price environment will assist in the restructuring of industry and of collective bargaining structures. Improvements in social wages on a viable basis will also be facilitated by stable prices, therefore an effective user charge system can be developed.
- 3.3.9 A combination of factors therefore demonstrates the Government's commitment to reducing consumption expenditure. These include:
- forcing the Government to reprioritise its expenditure rather than seeking new sources of finance
  - the redirection of consumption expenditure to capital expenditure through the RDP Fund
  - an additional decrease in consumption expenditure in the Public Service by not filling all vacancies created by natural turnover
  - a systematic change management programme linked to performance assessment
  - required forward planning on all projects and programmes
  - the introduction of systematic business plans for all projects and programmes of the Government.

### **3.4 Economic growth prospects**

- 3.4.1 The levels of net domestic saving and net domestic investment have declined to alarmingly low levels. This must be addressed urgently. The first steps began with the election of the GNU and the remarkable political transition the country has experienced.
- 3.4.2 In the previous section of this document, some of the steps the Government has taken to consolidate confidence were set out. However, a number of other policy areas must be addressed to improve the overall environment for investment and saving.
- 3.4.3 In the 1994/95 Budget, corporate taxation was addressed. The lowering of corporate tax combined with the increase on secondary tax on companies favoured reinvestment and growth. There were, however, limits to the extent to which other adjustments could be made, because other major issues such as tax on married women and value-added tax (VAT) on basics were also under consideration. It was decided to refer this to a Tax Commission in order to take a considered, coherent approach to the problem. It must be noted that the lowering of corporate tax by itself will not necessarily promote domestic saving and investment. In particular, programmes to address the ongoing violence and criminal activity should be widely supported.
- 3.4.4 However, the President has indicated that attempts are being made not to increase the general level of tax, wherever possible. What is being considered is the specific composition of the tax system.
- 3.4.5 The fundamental goal of the RDP is an employment-creating, labour-absorbing economy which will ultimately lead to full employment. Secondly, redistribution must occur to alleviate poverty in the process of meeting basic needs. The RDP takes the view that neither economic growth by itself or redistribution on its own will resolve the serious crisis in which South Africa finds itself. Therefore, to achieve a successful

economy the Government will adopt an integrated approach to reconstruction and development. This will involve the promotion of a more equitable pattern of growth, an equitable distribution of assets, services and access to markets, and the maintenance of macro-economic stability.

- 3.4.6 In addition to the series of immediate measures undertaken by the Government to begin to address the structural deficiencies in the South African economy, the RDP provides a consistent, coherent framework within which several key economic initiatives — including those involving investment, trade, industrial strategy, competition, small business and labour markets — can be applied simultaneously and in a mutually reinforcing manner. Such an interlinked approach is the only means of overcoming structural barriers to growth, including high unemployment, poor social infrastructure, inequitable income distribution, primary product export dependence and excessive protection. The next sections of this document describe policy initiatives in this spirit.

### **3.5 Investment policy**

- 3.5.1 The Government will make substantial public investments so as to meet the basic needs of all citizens and in particular the disadvantaged. The Government will also encourage private investment in areas not previously explored. A successful growth strategy depends critically on an increase in productive investment from both public and private sources. Public investment in sectors of the economy aimed at alleviating poverty — such as construction and building materials, communication, health and human resource development — would logically also attract private investment once they are developed as more active markets.
- 3.5.2 The Government is committed to creating an enabling environment that will encourage private investment by facilitating efficient markets and by redressing the distortions of the past. The private sector will be encouraged to enhance its competitive edge in producing new product lines that not only serve the domestic market, but also gain access to the international markets.
- 3.5.3 The Government welcomes foreign investment in accordance with its objectives for growth and development. The RDP accepts that the route to attracting foreign investment is by establishing a climate of political stability, economic growth, and transparent, stable and consistent policies. The implementation of the entire RDP is the surest guarantee to attract investment from both domestic and foreign direct investors.
- 3.5.4 The principle of national treatment will apply to foreign investors, who would enjoy the same treatment as domestic investors and would be obliged to abide by South African laws. Subject to regulations administered by the South African Reserve Bank, foreign investors will have access to foreign exchange for the purpose of remitting after-tax profits and debt service, or approved loans, purchasing inputs and repatriating proceeds on the sale of assets.
- 3.5.5 Investment would be attracted into areas which stimulate the long-term competitiveness of the South African economy.

### **3.6 Industrial policy**

- 3.6.1 The objectives of the Government's industrial policy are employment generation, increased investments, improved trade performance and enhanced productivity. Attaining these goals will require a focus on both the restructuring of existing industries and the correct identification of new areas of industrial development, especially in ways which will encourage the adding of maximum value to the country's natural resource endowment. A new approach to industrial policy will require a commitment from the entire nation, including tripartite decision-making which draws contributions from the Government, labour and business.
- 3.6.2 Reconstruction of the economy must be linked to development. In the process, a more dynamic manufacturing sector will emerge as a growing source of productive and well-paid employment opportunities and industrial learning. The present weakness of the manufacturing sector must be judged in terms of the global trend, in which markets for manufactured commodities are growing more rapidly than those for natural resources.
- 3.6.3 Investments that follow the logic of the RDP offer tremendous opportunities for the South African industry. In particular, major investments will be made in electricity, health, housing, education, telecommunications and the information infrastructure, transport, and public works such as roads, water and sanitation. This expenditure will take place primarily in order to provide for basic needs and infrastructure. Manufacturers and service industries will therefore have opportunities to design efficient attractive products and processes, which are appropriate for local conditions and could create important export niches.

- 3.6.4 In this respect, the RDP provides a challenge to design products and processes which will also have a ready market in areas such as South America, Africa, Eastern Europe, Asia and the Pacific Rim. Already, products designed for community telecommunications facilities and for electrification have proved extremely successful in the export market. The RDP creates a large local market for industry which allows it to design and develop products with a stable home base. This also provides the predictability to allow the extensive restructuring which is needed to make the country's industries more efficient and effective. For instance, the domestic appliance industry expects its local market to increase by millions of new consumers, and is thus restructuring itself and designing new products.
- 3.6.5 The Government should facilitate the response of industry to this challenge. Rather than undirected incentives, support should be directed at those sectors which can respond to RDP investment and growth areas. This support will take the form, among other things, of the provision of training, research and development, design, technology acquisition and export marketing.
- 3.6.6 In addition to direct local linkages between manufacturing and the RDP, sectoral policies will be aimed at five objectives which will create sustainable employment and growing industries. First, the Government will aim to extend the international competitive edge of selected industries. Second, light manufacturing subsectors will receive support if they show the potential to emerge from existing protection. Third, the void between primary commodity industries and manufacturing industries will be filled through Government encouragement of forward linkages and minerals beneficiation. Fourth, the Government will support agro-manufacturing sectors which are less capital-intensive and can directly and indirectly create employment. Fifth, the Government will drive industrialisation towards higher value-added activities, and to raise productivity through human resource development, work reorganisation, democratisation of the workplace, and technological development.
- Government will promote a greater understanding of the importance of technology in economic growth, assist by identifying the role of technology in beneficiation, increasing productivity, the development of exports, and improving health and safety, and will support the identification and utilisation of technological and design competency.
- 3.6.7 In the highly concentrated domestic market, the Government will pursue a competition policy designed to reform those market structures that underpin high prices and complacency, and that constitute major entry barriers to small and medium-scale enterprise. Market forces alone will, however, not be sufficient to revitalise the manufacturing sector. Policy and resources will be redirected at strengthening human resources and technological capacities, including those relating to smaller enterprises.
- 3.6.8 In general, industrial policy-making is a process that relies upon comprehensive commitment by the nation. The Government fully endorses those tripartite processes already contributing to industrial policy formulation. These processes will be strengthened and institutionalised. Similarly, the Government will restructure and refocus those major institutions of industrial policy, including the Board of Tariffs and Trade and the Industrial Development Corporation (IDC), Small Business Development Corporation (SBDC), the SA Bureau of Standards (SABS), the Agriculture Research Council (ARC), Council for Scientific and Industrial Research (CSIR), and other relevant institutions that have hitherto served sectional interests.

### **3.7 Trade policy**

- 3.7.1 The objective of trade policy reform is to ensure that South Africa's trading patterns contribute as much as possible to the Government's overall RDP objectives, including a broader reconstruction and development of the southern African region. Trade policy reform, including improving productivity and competitiveness, will be integrated into the overall restructuring of the country's economy.
- 3.7.2 Trade policy must ensure a greater quantity of manufactured exports from South Africa, a process largely dependent upon the application of an effective industrial policy. South Africa will continue to participate in multilateral bodies which regulate trade. Such participation will be characterised by a linkage with other developing economies.
- 3.7.3 With regard to protection, this would mean continuing the firm commitment to gradual but steady trade liberalisation in all sectors of the economy, as espoused in the GATT agreement. The Government will nevertheless make use of socially responsible supply-side measures to assist sensitive industries in adapting, in order to overcome the stronger international competition. Such measures include assistance in capacity-building, the retraining of workers, and the enhancement and better utilisation of technology. Anti-dumping measures and other countervailing strategies will also be introduced to protect local manufacturers from unfair foreign trade practices. Other elements of the new trade policy include programmes designed to realise the exporting potential of small and medium-sized enterprises which tend

to be more labour-absorbing. This will assist new enterprises, especially black-owned businesses, in their attempts to enter international markets.

- 3.7.4 Trade policy and foreign policy need to be integrated and seen as part of a broader strategy to strengthen South-South relations, to democratise international institutions, and thereby to ensure a better deal for developing countries. South Africa will seek new trade relationships with countries and regional associations which can be important partners in this process. The extension of the Generalised System of Preferences to South Africa by several countries and the Most Favoured Nation trade agreement with India, bode well for local exports.

### **3.8 Competition policy**

- 3.8.1 The South African economy must be opened to greater ownership participation by a greater number of its people. The Government will introduce strict anti-trust legislation to create a more competitive and dynamic business environment. The central objectives of such legislation are systematically to discourage the system of pyramids where it leads to over-concentration of economic power and interlocking directorships; to abolish numerous anti-competitive practices such as market domination and abuse, and to prevent the exploitation of consumers. Existing government institutions and regulations concerned with competition policy will be reviewed in accordance with the new anti-trust policy. The Government will establish a commission to review the structure of control and competition in the economy, and develop efficient and democratic solutions. To that end, it will consider changes in regulation in addition to anti-trust measures.

- 3.8.2 Objectives of this policy are to remove or reduce the distorting effects of excessive economic concentration, collusive practices, and the abuse of economic power by enterprises in a dominant position. In addition, the policy will ensure that participation of efficient small and medium-sized enterprises in the economy is not jeopardised by anti-competitive structures and conduct.

- 3.8.3 The Government will also seek to increase the competitive nature of domestic markets and to influence the behaviour of the lead participants in highly concentrated markets in a socially desirable manner which does not prejudice the interests of workers. The Government will identify practices that restrict entry of efficient and competitive new businesses into certain industries. The Competition Board will be restructured and strengthened.

### **3.9 Monetary and financial policy**

- 3.9.1 The Constitution asserts the need for the independence of the South African Reserve Bank, so as to ensure that it is insulated from partisan interference and is accountable to the broader goals of reconstruction and development. The main functions of the Reserve Bank are to maintain the value of the currency, to keep inflation relatively low, and to ensure the safety and soundness of the financial system.

- 3.9.2 The Government will support innovative financial institutions and instruments which promote domestic savings and extend financial services to those who do not have adequate access to these services. In particular, financing for housing and for small and medium-sized enterprises will be mobilised. The Government will discourage financial institutions from discriminating on the grounds of race and gender.

### **3.10 Small and medium-sized enterprises**

- 3.10.1 In line with the objectives of economic policy, growth in employment can be enhanced through government support to small and medium-sized enterprises. The institutional framework of support for such enterprises will be fundamentally restructured. The Government will determine appropriate support policies which will be both focused and sectorally differentiated. Such a policy should not be based on hand-outs. Support to this sector will best be decided by the Government, the private sector and NGOs acting in concert.

- 3.10.2 The key areas of support to small and medium-sized enterprises will include

- access to advice
- favourable amendments to legislative and regulatory conditions
- access to marketing and procurement
- access to finance
- access to infrastructure and premises
- access to training
- access to appropriate technology
- encouragement of interfirm linkages.

- 3.10.3 Women, in particular, are involved in micro-enterprises which will receive increased government

assistance. Discussion is needed on the problems of credit and venture capital, access to finance for research and development, simplification (not elimination) of the regulatory environment and improved competition policy. Non-traditional enterprises which allow women to develop, especially in the rural areas, will be encouraged. These include stokvels, informal producer co-operatives, electricity and water co-operatives.

3.10.4 In recognising the value of this sector in the generation of new employment and competitiveness, the Government will endeavour to bring small and medium-enterprises into the regulatory framework for labour standards.

3.10.5 The Government and especially public enterprises will facilitate the entry of entrepreneurs into opportunities which arise from the RDP investments. These include especially the sale, installation and servicing of domestic appliances and wiring, construction, and related manufacturing and service activities such as software. The Government will encourage entrepreneurs to move into the manufacturing sector, since the restriction of small and medium enterprises to retailing and distribution will severely inhibit the growth and viability of this sector. The Government will therefore encourage entrepreneurs to seek technical training and joint ventures with the formal sector.

### **3.11 Labour market and human resource development**

3.11.1 The South African labour market is characterised by high unemployment, deep divisions and a poorly developed and extremely distorted skills profile. The need for an active labour market policy is all the more urgent in the context of South Africa's entry into the world market where effective competition demands high productivity and quality. An active labour market policy must be geared to maximising quality employment and minimising unemployment and underemployment, and while doing so improve efficiency, equity, growth and social justice. Government has undertaken to implement various programmes and policies aimed at improving labour market functioning.

3.11.2 A coherent human resource development policy will be developed to focus on skill acquisition and adult basic education for the incumbent workforce and those who have been deprived of basic schooling. Measures will be implemented to provide an integrated approach to education and training with emphasis on the demand for specific skills in the labour market. The link between education and training will be facilitated through a National Qualifications Framework and a South African Qualification Authority. Measures to facilitate equal access of men and women to training and education at all levels will be implemented.

3.11.3 A coherent vocational (career) guidance counselling policy is to be formulated. This would entail among others, the improvement of placement services, labour market information and career guidance.

3.11.4 As a fully fledged member of the International Labour Organisation the South African government and its social partners have committed themselves to uphold and promote basic labour standards which are all the more relevant within the context of a rapidly changing global economy. To this end the Ministry of Labour has undertaken to submit to Parliament for ratification the following ILO Conventions: No 87 on Freedom of Association; No 98 on Collective Bargaining; No 111 on Discrimination and No 3 on Forced Labour.

3.11.5 Occupational Health and Safety competencies will be restructured to provide uniformity and coherence within the context of a national policy and strategy to reduce occupational accidents and diseases. South Africa has no overall national policy or strategy on occupational health and safety; there is no consistent legislative structure, no uniform method of reporting accidents and disease and no statistics that reflect the full extent of the loss of life and health caused at the workplace. Achieving the RDP's ideals will require a reconsideration of occupational health and safety legislation and the structure and policies of the government agencies responsible for enforcing that legislation and setting safety standards.

3.11.6 The Wage Board will be restructured to make it more representative and to extend its scope of activities. The Wage Board currently regulates minimum wages in areas where workers and/or employers are not organised and where conditions of employment are not regulated through collective bargaining. An additional function of the Wage Board would be to enhance or promote the establishment of collective bargaining institutions in those industries where they do not exist.

3.11.7 An in-depth investigation into the Unemployment Insurance Fund will make proposals to government on addressing the immediate shortcomings of the Fund and on the longer term objective of developing a national policy on unemployment coverage for all workers.

3.11.8 In furthering our commitment to tripartism government will seek to assist in the development of organs of

civil society which will play a fundamental role in tripartite bodies. To this end, financial assistance will be rendered to support permanent institutions such as workers colleges, to teach all aspects of the functioning of the labour market and the economy.

- 3.11.9 The institutions which have been instrumental in formulating and implementing labour market policy, the National Manpower Commission and the National Economic Forum will be transformed into a single statutory body, the National Economic Development and Labour Council (NEDLAC). The main aim of NEDLAC is to address economic, labour and development issues particularly with respect to the implementation of the Reconstruction and Development Programme (RDP). Through such a body the three parties, i.e. business, labour and government, as well as those involved in developmental issues will strive to jointly promote the goals of economic growth, participation and social equity in South Africa.
- 3.11.10 The Department of Labour is committed to ensuring that it becomes more representative of society, efficient in the delivery of services and play a proactive role in the formulation, support and implementation of labour market policy.
- 3.11.11 In addition to the above, government will implement certain fundamental legislative changes aimed at improving collective bargaining and labour market functioning as well as giving effect to particular constitutional requirements.
- 3.11.12 A single labour dispensation will be created in South Africa by repealing the labour laws of the former TBVC and self-governing territories and the extension of the RSA Labour Relations Act to those territories.
- 3.11.13 A new Labour Relations Act will be drafted, covering all sectors of the economy. Provision will be made in the new LRA for, among others, the accreditation of independent agencies which provide services to assist in conciliation and mediation of industrial disputes; a framework for more rational and articulated collective bargaining institutions at national, industry and plant levels; a simpler and more expeditious procedure for access to the Industrial Court and the Labour Appeal Court.

Details of the programmes and policies to be implemented by the Department of Labour will be contained in the Ministry of Labour's five-year plan.

## 3.12 Welfare

- 3.12.1 South Africa has inherited a fragmented and inequitable welfare system which requires restructuring. For strategic state intervention to reach the most vulnerable groups and eradicate present gaps, for welfare to empower the community and foster community care, and for service delivery to be equitable, a transparent and consultative approach will be necessary. Co-ordination of programmes alleviating the needs of people living in poverty and marginalised circumstances will be essential to maximise individual potential and minimise the extent of dependency on the State.
- 3.12.2 A management plan for a tailor-made social security net should be developed to enhance the psycho-social, economic and physical well-being of all citizens, with special emphasis on those financially and otherwise disadvantaged. Access to modern and effective welfare services should also include services rendered by the various social welfare agencies.
- 3.12.3 It is unfortunately true that many communities and families depend almost entirely on the cash from social grants. Even though there has been a high level of dependency upon these services, many who are entitled to social grants do not receive them. Old people in rural areas and the mentally ill are particularly vulnerable in this respect.
- 3.12.4 Technology and the creativity of local and provincial authorities will be harnessed to ensure that social grants are delivered where people live, in order to eliminate excessive travel and long waiting periods. The Government will act decisively against corruption in the welfare system through a system of audit trails.
- 3.12.5 The efficiency of delivery of welfare to all who have an entitlement will be improved. Existing welfare services and facilities should be enhanced, maintained and be made accessible to all the people of South Africa.
- 3.12.6 Part of the reconstruction of the welfare system involves services for children. The NGO sector and UNICEF have played a critical role in sustaining services in the past and they will provide an important base for future improvement. The Government will ratify the United Nations Convention on the Rights of the Child and is committed to implementing the terms of the Convention in a National Programme of Action for Children (NPA). The RDP and National Children's Rights Committee will co-ordinate action between Government and the NGO sector in setting guidelines for action.

3.12.7 The Government will consult with civil society to enhance government's ability to target subsidies for welfare programmes. This is especially important to ensure that tariffs for services — which in general must be cost-related for sustainability — are also made affordable for those with limited incomes.

### **3.13 Science and technology policy**

3.13.1 Science and technology have served the interests of the minority and the political goals of apartheid. This sector must confront the following problems:

- fragmentation and poor management of the science and technology system
- lack of co-ordination between science councils, government, tertiary institutions and industry
- lack of an effective consultative process in determining national priorities
- skewed allocation of funds.

3.13.2 Science and technology have an important role to play in the development of all sectors of our society. South Africa's economy is characterised by extremely unequal distribution of resources. Therefore, technology policy must address this duality, and must also address the development of both indigenous and exogenous science and technology, in order to meet the challenges of South Africa's people.

3.13.3 The public sector, in partnership with the private sector, has an indispensable role to play in technology development.

3.13.4 The Government will implement a programme to prioritise key performance areas; identify legislation requiring amendment to achieve the integration of the science councils through a process of discussion with the relevant ministries and stakeholders, and establish linkages between the scientific and technical priorities and RDP objectives.

3.13.5 Institutional changes will be introduced to ensure

- the representivity of all scientific boards
- the integration of all scientific councils through appropriate enabling legislation
- co-ordination between the science and technology Ministry and other Ministries. To this end the cabinet decided to set up a special cabinet committee on science and technology.

3.13.6 A national campaign for scientific and technological education and training is essential, together with measures aimed at improving the status of technical and technological careers.

### **3.14 Tourism**

The case for accelerated development in the tourism industry is strong. The national endowment of the country offers important opportunities for investment. The foreign exchange earnings of tourism are already significant and must grow. Ecologically sound development practices with improved economic opportunities for local communities offer important models for rural development. Government will consult with public and private sector interests in the tourism industry as well as with community stakeholders to establish the most productive patterns of development in the industry.

### **3.15 Corruption**

Legislation is currently before Parliament which will introduce a Public Protector to give the public recourse to deal with corruption and maladministration. Years of unrepresentative governments have left a legacy of secrecy and greed. The Government in its own activities and structures as well as through legislation will seek to promote transparency and accountability and the development of individual and social integrity. The Government is committed to the exposure and punishment of corruption wherever it occurs.

### **3.16 Public enterprises**

These play a major role in the economy. They are being made to be highly efficient; this process should continue. Effective use of these major public resources to provide cheap and efficient services and to lead in human resource development, accelerated development programmes and other innovations will be of major benefit to the economy.

The Government is presently doing an audit of all State assets. The Government is fully committed to providing basic services to its citizens and remaining involved in certain strategic areas of the economy. However, under the skewed policies of apartheid the Government inherited a range of assets that could

now be sold to release resources for the implementation of the RDP. There needs to be a considered debate on this issue with proper consultation with all relevant stakeholders in South Africa through appropriate structures.

4.1 Introduction

4.1.1 Who will pay for the RDP? Understandably, this is the first question asked about the implementation of the RDP. Key points concerning the financing of the RDP can be made:

- most of the expenditure on the RDP is not in fact new.
- rather, it is the better organisation and rationalisation of existing structures that will unlock resources.
- the Government — at all levels — will improve the capacity of the financial sector to mobilise more resources, and to direct these to activities set out in the RDP.
- the Government will change fast some public utilities, such as electricity and telecommunications, to self-financing.
- improved and reformed tax systems will collect more tax without having to raise tax levels (as the RDP succeeds, more taxpayers will be able to contribute to government revenues).
- new funds will be raised from a number of sources, such as bonds, interest on investments, and sales of certain State assets.

4.1.2 The deficit has reached disturbingly high levels in recent years and any future borrowing strategy will be based on caution, particularly with respect to foreign loans. The Government is committed to the progressive reduction of the overall deficit. The Government's commitment to maintaining fiscal discipline is a root cause of the RDP. The medium-term strategy to reduce the deficit is to improve economic growth, thereby underpinning the RDP. Given the limited pressure on balance of payments, the impact result in higher inflation, higher real interest rates, balance of payments problems and lower economic growth. The Government's borrowing strategy will consciously avoid taking on debt for development projects that do not generate short-term cash-flow. Borrowing will be increased and rationalised for projects (such as housing, electrification, water, among others) for which full or partial cost-recovery can be generated. Government intends to ensure the efficient management of resources, achieve rapid improvements in the quality of services, and rationalise and reduce government spending in line with the new priorities of the RDP.

4.2 The budgetary process

4.2.1 The budgetary process will be transparent in a manner consistent with RDP commitments to transparency and a people-centred society. Local, provincial and national RDP structures, including representatives of civil society, will be invited to examine the budgetary process and to make recommendations on spending, waste and corruption. Certain changes are envisaged which will enhance this process.

4.2.2 At present the Budget is drawn up on an incremental basis. A key objective of the different national line functions departments is decided on the basis of what the allocations were in the previous year. The Government will introduce a zero-base budgetary process, by which national line function departments, provinces and other institutions of government will motivate their programmes, and on this basis determine their budgetary requirements. In addition, the Government will introduce a multi-year budgeting process, by which budgets are drawn up for a period of three years on the basis of ongoing programmes. Line function departments will participate in the Function Committee which determine the budgetary allocations for a particular function. The relevant Parliamentary Standing Committees are entitled to be represented on Function Committees.

4.2.3 There are particular aspects of the Budget process during the transitional period which have implications for the RDP, particularly at provincial level. For the 1993/94 financial year, the budget cycle began in November 1993. Inputs based on old structures were received by the Department of State Expenditure in April 1994. Guideline allocations for 1993/94 were therefore presented to the Cabinet in August 1994. Provincial Government ultimately gains access to the budgets of the former TBVC territories, former self-governing territories, and former Provincial Administrations.

4.2.4 New Provincial Administrations will compile draft estimates according to guideline allocations during October 1994. When the Cabinet approves final allocations for 1993/94, departments of the National Government will then divide the funds for those Schedule 6 functions as potentially will be claimed by the Provincial Government. The final allocations for 1993/94 will therefore include all potential Provincial

## CHAPTER FOUR

### FISCAL POLICY AND THE BUDGET

#### 4.1 Introduction

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- rather it is the better organisation and rationalisation of existing structures that will unlock resources.
- the Government — at all levels — will improve the capacity of the financial sector to mobilise more resources and to direct these to activities set out in the RDP.
- the Government will ensure that some public utilities, such as electrification and telecommunications, are self-financing.
- improved and reformed tax systems will collect more tax without having to raise tax levels (as the RDP succeeds, more taxpayers will be able to contribute to government revenues).
- new funds will be raised from a number of sources, such as donor aid, interest on investments, and sales of certain State assets.

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#### 4.2 The budgetary process

4.2.1 The budgetary process will be transparent in a manner consistent with RDP commitments to transparency and a people-centred society. Local, provincial and national RDP structures, including representatives of civil society, will be invited to examine the budgetary process and to make recommendations on spending shifts, inefficiency, waste and corruption. Certain changes are envisaged which will enhance this process.

4.2.2 At present the Budget is drawn up on an incremental basis. Allocations to the different national line function departments are decided on the basis of what the allocations were in the previous year. The Government will introduce a zero-base budgetary process, by which national line function departments, provinces and other institutions of government will motivate their programmes, and on this basis determine their budgetary requirements. In addition, the Government will introduce a multi-year budgeting process, by which budgets are drawn up for a period of three years on the basis of ongoing programmes. Line function departments will participate in the Function Committee which determines the budgetary allocations for a particular function. The relevant Parliamentary Standing Committees are entitled to be represented on Function Committees.

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4.2.4 New Provincial Administrations will compile draft estimates according to guideline allocations during October 1994. When the Cabinet approves final allocations for 1995/96, departments of the National Government will then divide the funds for those Schedule 6 functions that potentially will be claimed by the Provincial Governments. The final allocations for 1995/96 will therefore include all potential Provincial

Government functions and services. Although provincial government funding systems will not be fully developed before April 1995, the total allocations to Provincial Governments will nevertheless be voted as both conditional and unconditional transfers. Provincial Administrations will have to compile their own estimates for presentation to their legislative bodies and citizenry. Provincial Administrations will also have limited powers to adopt their own tax policies.

- 4.2.5 The President has announced a programme of 'belt tightening' aimed at releasing public sector resources to fund redistribution and economic growth. A key element of this process is the redirection of expenditure priorities in budgets of all levels of government and of parastatal institutions.

The RDP is not an 'add on' programme and must therefore be funded from the Budget. Additional resources will be obtained from international donor assistance. The restructuring of the development finance institutions and the co-ordination of all concessionary finance by the Interdepartmental Committee on International Development Co-operation are aimed primarily at ensuring that all funding of programmes and projects are properly costed forward and are accommodated in the budgets of the agencies responsible for the administration and maintenance of these programmes and projects.

In order to move to a multi-year budget with zero-base budgeting, the following procedure has been agreed by the cabinet:

Broadening of the Budget committee of the Department of the State Expenditure to include representatives of the Office of the Minister without Portfolio and of Members of Parliament.

A task group from the Departments of State Expenditure and of Finance, the Office of the Minister without Portfolio and the Central Economic Advisory Services will meet departments to analyse the programmes which constitute the activities of each department and Provincial Governments. They will assist each department and province to redirect expenditure to new priorities. The results will be included in an adjustment to the Budget to be published in February 1995.

The task group will continue with a long-term analysis from January to July 1995. Departments and provinces will be asked to identify long-term goals and the programmes to achieve the goals. The programmes will then be costed and recommendations made to Cabinet for allocation to priority programmes. It is likely that the Cabinet will have to make hard decisions, including the cutting of programmes, in order to be able to redirect funds to socio-economic areas and to stimulate economic growth.

It is intended that this will lay the foundation for the 1996/97 budget to be a major step towards multi-year, zero-base budget.

Departments will be encouraged as part of the process to establish key performance indicators and clear monitoring procedures and business plans. Staffing plans will be required as part of the reprioritisation.

### **4.3 Taxation**

- 4.3.1 A Tax Commission has been appointed to advise the Minister of Finance. The South African tax system will be reviewed to ensure that it supports and facilitates the aims of the RDP, in particular equity and efficiency. The general level of tax (as a proportion of GDP) is comparable with international standards. However, over the past decade the burden of tax has moved from corporations to individuals, primarily on the income group R20 000-R80 000 per year, who now pay 70 per cent of all personal tax. This group consists mainly of wage earners and those with private sector pensions. In addition, regressive forms of taxation include unequal treatment of married women and excessive indirect taxation.

- 4.3.2 Support will be given to the Commissioner of Inland Revenue to increase the efficiency of collection, and to crack down on evasion and leakage. All tax incentives and exemptions should be listed and a cost-benefit analysis carried out. Incentives that comply with the Government's development, industrial, investment, human resource development, and social policies should be subject to cost-benefit analysis and an explicit political decision should then be taken on each. All other incentives should be terminated. Additional tax collected should as far as possible not be directed to consumption expenditure.

### **4.4 Intergovernmental fiscal relations**

- 4.4.1 An important challenge facing the Government is the establishment of the new Provincial Administrations. In particular, it must ensure effective control over current expenditure during the transition and establish a more viable intergovernmental fiscal relationship.
- 4.4.2 With regard to the former issue, the National Government's approach has been to assist provinces with

administering financial flows through the previous structures, whilst allowing the new Provincial Administrations to be established unencumbered by the financial problems of those previous structures. This has required continuous interaction and the rapid identification of problem areas and their correction.

4.4.3 The previous complex government structure, and the de jure independence of the TBVC states, led to a complex and unsatisfactory intergovernmental financial situation. It was possible for self-governing territories and the TBVC states to incur debt and deficits that eventually fell to the National Government. This was the basis for ad hoc transfers and an increasing loss of control.

4.4.4 The 1993 Constitution corrects this state of affairs by

- establishing a revenue-sharing principle
- establishing a stable, transparent and more objective system of intergovernmental grants
- establishing the revenue sources of all levels of government
- regulating borrowing and guarantees by different levels of government.

4.4.5 The Financial and Fiscal Commission will begin to translate these principles into more detailed, concrete recommendations which will result in a major structural reorganisation of intergovernmental fiscal relations. Closer co-operation must be built up between the Financial and Fiscal Commission, the Commission on Provincial Affairs, the Public Service Commission, and the RDP Core Committee to achieve a coherent strategy for fiscal relations which enhances the RDP.

A task group from the Departments of State, External Affairs and of Finance, the Office of the Minister without Portfolio and the Central Economic Advisory Services will meet departments to analyse the programmes which constitute the activities of each department and Provincial Governments. They will assist each department and province to reduce expenditure to new profiles. The results will be included in an adjustment to the Budget to be published in February 1995.

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It is intended that this will lay the foundation for the 1996/97 budget to be a major step towards multi-year zero-base budgeting.

Departments will be encouraged as part of the process to establish key performance indicators and clear monitoring procedures and business plans. Staffing plans will be required as part of the reorganisation.

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## CHAPTER FIVE

# PUBLIC SECTOR RESTRUCTURING

### 5.1 Introduction

- 5.1.1 The RDP aims to rebuild a Public Service which is the servant of the people: accessible, transparent, accountable, efficient, free of corruption and providing an excellent quality of service. All departments will undertake reviews in order to discontinue policies, programmes or projects that act against the spirit of the RDP and the Constitution. Public employees will be redeployed in terms of RDP programmes, as new staffing plans are submitted to correspond to the RDP's programmes.
- 5.1.2 The Government at all levels will take steps to reduce consumption expenditure while increasing capital expenditure. As a result of past policies, about 60 per cent of consumption expenditure is for remuneration. Initially, the Government will keep the size of the Public Service constant (or at worst growth will be contained to one per cent in 1994/95), but without compromising affirmative action goals. At present, the rate of turnover of employees is about eight per cent per annum. It is the intention of the Government not to recruit new employees for all positions that become vacant. It is anticipated that only about five per cent of vacancies should be filled. To achieve this Government will have to redetermine priorities in respect of functions and redeploy posts and personnel.
- 5.1.3 The problem of disparity and the need for affirmative action must be dealt with urgently and holistically. The existing remuneration and personnel systems must be revised and modernised into simple systems, particularly simplified grading and remuneration systems, which allow for clear career paths and lifetime training. The ending of disparities should then be carried out and linked to the improvement of efficiency, especially at management levels, and improved allocation of resources.

### 5.2 Affirmative Action: creating a broadly representative Public Service

- 5.2.1 The GNU aims not only to address disparities created by apartheid, but also to establish a proactive programme which will serve to eradicate racism, gender inequality and other forms of inequality. Such a programme will be implemented within the framework of the Constitution and the need to empower the disadvantaged communities. The Public Service that develops should be broadly representative of the South African community. All levels of government will be expected to implement this policy. While it is the duty of the State to create a representative Public Service, implementation will be effected in co-operation with the employee organisation representatives within the public sector. This will require fair and equitable conditions of employment to regulate conduct at the workplace.
- 5.2.2 Special programmes based on accelerated development and on a review of the criteria for recruitment and promotion will be designed to address the under-representation of specific categories of persons at different levels of the Public Service. This process will be supplemented by the promotion of the Public Service as a career amongst the under-represented groups.
- 5.2.3 All employee organisations in the Public Service have expressed strong support for these Constitutional demands. Affirmative action will only be effective if the present rules governing qualifications for positions and for salary notches are reviewed. The present rules, which require formal qualifications and penalise applicants who have not previously had access to the Public Service, have the effect of perpetuating discrimination. The measures pertaining to personnel practices and salary recognition, will have to be reviewed to accommodate those who have not had access to the Public Service. There are at present very many capable women in the Public Service. Very few are in senior positions. Their positions must be addressed by means of special programmes and a review of previous promotion practices.
- 5.2.4 An all-embracing, integrated framework for affirmative action is also being established to assist both public and private sector organisations. This approach will extend beyond employment opportunities, into many other aspects of socio-economic life, including geographical inequalities.

### 5.3 The RDP Fund and public sector restructuring

- 5.3.1 The RDP Fund aims to reorientate the budgets of all departments and institutions of the State to the new priorities of the RDP. Departments will negotiate with the RDP Office for funding of programmes and projects. This will require an assessment of their capacity to absorb new recurrent costs associated with these programmes. In general, the total staff complements in departments will not be adjusted upwards.

Therefore, departments will redeploy personnel to meet the staffing requirements of RDP programmes. A continuous process to evaluate the need for every post is required, and posts which are not consistent with the new priorities should be removed.

## **5.4 Rationalisation in the Public Service**

- 5.4.1 The rationalisation of the Public Service should reflect a unified country. The fragmentation of the Public Service into racial entities, and the many occupational categories, continued to create disparities which conflict with the Constitution and the realisation of the RDP. Cost-effective departments at national and provincial levels of government are required to serve the government of the day and the people of South Africa effectively. The provision of uniform service dispensations for the entire Public Service in terms of salaries and benefits is therefore necessary.

## **5.5 Revision of existing legislation and regulations**

- 5.5.1 The Public Service Act of 1994 brought the 11 different administrations under one fold and established 27 national departments. Moreover, the 1994 Public Service Labour Relations Act merely consolidated the existing arrangements and the Act needs to be reviewed in order to amend it according to existing needs. The establishment of a unified Public Service Labour Relations Act or a unified Labour Relations Act must be investigated specifically.
- 5.5.2 Public Service Regulations and the Public Service Staff Code set the terms and conditions of service. However, the 1994 revisions still contain anomalies between different categories of personnel which must be rationalised.
- 5.5.3 The Public Service Commission Act is being considered for revision. During this process the Public Service Commission's relationship to the Public Protector and the Minister for the Public Service and Administration, as well as the Commission's general position within the system of Public Administration will have to be assessed anew. Provinces are being encouraged to establish Public Service Commissions, which will be important vehicles in the rationalisation of administration. However, collective bargaining and the setting of conditions of employment will remain subject to national ratification. A mechanism will be created whereby the national Public Service Commission can meet provincial commissions in order to harmonise the establishment of a coherent, restructured Public Service.

## **5.6 The Public Service Training Institute**

- 5.6.1 The training and retraining of public sector employees is central in the transformation process. The Public Service Commission is restructuring the Training Institute, focusing on research and development, training and international comparative programmes. Modules will be developed to meet the needs of both the Public Service and the wider society. Critical to this will be the introduction of educational programmes in project management, and the introduction of administrative and human rights law issues, to enhance RDP implementation and management. This will entail widening the availability of Institute training facilities to extend into civil society, and also extending the skills taught so that they become transferable between the Government and civil society. Accreditation of Institute training programmes will occur within the context of the National Qualifications Framework.
- 5.6.2 The Training Board for Local Government Bodies has an equally important role to play in respect of the training and retraining of local government personnel and councillors.
- 5.6.3 It is important that there be co-operation between national and provincial governments on training, to avoid unnecessary, duplicated expenditure on consultants to conduct civil service training at provincial level.

## **5.7 Productivity gains**

- 5.7.1 Substantial productivity gains envisaged will be achieved through the introduction of a system of performance measurement of programmes. The employee organisations in the Public Service will be consulted upon a range of performance enhancing methods such as work reorganisation, more efficient work practices, simplification of reporting structures, removal of duplication and greater use of modern technology. Each department will be required to prepare a report on the productivity gains that can be made, to be submitted to the Office of the Public Service Commission.

## **5.8 Freedom of information**

- 5.8.1 The Constitution guarantees the right to information, which is a major departure from past practice. Precise

guidelines are therefore required and the Government is currently drafting a bill on freedom of information which will be presented to parliament for debate in the near future.

- 5.8.2 Information will be available unless there is a good reason to withhold it.
- 5.8.3 Information collected by government departments is generally fragmented and not adequate for adequate performance assessment and monitoring, nor for effective integrated planning. The Government's information management is currently under review.

**5.9 Industrial relations**

- 5.9.1 Sound industrial relations require strong employee organisations that have the confidence of their members. The Government will promote the extension of basic trade union rights to all its employees. Procedures will be negotiated to enhance workplace democracy and collective bargaining.

## **CHAPTER SIX**

### **CONSULTATIVE PLANNING FRAMEWORKS**

#### **6.1 Introduction**

- 6.1.1 In order to align public sector programmes with the goals of the RDP, the Government will develop a ten-year vision embodied in a National Strategic Framework. A major strength of the RDP is that it promotes integrated development. Effective implementation therefore requires greater co-ordination in economic, physical and social planning, both within the Government and with key role-players outside the Government.
- 6.1.2 In order to ensure broad alignment of all public sector programmes with the goals of the RDP, an effective strategic and business planning process must be established. There are dangers inherent in producing inflexible long-term plans. The National Government must however provide a medium-term framework to guide annual planning and budgetary processes. It is essential that this planning process regularly reviews and revises the goals and priorities of the RDP.

#### **6.2 National strategic framework for the RDP and the Budget**

- 6.2.1 In order to guide the development of a multi-year budget and strategic programmes, government will co-ordinate the development of a national strategic framework. This will set out a long-term vision, which includes goals and critical success factors, macro-economic and expenditure guidelines, and priority focus areas.

The framework will set parameters on what must be done, define intergovernmental relationships, and set guidelines for the utilisation of government resources.

Government at all levels will follow a strategic planning cycle:

- national strategic priorities will be agreed upon through a consultative process
- national strategic priorities will guide the production of all public sector business plans
- monitoring mechanisms will be established.

Using these national strategic priorities as a framework, a national action plan will be drawn up by combining the business plans of the national departments, the provinces, the parastatals and local government. The views of civil society, through forums such as the NEDLAC, will be taken into account.

- 6.2.2 A full consultative process both inside and outside the Government will be used to ensure that the views of all sectors of society are taken into account in setting the strategic framework. Drafting of this framework will be co-ordinated through the Minister without Portfolio, in close liaison with the Departments of Finance and State Expenditure.
- 6.2.3 The National Strategic Framework will be tabled in Parliament and will be revised annually to correct weaknesses in the implementation of the RDP or changes in circumstances. Priority focus areas for the annual planning and budgetary process will include sectoral priorities, geographic priorities in consultation with the Financial and Fiscal Commission, gender and demographic priorities, and institutional and organisational priorities, in order to correct any gaps which are identified in the annual monitoring process.

#### **6.3 Business planning process**

- 6.3.1 Government at all levels will move to a multi-year Budget which uses zero-base budgeting methods. That is, the Budget will be based on programmes which are necessary to achieve the goals set out in the RDP and the National Strategic Framework. Government will move away from the system where amounts are allocated in the Budget based mainly on what was allocated in the previous Budget.

The multi-year Budget will be derived from the long-term national action plan. A three-year rolling action plan and budget, reviewed annually, will probably be most practical and flexible.

- 6.3.2 The terms of the Constitution provide for development planning to fall within the competency of the Provincial Governments. Provinces will therefore have to work out a rolling, three-year programme and an annual business and spatial plan. The plan must cover all functions within the constitutional competence of provinces and local authorities. To ensure that national standards and priorities, especially for equitable delivery across the country, are taken into account, line function departments will be responsible for

- reaching agreement with provinces on overall targets in each sector and the division of these targets between provinces.
- 6.3.3 In order to be consistent with the national framework it is recommended that the Provincial action plans should comprise an analysis of
- the external environment and development context
  - development strategies and sectoral policies
  - provincial priorities and delivery targets
  - budgets and funding mechanisms
  - responsibilities allocated to provincial/metro/local authorities
  - the impact of proposed strategies on other provinces.
- 6.3.4 Provincial plans should
- be compatible with provincial fiscal capacity
  - be consistent with national minimum standards for service provision
  - be guided by national development strategies
  - support local, district and metro action plans and be developed in consultation with local authorities.
- 6.3.5 Local government constitutes the most concrete level of planning. Annual action plans will be formally prepared for each local and district/metro area in terms of an amended Physical Planning Act, which will be broadened to include all facets of integrated development.
- 6.3.6 With respect to annual departmental and parastatal planning, the National Strategic Framework will provide broad guidelines. Business plans will
- comprise a rolling three-year programme
  - clarify funding strategies, fiscal flows and audit trails
  - establish key performance indicators for monitoring progress.
- 6.3.7 Performance assessment will be applied to all programmes of Government and its institutions at all levels to ensure efficiency, effectiveness and development of RDP priority areas. All branches of government will be required to compile business plans for all their activities and each business plan will be required to include key performance indicators and the methods for measuring and reporting them.
- Non-traditional indicators such as community empowerment and consultation, affirmative action, training and transparency will be included.
- Managers will be expected to develop key performance indicators to provide the necessary management information. The Minister without Portfolio will negotiate high-level key performance indicators for each department and province based on its goals and the goals of the RDP, and will report progress on the RDP to Cabinet and Parliament based on these indicators.
- 6.3.8 Statistical indicators — including appropriate modifications of the United Nations Development Programme's Human Development Index (HDI) — will be measured and reported regularly. The aim is to be able to measure progress towards achieving the goals and commitments set out in the Constitution, the Bill of Rights and the RDP. Many of these things, such as peace and security or the ability to participate in and enjoy arts and culture, will require the development of new indices. The CSS, acting together with the Human Sciences Research Council (HSRC), will be directed to develop an HDI for South Africa. Whereas many indicators are still to be developed, a higher profile will accompany concrete goals and upgrading of existing measures for factors such as child mortality, reduction in epidemics, rates of adult literacy, provision of low-income housing, employment equity in both public and private sectors, incidents of family violence, provision of child care services and the provision of infrastructure, among other things.
- 6.3.9 Projects which are wholly or partly funded from the RDP Fund will have to comply with strict controls. An implementing agency (a line department of the Government, a province, a Local Authority, a development agency) must be appointed and it must appoint a Project Manager. Each project will require a business plan which conforms to a standardised format. The business plan must set out agreed key performance indicators. Procedures have been established to facilitate the drawing up of business plans in order to avoid delaying projects. Assistance with human resource and capacity development will be co-ordinated from central and provincial government level and will utilise a network formed by existing educational and technical institutions. These procedures drawn up for the RDP projects will be amended if experience shows the need to do so and will then be required for all programmes of government.

The RDP Project Steering Committee reporting to the Special Cabinet Committee on the RDP has been established to co-ordinate the processing of business plans.

- 8.3.3 In order to be consistent with the national framework it is recommended that the Provincial action plans should comprise an analysis of
  - the external environment and development context
  - development strategies and sectoral policies
  - provincial profiles and delivery targets
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  - responsibilities allocated to provincial/provincial authorities
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## CHAPTER SEVEN

### CONSULTATION, PARTICIPATION AND CAPACITY-BUILDING

#### 7.1 Introduction

7.1.1 Although the Government has a crucial role in facilitating and co-ordinating the RDP, the programme will be implemented through the widest possible consultation and participation of the citizenry of South Africa. In terms of government's role, the RDP will be implemented by the line function departments of the National Government, by Provincial and Local Governments, and by parastatals. Structured consultation processes at all levels of government will be introduced to ensure participation in policy-making and planning, as well as project implementation. The empowerment of institutions of civil society is a fundamental aim of the Government's approach to building national consensus. Through this process the Government aims to draw on the creative energy of communities. The Government will support capacity-building initiatives in community organisations.

#### 7.2 RDP task teams

7.2.1 Under the supervision of the Minister without Portfolio, the task teams will have a key advisory role in policy-making methodology. This methodology will draw on project experience to a large extent, and hence will engage in extensive local-level consultation and participation. For example, Presidential Projects initiated in the Urban Renewal, Rural Development and Human Resource Development Programmes of the RDP will provide essential learning and pilot studies for the definition of clear urban, rural and human resource development policies. Although the technical aspects of programme management will be supervised by the RDP Programme Steering Committee, the development and socio-economic aspects will be dealt with by the task teams. They will consist of senior representatives of relevant departments and provinces, with some experts from civil society. Expertise for this purpose is broadly defined to ensure proper representation of the interests of disadvantaged groups and communities.

#### 7.3 The National Economic Development and Labour Council

7.3.1 The Cabinet has taken the decision to establish the NEDLAC as a mechanism of consultation, co-ordination, engagement, and negotiation by key stakeholders. The structure of the NEDLAC will include labour, business, Government, while also making room for the participation of a broader group of interests and organisations. The NEDLAC will include a Development Chamber which will bring together participants from different levels of government, institutions and organisations of civil society, organised labour and organised business. The three other Chambers are Public Finance and Monetary Policy, Trade and Industry, and Labour. NEDLAC will incorporate the functions of the National Economic Forum and the National Manpower Commission.

7.3.2 NEDLAC will be the key body to build consensus on economic and development policy and mobilise the entire South African society behind the objectives of the RDP.

7.3.3 Effective representation by disadvantaged groups such as women and rural people will require the encouragement of non-traditional organisations such as stokvels, producer co-operatives, housing and electricity co-operatives. The Government will enter into a process with a broad range of organisations to determine the representatives of the Development Chamber.

#### 7.4 Sectoral forums

7.4.1 A variety of sectoral negotiating forums has developed a participatory approach to policy formulation. National line function departments will be encouraged, where appropriate, to continue ongoing policy interaction with sectoral forums, which comprise key sectoral stakeholders and technical experts. Forums will advise Ministers either on request or proactively.

#### 7.5 Provincial and local consultation

7.5.1 To facilitate local and sub-regional consultation and participation, Provincial Governments should encourage the establishment of sub-regional and/or local forums which will consist of representatives of all the stakeholders in the areas. Provincial Governments will agree on the boundaries of these sub-regional forums. In consultation with these forums, local authorities will promote the development of their local areas. At provincial level, consultative councils should be established which consist of

representatives of both stakeholders' and sub-regional forums. Their function will be to ensure broad consultation, co-ordination, engagement and negotiation. Structures which in the past performed such functions will be reintegrated or rationalised.

## **7.6 Capacity-building for effective participation**

- 7.6.1 Capacity-building is essential for effective participation of civil society in RDP implementation. Through initiatives such as Presidential Projects, path-breaking approaches to consultation, participation and local control will be explored. The Government will co-operate with civic organisations, and other community-based organisations, to develop capacity during the course of an RDP campaign to establish local government legitimacy and hence improve both service delivery and user payments. Development projects such as those funded through the National Public Works Programme (with a business-labour-community commitment to labour-based construction methods) will also contain a far greater training and capacity-building component, with women and youth targeted as beneficiaries. The Public Service Training Institute will make its resources available to civil society in addition to the Public Service. Increasingly, organisations of civil society will be involved in planning and policy-making through a variety of boards, commissions, forums and other venues by which experience is gained and skills are acquired. The new approach to freedom of public information will also play an enhancing role in capacity-building.
- 7.6.2 The particular roles of NGOs are worth more detailed consideration. NGOs proliferated during the years of apartheid, when they took over many roles of planning, education, policy development and support which a democratic government would normally have played. In addition, they provided support for the democratic forces when resources of the apartheid state were denied to them. Since almost all governments refused to supply aid to the apartheid state, most aid was channelled through NGOs.
- 7.6.3 The Government, especially at local and provincial levels, must now carry out these functions as part of its normal operations. This includes the normalisation of the development finance relationship as primarily an intra-governmental function. Further, the resources of the Government (especially in the area of research) must be made available to mass organisations as they are to business and other constituencies.
- 7.6.4 A human resource and capacity development programme has been established by the National Government to facilitate and co-ordinate RDP efforts. Provincial and Local Governments are the key areas of delivery of the RDP. The task teams will therefore focus initially on the development of the ability of the Public Service and of communities at provincial and local level to drive the programme planning, implementation and management required for the RDP programmes effectively. As far as possible, existing institutions will be utilised. A nation-wide network of institutions, including universities, technikons, technical and teacher-training colleges, private and public sector training facilities, the Public Service Training Institute and NGOs is envisaged. This network will be challenged to provide the necessary training, in modular form and consistent with the National Qualifications Framework and the National Training Strategy. In order to respond to this challenge, institutions will be encouraged to begin the process of reforming themselves. Provincial and local task teams will be essential in order to stimulate and develop integration and co-ordination of the institutions' responses.
- 7.6.5 Future government support for NGOs will be based on their role in taking forward the RDP, a process that can be assisted and evaluated through some form of accreditation for all such NGOs which receive government funds. Rationalisation of service delivery to communities is a general guideline for donors. However, it is both necessary and desirable for healthy, efficient and effective community-based development organisations and NGOs to exist. The Government should not have a monopoly of resources in this area. Organisations of civil society should continue to have the choice of access to alternative sources of services such as policy research so that it is not completely dependent on the Government. In addition, community-based development organisations will receive more extensive financial and logistical support once representivity, accountability and effectiveness are confirmed.
- 7.6.6 The Government must ensure that its service arms are accessible to civil society, especially mass organisations with limited resources. They must be able to provide an even-handed service even in areas (such as industrial strategy, development planning or other areas of multipartite negotiation) where interests may be opposed to current government policies. NGOs can and should therefore provide a crucial benchmark for quality against which the Government or parastatal institutions can be measured. The Government strongly favours the establishment of a co-ordinating body for NGOs. This body should be constituted as far as possible from the rationalisation of existing bodies, and should be substantially independent of the Government. The Government should be sympathetic to it and should not interfere in its activities except through regular consultation in order to facilitate coherent development policies.

- 7.6.7 With respect to mass-based organisations of civil society — especially the labour movement and the civics — their role in the establishment of political democracy was central. They have also won very substantial improvements in the social and economic lives of their constituents. A vibrant and independent civil society is essential to the democratisation of our society which is envisaged by the RDP. Mass-based organisations will exercise essential checks and balances on the power of the Government to ensure that Government does not act unilaterally, without transparency, corruptly, or inefficiently.
- 7.6.8 The RDP envisages a social partnership and the Government should therefore provide services and support to all sectors, especially organised labour, the civics, business, women's groups and the religious and cultural bodies. Moreover, the Government has a duty in terms of the RDP to encourage independent organisation where they do not exist, such as rural areas. Strong consumer and environmental movements are essential in a modern industrial society and should be facilitated by the Government.
- 7.6.9 The Government must therefore provide resources in an open and transparent manner, and in compliance with clear and explicit criteria to mass organisations to ensure that they are able to develop or maintain the ability to participate effectively as negotiating partners of the Government. The social partnership envisaged by the RDP does not, however, imply that mass organisations do not retain the right to their own interpretation of and their own goals for the RDP. It does imply that there is agreement to find solutions to constraints which will emerge in the RDP's implementation. For example, if construction industry bottlenecks are identified as constraints to government efforts to reach housing targets, the relevant organisations and institutions will be encouraged to reach consensus on solutions to address the specific bottlenecks or shortages that are identified. Thus a series of agreements or accords will be negotiated to facilitate the full participation of civil society, together with the Government, in order to find ways to take down the barriers which emerge during the course of the RDP.

## 7.7 Empowerment of women, youth, rural and disabled people

- 7.7.1 The Government has completed a report on women in South Africa in preparation for the United Nations conference in Beijing on the status of women next year. The RDP office has been mandated to spearhead a broader empowerment programme for women, taking into account that women often represent the poorest, most exploited and most marginalised sector of our society.
- 7.7.2 As described elsewhere in this document, the Government will formulate an integrated and sustainable rural development policy in consultation with rural people, their organisations and stakeholders. In particular, attention will be given to broaden access to services and support to small-scale agricultural producers by ensuring access to land, appropriate markets, credit facilities, training and support. The capacity to implement development programmes in rural areas is a serious bottleneck, which will be addressed as a priority.
- 7.7.3 The Government will design, in consultation with disabled people, a comprehensive programme for the disabled which will enhance their engagement in society and remove discriminatory practices against them, especially in the work place. Government will also discuss means to reintegrate mentally and physically disabled people into their communities. Where people are entitled to disability grants, these should be paid to them. Special attention will be given to mental illness and physical disability arising from trauma and violence, which can prevent people from functioning normally in society.
- 7.7.4 The youth of our land played a major role in the achievement of freedom. They are our country's most important resource. Effort will be required to ensure that they are equipped to play a major role in the reconstruction and development of South Africa. The Government will consider establishing special programmes aimed at addressing the needs of young people, in particular, to address the backlog in education and training, job creation and recreation. Young people are our country's most important resource.

## CHAPTER EIGHT

### CONCLUSION : A NATIONAL CONSENSUS FOR THE FUTURE

This first *White Paper on Reconstruction and Development* has set out the vision of social transformation and the means by which the process of change can be effectively managed. In particular it has focused on the roles which government at all levels should play in realising the national goals which have been expressed in the consensus on change. This is the first in a series of such papers. The second will be published for comment in March 1995 and will set out in more detail specific policies and standards for the evaluation of the policy and implementation process.

Daunting challenges face government in implementing the programme set out in this paper. It will require a sustained and intensive campaign which brings together Central Government, Provincial Governments, existing local authorities, civic, trade unions, business and other community organisations.

As the Paper shows, the Programme faces major challenges in the reorganisation of government, in the systematic reform of the civil service and in the reordering of budget priorities.

Perhaps the most crucial is the establishment of credible and effective Local Government, in both urban and rural areas. Without this, implementation of development programmes on the ground will be seriously hindered. The stability of Local Government services depends on the regular payment of user charges. The first step in achieving this is to make all aspects of Local Government finances completely open and transparent. This must be done also with the finances and cost structures of both municipal and national utilities.

Further planning of a campaign to restore stability to local authority finances must be done together with mass organisations and especially with trade unions active in Local Government. The campaign will only be successful if government at all levels is prepared to go out to the people, to talk, clarify and explain, and to answer questions. The issue of affordable tariffs, targeted subsidies, and targeted welfare delivery must be resolved as a matter of urgency. Local Government development will also require a huge effort in human resource and capacity development. Existing institutions will be challenged to provide this input in a co-ordinated manner.

In a spirit of self-reliant and proactive initiative communities must be prepared to commit themselves to performance contracts in terms of which they undertake to participate in the planning, management and promotion of development programmes.

The RDP must be a 'people-driven' programme and this can only be achieved within a vibrant civil society. The Government cannot 'deliver on its own'. Communities and organisations need to empower themselves in setting up projects in co-operation with Local and Provincial Governments. Government cannot operate the RDP on the basis of 'hand-outs' — there are not sufficient resources and such a process would effectively disempower the people it has been designed to help.

A further major challenge is to ensure that the change management process in government moves sufficiently rapidly to allow significant changes in the deployment of staff and expenditure before the Budget in March 1995. This must include changes in budgeting procedures, control and management of programmes and asset policies.

The responsibility for the renewal and transformation of our nation is, however, not the responsibility only of the Government, nor of particular elected officials. It is a joint responsibility of all sections of our nation, and calls for all to put their energy and creativity into finding ways of doing things better and differently. The constraints and obstacles which can prevent delivery of a better life for all our people can be solved if those constituencies most involved in a sector, apply their minds to the problem jointly.

This partnership and national consensus does not mean that different constituencies and organisations of civil society cannot or should not have their own aims and goals. It does, however, mean that they should attempt to make those aims and goals consistent with the aims of the RDP and renewal of our society, in a conscious and honest process. It is essential that organisations of civil society do, in fact, have clear goals which reflect the real interests of their members, but they should lead their members in attempting to align those goals with the RDP.

In this way the energy of the nation can be harnessed for the good of all.

South Africa has begun, for the first time in its history, to undertake the task of the equitable development of the life opportunities of all its citizens. It has a unique opportunity at this time to transform the means and the methods through which its social goals are to be achieved. The Reconstruction and Development Programme is the instrument which will embody the purpose and provide the leadership to accomplish the urgent, difficult, but great historic task.

**ANNEXURE ONE****LEAD PROJECTS****1. RURAL DEVELOPMENT PROGRAMMES****1.1 RURAL WATER PROVISION**

<b>Aim</b>	To support the provision of water and sanitation to rural areas, particularly the needs of communities in ex-TBVC states and SGT's. To develop local Water Boards as institutions for Local Government.		
<b>Scope</b>	Twelve (12) projects in seven (7) provinces for supply, extension of services, small project support and to foster rural economic activity: Nebo/Arabi*, Kutame/Senthumule, Makhodo* (NTvl), Bushbuckridge (ETvl); Vulindlela* (KwaZulu/Natal), Transkei* (EC), Winterveld, Moretele (PWV/NW); Supply (NW); Kutlwanong*, Monyakeng* (OFS).		
<b>Output</b>	*Those ready to start immediately		
<b>RDP Fund</b>	R 59,5m	1994/95	
	R135,4m	1995/96	
	R 87,8m	1996/97	

**1.2 LAND REFORM PILOTS**

<b>Aim</b>	To develop and support integrated sustainable rural development and rural local government models through land restitution, redistribution, tenure reform and settlement support to kick-start a wider land reform process. Linked with other land programmes.		
<b>Scope</b>	One Pilot District per province.		
<b>Output</b>	Pilot District identification — September 1994. Pilot in each province to commence — October 1994.		
<b>RDP Fund</b>	R 26,6m	1994/95	
	R168,3m	1995/96	
	R120,8m	1996/97	

**1.3 LAND RESTITUTION**

<b>Aim</b>	To support the restitution of land to communities with land claims to state land, support settlement planning and infrastructure development to ensure sustainable development processes.		
<b>Scope</b>	Ten (10) communities/areas: Roosboom, Alcockspruit, Charlestown (KwaZulu/Natal); Zwelendinga/Zulukama/Thornhill (Eastern Cape); Riemvasmaak, Smidtsdrift (Northern Cape); Goedgevonden, Bakubung, Zwartsrand (North West); Doornkop (Eastern Transvaal).		
<b>Output</b>	All ready to be implemented before the end of 1995.		
<b>RDP Fund</b>	R23,8m	1994/95	
	R26,8m	1995/96	
	R11,8m	1996/97	

**1.4 LAND REDISTRIBUTION**

<b>Aim</b>	To provide settlement support to seven rural communities who have acquired land in terms		
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of the Provision of Certain Land for Settlement Act 1993 (Act 126 of 1993)

Scope	Seven (7) communities: M Buthelezi, Amaswazi, Thembalithe, Cornfields, Khumalo, Amahlubi, Mekemeke.	
Output	All ready to be implemented before end of 1995.	
RDP Fund	R 2,1m	1994/95
	R30,75m	1995/96

### 1.5 SMALL-SCALE FARMER DEVELOPMENT

Aim	To respond to demands of land-based communities for small-scale agricultural production training and support. Also, development of appropriate training modules, development of mobile training units. Building capacity of existing institutions to train trainers to serve the sector.	
Scope	In all provinces in consultation with MECs and Provincial Departments.	
RDP Fund	R4m	1994/95

## 2. URBAN DEVELOPMENT PROGRAMMES

### 2.1 URBAN INFRASTRUCTURE INVESTMENT PLANNING TEAM

Aim	To facilitate the development of local infrastructure investment plans.	
Scope/Output	Developed methodology for urban infrastructure planning, provides technical support to local investment planning teams and facilitates funding for local plans via project preparation facilities. Consultation with key departments in progress. Co-ordinating committee to be established by Urban Development Task Team.	
RDP Fund	R1,5m	1994/95
	R1,4m	1995/96

### 2.2 NATIONAL URBAN RECONSTRUCTION AND HOUSING AGENCY (NURCHA)

Aim	To promote development of small and medium-scale enterprise in relation to housing and urban development by providing equity, underwriting risk, providing seed capital for enterprise development co-operation.	
Scope/Output	Negotiations with donors underway, CEO appointed. Consultation on composition of Boards of Directors initiated.	
RDP Fund	R20m	1994/95

### 2.3 EXTENSION OF MUNICIPAL SERVICES (URBAN AND RURAL)

Aim	To ensure a rapid and visible improvement in the provision of municipal service, facilitate the democratisation of Local Government. Lay the basis for the sustained payment of rent and services by local communities.	
Scope	Rehabilitation of collapsed infrastructure, system and facilities for providing basic municipal services. Extension of infrastructures, systems and facilities for providing basic municipal services to new areas. Creation of institutional and financial capacity to operate and maintain new and restored services. Implementation of the Local Government Transition Act, and associated changes at local level.	
	Applications to the RDP fund should meet the following prerequisites:	
	— Funds should only be paid out in respect of each local area once a Transitional Council has been established in terms of section 7 of the Local Government Transition Act.	

- Applications must be supported by agreements on how operations and maintenance of new and rehabilitated infrastructure will be financed and sustained.
- The applications must demonstrate that budgeting and planning for the amalgamated local authority area is being managed in an integrated manner.
- Projects should be directed at improving the quality of life of the poorest section of the community.

**Output**

- Consultation with organised Local Government and Civics underway.
- Department of Constitutional Development Planning a summit for Reconstruction and Development at Local Government level.
- Department of Environment Affairs launching a township clean-up campaign.
- Decentralised system of decision-making on funds, under direction of Local Government, MEC's Forums, to be established.

RDP Fund R500m 1994/95

R350m 1995/96

**2.4 URBAN RENEWAL PROJECTS**

**Aim** To kick-start development in major urban areas, focusing on violence-torn communities and communities in crisis.

**Scope**

- Integrated provision of infrastructure, housing, community facilities, job creation, environment and recreation facilities, in communities selected according to national criteria.
- Facilitation of non-racial and democratic Local Government.

**Focus areas**

- 'KATORUS', East Rand — repair of damaged houses, upgrading of hostels, repair of infrastructure, improved service provision, new housing development, provision of community facilities.
- KWAZULU/NATAL — rebuilding and upgrading of urban communities affected by violence.
- DUNCAN VILLAGE, East London — integrated development of greater Duncan Village area, including land servicing and housing programmes.
- IBHAYI, Port Elizabeth — provision of infrastructure, community facilities and housing to Ibhayi and Soweto-on-Sea community.
- OFS — integrated development and upgrading of Botshabelo and Thabong communities.
- SERVICED LAND PROJECTS — focus on Cape Flats townships and communities, with upgrading of infrastructure, land servicing, job creation, housing and provision of community facilities.

**Output**

- Preliminary identification of seven lead urban projects.
- Co-ordinating committee established, consisting of
  - National Housing
  - Provincial Affairs
  - State Expenditure
  - Public Works
  - Provincial RDP Co-ordinators
  - Chairs of Regional Housing Boards.

- Detailed technical evaluation of projects underway
- Business plan to be finalised with each project implementing agency.

RDP Fund	R304,6m	1994/95
	R486,5m	1995/96

### 3. HUMAN RESOURCE DEVELOPMENT PROGRAMME

#### 3.1 NATIONAL LITERACY PROGRAMME

**Aim** To launch a National Adult Basic Education and Training Programme through line departments and institutions to address the literacy and numeracy gap in the country.

**Scope** Identification of appropriate mechanisms for harnessing resources and skills for the provision of literacy and training. Mechanisms should conform to the criteria of national acceptability, inclusiveness, integration with the RDP, be action-orientated and be cost-effective. Operates primarily through existing capacity.

**Output** Planning for implementation — September-December 1994.  
Implementation phase — January 1995-1999.

**RDP Fund** None — donor funded to 1997.

#### 3.2 CULTURE OF LEARNING

**Aim** The aim of the programme is to restore a culture of learning in education institutions. The programme caters for physical improvement of school buildings as well as quality of learning by targeting improvement of school guidance.

**Scope** Rehabilitation of schools damaged during the past and construction of new schools.

**Output** Planning phase — September-December 1994.  
Implementation phase November 1994-1999.

**RDP Fund** R100m 1994/95

#### 3.3 PRIMARY SCHOOL NUTRITION SCHEME

**Aim** To contribute to the improvement of education quality by enhancing primary school pupils' learning capacity, school attendance and punctuality and contribute to general health development by alleviating hunger. Educating pupils on nutrition and also improving nutritional status through micro-nutrition supplementation. Parasite eradication where indicated. To develop the nutrition component of the general education curriculum.

**Scope** Provision of an early snack, meeting 30 per cent of the energy requirement, in areas targeted on the basis of poverty criteria, particularly rural areas and peri-urban informal settlements. Project committees at identified schools will submit proposals to provincial teams for appraisal and approval. Training and capacity-building are included to ensure effective implementation, and to link to other education quality improvement and community development initiatives. Plan to incorporate it into national nutrition scheme.

**Output** Scheme implemented in 50 schools per province — September 1994.

**RDP Fund** R472,8m 1994/95  
R500m 1995/96

### 3.4 CAPACITY BUILDING

Aim	To contribute to capacity building programmes.	
Scope	Programmes on capacity building linked to RDP programmes and projects to enhance the capacity of existing institutions.	
RDP Fund	R18m	1994/95

## 4. HEALTH PROGRAMMES

### 4.1 FREE HEALTH CARE

Aim	Provide free health care for children under six and mothers pre- and post-natal at State facilities.	
RDP Fund	Under negotiation.	

### 4.2 CLINIC BUILDING

Aim	To provide clinics especially in rural areas and informal settlements to ensure availability of free health services.	
Scope	To be done with Public Works Programme Erection and upgrading of clinic facilities.	
RDP Fund	R25m	1994/95
	R65m	1995/96
	R65m	1996/97

### 4.3 AIDS AWARENESS AND PREVENTION CAMPAIGN

Aim	Campaign to promote awareness and prevention to ensure effective national and provincial responses.	
Scope	Promotion of safer sexual behaviour, condoms and control of STDs. Counselling care and social support. Mobilise and unify resources.	
RDP Fund	Departmentally funded.	

## 5. OTHER

### 5.1 PUBLIC WORKS PROGRAMME

Aim	Maximise job creation potential of all capital projects.	
Scope/Output	All infrastructure projects funded by RDP Fund are linked to Public Works Programme. R250m allocated for special community-based programmes. Training and capacity-building to provide long-term job prospects.	
RDP Fund	R250m	

### 5.2 PROVINCIAL PROJECT PREPARATIONS FACILITIES

Aim	Give provinces capacity to plan projects with community involvement.	
Scope	Supports development of projects through: <ul style="list-style-type: none"> <li>— consultation</li> <li>— feasibility study</li> </ul>	

- preliminary design
- business planning
- establishment costs.

Does not include detailed design or implementation.

RDP Fund R28,3m 1994/95

### 5.3 PROVINCIAL PROJECTS

**Aim** Discretionary allocations to provinces.

**Scope** To be drawn for projects conforming to the criteria established by the Cabinet, primarily community projects.

RDP Fund R100m 1994/95

### 4. HEALTH PROGRAMMES

#### 4.1 FREE HEALTH CARE

**Aim** Provide free health care for children under six in post-natal and facilities.

RDP Fund Under negotiation

#### 4.2 CLINIC BUILDING

**Aim** To provide clinics especially in rural areas and informal settlements to ensure availability of free health services.

**Scope** To be done with Public Works Programme Erection and upgrading of clinic facilities.

RDP Fund	R25m	1994/95
	R65m	1995/96
	R65m	1996/97

#### 4.3 AIDS AWARENESS AND PREVENTION CAMPAIGN

**Aim** Campaign to promote awareness and prevention to ensure effective national and provincial responses.

**Scope** Promotion of safer sexual behaviour, condoms and control of STDs. Counselling care and social support. Mobile and unity resources.

RDP Fund Departmentally funded

### 5. OTHER

#### 5.1 PUBLIC WORKS PROGRAMME

**Aim** Maximise job creation potential of all capital projects.

**Scope/Output** All infrastructure projects funded by RDP Fund are linked to Public Works Programme. R250m allocated for special community-based programmes. Training and capacity-building to provide long-term job prospects.

RDP Fund R250m

#### 5.2 PROVINCIAL PROJECT PREPARATIONS FACILITIES

**Aim** Give provinces capacity to plan projects with community involvement.

**Scope** Supports development of projects through:

- feasibility study
- consultation

**CHAPTER NINE**

**SUMMARY OF DEPARTMENTAL PROGRAMMES TO ADVANCE THE RDP**

Note: Figures set out in this chapter unless otherwise specified are amounts requested by departments and may still be subject to change

**MINISTRY IN THE OFFICE OF THE PRESIDENT**

POLICY OBJECTIVE	PROGRAMMES	TARGETS	LEADING MINISTRIES	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Provision of Basic Needs	1.1 Urban development strategy including urban investment strategy	Draft for Discussion March 1995	Office of the President, Housing, Constitutional Development & Provincial Affairs	Co-ordination of activities through Urban Development Task Force		Funded by Ministries
	1.2 Rural development strategy	Draft for Discussion March 1995	Office of the President, Water Affairs, Land Affairs	Co-ordination of activities through Rural Development Task Force		Funded by Ministries
	1.3 Renewal of Urban Areas	Development of Key Urban Areas up to 2 000	Housing	Integration through Urban Development Task Force & Provincial co-ordinating structures, RDP Project Steering Committee	Development Facilitation Act	R304 million 1994/95 from RDP FUND
	1.4 Rehabilitation & Extension of Municipal Infra-Structure & Services	Set out in Business Plans	Constitutional Development & Provincial Affairs	Incentive to local government transition; integration through RDP Project Steering Committee		R500 million 1994/95 from RDP FUND
	1.5 Rural development leading projects	Set out in business plan	Land Affairs, Water Affairs	Integration through Urban Development Task Force and provincial structures, RDP Project Steering Committee		R630 million 1994/95 from RDP FUND
	1.6 Other rural and urban leading projects in health, education, electrification, telecommunications	Set out in business plans, electricity & telephones for all clinics and schools in two years	Education, Health, Public Works, Public Enterprises, Mineral & Energy Affairs, Post & Telecommunications			Funded by RDP FUND-Eskom, Telkom, Local Authorities, Ministries
	1.7 Job creation	All Departments to utilise National Public Works Programme optimally, long-term jobs through stimulation of industry	Public Works, Trade & Industry			R350 million 1994/95 from RDP FUND for projects directly based on public works, other programmes to utilise labour — intensive procedures
	1.8 Co-ordination & prioritisation of international concessional finance & grant aid	Agreements with all major donors, analysis completed August 1994	Finance, Foreign Affairs, Trade & Industry, Office of the President	Establishment of Interdepartmental Committee for International Development Co-ordination		Funded by Ministries

POLICY OBJECTIVE	PROGRAMMES	TARGETS	LEADING MINISTRIES	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
	1.9 Reform of development finance institutions	Transformation plan for DBSA by end 1994, regional institutions by April 1995. Analysis of existing DBSA projects & provincial debt by end 1994	Finance, State Expenditure, Constitutional Affairs, Office of the President	Transformation plan for DBSA & other institutions		Funded by Ministries & DBSA
	1.10 Monitoring of poverty & human development	Define indices & revise surveys on living standards by March 1995	Office of the President, CSS, Welfare	Transformation of CSS		Funded by CSS & Ministries
	1.11 Country programme for UN and other agencies; UN development agenda preparation	UN Conference March 1995	Office of the President, Foreign Affairs, Welfare			Funded by Ministries
2. Increasing efficiency & effectiveness of government	2.1 Development of national strategic planning process & framework	Draft for discussion March 1995; legislation by June 1995	Office of the President, CEAS, CSS	To be defined	Arising from agreed process & framework	Funded by Ministry, CSS, CEAS
	2.2 Introduction of business planning process in government	Prototypes by January 1995. Legislated requirements November 1995	Office of the President, State Expenditure		Setting out requirements from all branches of government	Funded by Ministry
	2.3 Information Management	Rationalised data bases, standards, MIS by end 1996. Public information availability	Office of the President, Public Service Commission, State Expenditure, Executive Deputy President			R2,3 million from RDP FUND
	2.4 Performance assessment system	First draft key performance indicators for national government RDP programmes July 1995	Office of the President, PSC, State Expenditure, Auditor-General	Aim for general use in government	As required to institutionalise	Funded by Ministries
	2.5 Programme & project management system	Protocols completed. Testing on Presidential Projects: finalisation March 1995	Office of the President, Public Works	For general use in government		Funded by Ministries & parastatal institutions
	2.6 Belt-tightening programme: release of resources for redistribution & economic growth	Under discussion	Finance, State Expenditure, Public Service, Office of the President	Reform of Public Service	To be clarified	
	2.7 Second White Paper on Reconstruction & Development: major policy statement of government	Publication March 1995	Office of the President			Funded by Ministry
	2.8 Evaluation of State assets	Under discussion	Public Works, Public Enterprises, Finance, Office of the President		To allow for sale if necessary	

POLICY OBJECTIVE	PROGRAMMES	TARGETS	LEADING MINISTRIES	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
3. Democratization & Institutional Reform	3.1 Prioritisation of Budgets	Short-term by February 1995, long-term by July 1995	State Expenditure, Finance, CEAS, Office of the President			
	3.2 Developing effective, democratic local government in urban & rural areas	Some infrastructure delivery & capacity development and payment of charges: June 1995. Consolidation of structures & capacity by May 1996	Constitutional Affairs, Office of the President, Housing, Land Affairs			Utilise R500 million from RDP FUND. Other Ministry funds
	3.3 Utilisation of RDP FUND	Ongoing: leverage change in expenditure patterns and resource use at 3 levels of government	Office of the President			At least R5 billion for 1995/96
	3.4 Development and empowerment of vulnerable groups	Draft programmes for submission to Cabinet by February 1995 on: — children — women — disabled	Office of the President, Safety and Security, Welfare, Health, Education			Funded by Ministries
	3.5 Maintaining and developing consensus and support for RDP	Liaise with and inform constituencies, facilitate agreement to unblock constraints	Office of the President, Trade & Industry, Labour, Finance, Constitutional Affairs, Housing	Developing NEDLAC & other structures for RDP consensus building		Funded by Ministries
4. Economic Restructuring	4.1 Strengthen the economic measurement, advisory & co-ordination function & poverty monitoring	Institutional change management programme for discussion by February 1995	Office of the President, CSS, CEAS, NPI	Transform CSS, CEAS, NPI & other parastatal policy facilities		Funded by Ministry and components
	4.2 Southern African development strategy	Co-ordinated planning based on infrastructure & trade	Mineral & Energy Affairs, Trade & Industry, Foreign Affairs, Labour, Transport			Funded by Ministries
	4.3 NEDLAC Development Chamber	Establish Chamber May 1995	Office of the President			Funded by Ministry of Labour
	4.4 Stimulate industry & SME's based on RDP programme investments; economic empowerment	Maximise job creation; export capacity; SME development	Trade and Industry			Funded by Ministries
	4.5 Negotiate investment by major pension and provident funds in RDP	Conference to agree strategies & vehicles February 1995	Office of the President, Finance, Housing, Constitutional Affairs			Funded by Ministries



## MINISTRY OF AGRICULTURE

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. To initiate, promote and support the contribution of Agriculture to the development of rural communities, society at large and the national economy, in order to enhance income, food security, employment and the quality of life in a sustainable way	1. Entrepreneurial development with special reference to broadening access to agriculture	1. To settle and support new farmers on 300 000 ha State land in collaboration with the Department of Land Affairs and the provinces	1. To restructure the National Department of Agriculture into an efficient instrument for the fulfilment of its functions and in support of the RDP	1. A new White Paper on Agriculture	1. Budget R1 306,6m
	2. Resource conservation and management	2. To provide training in hands-on vegetable gardening to ten communities in 1994/95 and to expand to 50 communities in 1995/96	2. To deregulate and re-direct marketing, agricultural finance, and co-operative institutions according to the dictates of the RDP and the needs of the agricultural communities	2. Agricultural Marketing Act (amended)	2. Central R403,6m
	3. Animal production services	3. To ensure the sustainable utilisation and conservation of agricultural land by individual farmers and communities, with special reference to badly degraded areas		3. Agricultural Credit Act (amended)	3. Provinces R622,7m
	4. Crop production services	4. To develop a market environment which will ensure equitable access for all participants		4. Co-operatives Act (amended)	4. Transfers (ARC, etc.) R280,3m
	5. Agro-economic services	5. To implement and co-ordinate structures necessary for inter-departmental liaison and liaison with client communities which benefit from agricultural support systems		5. Plant Improvement Act (amended)	5. 1994/95 RDP projects R6m from department, R4m from RDP fund, and R6m from China
		6. To partake in Southern African regional and other international agreements and conferences vital to agriculture		6. Abattoir Hygiene Act (amended)	
		7. To promote the transfer of powers and functions to provinces			7. 1995/6 RDP projects R40m from reallocation in Departmental budget

## MINISTRY OF ARTS AND CULTURE, SCIENCE AND TECHNOLOGY

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. To help establish and maintain a science and technology system in which the financing, regulation and incentives provided by the state to ensure maximum possible exploitation of science and technology for the country's growth, reconstruction and development	1. Science and technology programmes in support of the RDP are in progress at all science councils. More than 60 programmes have been identified. The research and development institutions are autonomous and the department does not get directly involved in their management. It does, however, intend to make the guiding of the activities possible through a new funds allocation and reporting mechanism. In the context of the RDP, this is its most important programme. Funds will thereby be allocated based on the extent to which national priority needs, like those of the RDP, are being addressed by the recipients	1. The implementation of the new funds allocation and reporting mechanism for science councils as soon as possible	1. Reports received from science councils indicate that they have all made significant progress with institutional reform. The process is continuing and further reporting and evaluation will take place in 1995	1. Drafting and revision of national legislation	1. New funds allocation mechanism to support RDP
2. To promote the language rights of citizens in their interaction with the state and the development of official languages based on the principles contained in the Constitution	2. Translation and language editing of government publications in the official languages; language advisory service; language planning service; envisaged comprehensive language facilitation for the entire population	2. To establish comprehensive language services for all official languages and to eradicate historical imbalances in the supporting of languages	2. Proposed expansion of the existing establishment in the department to accommodate all official languages and various kinds of a language services	2. Drafting of legislation to establish the Pan African Language Board	2. R11m allocated for expanded language services for 9 African languages in 1994/95
3. To enhance the quality of life of the people of South Africa by rendering a professional service on the national level with regard to the promotion of the arts for all and the conservation of the national cultural heritage	3. The arts and culture objectives of the RDP are met by subsidising institutions, organisations and projects	3. To establish systems for the promotion of the arts and the conservation of the national cultural heritage that will empower the population	3. The establishment of Arts Councils. Restructuring the system of national museums		3. Funds to be allocated according to RDP priorities

## MINISTRY OF CONSTITUTIONAL DEVELOPMENT

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
<p><b>1. Constitutional Development</b> — To provide advice and support on structural constitutional matters, strategic planning and the drafting and promotion of legislation related to the constitutional development process which broadly centres on the implementation of the constitution and the further constitution-making process.</p> <p>— To, through a process of public awareness and liaison provide the constitutional support necessary to ensure that the restructuring of government aligns with the RDP objectives of meeting the needs of the people</p>	<p><b>1. Constitutional Development</b> — Research on the constitutional implications and requirements to support the goals of the five major policy programmes of the RDP</p>	<p><b>1. Constitutional Development</b> 1.1 Short-term activities are focused to ensure the adherence of the target dates provided for in the constitution in regard to:</p> <ul style="list-style-type: none"> <li>● the establishment of provincial Houses of Traditional Leaders and the Council of Traditional Leaders.</li> <li>● referendums in the affected areas.</li> <li>● the drafting of the new constitutional text</li> <li>● the Pan South African Language Board.</li> <li>● Provincial Service Commission</li> <li>● the appointment of a panel of constitutional experts.</li> </ul> <p>1.2 Liaison with the Department of Justice to ensure the establishment of:</p> <ul style="list-style-type: none"> <li>● a Human Rights Commission</li> <li>● a commission of gender equality</li> <li>● a public protector</li> </ul>	<p><b>1. Constitutional Development</b> Institutional development and democratisation of second and third tier government are being facilitated through a process of planning, advice and research and which encapsulates the goals of socio-economic empowerment</p>	<p><b>1. Constitutional Development</b> The following Bills, which are in different stages of preparation are to be tabled in Parliament during 1994:</p> <ul style="list-style-type: none"> <li>● Constitutional Amendment Bill</li> <li>● Council of Traditional Leaders Bill</li> <li>● Volkstaat Council Bill</li> <li>● Local Government Transitional Bill</li> </ul>	<p><b>1. Constitutional Development</b> The department is systematically reappropriating services and expenditure in the current financial year in order to ensure the policy of the Government of National Unity</p>
<p><b>2. Local Government</b> — To create legitimate, democratic, economically viable and sustainable local authorities by integrating the RDP, the Local Government Transition Act, the Agreement on Finance, Services and Service Rendering and the allocation of Intergovernmental Grants with a view to improving the quality of life of as many as possible of the poorer section of all communities</p>	<p><b>2. Local Government</b> — Rehabilitation of collapsed infrastructure, systems and facilities for providing basic municipal services — Extension of infrastructure, systems and facilities for providing basic municipal services in new areas — Creation of institutional and financial capacity to operate and maintain new and restored areas</p>	<p><b>2. Local Government</b> The provision of affordable services. Improvements to the general quality of life of communities and especially that of the poorest section of each community. Enhancing the legitimacy of local government structures. Establishing greater transparency and vesting accountability. Establishing a culture of payment for services and maintenance of new or rehabilitated infrastructure. Broadening the local government tax base. Job creation and the simultaneous provision of proficiency and functional training</p>	<p><b>2. Local Government</b> Institutional reform is already taking place in terms of the Local Government Transition Act, which provides for the restructuring of local government by way of transitional level and metropolitan council until elections are held at local government level</p>	<p><b>2. Local Government</b> The local Government Transition Act Chapter 10 of the Constitution provide the framework for local government restructuring of local government in terms of their legislative competences</p>	

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
<p><b>3. Provincial Affairs</b> — To advise, promote and facilitate on inter-governmental relations with the view to ensuring co-operation between governments, efficient and effective provincial government and sound development relations between national Government, provincial Government and other role-players</p>	<p><b>3. Provincial Affairs</b> The facilitation and promotion of vertical and horizontal multi-lateral and bilateral relations between the national Government and provincial Government. The facilitation and promotion of the implementation of provincial RDP programmes in co-operation with the RDP office. The establishment and management of a process for the evaluation and monitoring of the socio-economic development of the provinces</p>	<p><b>3. Provincial Affairs</b> All provincial affairs programmes form an integral part of the continuous process of implementation, monitoring and evaluation of RDP at provincial level</p>	<p><b>3. Provincial Affairs</b> Provides a supportive and advisory role especially in regard to the Commission on provincial Government. Internal Institution Development In accordance with its line function to also, among other things, facilitate and promote the implementation of the RDP on the broader (national) level, the Department's organisation and establishment are at the moment being reviewed</p>	<p><b>3. Provincial Affairs</b> The Department is currently reviewing the RDP on the broader (national) level, the Department's organisation and establishment are at the moment being reviewed</p>	<p><b>3. Provincial Affairs</b> The Department is currently reviewing the RDP on the broader (national) level, the Department's organisation and establishment are at the moment being reviewed</p>
			<p>Board Provincial Service Commission the appointment of a panel of constitutional experts J. S. Lisoan Department of Justice to ensure the establishment of a human rights Commission a commission on gender equality a public protector</p>		<p>financial support necessary to ensure that the restructuring of government aligns with the RDP objectives of meeting the needs of the people</p>
	<p>2. Local Government The local Government Transition Act, Chapter 10 of the Constitution provides the framework for restructuring of local government in terms of their legislative competences</p>	<p>2. Local Government The provision of already existing services in terms of the local Government Transition Act, which provides the framework for restructuring of local government in terms of their legislative competences</p>	<p>2. Local Government The provision of already existing services in terms of the local Government Transition Act, which provides the framework for restructuring of local government in terms of their legislative competences</p>	<p>2. Local Government The provision of already existing services in terms of the local Government Transition Act, which provides the framework for restructuring of local government in terms of their legislative competences</p>	<p>2. Local Government The provision of already existing services in terms of the local Government Transition Act, which provides the framework for restructuring of local government in terms of their legislative competences</p>

MINISTRY OF CORRECTIONAL SERVICES

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
<p>1. The protection of the community by ensuring the safe custody and risk management of those persons entrusted its care</p>	<p>1.1 Dynamic security based upon active and consistent interaction between personnel and offenders 1.2 Static security with its various physical means of containment 1.3 Informed comprehensive risk assessment</p>	<p>1.1 Upgrading and development of personnel, as well as an improved member/offender ratio 1.2 Provision of sufficient prison accommodation, improvement of prison structures and the use of modern security equipment 1.3 See par 2</p>	<p>1.1 See par 6 1.2 See par 2 1.3 See par 2</p>	<ul style="list-style-type: none"> <li>● A new Act on Correctional Services is in the process of being compiled, and wide-ranging consultation with all interested parties will take place.</li> <li>● Section 29 of the current Act amended to remove unsentenced children from prisons</li> </ul>	<ul style="list-style-type: none"> <li>● Approximately 73% of the 1994/95 Correctional Services' budget is either directly related to, or complements the RDP</li> <li>● An indicated 4% cut on the 1995/96 Budget insufficient — additional funds are being bargained for prisons</li> </ul>
<p>2. To incarcerate and treat prisoners in a humane manner and to create a climate which is conducive to rehabilitation</p>	<p>2.1 The acknowledgement of the fundamental rights of offenders which are embodied in the Constitution 2.2 The provision of adequate prison accommodation which complies with accepted standards 2.3 The classification of prisons and the effective separation of prisoners according to their levels of security risk 2.4 The provision of an ethical and clinically independent health care service</p>	<p>2.1 To allow offenders all human rights embodied in the Constitution and other legislation, provided that it is not in conflict with the aims and purpose of the specific penal sanction 2.2 A departmental programme which entails: ● the building of new prisons; ● the upgrading/renovating of existing prisons; ● the utilisation of suitable alternative structures; and ● the utilisation of double bunks in communal cells 2.3 Ideally, to detain prisoners in prisons specifically classified as maximum, medium or minimum security prisons 2.4 To provide a health care service based on: ● accessibility ● availability ● equity ● acceptability, and ● affordability</p>	<ul style="list-style-type: none"> <li>● The promulgation of Regulation 123 to afford prisoners the right of access to legal representatives and to institute litigation should a constitutional right be infringed upon</li> <li>● The building of more maximum security prisons and the upgrading of medium security prisons to that level</li> <li>● An inter-departmental working committee has been established to investigate the provision of health care services to prisoners</li> </ul>		<ul style="list-style-type: none"> <li>● R7,41 billion over a twenty-year period</li> </ul>

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
3. To provide the necessary infrastructure for the rehabilitation of offenders	3.1 The utilisation of a behaviour regulation system 3.2 Education and training programmes 3.3 The provision of formal and informal training, as well as job opportunities 3.4 The provision of religious care, social work services and psychological services	3.1 To regulate behaviour on a premise of managing incentives and not as punishment 3.2 The provision of a programme which provides for literacy and numeracy skills, as well as training in occupational, life and entrepreneurial skills 3.3 To prevent idleness, to train prisoners in diligence and labour and equip them with basic vocational and entrepreneurial skills 3.4 To enhance the prisoners' spiritual, social and mental well-being	3.2 The development, in collaboration with external experts, of an integrated education and training model 3.3 Reviewing the existing gratuity system to include a monetary incentive system to motivate prisoners to: ● greater levels of productivity; ● earn money to further facilitate their reintegration into society; and ● to enable them to contribute to the support of their family 3.4 The greater utilisation of volunteers and external organisations in the rendering of these services	PROGRAMMES	3.2 R162 million over the next five years
4. To provide separate facilities and specifically designed treatment programmes for juveniles sentenced to imprisonment	4.1 A literacy and numeracy programme, as well as a basic educational programme up to Std 5. Classroom tuition up to Std 10 level is also available 4.2 Training to develop their market-related potential 4.3 Recreational programme 4.4 Library programme	4.1 A specifically designed treatment programme aimed at: ● the specific nature, character and needs of the juvenile; ● a multi-disciplinary treatment and development programme; ● parental involvement; ● the maintenance of sound discipline and appropriate privilege system and accompanying physical care; and ● an approach which aims at equipping the juvenile with the life-skills which will be required on release	4.1 The removal of unsentenced children from prisons (see page 1) 4.2 The further development of the current programme to place more emphasis on need-directed training combined with basic educational needs 4.3 More emphasis on support systems in society and its willingness to accept released juveniles without reservations	See par 1	A promised R37 million from RDP funds for the development of the defunct Vryheid Collieries into a youth offender development centre

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
<p>5. The provision of an adequate infrastructure for alternative or community-based sentences</p>	<p>5.1 Correctional Supervision and Parole Supervision</p>	<p>5.1 To ensure that the maximum number of offenders which can be dealt with safely and effectively outside prisons, serve their sentences in community and thus reducing the costs of incarceration. To maximise community programmes focused on developing and maintaining support systems, gainfull employment and social services to improve the offender's potential to become a law abiding citizen</p>	<p>5.1 The making available of community corrections offices in every town of South Africa</p>		<p>The per capita cost of a probationer/parolee is R11,17 compared with R44,27 per day per prisoner</p>
<p>6. To ensure a professional personal corps broadly representative of the SA community</p>	<p>6.1 Training programmes to develop the potential of personnel to the maximum through:</p> <ul style="list-style-type: none"> <li>● modular competency-orientated education to ensure client satisfaction;</li> <li>● the management of development activities aimed at the creation of greater managerial independence;</li> <li>● a continuous follow-up approach; and</li> <li>● training aimed at post requirements</li> </ul> <p>6.2 Development through the acquiring of academic qualifications as well as specific training courses and in-practice guidance and evaluation based on job performance</p> <p>6.3 The recruitment of adequately qualified and career-proven personnel externally</p> <p>6.4 A management development programme aimed at a more representative management corps in the Department</p>	<p>6.1 The optimal development of personnel irrespective of race, colour or sex</p> <p>6.2 The continued education to the highest level of the individual's working abilities</p> <p>6.3 Increased spending on training from the current level of 2,3% of the basic salary budget to a level of 4%</p> <p>6.4 Creating opportunities for personnel to develop themselves and thus be career-orientated</p> <p>6.5 To achieve a representative personnel corps with the emphasis on managerial levels</p>	<p>6.1 The establishment of a National Training Committee onto which representatives of tertiary institutions, as well as other specialists in the field of human resource development and labour unions are to be co-opted</p>	<ul style="list-style-type: none"> <li>● Official acceptance of the Public Service Labour Relations Act to afford personnel the opportunity to participate formally in sound personnel management practice and provide for an additional legitimate channel through which the needs and grievances of personnel can be addressed</li> </ul>	

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
<p>7. To be open and accessible to public scrutiny, responsive to public criticism and continuously seeking improvement</p>	<p>7.1 The conducting of performance audits to ensure that decisions with an impact on the Budget can be accounted for in terms of national/departmental standards 7.2 The involvement of the community in correctional matters through bodies such as the National Advisory Council on Correctional Services and Correctional Boards 7.3 The accessibility of prisons through visits by interest groups from the community as well as the media. Furthermore, judges, lawyers as well as international organizations such as the ICRC and Human Rights Watch visit prisons regularly 7.4 Offenders have access to legal counsel as well as the envisaged Public Protector and Provincial Public Protectors and may also make use of various persons and bodies inside and outside the prison environment to air their complaints, requests and grievances</p>	<p>7.1 A White Paper on the Correctional Services Policy vision for the future was recently published to stimulate public debate on a new legislative framework for the activities of the Department</p>	<p>7.1 The outcome of the debate on Correctional matters, as well as the affordability of the services envisaged, will determine the reform of Correctional Services</p>	<p>Refer to par 1</p>	
<p>8. To establish and maintain positive and constructive partnerships locally, nationally and internationally</p>	<p>8.1 The Department contributes to the broader goals of the criminal justice system by sharing the knowledge of operations and challenges with partners and to be receptive and responsive to information and solutions 8.2 The Department maintains universally accepted standards and norms with regard to the treatment of offenders and pursues constructive relations and co-operation with the international penological community</p>	<p>8.1 The Department aims to continue to pursue bilateral and multi-lateral co-operation through: ● closer contact with African Correctional/Prison administrations; ● participation in UN Congresses on the prevention of crime and the treatment of offenders; and ● liaison with international penological institutions</p>	<p>8.1 The Department will endeavour to keep abreast of international developments in the penological field and adjust its policy according to local circumstances and affordability</p>	<p>Refer to par 1</p>	

**MINISTRY OF DEFENCE**

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Protect sovereignty of the RSA and integrity of its borders and to provide and maintain essential services	1. Safe environment 2. Voluntary — NPWP 3. Land resettlement 4. Old goods — needy 5. Water — rural areas 6. Medical Services 7. Air/road transport 8. Vocational training 9. Adult education 10. Added value skills 11. Market technology 12. Apolitical NDF 13. Integration process 14. Resource Management	1. 'Collateral utility 2. Integration 3. Service brigade 4. Defence secretary	1. Integration of Forces 2. Parliamentary control of the NDF via office of the Secretary for Defence	1. Integration of Forces 2. Legislation to apply collateral utility (Treasury) 3. Joint planning between SAMS and other departments 4. Service Brigade not complete with private sector entrepreneurs	1. No specific RDP budget

## MINISTRY OF EDUCATION

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Improved access to all levels of education	1. School building and rehabilitation	1. More equitable student-teacher ratios	1. Reorganise divided education depts into single national dept and 9 provincial depts	1. Single national education department	1. Education budget
2. Provide high quality education	2. Teacher education and development	2. Improved rural-class ratios	2. Establish council of education ministers	2. National qualifications framework	2. RDP — supplement
3. Provide increased equity and efficiency	3. Electrify schools	3. Improved learning outcomes	3. Derive new system of consultative bodies of stakeholders	3. Provision of training in collaboration with the department of labour	3. Develop funding partnerships
	4. Education quality improvement programme (EQUIP)	4. Improve attendance, participation and retention rates	4. Review current institutional forms of delivery, i.e. schools, colleges, technikons, universities, etc.	4. Consultative framework	4. Grant & loan finance in consultation with RDP and finance
	5. School governance	5. Reduction of age profile of students		5. Employment and conditions of service	5. Private household financing especially of higher education
	6. Student health promotion & nutrition	6. Reorient enrolment towards science, maths and technology			
	7. Adult basic education	7. Internal & external efficiency in teacher and technical college			
	8. Early childhood development				
	9. Tertiary education loan and bursary fund				

## MINISTRY OF ENVIRONMENT AFFAIRS AND TOURISM

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Effective protection and sustainable use of the environment for the benefit of all	1. Co-ordination towards all levels	1. Improvement of co-ordinated management	1. Towards local authorities	1. Facilitating reform	1. Large RDP support
2. Integrate environmental objectives with reconstruction and development plans	2. Physical and spatial planning	2. Ensure environmental soundness	2. Assistance to local and provincial authorities in reform	2. Regulatory mechanisms	2. Substantial RDP support
3. Optimise socio-economic benefits of tourism in an environmentally sustainable manner	3. Human living environment	3. Environmental improvement	3. Expansion of department	3. Support restructuring	3. RDP funds
	4. Pollution control	4. Improved management strategy	4. Capacity building	4. Parliamentary ratification	
	5. Coastal zones	5. Orderly development and environmental sensitivity	5. Community involvement		
	6. Resource economics	6. Develop economic and fiscal incentives			
	7. Tourism	7. Co-ordinated training — youth involvement — 1 million overseas			
	8. Integrated environmental management	8. Impact assessment			
	9. Biodiversity	9. Conservation plan			
	10. Environmental education	10. Formal curricula — develop ethics — expansion of knowledge			
	11. Weather/climate	11. Improve predictive ability and service quality			
	12. Marine resources	12. Full participation			
	13. Regional and international co-operation				

MINISTRY OF FOREIGN AFFAIRS

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Foreign aid for RDP	1. Diplomatic in-house training include RDP	1. Towards local...	1. Training programme adapted for RDP	Co-ordination to...	1. Facilitate foreign grant aid
2. Donor co-ordination					
3. Market RDP abroad for trade and investment					
4. Regional co-operation (SADC)					
			4. Improved management strategy	4. Pollution control	
		5. Community involvement	5. Orderly development and environmental sensitivity	5. Coastal zones	
			6. Develop economic and fiscal incentives	6. Resource economics	
			7. Co-ordinated training - youth involvement - 1 million overseas	7. Tourism	
			8. Impact assessment	8. Integrated environmental management	
			9. Conservation plan	9. Biodiversity	
			10. Formal councils - develop ethics - expansion of knowledge	10. Environmental education	
			11. Improve predictive ability and set vice daily	11. Weather/climate	
			12. Full participation	12. Marine resources	
				13. Regional and international co-operation	

## MINISTRY OF HEALTH

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Development of a National Health System (NHS)	Develop health services at three levels using primary health care approach	A NHS organised at central and provincial level by December 1994	Rationalise, amalgamate and restructure previous fragmented administrations	Proclamation for division of powers between central, provincial and local levels	Funded by: department ± R4m
2. Reduce malnutrition	Primary school feeding programme. Comprehensive nutrition programme. Nutrition surveillance programme	Within 3 years every South African must get his/her basic nutritional requirements for the day	Develop an integrated nutrition programme consolidating present fragmented programmes	None	Funded by (1994/95): RDP Fund R477,8m Department R440m
3. Improve maternal and child health (MCH) care services	Develop an MCH programme that includes free services to needy pregnant and lactating women and children under 6 years	(a) Care for 100% of needy pregnant women and 100% of needy children (b) Build clinics to make the services accessible (c) Increase immunisation coverage to 85% by 1997	Establish an MCH Unit in the restructured Department	None	Funded by (1994/95): RDP Fund R25m Department R27,4m
4. Reduce the spread of sexually transmitted diseases (STDs) and HIV/AIDS	STD prevention and control. Condom availability. School sexuality programmes. Information and education of public	Include sexuality programme in the new school curriculum	Establish STD/AIDS Unit in restructured Department. Improve condom distribution network	None	Funded by: Department (1994/95): R41,935m for AIDS and R4,142m for STDs
5. Diseases of poverty	Improve tuberculosis control programme	To implement new treatment regimens in 1995	Establish tuberculosis units in each province	None	Funded by Department (1994/95): R28,4m



## MINISTRY OF HOUSING

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Provide overall National Strategic Framework for Housing after consultation with provincial governments. This will be finalised with presentation of Housing White Paper to cabinet in November 1994. Full details in White Paper	1. Land release	1. Adequate and well located land for human settlement and development and decrease in land invasion		1. Development Facilitation Bill	1. Department budget with Land Affairs
	2. Long-term review of planning legislation; rationalisation, repeal or amendment		2. Create Development and Planning Commission	2. Development Facilitation Bill	2. Department budget with Land Affairs and RDP
	3. State subsidy for most needy	3. Comprehensive package of subsidy applications	3. National computerised data base	3. Housing Second Amendment Bill 1994	3. Seeking improved budgetary allocation for fiscal year 1995/96
	4. End User Finance Agreement with Association of Mortgage Lenders	4. Improved private sector gearing of public finance	4. Create Mortgage Indemnity Scheme — create service company		4. R50m initial capitalisation 1994/95
	5. Retail lending capacity	5. Improved capacity and competition for end user finance	5. Undertake appropriate restructuring and rationalisation of state corporate sector	5. Is indicated throughout programme	
	6. Housing support	6. Provide assistance to poorest in housing delivery process	6. To be investigated with both tiers of sub-national government	6. Unlikely to be necessary	6. Department budget will be quantified in early 1995
	7. Institutional	7. To assist housing programme and to satisfy Constitution	7. Restructure and rationalise public sector institutions	7. May be necessary in next session	7. Unquantified
	8. Rural housing	8. Rural housing brought into mainstream of national housing approach	8. Examine possibility of pilot projects for rural housing	8. Under discussion with Departments of Agriculture and of Land Affairs	8. Quantification to follow
	9. Stabilise/normalise public environment	9. Appropriate climate for housing investment; address issues of sub-standard construction, legal process, bond boycotts, etc	9. Successful local government transition necessary. (See MIS and Service Company)	9. Not indicated	9. Joint exercise with other state departments — campaign quantification currently underway

## MINISTRY OF JUSTICE

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Justice for all	1. SA Law Commission conducting investigation into simplification of criminal procedure	1. To be done in a systematic way without causing instability		1. Legislation to provide for certain ancillary matters pertaining to Office of Public Protector, Human Rights Commission, Commission on Gender Equality, and Judicial Service Commission	1. The following amounts are included in the 1994/95 budget: SA Law Commission R4,781m, Judicial Service Commission R1,898m, Magistrates' Commission R1,393m, Legal Aid R66,325m Total R74,397m
2. Promote peace and security through judicial system	2. SA Law Commission investigating the harmonising of customary law with common law	2. Short, medium and long-term objectives. Transformation of Department of Justice (refer to Minister's Budget Vote speech, 26 August 1994)		2. Legislation relating to the rationalisation of court structures	2. Funds are required for: Legal Aid for women's rights R10m, Public Defender R15m, Legal Aid (section 25 of Constitution) R201,640m, Public Protector R3,424m
3. Ensure basic human rights	3. Legal aid			3. New system of juvenile justice	3. Funds which are required, but not yet determined for the following: Lay magistrates, Human Rights Commission, Commission on Gender Equality and Rationalisation of court structures
4. Committed to the principles of RDP	4. Pro Deo defence provided for capital offences			4. Feasibility of combining the bar and side-bar	
5. Promote respect for law	5. Legal forum to be established for restructuring of justice system			5. Language requirements for admission to side-bar	
6. Promote credibility, accessibility and restore legitimacy	6. Commission of Truth and Reconciliation to investigate human rights violations			6. New criteria for appointment of judicial officers	
7. Transformation of justice system to make it more representative in terms of race and gender	7. Appearance of para-legals is being investigated by Association of Law Societies. Department is awaiting proposals			7. Utilisation of lay officials in judicial system	
	8. Public defence system in district of Johannesburg			8. Abolition of system of articles and entrance examinations	
				9. Alternative methods for dispute resolutions	
				10. Simplification of court procedures	
				11. Rights of audience for para-legals and advice office workers	

## MINISTRY OF LABOUR

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. To provide a vision of the Department of Labour at the centre of socio-economic policy and placing labour policy in the contextual framework of the RDP	1. Active labour market policy formulation	1. Report: December 1995	1. National Economic Development and Labour Council 01/95	1. One labour law dispensation in SA — December 1995	1. Re-organise priorities
	2. National training policy	2. Bill to Parliament in June 1995	2. Build new Labour department — March 1995	2. New labour relations Act — Bill to Parliament — May 1995	2. Off budget
	3. Vocational/career guidance counselling policy	3. White Paper in March 1996	3. Research and development unit	3. Review existing legislation — ongoing	3. Technical assistance
	4. Strengthening civil society	4. Implement support in April 1996	4. Restructure Wage Board		4. RDP fund
	5. Ratify ILO conventions	5. Bill/Resolution to Parliament in April 1995	5. Provide mediation and conciliation		
	6. Restructuring occupational health and safety competencies	6. Constitute national council in July 1996	6. Restructure industrial court and agricultural labour court		

## MINISTRY OF LAND AFFAIRS

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Eliminate poverty in rural areas	1. Restitution of rights in land	1. Establish land claims commission and court	1. Restructure department	1. Restitution Act Promulgated	1. Budget review
2. Redress forced removals and dispossession	2. Redistribution — pilot land reform — land acquisition support	2. Register all land claims within 3 years	2. Land commission and land claims court	2. Land Administration Bill in Parliament now	2. RDP fund
3. Improve access to land market	3. Tenure reform	3. Conclude adjudication within 5 years	3. Decentralised govt. institutions to administer land matters at local level	3. Rationalise land related legislation (1995)	3. Donor funding
4. Surety of land tenure	4. Land administration reform	4. Financing and administrative systems in 2 years		4. Development Facilitation Bill	
5. Sustainability in land and resource use	5. Settlement support	5. Tenure reform investigation (1995)		5. Legislation for group land-holding is being drafted	
6. Accompany access to land with services and infrastructure	6. Rural finance inquiry commission (1995)				
		7. Pilot land reform programme (1994-97)			
		8. Assign land administration function (1995)			

## MINISTRY OF MINERAL AND ENERGY AFFAIRS

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. To develop South Africa's mineral wealth to its full potential and to the maximum benefit of the entire population	1. Support to small mining ventures	1. To electrify 2,5ml households by 2000	1. Abolition of mineral and energy structures in former TBVC and SGTs and absorption of relevant staff	1. Introduction of uniform mineral and energy legislation for the entire national territory	1. Accelerated electrification may be financed by the creation of a national electrification fund based on levies, and by introducing a national domestic tariff structure
2. To ensure access to appropriate and affordable energy to the entire population, thereby enhancing the quality of life and socio-economic development	2. Facilitating mineral development	2. Submit Mineral and Energy Laws Rationalisation Bill to Parliament in October 1994	2. Restructuring department following in-depth study of its aims, functions and personnel	2. Amendments to the Electricity Act aimed at the establishment of a National Regulator	2. Most of the other RDP directed actions and objectives can be financed from the normal budgets of the Department and its associated institutions. Additional funds from Treasury will, however, be required for additional Departmental staff and to finance SADC projects
	3. Improve safety and health in work place	3. Immediate improvement of access to mineral rights through streamlining of procedures and consultation with current holders of rights	3. Restructuring of department's safety and health function in terms of the Leon Commission	3. Revision of all legislation administered by the Department in order to effect amendments as required by the Constitution and the RDP	
	4. Rehabilitation of abandoned mines	4. Implementation of recommendations of the Leon Commission as soon as these have been approved by Cabinet — February 1995	4. Restructuring the electricity distribution industry and the Electricity Control Board, pending recommendations of NEF		
	5. Technology development aimed at value addition	5. Complete restructuring of department — end 1995	5. Possible restructuring of Soekor, pending recommendations of NEF		
	6. Strategy to handle laid-off workers during mine closure	6. Complete review of Departmental legislation — end 1995	6. Possible restructuring of the nuclear industry, pending the outcome of the investigation into the future of nuclear energy in South Africa		
	7. Human resource development and affirmative action				

MINISTRY OF PUBLIC ENTERPRISES

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
<p>Manage state interests and shareholding in the public enterprises with a total asset base of more than R100bn. Maximise the contribution of the public enterprises to the national economy. Improve and ensure accountability and transparency in the process of stewardship over public resources. Promote and ensure effective management of public enterprises</p>	<p>The Office of the Public Enterprises has no specific programmes and targets. Each enterprise is individually geared to contribute towards assisting the RDP. None. None except that arrangements are being made for the transfer of the Competition Board from the Office for Public Enterprises to the Department of Trade and Industry. None. Only administrative expenses are provided for in the budget. All public enterprises are self-sufficient</p>	<p>1. Addition of mineral and energy structures in terms of TBVC and SGT's and absorption of relevant staff</p> <p>2. Restructuring department following a debt study of various functions and personnel</p>	<p>1. To electrify 2,5m households by 2000</p> <p>2. Submit Mineral and Energy Laws Rationalisation Bill to Parliament in October 1994</p>	<p>1. Support to small mining ventures</p> <p>2. Facilitating mineral development</p>	<p>1. To develop South Africa's mineral wealth to its full potential and to the maximum benefit of the entire population</p> <p>2. To ensure access to appropriate and affordable energy to the entire population thereby enhancing the quality of life and socio-economic development</p>
	<p>3. Revision of all legislation administered by the Department in order to effect amendments as required by the Constitution and the RDP</p>	<p>3. Restructuring of department's safety and health function in terms of the Commission</p>	<p>3. Immediate improvement of access to mineral rights through streamlining of procedures and consultation with content holders of rights</p>	<p>3. Improve safety and health in workplace</p>	
		<p>4. Restructuring the electricity distribution industry and the Electricity Control Board, pending recommendations of NEP</p>	<p>4. Implementation of recommendations of the Leon Commission as soon as Board, pending recommendations of Cabinet - February 1995</p>	<p>4. Rehabilitation of abandoned mines</p>	
		<p>5. Possible restructuring of department pending recommendations of NEP</p>	<p>5. Complete restructuring of department - end 1995</p>	<p>5. Technology development aimed at value addition</p>	
		<p>6. Possible restructuring of the nuclear industry, pending the outcome of the investigation into the future of nuclear energy in South Africa</p>	<p>6. Complete review of Departmental legislation - end 1995</p>	<p>6. Strategy to handle laid-off workers during mine closure</p>	
				<p>7. Human resource development and affirmative action</p>	

## MINISTRY OF PUBLIC WORKS

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Develop a new vision and focus for the department within the ambit of the RDP	1. Development of a change management programme and a medium-term strategic plan for the department	1. Strategic change management team operational within 3 months	1. Departmental restructuring focusing on the RDP	1. Draft amendments to legislation governing statutory Built Environment Councils (early 1995)	1. Reorientation of 1994/95 departmental budget to bring it in line with RDP priorities (positive impact envisaged on R300m of current department budget)
2. Representative public service	2. National public works programme	2. Expenditure of R200m on community-based National Public Works Programme in 1994/95 financial year	2. Incorporation of NPWP Directorate within the Department		2. Community-based NPWP (RDP) R250m
3. Intersectoral co-operation and collaboration	3. Review of consultants roster panel in department	3. 'In Principle' recommendations on appointment of consultants by January 1995	3. Democratisation of statutory Built Environment Councils		3. Departmental savings to fund NPWP setup (R10m)
4. Efficient and effective management of assets	4. Review of roles and composition of statutory Built Environment Councils	4. Amendments to contract documentation to enable participation in programmes by emerging contractors			
5. Fostering of government/non-government partnerships	5. Review of contract document to facilitate participation of emerging contractors	5. Framework for contractor training programme — June 95			
6. Ensure transparency, equity and accountability in the operation of the department	6. Development of a contractor training programme				
7. Redirect focus of department to that of service providers to the broader public. Facilitating the provision of infrastructural assets whilst simultaneously creating sustainable employment and building capacity of beneficiaries	7. Provision of technical and institutional support to the provinces				
	8. Development of guidelines to ensure equity, transparency and fiscal discipline in the management of state assets				



## MINISTRY OF SPORT AND RECREATION

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. To provide basic facilities in disadvantaged areas	Utilise proceeds from sale of strategic material of R1,0m for each Province	Creation/upgrade of facilities	Encourage decision-making at lowest level on democratic basis, e.g. Local Authority/MEC	Process to be driven by MEC responsible for sport in each province	Funded from facilities non-recurrent allocation of R12,9m
2. Increase participation in sport at both social and competitive level	Sport for all programmes aimed at increasing awareness	One person — one sport drive	Amended programme to be Nationally driven	Involvement of MEC offices in delivery at Provincial level	To be funded partly by the Department ± R1,0m
3. Use sport to keep youth off the streets	National Youth stars where talent in selected sports is identified and nurtured in camps	National federations where participation by all races is most likely	Determination of role models aimed at attracting young people	Possibility of exploring upgrading of selected voluntary sports bodies to statutory bodies	Funding requirements ± R10,0m
4. Create healthy society via a culture for sport	Walks, health-week etc, aimed at health consciousness	Non-participants where incidence of health-related problems high	Themed sports campaigns, e.g. health week etc	None	Funding requirements ± R10,0m
5. Prepare elite athletes for continental/international competition	Coaching academies by sport type via formal training camps	Grading athletes into categories, e.g. medal probables gold, silver and bronze class	Responsibility of National Federations to co-ordinate and identify expertise	Exchange agreements with other countries	Funding requirements in 1995 ± R20,0m
6. Identify talent wherever it exists and make sport accessible to all communities	Simultaneously deploy talent scouts by sport type and ongoing research on formula	Rural and platteland areas	Need to commission formal researcher	None	Funding requirements ± R9,0m
7. Provide support service for sport on a formal basis	Establish sports technological service info centre and drug testing	Proximity of academic expertise, e.g. CSIR	Consolidating of current ad hoc initiatives	Proclamation that testing for drugs not optional	Department funding parts of projects, e.g. testing Commonwealth team
8. Encourage position of incentives for elite athletes	Support and restructuring of Operation Excellence	Élite, Olympic athletes	Creation of similar structure for non-olympic sport	None	Partly funded by Government and Private sector
9. Redress imbalances in: ● gender ● demography ● race ● able-bodied vs disabled ● senior citizens ● best in SA vs best in world	Sports Trust	Disadvantaged sports persons	Incentives for Provincial Sports Trust	Incentives to sponsors via tax concessions and sports pools	National Sports Trust — part funders
10. Generate alternative methods to fund sport	Sports Pools	Ministries of Finance and Justice	Consideration to similar arrangements at Provincial level	Enabling legislation	Reduce dependence on Government grants
11. Image builder	Hosting/participants selected continental world events	1. F1 Grand Prix 2. All Africa Games 3. World Cross Country 4. World Cup 5. Olympic 2004 6. RWC '95	Centralisation of sports budgets in sports Ministry	To effect that sport is more than leisure activity	Inadequate versus demand

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
12. Financial assistance to National Federations	Management of Sports Department to provide service; Promotion of sport and recreation and mass participation; Information/technological support system	All 140 National Federations	Advisory Forums involving state and sport for prioritised needs	Provincial/National approach to professional sports management	Department currently developing focused approach to give meaning to its annual budget of R39,0m for 1994/95
Funding requirements ± R10,0m	Possibility of exploring upgrading of selected voluntary sports bodies to state sports bodies	Determination of role models aimed at attracting young people	National federations where participation by all races is most likely	National Youth stars where talent is identified and nurtured in camps	3. Use sport to keep youth off the streets
Funding requirements ± R10,0m	None	Themed sports campaigns e.g. health week etc.	Non-participants where incidence of health-related problems high	Walks, health week etc. aimed at raising consciousness	4. Create healthy society via a culture for sport
Funding requirements in 1995 ± R20,0m	Exchange agreements with other countries	Responsibility of National Federations to coordinate and benefit expertise	Grading athletes into categories e.g. metal, bronze, silver and gold classes	Coaching academies by sport type via international training camps	5. Prepare elite athletes for continental and international competition
Funding requirements ± R3,0m	None	Need to commission former researcher	Rural and highland areas	Simultaneously develop talent scouts by sport type and ongoing research on facilities	6. Identify talent wherever it exists and make sport accessible to all communities
Department funding e.g. parts of projects, e.g. testing Commonwealth team	Facilitation that testing for drugs not equational	Consolidating of current initiatives	Proximity of academic expertise e.g. CSIR	Establish sports technological services into centre and drug testing	7. Provide support services for sport on former areas
Partly funded by Government and Private sector	None	Creation of similar structure for non-Olympic sport	Elite, Olympic athletes	Support and restoration of Ooson Excellence	8. Encourage position of incentives for elite athletes
National Sports Trust - part funded	Incentives to sports via tax concessions and sports pools	Incentives for Provincial Sports Trust	Disadvantaged sports persons	Sports Trust	9. Redress imbalance in gender, demography, race, able-bodied vs disabled, senior citizens best in SA vs best in world
Reduce dependence on Government grants	Enabling legislation	Consideration to alternative arrangements at Provincial level	Minister of Finance and Justice	Sports Pools	10. Generate alternative methods to fund sport
Inadequate versus demand	To effect first sport is more than leisure activity	Centralisation of sports budgets in sports Ministry	1. FT Grand Prix 2. All Africa Games 3. World Cross Country 4. World Cup 5. Olympic 2004 6. RWC '96	Hosting/participating selected continental world events	11. Image builder

**MINISTRY OF TRADE AND INDUSTRY**

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
1. To simultaneously strive to raise employment, investment, improved trade performance and productivity in our industries	1. Restructure and strengthen existing industries	1. Contribute to target 300 000 new jobs p.a	1. Line function responsibility to promote small, medium & micro enterprise development	1. Amend legislation which inhibits the achievement of programmes to broaden industrial development away from the past capital intensive path, e.g. IDC	1. Reduction in cash handout incentives such as GEIS to be matched by a corresponding increase in resources to pursue the supply-side programmes outlined above
2. To ensure that maximum advantage is taken to develop internationally competitive industries using all opportunities that will arise from sustained expenditure on RDP infrastructural projects	2. Increase beneficiation of natural resources	2. Increase productivity and competitiveness	2. Bring Competition Board within the DTI and dovetail competition policy within industrial policy. A commission will be established to examine this	2. Amend legislation relating to SMMEs, including the SBDC Act	2. RDP fund for specific programmes relating to supply-side measures to raise industrial competitiveness without major labour shedding
	3. Strengthen industries engaged in producing RDP inputs on a competitive basis	3. Develop greater linkages between capital and energy-intensive material-based industries and manufacturing	3. Devolve responsibility of certain centralised functions to provinces	3. Amend legislation relating to consumer protection, e.g. Usury Act	
	4. Provide support through for firms pursuing above objectives	4. Develop labour-intensive agro-manufacturing industries	4. Examine role of development corporations to promote industrialisation	4. Amend legislation relating to anti-competitive behaviour, e.g. the Promotion on Monolithic Practices Act	
	5. Strengthen consumer protection legislation	5. Increase contribution of higher value-added activities to GDP	5. Reorganise & strengthen institutions involved in trade promotion, investment, education, research, science and technology		
	6. To maximise benefits of trade and industry policy devolution of certain activities to the provinces	6. Develop integrated approach to industrialisation between the centre and provinces			
		7. Develop coherent approach towards industrialisation and the S.African region			

## MINISTRY OF TRANSPORT

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
<p>The Department's policy objectives have been formulated with regard to the five priorities for reconstruction and development, viz:</p> <ul style="list-style-type: none"> <li>● attacking poverty and deprivation</li> <li>● building the economy</li> <li>● human resource development</li> <li>● urban development and</li> <li>● rural development</li> </ul> <p><i>Attacking poverty and deprivation</i> Attacking poverty and deprivation by supporting employment — generating growth through the creation of jobs on national roads projects and directing spending on infrastructure provision and subsidisation of commuter transport in favour of small, medium and micro enterprise (SMMEs)</p> <p><i>Building the economy</i> Building the economy through the provision of a national roads network which supports economic growth and provides for urban and rural communities to employment opportunities and essential services through subsidised transport, implementing policies which promote the provision of transport services at the lowest possible cost to the end consumer, facilitating entry by disadvantaged communities to the road transport profession and combating the high cost to the economy of a lack of traffic safety. Human resource development</p>	<p>The Department's programmes for implementing its policy objectives are discussed per function sector. The following programmes are being executed or are in the planning stage:</p> <p><b>Roads</b></p> <ul style="list-style-type: none"> <li>● Execution of national roads projects with enhanced labour components, extended participation by SMMEs on the basis of revised General Conditions of contract, Design guidelines and specifications</li> <li>● Provision of roads on the basis of a multi-criteria approach which takes into account basic needs, e.g. accessibility, in addition to purely financial considerations</li> <li>● Extended participation by civil society in the needs identification and planning process through the implementation process</li> <li>● Enhanced training projects for persons employed in publicly-funded projects</li> <li>● Education and training of the existing and potential new corps of professional, technical and administrative personnel in the roads component of the Department.</li> </ul> <p><b>Land transport</b></p> <ul style="list-style-type: none"> <li>● Revising subsidy procedures and criteria to promote the wider payment of subsidies to providers of community transport services, in particular SMMEs. Promoting greater efficiency and productivity amongst ex-</li> </ul>	<p>Primary Targets of the Department's RDP programmes are:</p> <ul style="list-style-type: none"> <li>● Disadvantaged sectors of urban and rural communities requiring accessible transport services supported by adequate infrastructure provision</li> <li>● Disadvantaged members of urban and rural communities who can be economically empowered or employed through projects funded from public sector sources and in the road transport industry</li> <li>● Existing and future professional, technical and administrative personnel from disadvantaged communities employed or to be employed or in the public sector in the transport field</li> </ul>	<p>Institutional reforms envisaged by the Department are:</p> <ul style="list-style-type: none"> <li>● Restructuring the Department to facilitate and support the implementation of the RDP</li> <li>● Accelerated employment practices to ensure that Departmental officials are reflective of society in terms of race, class and gender</li> <li>● Reviewing the composition and structure of existing statutory bodies in the transport field</li> <li>● Establishing new structures between the national and provincial levels of government to ensure ongoing consultation and co-ordination in support of an integrated approach to transport management</li> <li>● Establishing a new executive structure to undertake executive and technical functions in respect of national roads, subject to overall policy and strategic planning responsibility vested in the Minister of Transport</li> <li>● Promoting consultation with existing or to be established structures of civil society in support of an holistic management approach</li> </ul>	<p>In view of the provisions of the Constitution, the Department has identified a number of national Acts the administration of which may be assigned to the provinces, viz the Road Traffic Act, 1989, the National Road Safety Act, 1972, the Urban Transport Act, 1977 (subject to provisos), as well as the Advertising and Ribbon Development Act. The assignment has identified a large number of residual powers, duties and functions to be performed in terms of Sec 126(3) of the Constitution, which necessitates the introduction of new legislation in respect of:</p> <ul style="list-style-type: none"> <li>● road traffic and road traffic safety;</li> <li>● road transportation;</li> <li>● urban and rural transport planning, infrastructure provision and commuter subsidisation; and</li> <li>● roads.</li> </ul> <p>Such legislation will also give effect to the creation of new institutional structures referred to in 24.4 and will be tabled in 1995.</p>	<p>RDP programmes will be financed from:</p> <ul style="list-style-type: none"> <li>● Existing budgetary allocations which have been reprioritised and redirected between functional areas and expenditure categories</li> <li>● The RDP Fund in respect of approved projects</li> <li>● Funding through road user charges</li> <li>● Private sector funding for high standard, high demand infrastructure</li> <li>● Allocations from the fuel levy towards the maintenance, management and provision of a primary road network</li> </ul>

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMMES	FINANCIAL ARRANGEMENTS
<p>Promoting the training and economic empowerment of members of disadvantaged communities through projects funded from Departmental sources and promoting the training and empowerment of a corps of professional, technical and administrative officials reflective of society in terms of race, clans and gender.</p> <p>Urban development Promoting the provision of adequate public transport service as the primary mode for transportation for urban communities through integrated planning which enhances transport efficiency, ensures the provision of adequate infrastructure and promotes equitable urban growth.</p> <p>Rural development promoting the provision of adequate public transport services to ensure access for rural communities to employment opportunities and essential services through integrated planning which ensures the provision of affordable infrastructure and promotes sustainable rural livelihoods</p>	<p>isting subsidy recipients to ensure a greater availability of existing funds and a better spread of payments to provide services to commuters other than workers and to a larger number of communities in both urban and rural areas.</p> <p>Promoting integrated land use and transport planning by second and third tier authorities in consultation with communities to facilitate the more accessible and affordable provision of transport services.</p> <p>Empowering members of disadvantaged communities to become economically active at all levels of the road transport profession</p>				

## MINISTRY OF WATER AFFAIRS AND FORESTRY

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Water is an indivisible national asset belonging to all South Africans	1. Twelve water supply schemes to communities in 1994/95 from RDP fund	1. 20-30 Litres of water per capita per day, (within 200 m), safe sanitation and refuse removal (5-7 years)	1. Democratisation of Water Boards	1. Bill to establish statutory local water committees	1. R3m for emergency rural water supply
2. Community-based development of water and sanitation services	2. Emergency drought crisis intervention	2. 50-60 Litres of water per capita per day (within 200 m), improved outside sanitation and refuse collection (medium term)	2. Restructuring and rationalisation of old departments	2. Bill to take the function of sanitation	2. R278,6m from RDP over 3 years for water projects
3. 'Some for all rather than all for Some			3. New branch of the department has been established to address community water supply and sanitation	3. Bill to enable community committees to interact with department on water and sanitation	3. To meet targets R8,8bn is required over 5 years at 1994 costs
			4. Establishment of statutory water committees	4. Bill to regularise water related legislation of old administrations	
				5. Complete review of water legislation during 1995	

## MINISTRY OF WELFARE AND POPULATION DEVELOPMENT

POLICY OBJECTIVES	PROGRAMMES	TARGETS	INSTITUTIONAL REFORMS	LEGISLATIVE PROGRAMME	FINANCIAL ARRANGEMENTS
1. Basic social welfare rights for all South Africans	1. Provision of community-based and workplace care centres	1. Train 3 000 community development workers within 5 years	1. National co-ordinating body to review existing welfare system (stakeholders)	1. New legislation to provide development oriented social welfare system	
2. Affirmative action for disadvantaged and vulnerable groups	2. Remove children from prison and police cells		2. Establish inter-sectoral co-ordination units to plan and implement integrated strategies aimed at improving child care, juvenile justice and women status	2. Review National Welfare Act of 1978	
3. Empowerment of communities to participate in decision-making	3. Human resource development (planning and development)			3. Review Social Work Act of 1978	
4. Role of civil society in establishing guidelines for co-operation	4. Special programmes for the disabled			4. Review Acts dealing with child and family welfare	
5. National social security system and social safety nets	5. Programmes for children to influence the motivation, attitudes, and behaviour with regard to drug use			5. Protection of the Rights of Children. Review of the Child Care Act of 1983, Act 74. Protection of the Rights of Children	
6. To improve the standard and quality of life of all South Africans (through social policies that are specifically designed to overcome such problems)	6. Programmes to prevent and combat crime (Probation Services Act, 1991, Act No 116 of 1994, administered by the Ministry)			6. Review Acts dealing with Family Welfare	
	7. Promote non-residential programmes for juvenile and adult offenders				
	8. Programmes to address the needs of the old (housing, care, medical needs, economic needs, e.g. consumer voucher coupons, etc.)				

MINISTRY OF WELFARE AND POPULATION DEVELOPMENT

FINANCIAL ARRANGEMENTS	LEGISLATIVE PROGRAMME	INSTITUTIONAL REFORMS	TARGETS	PROGRAMMES	POLICY OBJECTIVES
	1. New legislation to provide development oriented social welfare system	1. National co-ordinating body to review existing welfare system (GSA/Arbeitsrat)	1. Train 3 000 community development workers within 5 years	1. Provision of community-based and workplace care services	1. Basic social welfare rights for all South Africans
	2. Review National Welfare Act of 1978	2. Establish inter-sectoral co-ordination units to plan and implement integrated strategies aimed at improving child care, juvenile justice and women status		2. Provide children from prison and police cells	2. Affirmative action for disadvantaged and vulnerable groups
	3. Review Social Work Act of 1978			3. Human resource development (planning and development)	3. Empowerment of communities to participate in decision-making
	4. Review Acts dealing with child and family welfare			4. Special programmes for the disabled	4. Role of civil society in establishing guidelines for co-operation
	5. Protection of the Rights of Children Review of the Child Care Act of 1983 Act 74, Protection of the Rights of Children			5. Programmes for children to influence the motivation attitudes and behaviour with regard to drug use	5. National social security system and social safety nets
	8. Review Acts dealing with Family Welfare			8. Programmes to prevent and control crime (Probation Services Act, 1991, Act No 118 of 1994 administered by the Ministry)	8. To improve the standard and quality of life of all South Africans (through social policies that are specifically designed to overcome such problems)
				7. Provide non-residential programmes for juvenile and adult offenders	
				8. Programmes to address the needs of the old (housing, care, medical needs, economic needs, e.g. consumer voucher coupons, etc.)	

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