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commission
PROVINCE OF KWAZULU-NATAL

OFFICE OF THE PREMIER

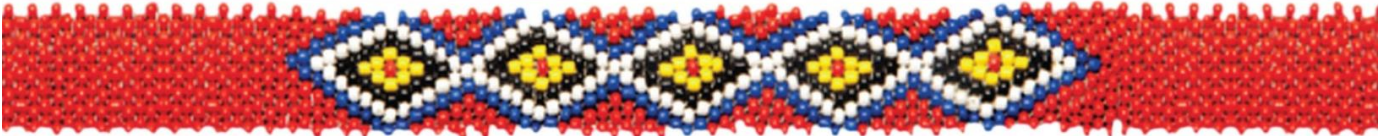
KWAZULU-NATAL



2035

PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

Building A Better Future Together



2016

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- The KZN Provincial Planning Commissioners (KZN PPC);
- The KZN PPC Head of Secretariat;
- The nominated representatives of the PGDS (Provincial Growth and Development Strategy) Technical Committee from the KZN Provincial Departments, Provincial State Owned Entities, National Departments, National State Owned Entities, SALGA KZN and Municipalities;
- Our stakeholders and partners who took time to comment on and give input into the strategy from provincial departments, traditional councils, organised labour, organised business, the community sector and academic institutions.

Foreword by the Premier of KZN

This revised Provincial Growth and Development Strategy is presented few months after the local government elections.

The 75, 98% voter turn-out here in KZN was an indication that the people of this province - Blacks, Indians, Whites and Coloureds do not only want to see our province achieve a better life for all, but they are also prepared to do whatever is necessary to help KZN move South Africa forward.

Our message as government is that we need to look at the strengths that we must utilize to ensure that KwaZulu-Natal Province help South Africa to Move Forward. Central to our efforts should be the unity of our people across all racial groups. As the elected representatives of the aspirations of millions of our people, we will cast our eyes into the future with a clear understanding that failure is not an option.

We understand that eroding the hope about the future of this province will be a source of anger and frustrations for many unemployed and poor people who have entrusted us with the responsibility of using state resources to address their needs.

Therefore, diverting the resources of the state for self-enrichment and other purposes instead of alleviating suffering of the population and transforming our society will not be tolerated. Throughout this term of office, both elected representatives and civil servants will be expected to take pride in their work and fulfil their responsibilities of serving the people irrespective of their political affiliations.

On the 26th July 2016 I received the Community Survey Report from Statistician General Pali Lehohla. The report of this Survey provides the Province with a mirror to reflect on the perceptions of citizens on service delivery. It indicated to us that whilst much has been done to reduce poverty in the province, much still needed to be done to improve our service delivery initiatives.

We are glad that poverty levels seem to be decreasing in the province as indicated by the community survey results. As you pointed out, in terms of poverty levels, in 2011 KZN had the 2nd highest proportion of households defined as multi-dimensionally poor at 10, 9%

By 2016, the poverty headcount in KZN was reduced to 7, 7%, representing the largest decrease of poor households in the country (a drop of 3, 2 percentage points). In 2016, Eastern Cape was still ranked the poorest province with a headcount of 12, 7% in 2016.

The survey indicates that there are more than 2, 8 million households in the province (2 875 843) and that there is a rise in the number of households to piped water in their yard. It further indicates a rise from 23, 6 % in 2011 to 28, and 8% in 2016. We also welcome the report that in KZN 81, 0 % of people in this province have access to water. Whilst we welcome the fact that many communities have been reached but we are aware that many still await such services.

We have also noted that the population of this province is very young and approximately 36% of the provinces population are aged between 15-34 years. This is a clear indication that we need to have a greater focus on Human Resource Development initiatives that will ensure early childhood development. We will also focus on the provision of quality of education in primary and secondary schools, technical, vocational and academic tertiary training for our youth.

Mr T.W Mchunu

Premier of the Province of KwaZulu-Natal

Abbreviations

a	annum
ADA	Agribusiness Development Agency
AeT	Asiye eTafuleni
AFOLU	Agriculture, Forestry and Other Land Use
AGL	above ground level
AGOA	African Growth and Opportunity Act [deal]
APAP	Agricultural Policy Action Plan
AU	African Union
AWG	Action Work Groups – structures for joint planning and monitoring of PGD Plan incorporating government and social partners
BES	Biodiversity and Ecosystem Services
BBSDP	Black Business Supplier Development Programme
BR&E	Business Retention and Expansion
BRIC	Brazil, the Russian Federation, India, and China (BRICS excluding South Africa)
BRICS	Brazil, the Russian Federation, India, China and South Africa (sometimes referred to as BRICSA)
BUR	Biennial Update Report
C	Celsius
CARA	Conservation of Agricultural Resources Act
CASP	Comprehensive Agricultural Support Programme
CBA	Critical Biodiversity Area
CCSD	Climate Change and Sustainable Development Council
CCGT	Combined Cycle Gas Turbine
CDM	Clean Development Mechanism
CER	Centre for Environmental Rights
CET	Community Education and Training Colleges
CGE	Commission on Gender Equality
CH ₄	Methane
CIP	(The) Critical Infrastructure Programme)
CIS	(The) Co-Operative Incentive Scheme
CIVETS	Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa
CMA	Catchment Management Agency
CO ₂	Carbon Dioxide
COD	Chemical Oxygen Demand
COGTA	Department of Cooperative Governance and Traditional Affairs
COMESA	Common Market for Eastern and Southern Africa
COP	Conference of Parties
CPAs	Communal Property Associations
CPFP	(The) Capital Projects Feasibility Programme
CSIR	Council for Scientific and Industrial Research
CWP	(The) Community Work Programme
DAC	(The) Durban Adaptation Charter
DAFF	Department of Agriculture, Forestry and Fisheries
DARD	(KZN) Department of Agriculture and Rural Development

DCCS	Durban Climate Change Strategy
DBSA	Development Bank of South Africa
DEA	(The) Department of Environmental Affairs
DEAT	(The) Department of Environmental Affairs and Tourism
DERO	Desired Emissions Reduction Outcomes
DME	Department of Minerals and Energy
DMR	Department of Mineral Resources
DoL	(The) Department of Labour
DRDLRD	Department of Rural Development and Land Reform
(The) dti	The Department of Trade and Industry
DTS	Domestic Tourism Survey
DWA	Department of Water Affairs
DWAF	Department of Water and Forestry
DWS	Department of Water and Sanitation
EAC	(The) East African Community
EAP	Economically Active Population
EDTEA	Department of Economic Development, Tourism and Environmental Affairs
EE	Energy Efficiency
EIAs	Environmental Impact Assessment
EMIA	Export Marketing and Investment Assistance
EO	Energy Office
EPCPD	Environmental Planning and Climate Protection Department
EPIP	Environmental Protection and Infrastructure Program
EPWP	Expanded Public Works Programme
ERP	Extension Recovery Program
FDI	Foreign Direct Investment
FEPA	Freshwater Ecosystem Priority Areas
FTA	Free Trade Area
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GHG	Greenhouse Gas
GIS	Geographic Information Systems
GLBT	Gay, lesbian, bisexual, and transgender.
GVA	Gross Value Added / Addition
GW	gigawatt
ha	hectares
HRD	Human Resource Development
I&APs	Interested and Affected Parties
IASP	Invasive Alien Species Program
ICLEI	Local Governments for Sustainability
ICMA	Integrated Coastal Management Act
ICWA	iMfolozi Community and Wilderness Alliance
IDC	Industrial Development Corporation

IDF	Integrated Development Framework
IDP	Integrated Development Plan
IDZs	Industrial Development Zones
IGRFA	Intergovernmental Relations Framework Act
INDC	Intended Nationally Determined Contribution
IPP	Independent Power Producer
IPAP	Industrial Policy Action Plan
ISP	Internal Strategic Perspective
IRP	Integrated Resources Plan
ITB	Ingonyama Trust Board
Km	kilometre
KPI	Key Performance Indicator
kW	kilowatt
KZN	KwaZulu-Natal
l	litre
LTA	Long Term Adaptation Scenarios
LULUCF	Land Use, Land Use Change and Forestry
m	metres
m ³	cubic metres
MAR	Mean annual Runoff
MCEP	The Manufacturing Competitiveness Enhancement Programme
MDG	Millennium Development Goals
MEA	Millennium Ecosystem Assessment
MI	megalitre
mm	millimetres
MICE	Meetings, Incentives, Conferences and Exhibitions
MINT	Mexico, Indonesia, Nigeria and Turkey (group of countries)
MMTS	Mooi-Mgeni Transfer Scheme
MPA	Marine Protected Area
mt	million tonnes
MtCO ₂ e	million metric tons of carbon dioxide equivalent
MTSF	Medium Term Strategic Framework
MW	Megawatt
NASA	National Aeronautics and Space Administration
NC	National Communication
NCCRP	National Climate Change Response Plan
NCPC	National Cleaner Production Centre
n.d.	no date
NDP	(The) National Development Plan
NEPAD	New Partnership for Africa's Development
NFEPA	National Freshwater Ecosystem Priority Areas
NGP	(The) New Growth Path
N ₂ O	Nitrous oxide

NPAES	National Protected Area Expansion Strategy
NPC	National Planning Commission
NSBA	National Spatial Biodiversity Assessment
NSSD	National Strategy for Sustainable Development
NWC/WDMS	National Water Conservation and Water Demand Strategy
NWI	National Wetlands Inventory
NWRS2	National Water Resources Strategy 2
NYDA	(The) National Youth Development Agency
OECD	(The) Organisation for Economic Co-operation and Development
OEMs	Original Equipment Manufacturers
OSS	Operation Sukhuma Sakhe
PA	Protected Area
PCEC	Provincial Committee for Environmental Coordination
PEMP	Poverty Eradication Master Plan
PV	Photovoltaic
PGDP	KZN Provincial Growth and Development Plan
PGDS	KZN Provincial Growth and Development Strategy
PSDF	Provincial Spatial Development Framework
PSDS	Provincial Spatial Development Strategy
RAMSAR	International Convention on Wetlands
R&D	Research and Development
RBIDZ	Richards Bay IDZ
RE	Renewable Energy
REDZ	Renewable Energy Development Zones
REIPPPP	Renewable Energy Independent Power Producers Procurement Programme,
RES	Revenue Enhancement Strategies
RMP	Resource Management Plan
RQO	Resource Quality Objective
s	second
SACN	South African Cities Network
SACU	Southern African Customs Union
SADC	(The) Southern African Development Community
SALGA	South African Local Government Association
SANAs	Situational Analysis and Needs Assessment
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SAPOA	South African Property Owners Association
SARB	(The) South African Reserve Bank
SARS	South African Revenue Service
SASA	South African Sugar Association
SASS	South African Scoring System
SASSA	South African Social Security Agency
SATSA	Southern African Tourism Services Association
SDF	Spatial Development Framework

SDG	Sustainable Development Goals
SE	Sustainable Energy
SEA	Strategic Environmental Assessment
SEDA	Small Enterprise Development Agency
SEIF	(The) Shared Economic Infrastructure Facility
SESE	Survey of Employers and the Self-employed
SETA	Skills Education Training Authority
SEZ	Special Economic Zones
SFRA	Streamflow Reduction Activities
SIP	Strategic Infrastructure Project
SMMEs	Micro, small and medium enterprises
SPLUMA	(The) Spatial Planning and Land Use Management Act
StatsSA	Statistics South Africa
STEG	Solar Thermal Electricity Generation
SWSA	Strategic Water Source Area
TAs	Traditional Authorities
tCO ₂ e	tonnes of carbon dioxide equivalent
TEU	Twenty Foot Equivalent Units
TFCA	Transfrontier Conservation Area
TKZN	Tourism KwaZulu-Natal
TIZKN	Trade Investment KwaZulu-Natal
UNFCCC	United Nations Framework Convention on Climate
UNIDO	United Nations Industrial Development Organisation
WDM	Water Demand Management
WfW	Working for Water
WMA	Water Management Area

GLOSSARY

Strategic Goal: A desired end result, which reflects the high level ultimate change that is sought.

Strategic Objectives: Sub-goals that help to convert a mission statement from a broad vision into more specific strategic initiatives that contribute towards achieving the ultimate goal. These are likely to be applicable over longer periods, and are likely to remain quite stable over-time, though the targets will change. Strategic objectives are achieved through strategic projects and programmes that cumulatively contribute towards the goal. In the context of this document, such projects and programmes will find more detailed expression in the Provincial Growth and Development Plan with targets set for five year intervals.

Interventions: Strategic project, programme or course of action dedicated to facilitate the most practical and effective forms of strategic action to effect change through strategic objectives.

Indicator: Measurable variable used to gauge current state/condition, project future trends and measure progress in achieving goals. It tracks and indicates how the province is performing relative to its goals and whether the overall strategy has been accomplished.

Targets: A target extends the indicator by providing a measurement. An indicator describes what is to be measured, the target specifies how much, how may, how far, where (in spatial terms).

Executive Summary

The vision statement is

“By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World.”

MISSION STATEMENT:

By 2035, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a gateway to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.

Abject poverty, inequality, unemployment and the current disease burden should be history, basic services must have reached all of its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.

The people will have options on where and how they opt to live, work and play, where the principle of putting people first, living together in dignity and harmony, and where leadership, partnership and prosperity in action, has become a normal way of life.

When the Province of KwaZulu-Natal adopted its first Provincial Growth and Development Strategy (PGDS) in 2011, it undertook to ensure that growth and development of the Province will at all times be guided and directed by a long term Vision and Strategy. It is for this reason that a 20 year vision was adopted in moving KZN towards 2030. With the 2011 PGDS now having been in implementation for the last 5 years and 25% of the vision period having passed, it is essential to undertake a strategic review so as to reconfirm or adjust the Vision and related strategies. At the same time it is now necessary to maintain a 20 year rolling Vision for the Province and, therefore, to extrapolate Vision 2030 to Vision 2035.

The Revised 2016 KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province’s commitment to achieving the vision of KwaZulu-Natal (KZN) as a “Prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway

to Africa and the world". The PGDS aims to build this gateway by growing the economy for the continued development and the continued improvement of the quality of life of all people living in the Province whilst ensuring that those currently marginalized have broader socio-economic opportunities. Whilst the Provincial Government of KZN is leading this process, its success depends on the partnership and full buy-in from labour, civil society and business. It is critical for all stakeholders to be engaged in the single-minded pursuit of shifting KZN's growth path towards shared and inclusive growth and integrated, sustainable development, aimed at improving the lives of all KZN Citizens.

This PGDS provides KwaZulu-Natal with a reasoned strategic framework for accelerating and sharing the benefits of an inclusive growth through deepened, meaningful, effective and sustainable catalytic and developmental interventions. This has to be achieved within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable and other groups currently marginalised, through building sustainable communities, livelihoods and living environments. At the same time, attention also must be given to the provision of infrastructure and services that cater for the needs of the people, in a manner that preserves and restores natural and historical assets and resources. It is further acknowledged that public sector leadership, a firm focus on delivery and commitment to accountability, is essential to ensure that this strategy is responded to with resilience, innovation and adaptability. This strategy will continue to lay the foundation for attracting and instilling investor confidence, as well as to strengthen and expand the existing social compacts between the development partners in this Province.

The Revised 2016 KZN PGDS continues to:

- (a) Be the primary growth and development strategy for KwaZulu-Natal, but now to 2035;
- (b) Mobilise and synchronise strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners, in order to achieve the desired growth and development goals, objectives and outcomes;
- (c) Spatially contextualise and prioritise interventions so as to achieve greater spatial equity;
- (d) Guide clearly defined institutional arrangements that ensure decisive and effective leadership, robust management, thorough implementation and ongoing inclusive reviews of the growth and development plan;
- (e) Provide a firm basis for monitoring, evaluation and reporting, as well as a framework for public accountability.

In undertaking the 2016 PGDS Review, specific attention was given to ensure that alignment with the National Development Plan is maintained and that the migration from the Millenium Development Goals to the Sustainable Development Goals is clearly reflected. Given the current status of the national economy, special attention was also given to the incorporation of the national Nine Point Plan to bolster economic growth.

Notwithstanding the successes to date, there is widespread acknowledgement within the Province that more effective and impactful interventions are needed to push growth to a new higher level and to further expand development. Expanded growth is necessary to create employment and to continue foster a better, socially cohesive society for all KZN people.

There are similarities between the issues that are at play nationally and those facing KZN at a provincial level. The Province is a critical contributor to South Africa's development. KZN is home to 11.1 million people, the second largest province both in terms of its population (19.9%) and its economic contribution of 16.5% to the national Gross Value Added (GVA).

The NPC Diagnostic Report (2011: 7) stated, “The continued social and economic exclusion of millions of South Africans, reflected in high levels of poverty and inequality, is our biggest challenge.” Hence the fundamental challenge that the new KZN PGDS will need to address is how to create more and better jobs over a sustained period of time. This will require a fresh look at: unlocking an expanded, sustainable and spatially balanced economic base. With a clear focus on job creation, even more emphasis has to be placed on labour intensive opportunities which will, amongst others, accommodate the marginalised sector of the population, prioritise improved education outcomes and skills development, responsive to workplace demands. It is acknowledged that these job creation outcomes can only be achieved within an enabling environment with safe, healthy and sustainable communities that are able to secure a livelihood within a shared and broadly participatory economy.

The structural constraints to growth in KZN have unfortunately remained issues related to increasing unemployment, inequality and poverty. Weak demand, intense international competition, insufficient skills development and training together with weak partnership between economic actors and stakeholders continue to prevent reductions in unemployment. Areas of weak investment will add further threats in the medium term. Agriculture and manufacturing have, over the past decade, reduced employment although the real growth rate of GVA has increased. Youth, women and those in living in rural areas are, however, still not able to fully participate in the economy and, therefore, do not share in the benefits of this growth. Agriculture is still underperforming and those involved in the sector have been severely affected by episodes of drought. Climate change projections caution that these adverse climatic shocks will grow in intensity. This impact becomes critical given KZN’s focus on agriculture and potential losses of high value agricultural land.

Further threats related to climate change, in particular for the coastal area of the Province relates to potential damage of port infrastructure, breaching of planning flood lines, affecting a significant portion of the province’s population living close to rivers and in low lying areas. It is estimated that if South Africa does not immediately act to adapt to the effects of climate change, it could cost the country about 1.5% of gross domestic product by 2050. This places further emphasis on pursuing green technologies and promoting the green economy.

Whilst KZN is endowed with the large and strategic Durban and Richards Bay Ports, the Dube Tradeport, vast agricultural land, and a strong industrial base, these comparative advantages are still to be translated into competitive advantages. KZN could assert its regional and global position more firmly through its growing infrastructure advantages, strong environmental and tourist assets as well as strategic geographical positioning.

The Revised 2016 KZN PGDS provides a strong platform for a series of interventions to ensure that growth and development is oriented to its people and that a sustainable transformative agenda is prioritised. Significant milestones need to be achieved to address inherited social and spatial inequities which continue to inhibit the creation of safe, healthy and sustainable living environments. It is imperative that the institutional and governance framework also embrace this transformative agenda by doing business differently by being developmental, competent, caring and facilitating to ensure equitable, accessible and qualitative provision of services and infrastructure to all the people of this Province. Municipalities need to be institutionally empowered with the requisite organisational capabilities and human resource competencies to bring to life Vision 2035.

In attempting to address the challenges highlighted above and embrace the policy intentions, the following principles were developed to facilitate overall guidance in the development of the 2011 KZN PGDS Strategic Framework and these still apply, namely:

- (a) Grow the economy to achieve shared and inclusive growth;
- (b) Harness the Province’s assets and endowments;

- (c) Develop the Province’s greatest asset, its human capital;
- (d) Harmonise environmental integrity and human and social development with economic development;
- (e) Government must be developmental, competent, caring and facilitating as well as efficient in the use of its financial and human resources;
- (f) The private sector must be engaged and supported to grow a shared economy to provide employment and decent working conditions;
- (g) Organised labour must protect workers from exploitation while promoting labour productivity; and
- (h) Civil society must be strengthened, capacitated and fully participate in shaping its own collective destiny and in the realisation of KZN Vision 2035.

Against this background, the Revised 2016 KZN PGDS is designed to facilitate sustainable and inclusive economic growth, reduce growing inequality, eradicate poverty and promote environmental sustainability.

To realise Vision 2035 of “KwaZulu-Natal, a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, and acting as gateway to Africa and the world”, the following seven long-term goals have been identified to guide policy-making, programme prioritisation and resource allocation.

Figure 1: PGDS 7 Strategic Goals



This Revised PGDS puts forward 31 strategic objectives to achieve seven strategic goals, as indicated in the table below.

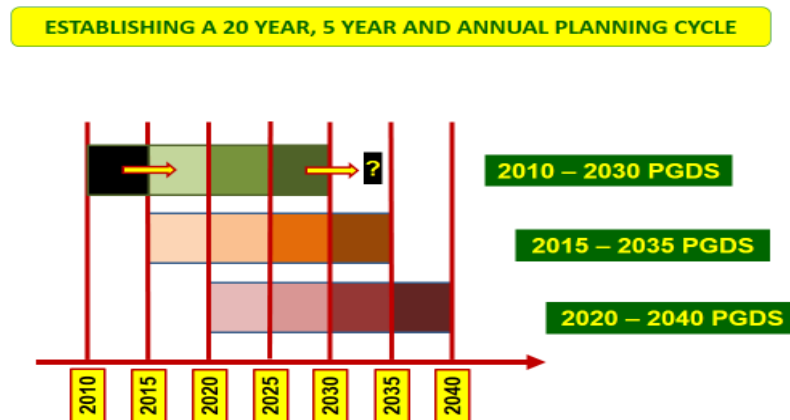
Figure 2: PGDS Listing of Strategic Goals and Strategic Objectives

2016 PGDS STRATEGIC GOALS and OBJECTIVES			Nature of amendment
(Key – <i>Bold Italic font</i> indicates changes from PGDS 2011)			
STRATEGIC GOAL	No	STRATEGIC OBJECTIVE 2016	
1 INCLUSIVE ECONOMIC GROWTH	1.1	<i>Develop and promote</i> the agricultural potential of KZN	<i>New Wording</i>
	1.2	Enhance sectoral development through trade investment and <i>business retention</i>	<i>New Wording</i>
	1.3	<i>Enhance spatial economic development</i>	<i>New</i>
	1.4	Improve the efficiency, <i>innovation and variety</i> of government-led job creation programmes	<i>New Wording</i>
	1.5	Promote SMME and entrepreneurial development	
	1.6	Enhance the Knowledge Economy	
2 HUMAN RESOURCE DEVELOPMENT	2.1	Improve early childhood development, primary and secondary education	
	2.2	Support skills development to economic growth	
	2.3	Enhance youth and adult skills development and life-long learning	
3 HUMAN AND COMMUNITY DEVELOPMENT	3.1	<i>Eradicate</i> poverty and improve social welfare services	<i>New Wording</i>
	3.2	Enhance health of communities and citizens	
	3.3	<i>Safeguard and</i> enhance sustainable livelihoods and food security	<i>New Wording</i>
	3.4	Promote sustainable human settlements	
	3.5	Enhance safety and security	
	3.6	Advance <i>social cohesion</i> and social capital	<i>New Wording</i>
	3.7	<i>Promote youth, gender and disability advocacy and the advancement of women</i>	
4 INFRASTRUCTURE DEVELOPMENT	4.1	<i>Development of seaports and airports</i>	<i>New Wording</i>
	4.2	Develop road and rail networks	
	4.3	Develop ICT infrastructure	
	4.4	<i>Ensure availability and sustainable management of water and sanitation for all</i>	<i>New Wording</i>
	4.5	<i>Ensure access to affordable, reliable, sustainable and modern energy for all</i>	<i>New Wording</i>
	4.6	<i>Enhance KZN waste management capacity</i>	<i>New</i>
5 ENVIRONMENTAL SUSTAINABILITY	5.1	<i>Enhance resilience of ecosystem services</i>	<i>New Wording</i>
	5.2	<i>Expand the application of green technologies</i>	<i>New</i>
	5.3	<i>Adapt and respond climate change</i>	<i>New Wording</i>
6 GOVERNANCE AND POLICY	6.1	Strengthen policy, strategy coordination and IGR	
	6.2	Build government capacity	
	6.3	Eradicate fraud and corruption	
	6.4	Promote participative, facilitative and accountable governance	
7 SPATIAL EQUITY	7.1	<i>Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities</i>	<i>New Wording</i>
	7.2	<i>Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment</i>	<i>New Wording</i>

Achieving the growth and development objectives outlined in the 2016 KZN PGDS requires strengthening the collaboration and partnership among various social partners, in particular, business, organised labour, civil society and the different spheres of government and state owned enterprises under the leadership of the KZN Government.

The 2016 PGDS will provide a firm basis for the development of annual PGDPs as the implementation framework for the strategy. As the Province’s institutionalised platform for the review and development of the 2016 PGDS, the PGDS Technical Committee will steer the implementation of these interventions in dialogue with the relevant supporting partners to ensure that the strategic outcomes are achieved through improved alignment, coordination, partnerships and good governance. The Provincial Growth and Development Plan (PGDP) the implementation framework encompassing the monitoring, evaluation, reporting and reviewing components, brings together the proposed key indicators, targets and interventions needed to achieve the strategic objectives and high-level goals identified in the 2016 PGDS. The Technical Committee, and the Provincial Nerve Centre based in the Office of the Premier, will formulate, capture and evaluate a wide range of data to assess the effectiveness of the provincial government departments and entities that will be responsible for implementing many of the strategies and interventions of the PGDS. Similarly the KZN Provincial Planning Commission (PPC) is expected to play a leading role in monitoring and facilitating alignment in the planning and execution of development strategies across a wide range of stakeholders, but in particular with regard to the alignment of the three spheres of government in the Province. The 2016 KZN PGDS sets out a growth and development strategy for the Province to 2035 and hence inherently requires periodic review to ensure that the strategy remains relevant and that progress towards achieving its goals and objectives is monitored and evaluated. This is illustrated as follows:

Figure 3: PGDS Review Cycle



For the 2016 KZN PGDS to deliver on shared growth and integrated, sustainable development through its interventions, all spheres of government must commit to the following:

- (a) The incorporation of the strategic goals and objectives in their priorities and programmes; Effective participation in the institutional implementation framework;
- (b) The implementation of catalytic projects and interventions;
- (c) The provision and allocation of the required support and resources; and
- (d) The reporting of progress.

1 Introduction and Approach

1.1 Introduction

KwaZulu-Natal, home to 11.1 million people and fondly known as the Kingdom of the Zulu, lies on the eastern seaboard of South Africa and benefits both from the warm Indian Ocean to the east and the escarpment of the Drakensberg in the west. With its rich cultural history, KZN presents a host of wonderful strengths and opportunities but unfortunately also faces serious challenges.

KwaZulu-Natal stands out as the South African province that has undergone remarkable transformation since 1994. The Province is perceived as a place of opportunity, striving for prosperity. It is rich in natural attributes, from its favourable weather conditions, to its great natural tourism assets such as the warm coastline, the Drakensberg mountain range and world-class game reserve areas. The Province as a place with a rich and unique history, also has important historical assets.

The Province has also built on its natural status as the trade gateway of southern Africa, based on the fact that the port of Durban is the busiest container port and Richards Bay is the biggest bulk cargo port in Africa. Enormous capital investment in these ports and related infrastructure has been unlocked to enhance the competitive and comparative advantage of the region. Between these two seaports the Province has also established the Dube Tradeport as an air logistics platform to promote access to global trade and tourist nodes. This opens the way for attracting increasing numbers of foreign tourists to fly directly to the Province using the King Shaka International Airport, but more importantly, it opens up new opportunities for the production and export of high-value perishable products and manufactured goods.

The Dube Tradeport and the Richards Bay IDZ have been designated as Special Economic Zones, providing incentives to attract potential investors to the Province. These zones are linked to a number of agri-parks and industrial economic hubs which are being established to offer strong production linkages as well as clustering potential.

Whilst these attributes offer new tremendous opportunities, serious social challenges are still being experienced in KwaZulu-Natal, which necessitates close monitoring of social intervention strategies within the Province. The main challenge is to devise people-centred strategies to ensure growth and development that advances a sustainable transformative agenda while also curbing historically derived social and spatial disparities.

A closer analysis, not only of social issues, but also of the institutional and governance framework, indicates a need for “doing development” differently – to infuse social elements into the notion of growth and development in the Province. This requires thorough planning and development skills to effect projects that are strategic and impact-oriented focusing on equitable provision and the logistics of coverage. Issues of quality of services and infrastructure to different social groups remain a challenge.

Challenges being experienced throughout the Province point towards the fact that transformation, equity and sustainability remain primary values that should influence strategic planning. Moreover, for various social groups, understanding of asset entitlements and economic sustenance remains unclear. Social relationships conducive to personal, household and community development are under-explored since a community development approach that is aimed at enhancing social cohesion has not yet been adopted. Social challenges related to inequality, poverty, unemployment and in particular youth unemployment, weak social cohesion, gender imbalances and family discordance, seem to be beyond the desirable locus of control.

Although great strides have been made in the delivery of basic services such as water, electricity, sanitation, roads, housing, primary health care, etc., there are still significant backlogs that need to

be addressed, and the quality of services needs significant improvement. The integration and sequencing of the delivery of these services also requires focused attention, promoting nodal development to maximise economies of scale and prevent regression of gains made in the eradication of backlogs.

Whilst there have been successes to date, there is also acknowledgement that new and innovative ways need to be explored to bring about the growth and development necessary to create employment and better employment conditions, as well as foster a more socially cohesive, inclusive society for all the people in the Province.

The purpose of the PGDS therefore is to:

- (a) Develop a clear long term vision and plan for the growth and development of the Province by building on the strengths and opportunities while addressing weaknesses and threats;
- (b) Identify strategic goals and objectives which would drive the Province to a desired state as expressed in the Vision;
- (c) Mobilise all development partners to achieve these predetermined development objectives and targets;
- (d) Promote vertical, horizontal and spatial alignment;
- (e) Spatially contextualise and prioritise (not just what, also where and when) so as to achieve spatial equity;
- (f) Guide the activities and resource allocation of Provincial Government and other spheres of government, business sectors, organised labour and other role players from civil society that can contribute to development in the Province;
- (g) Develop clear institutional arrangements to secure buy-in and ownership, through a structured consultation process with all sectors and development partners;
- (h) Build a strong centre and decisive leadership to achieve the desired outcomes and ensure that the PGDS is afforded the status as the primary plan for the Province.

The structure of the KZN PGDS is therefore crafted in a manner that deals with:

- (a) Section One, the Introduction and Approach, which provides a high level overview of the context within which this strategy is being prepared.
- (b) Section Two provides a high level overview of a Strategic Analysis undertaken to determine the current status of the Province in respect of critical landscapes having a direct impact on growth and development in KZN.
- (c) Section Three, the Strategic Framework, formulates the revised goals and objectives, as well as an indication of high level indicators and interventions key to the successful implementation of this strategy. It must be noted that indicators and interventions, as well as targets are further refined and confirmed in the ongoing review process of the Provincial Growth and Development Plan (PGDP).

- (d) Section Four presents a revision of the Provincial Spatial Development Framework (PSDF) and identifies the key geographic areas of need and potential to focus the prioritised and phased implementation of the Province's strategic objectives. The Provincial Spatial Development Strategy (PSDS) has been formulated to give spatial expression to the PGDS and provides the spatial context for the proposed strategic interventions. This has been built on a careful analysis of historical and current development trends and a thorough understanding of the physical, demographic, social, economic and institutional profile and state of the environment of the Province.

1.2 Policy Context

At the global level, cognisance has been taken of the Sustainable Development Goals (SDGs) which have replaced the Millennium Development Goals (MDGs). Within the African context, this provincial strategy has also been aligned with the 10 priority actions of the African Union Agenda 2063. The National Development Plan and the 14 outcomes of the Medium Term Strategic Framework (MTSF) provides a central reference point for alignment with the national programme of action. In reviewing this strategy, specific reference has also been made to the Nine Point Plan adopted by national government as a measure to address challenges related to global economic downturn. This policy context serves to highlight the key threads of related policy frameworks to ensure direct line of sight and alignment between national and provincial strategies. This provincial growth and development strategy is therefore also essential in providing a framework for municipal strategic alignment with provincial and national imperatives.

The United Nations Sustainable Development Goals

In September 2015, countries adopted a set of goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda to be achieved over the next 15 years. The post 2015 development agenda builds on the Millennium Development Goals (MDGs) which were eight anti-poverty targets that the world committed to achieving by 2015. Enormous progress has been made on the MDGs showing the value of a unifying agenda underpinned by goals and targets. Despite this success, the indignity of poverty has not been ended for all. The United Nations Sustainable Development Goals (SDGs) declaration aims to promote a 'comprehensive approach and a coordinated strategy, tackling many problems simultaneously across a broad front'. It is a critical document whereby all signatory countries and development organisations have committed to achieving the targets set by 2030. These SDGs are as follows:

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
3. Ensure healthy lives and promote wellbeing for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.

14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalise the global partnership for sustainable development.

The African Union Agenda 2063

The African Union Agenda 2063 was adopted by the African Union in 2013 with a Vision “An integrated, prosperous and peaceful Africa driven by its own citizens and representing a dynamic force in the global arena.” It is an approach to how the continent should learn from the lesson of the past, build on progress and strategically exploit all opportunities in the short, medium and long term to ensure positive socio-economic transformation. These are built on the following 10 priority actions:

1. Eradicate poverty in a generation by 2025.
2. Skills Revolution and in science, technology and innovation.
3. Economic Transformation and industrialisation through beneficiation of natural resources.
4. Connectivity through World Class Infrastructure.
5. Free Trade Area.
6. Young people as drivers of the African Renaissance.
7. Silence the guns.
8. Gender Parity.
9. African Passport.
10. Strengthen Africa’s voice in global negotiations.

The 14 Outcomes of the current MTSF, as the implementing framework for the National Development Plan, are:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive growth.
5. Skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Comprehensive rural development.
8. Sustainable human settlements and improved quality of household life.
9. Responsive, accountable, effective and efficient developmental local government system.
10. Protect and enhance our environmental assets and natural resources.
11. Create a better South Africa, contribute to a better and safer Africa and a better world.
12. An efficient, effective and development oriented public service.
13. An inclusive and responsive social protection system.
14. Transforming society and uniting the country.

The Nine Point Plan

The Nine-Point Plan sets adjustments to deal with particularly large scale constraints that affect growth and investor confidence.

The Plan relies on concomitant interventions focused on the following:

1. Revitalisation of the Agriculture and the agro-processing value chain.
2. More effective implementation of a higher-impact Industrial Policy Action Plan.
3. Advancing beneficiation and adding value to our mineral wealth.
4. Unlocking micro, small and medium enterprises (SMMEs), cooperatives, township and rural enterprises.
5. Growing the ocean economy.
6. Resolving the energy challenge.
7. Moderating workplace conflict.
8. Scaling up private sector participation and investment.
9. Cross-cutters with specific focus on water, ICT, transport infrastructure, science and technology.

Whilst the use of the abovementioned policy frameworks has informed the review of the KZN PGDS and ensured alignment with global, continental and national priority focus areas, it also reflects provincial specific growth and development imperatives. This has enhanced the province's ability to manage and guide the shift:

- (a) From an internal focus to establishing strategic and mutually beneficial global partnerships;
- (b) From ad hoc sectoral responses to an integrated socioeconomic development strategy;
- (c) From one-dimensional spatial planning to regionally integrated development outcomes that incorporate local economic- development strategies that take account of specific contexts; and
- (d) From environmental management to sustainable development.

ALIGNMENT OF STRATEGIC PLANS

The concept of direct line of sight and the alignment of plans between the various spheres of government are best depicted by the following diagram:

Figure 4: Alignment of Strategic Plans



PGDS alignment to the Sustainable Development Goals; and African Union Agenda 2063 are summarised as follows:

Figure 5: PGDS alignment to SDG's and AU 2063 Listing of Strategic Goals and Strategic Objectives

AU GOALS		PGDS 2016		SDG GOALS	
1	A high standard of living, quality of life and well-being for all citizens	1	Inclusive Economic Growth	1	End poverty in all its forms everywhere
		3	Human and Community Development (3.4 Sustainable human settlements)	2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
		7	Spatial Equity	8	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
11	Make cities and human settlements inclusive, safe, resilient and sustainable				
2	Well educated citizens and skills revolution underpinned by science, technology and innovation	2	Human Resource Development	4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
		1	Inclusive Economic Growth (Enhance the knowledge economy)		
3	Healthy and well-nourished citizens	3	Human and Community Development (3.2 Enhance health of communities and citizens)	3	Ensure healthy lives and promote wellbeing for all at all ages
4	Transformed economies	1	Inclusive Economic Growth	8	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
				9	Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
5	Modern agriculture for increased productivity and production	1	Inclusive economic growth (1.1 Develop and promote the agricultural potential of KZN)	2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
6	Blue/ocean economy for accelerated economic growth	5	Environmental sustainability (5.1 Resilient Ecosystems, and 5.2 Expand green technology)	12	Ensure sustainable consumption and production patterns
				14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
				7	Ensure access to affordable, reliable, sustainable and modern energy for all
7	Environmentally sustainable and climate resilient economies and communities	5	Environmental Sustainability	15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss
				4	Strategic Infrastructure (4.4 Ensure availability an sustainable management of water and sanitation)
		6	Ensure availability and sustainable management of water and sanitation for all		
		13	Take urgent action to combat climate change and its impacts		
8	A United Africa (Federal or Confederate)	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR)	-	-
9	Continental financial and monetary institutions established and functional	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR)	-	-

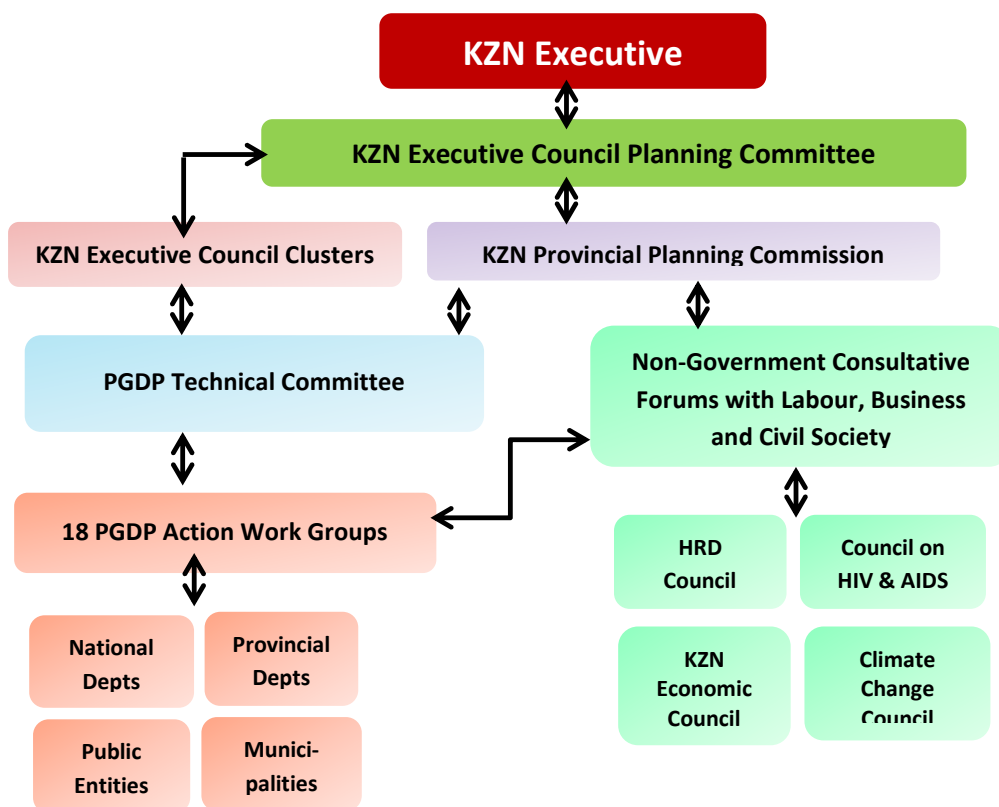
AU GOALS		PGDS 2016		SDG GOALS	
10	World class infrastructure criss - crosses Africa	4	Strategic Infrastructure	9	Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
				6	Ensure availability and sustainable management of water and sanitation for all
				7	Ensure access to affordable, reliable, sustainable and modern energy for all
11	Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched	6	Governance and policy (incl 6.4 Promote participative, facilitative and accountable governance	-	-
12	Capable institutions and transformative leadership in place	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR; and 6.2 Build government capacity	-	-
13	Peace, security and stability is preserved	3	Human and Community Development (3.5 Enhance safety and security)	16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
14	A stable and peaceful Africa	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR)	16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
		3	Human and Community Development (3.5 Enhance safety and security)		
16	African cultural renaissance is pre-eminent	6	Governance (6.1 Strengthen policy, strategy coordination and IGR)		
		3	Human and community Development (3.6 Advance social cohesion and social capital)		
17	Full gender equality in all spheres of life	3	Human and Community development (3.7 Promote youth, gender and disability advocacy and the advancement of women)	4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
		2	Human resource development (2.3 Enhance youth and adult skills development and life-long learning)	4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
18	Engaged and empowered youth and children	2	Human resource development (2.3 Enhance youth and adult skills development and life-long learning)	5	Achieve gender equality and empower all women and girls
		3	Human and Community development (3.7 Promote youth, gender and disability advocacy and the advancement of women)	5	Achieve gender equality and empower all women and girls
19	Africa as a major partner in global affairs and peaceful coexistence.	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR)	17	Strengthen the means of implementation and revitalise the global partnership for sustainable development
20	Africa takes full responsibility for financing her development Goals	6	Governance and policy (6.1 Strengthen policy, strategy coordination and IGR; and 6.2 Build government capacity	10	Reduce inequality within and among countries
				17	Strengthen the means of implementation and revitalise the global partnership for sustainable development

1.3 Stakeholders and Social Partners are the centre of revising the PGDS

The Provincial Growth and Development Strategy is an essential mechanism to ensure that all stakeholders are mobilised and are committed to its successful implementation. It is for this reason that the PGDS emphasises the need to have stakeholders and social partners placed at the centre of the review of the strategy.

The institutional structure supporting the review of the PGDS is depicted in the diagram below.

Figure 6: Institutional structure for PGDS review and implementation



The revised PGDS is a product of inputs from all social partners in KZN, namely the public and private sector, organised civil society, organised labour, academia and the non-governmental sector. This engagement has been pivotal to this transformation initiative, ensuring that the process secures the ownership of all stakeholders. This also ensured that the engagement focused on an inside-out view (i.e. internal stakeholders) and an outside-in view (i.e. external stakeholders). The diagram above graphically represents the inside-out and outside-in view where the stakeholders are at the centre of the process of drafting the PGDS.

The overall objective was to produce an up-to-date and comprehensive overarching KZN PGDS, widely respected and owned amongst the public and private sector partners in KwaZulu-Natal and beyond. The development of this revised KZN Provincial Growth and Development Strategy (PGDS) is driven by a combination of external and internal changes that influences the way in which society moulds itself. At a global level, the economic shifts and subsequent impact on trading patterns, the development in technology production processes, the energy transitions, the climate changes and the rise of certain African countries, required a review of the way in which KZN charts its future growth and development trajectory. At the local level, the persistence of the triple challenge of poverty, unemployment and inequality requires the KZN province to rethink its strategies to achieve Vision 2035.

2 The Strategic Analysis

Undertaking a review of the 2011 PGDS, obviously requires a thorough understanding of the current situation as it prevails in the Province. It was therefore essential to carry out a strategic analysis to establish what the progress has been made since 2011, identifying areas of both good and poor performance and then testing the relevance of the existing strategy to address the strengths, opportunities, weaknesses and threats to the Province.

The strategic analysis undertaken in the drafting of the 2016 PGDS was informed by the following documents and processes, namely:

2.1 The 2016 KZN Situational Overview

The 2016 KZN Situational Overview, undertaken by the Provincial Planning Commission as a desk top review of the initial Situational Overview done in 2011, reflects the current situation in the Province in respect of each of the growth and development sectors in the Province. This Report is available from the Provincial Planning Commission website at www.kznppc.gov.za and outlines the status quo and where possible prevailing trends related to the following provincial landscapes:

- (a) The Physical and Environmental Landscape;
- (b) The Demographic Landscape;
- (c) The Social Landscape;
- (d) The Human Resource Development Landscape;
- (e) The Economic Landscape;
- (f) The Infrastructure Landscape; and
- (g) The Institutional and Policy Landscape.

2.2 The Stats SA 2016 Community Survey

As a follow-up to the 2011 Census, Stats SA released the results from the 2016 Community Survey in July 2016. This Survey has not only provided a highly insightful and critical assessment of the current situation in our Country and in our Province, but it also provides valuable insights to pertinent trends in respect of:

- (a) Demographic structure and growth trends.
- (b) Lifetime immigration and internal migration.
- (c) General health and functioning and parental survival.
- (d) Education attendance and attainment.
- (e) Fertility, mortality and emigration.
- (f) Household characteristics with a focus on:
 - (i) Perception on municipal challenges;
 - (ii) Access to basic services;
 - (iii) Household involvement in agricultural activities;
 - (iv) Food security; and
 - (v) Crime statistics.

2.3 Progress reports to Makgotla on the implementation of the 2011 PGDS

Subsequent to the adoption of the 2011 PGDS by the Provincial Executive Council in August 2011, the Provincial Planning Commission was tasked with the drafting of an implementation framework for this Strategy in the form of a Provincial Growth and Development Plan (PGDP). The first PGDP was then adopted in 2012 and contained;

- (a) Apex Indicators for each of the 7 Strategic Goals;
- (b) Primary Indicators for each of the 30 Strategic Objectives;
- (c) A clear indication of the 2010 baseline, as well as targets for 2015, 2020, 2025 and 2030 for each of these indicators;
- (d) Priority interventions which would drive the performance of the indicators; and
- (e) A set of catalytic identified on the basis of their potential to make a substantial contribution to the attainment of the targets set for the Province.

The 2012 PGDP also put in place an institutional arrangement for the implementation, maintenance and review of the PGDS/P in the form of 18 Action Work Groups (AWGs). These AWGs provided an opportunity for all development partners to become actively involved in all aspects of the PGDS/P and they were also tasked to prepare quarterly reports on the progress made with the implementation of the PGDS/P. AWG Reports have been consolidated through the relevant Clusters of the Provincial Executive Council and reported on at all Provincial Government Makgotla since August 2012. These Cluster Reports have provided valuable information on progress made, or lack thereof, and therefore had to be taken into account in the current review of the PGDS.

2.4 The 2015 KwaZulu-Natal Citizen Satisfaction Survey

Following a Pilot Citizen Satisfaction Survey commissioned by the KZN Planning Commission in 2013, a more detailed and extensive Citizen Satisfaction Survey was undertaken in collaboration with Stats SA in 2015. This survey, which was conducted in 20 819 households throughout the Province was aimed at the:

- (a) Measurement of citizens' rating of satisfaction with performance of the provincial government;
- (b) Measurement of citizens' ranking of provincial priorities and performance of provincial government departments;
- (c) Measurement of citizens' rating of satisfaction with overall performance of their local municipality; and
- (d) Measurement of citizens' rating of satisfaction with level and quality of selected municipal services.

2.5 Reports on Social Cohesion and Migration

Following incidents of tension and conflict between sections of the KZN population, Provincial Government appointed a Special Committee on Social Cohesion in 2014 to investigate the threats to social cohesion in the Province, the context from which they emerge and the possible actions that can be instituted to deal with this challenge. This Report, which was submitted to the KZN provincial Executive Council in December 2015 focussed on:

(a) Structural Threats related to:

- (i) Socio-economic Inequalities;
- (ii) Poverty;
- (iii) Spatial Legacies of Apartheid;
- (iv) Land, Services and the Rural-urban Divide;
- (v) Education; and
- (vi) Unemployment.

(b) Institutional Threats related to:

- (i) Government Procurement Practices and Broad-Based Black Economic Empowerment;
- (ii) Corruption; Government's relations with citizens;
- (iii) Challenges of school-driven socialisation processes; and
- (iv) Breakdown of family and community structures as socialising agents.

(c) Societal Threats related to

- (v) Racial stereotyping;
- (vi) Perceptions, Stigma and Biases;
- (vii) Marginalisation;
- (viii) The rural-urban divide;
- (ix) The racial and cultural divide;
- (x) The generational divide;
- (xi) HIV/AIDS;
- (xii) Disability;
- (xiii) Language;
- (xiv) Gender and Power Relations;
- (xv) Absence of Shared Values;
- (xvi) Substance Abuse; and
- (xvii) Civic Education and Awareness.

(d) Institutions and approaches that strengthen social cohesion.

After the 2015 outbreak of xenophobic attacks in KZN, the Provincial Executive Council appointed a Special Reference Group on Migration and Community Integration. The mandate given to this Reference Group was to assess the reported causes and socio-economic impacts of the attacks, to consider the successes and shortcomings of past and ongoing initiatives for reducing tensions between communities and to outline immediate and long term solutions in response to the violence.

Both these reports have provided profound insights into the factors shaping the societal dynamics of this province, as well as the progress, or lack thereof, made in pursuance of real and meaningful cohesion between different sections of the diverse KZN society.

2.6 Broad Based Consultation with and Comments from Development Partners

With the PGDS being a strategy for all in KZN and not only a strategy for government, specific attention has been given to ensure that all development partners were consulted and had an opportunity to provide input to and provide comment on the review of the PGDS. This was in addition to the Citizen Satisfaction survey referred to above. This consultation process was conducted firstly through the existing institutional structures established and agreed to by all development partners, namely:

- (a) The KwaZulu-Natal Economic Council as the official platform for engagement between government, organised business, organised labour and structures representing civil society;
- (b) KwaZulu-Natal Business Chambers Council representing affiliated chambers throughout the Province;
- (c) The KwaZulu-Natal Growth Coalition specifically established for government engagement with private sector to attend to development challenges being experienced in the Province;
- (d) SALGA KZN and the Premier's Coordinating Committee as structures established to inter alia facilitate coordination and integration of municipal strategic planning into provincial strategic planning processes. Some individual municipalities also provided comment, notably so from the eThekweni Municipality and engagement with the eThekweni City Planning Commission is ongoing to ensure alignment between metro and provincial level planning; as well as
- (e) The Action Work Groups established to coordinate and align the activities of government business, labour and civil society in the implementation, refinement and review of the PGDS and PGDP.

In addition to these formal engagement platforms, input to the refinement of the PGDS was also solicited through advertisements in the print and electronic media. A range of one on one engagements were conducted as a result of this process. Special attention was also given to ensure that sector inputs could be obtained.

2.7 High Level Summary of Strategic Analysis

In order to provide a structured and meaningful summary of the findings made and conclusions drawn from all of the inputs listed above, this summary of the strategic analysis is structured on the basis of the sustainability matrix presented in Section 3.2 (Fig 4).

2.7.1 Environmental Resilience

- (a) Environmental sustainability of the Province is challenged, in particular as a result of erratic and severe weather conditions (drought, flooding and severe storms) and poor land use practices.
- (b) Greater emphasis is required on conserving and protecting the quality and quantity of finite surface and groundwater resources of the Province, so as to meet current demands and not to undermine projected future socio-economic development opportunities.
- (c) Poor enforcement or application of environmental control measures is a serious cause of concern and is giving rise to a situation where there is a growing disregard of these control measures and leaves the environment and communities vulnerable.
- (d) Land degradation does not only result in the loss of valuable soils as a key environmental asset, but also leads to a reduction in livelihood, as well as an increase in sedimentation and therefore reduction in efficiency of the storage capacity of dams.
- (e) Unsustainable land use practices, in particular in communal land tenure areas of the Province is exacerbating land degradation and by implication inequality in that it further devalues the most valuable asset of rural communities, namely their land.
- (f) Increased attention is required to protect and conserve not only the terrestrial and atmospheric environment, but the marine environment is becoming increasingly important within the context of the marine economy.
- (g) Increasing tensions between competing land uses, as well as increasing demand on land for development, requires an intensified focus on land use planning, management and governance.
- (h) Poor waste management and lack of maintenance of storm water, as well as treatment and waste disposal facilities is posing serious environmental risks, especially given the current population growth and rate of urbanisation.
- (i) Increasing demand for energy is translating into increased extraction of commodities such as coal, oil and gas. This poses a serious environmental sustainability risks in the extraction, logistics and generation processes in this value chain. The most recent development in this regard is the proposed extraction of shale gas through fracking.
- (j) Climate change commitments emanating from COP21 agreements, bind the Province to stronger commitment to a green growth path and embracing the green economy.

2.7.2 Human Development and Social Capital

- (a) Whereas KwaZulu-Natal was the most populace Province in South Africa in 2011, it has been overtaken by the Gauteng Province. KZN Population in 2011 was 10.27 million and now stands at 11.1 million, while the Gauteng population now stand on 13.3 million. This proportional decline in the Province's population has already given rise to, and may still lead to further reductions of the Province's equitable share.

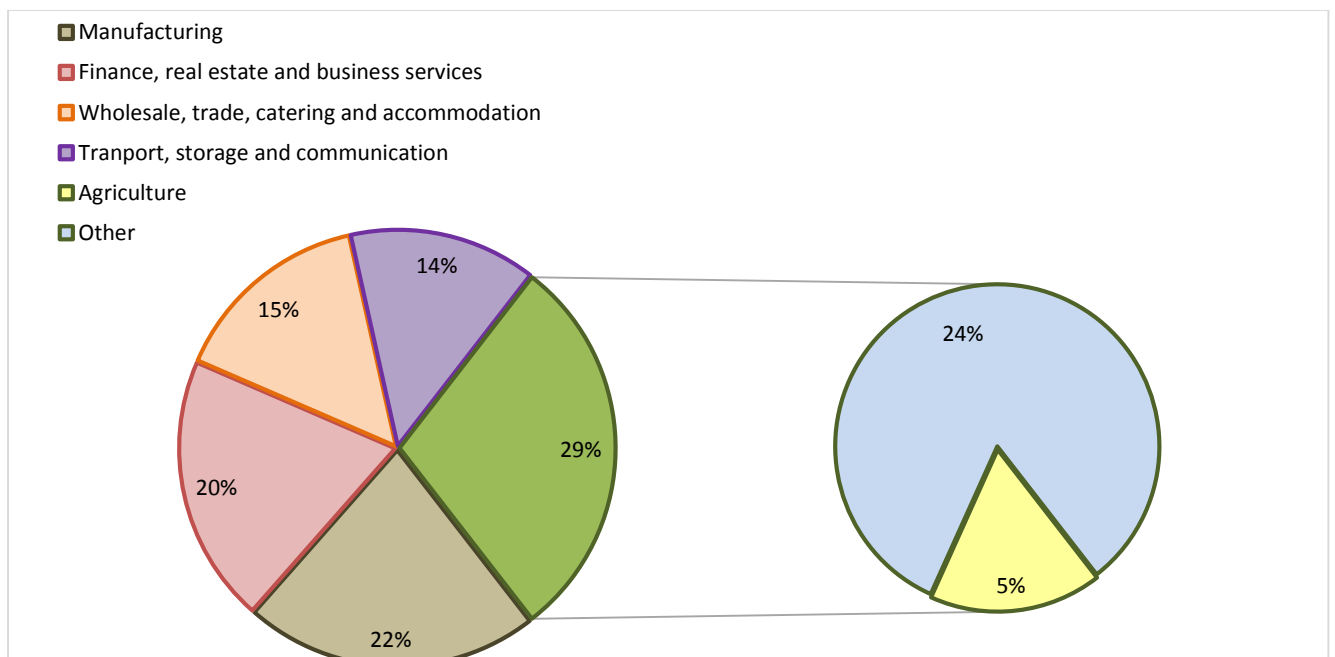
- (b) The number of households have increased from 2.5 million in 2011 to 2.9 million in 2016 and the average household size has decreased from 4.5 in 2011 to 3.8 in 2016.
- (c) There has been a substantial decrease in the number of households involved with agriculture in KZN from 28.2% in 2011 to 18.6% in 2016. Although this is directly related to drought incidents in the Province, it is also directly related to urbanisation trend in the Province.
- (d) The urbanisation trend has continued unabatedly with the population of eThekweni showing the largest proportional increase from 2.75 million in 1996, to 3.09 million in 2001, to 3.44 million in 2011 and now to 3.66 million in 2016.
- (e) Although substantial progress has been made with the reduction of headcount poverty in the Province, the severity of poverty has risen in many municipalities. It is evident that the triple challenge of poverty, unemployment and inequality is still persistent and requires continued and heightened intervention.
- (f) Great strides have been made to ensure universal access to education at all levels. The critical issues to be attended to now relate to the quality of education, attainment and relevance, as well as the financial viability of tertiary institutions and expectations of free education.
- (g) The attainment of graduate qualification for the African section of the KZN population has proportionally decreased in relation to especially the White and Indian population.
- (h) Inequality in the quality and attainment of educational qualifications is still growing and is inhibiting eradication of inequality in all spheres of society and is also regarded as one of the main drivers of poverty in the Province.
- (i) There is still a substantial mismatch between skills demand and supply in KwaZulu-Natal, giving rise to unacceptably high graduate unemployment figures, notably so in the African population group with more than 9.7% of African graduates being unemployed.
- (j) Inequality in the workplace is still apparent with a skewed demographic representation in critical skills areas and leadership positions.
- (k) There has been a substantial improvement in life expectancy, as well as dramatically improvement in access to treatment and health facilities. The rate of HIV/AIDS infections are however still extremely high and increasing. This, coupled with a stubborn high maternal mortality rate and TB incidence are still areas to improve on to meaningfully improve the quality of life of the citizens of KwaZulu-Natal.
- (l) Crime and violence remain a key concern and citizens have clearly indicated that they are not feeling safe and business have raised concerns about risks and losses in this regard. This is further exacerbated by a renewed outbreak of politically motivated killings as well as unacceptably high levels of gender based violence.
- (m) The realisation of a more socially cohesive society is fundamentally dependent upon how KZN pursues greater socio-economic equality and how it promotes higher degrees of mutual acceptance within and between its diverse communities.
- (n) Socio-economic conditions are not conducive to the reduction of various social ills such as substance abuse, gender based violence and teenage pregnancies in particular. This situation creates a downward spiral of moral decay and increased criminality, which can only be turned around by concerted efforts of all sectors of society.

- (o) Although the right to protest is acknowledged, the violent and destructive nature of public protests is a serious cause for concern. The loss of state and private sector assets as a result of such protest actions is impacting negatively on service delivery and is likely to cause regression.

2.7.3 Economic Development

- (a) Assumptions made in the 2011 PGDS and which served as the basis for the targets set in the PGDP, namely that the KZN Economy was going to grow at an average of 5% per annum has not materialised. This has had far reaching impact on most growth and development indicators.
- (b) As much as the Province managed to achieve its employment creation targets, unemployment, and in particular youth unemployment has risen significantly. This remains one of the most significant risks for social stability and is also directly related to education and skills development outcomes.
- (c) Although the per capita contribution to GDP in KwaZulu-Natal has improved from R 28 110 in 2010 to R 31 107 in 2015, it was still below the 2015 target of R 33 400. This is of concern from a shared growth perspective and is also confirming challenges related to unemployment and entrepreneurial development.
- (d) Currency instability and volatility, coupled with fluctuations in commodity prices has had a severe impact on the South African economy. Renewable energy projects which were viable with a strong Rand and high oil prices are not viable in a weak rand and lower oil price environment. The converse is obviously applicable to export orientated business ventures, as well as international tourism.
- (e) The **key sectors of lead sectors of the KZN Economy are:**

Figure 7: Key sectors of the KZN Economy in terms of GDP contribution



- (f) The lead sectors of the KZN Economy in terms of contribution to GDP, and which will require continued business retention and growth support are:
 - (i) Manufacturing 22%.
 - (ii) Finance, Real Estate and Business Services 20%.
 - (iii) Wholesale and retail trade, Catering and Accommodation 15 %.
 - (iv) Transport, Storage and Communications 14%.
 - (v) Although the Agriculture sector has a relatively low direct contribution to GDP at 4%, it still remains a key growth sector with significant employment creation and radical socio economic transformation opportunities.
- (g) The prevailing drought has had an extremely negative impact on both subsistence and commercial agricultural sector in the Province. This has also contributed to a 6.3% reduction in the number of households directly involved in agriculture over the period 2011 to 2016.
- (h) Relatively low expenditure in the Province on research and development does not reflect the emphasis placed on growth in the knowledge economy and innovation.

2.7.4 Infrastructure

- (a) Substantial and large scale infrastructure development is underway and 15 of the 18 Strategic Integrated Projects (SIPs) contained in the National Infrastructure Master Plan has direct reference to and implications for KwaZulu-Natal.
- (b) The coordination of the planning and delivery of infrastructure has improved substantially through the development of the KwaZulu-Natal Infrastructure Master Plan. The momentum must be retained in this process and focus must be expanded to include major municipal infrastructure projects.
- (c) Efficiency of the passenger and freight logistics networks, as well as greater focus on inter-modal connectivity must be pursued to increase the Province's competitive advantage and status as the primary gateway to South and Southern Africa.
- (d) The provision of sustainable human settlements, with appropriate housing, has been expressed as one of the top three priorities of the KZN Population. The integration of appropriate levels of all services is therefore essential for the delivery of sustainable settlements to be developed aligned to the spatial development framework for the Province.
- (e) Access to basic services has improved further, but the rate of delivery has declined, largely due to the need to focus on the development of new bulk capacity, poor maintenance programmes, resource constraints related to budget cuts, as well as slow progress with nodal development and opportunities to maximise spatial economies of scale.
- (f) Other than progress made with the Ingula Pump Station, very little progress has been made to secure any meaningful contributions to the National Grid. The Province therefore still remains highly vulnerable from an energy security point of view. This can however be

addressed through substantial contributions from renewable energy, generated in particular through the use of abundant bio mass in the Province.

- (g) Although good progress has been made in reducing electricity connection backlogs, the cost of electricity has become serious matter of concern for the KwaZulu-Natal population.
- (h) Access to and speed of internet connection remain a serious concern in KwaZulu-Natal. Although good progress is being made with the rollout of fibre optics and broadband, the pace is determined by resource availability and is still too slow. Last mile connectivity remains a challenge in particular in rural areas. This has major negative implications for governance, commercial and social services throughout the Province, as well as for access to information for educational purposes.
- (i) The provision of waste management infrastructure has been neglected and refuse removal remains the basic service with the largest backlog in the Province. This does not only pose serious health and environmental risks, but also does not maximise potential viable economic prospects in the waste management sector. Integrated waste management must therefore receive specific and spatially focused attention.
- (j) Innovative funding models must be explored to ensure that appropriate levels of new capital investment is made to expand the infrastructure networks in the Province, whilst equally important, appropriate resource appropriation is made to for the operation and maintenance of existing infrastructure.
- (k) Public transportation, and in particular its predominant reliance on taxi services, remains an area of concern. This trend is placing enormous pressure on road networks and traffic congestions. The shared economic, entrepreneurial and job creation potential of this sector is however acknowledged.

2.7.5 Spatial development

- (a) Spatial inequality is still endemic in KwaZulu-Natal and is fuelled by differentiated levels of application of legislative and policy provisions across the Province.
- (b) Current population migration trends in KwaZulu-Natal clearly points to an acceleration in the rate of urbanisation, emphasising the integrated nature of the urban-rural continuum.
- (c) Progressive but uneven development in the province of KwaZulu-Natal as reflected in increasing proportion of households that have access to basic services such as piped water and sanitation.
- (d) The KwaZulu-Natal Province is reflecting a complex geopolitical environment wherein the majority of municipalities are mainly rural, characterised by communal tenure and heavily dependent on grants for survival.
- (e) It must be acknowledged that more than 80% contribution to the Province's GDP is generated in the 7 largest urban centres. These centres therefore require special attention through appropriate governance processes to build on existing potential and expand the economic footprint across the Province through a clearly defined hierarchy of places and development corridors.

- (f) Dispersed and mushrooming residential settlements on agricultural land is not only diminishing agricultural development potential and production, but is also exacerbating the deprivation of rural communities and is in essence perpetuating rural poverty.
- (g) Slow progress with settlement of land claims, combined with the proliferation of human settlements where land claimants and land reform beneficiaries convert productive agricultural land to unproductive and non-sustainable uses, is destroying the rural economy and threatening food security.
- (h) Unresolved tensions between municipal and traditional council structures has translated into conflict on matters related to land use management. Although municipalities are assigned full statutory responsibility of managing “wall to wall” land use management, it is not being implemented or enforced. This is further entrenching past segregation of areas and has impacted negatively on attempts to achieve greater spatial equity and foster integration.
- (i) Although substantial progress has been made with the development of Special Economic Zones (SEZs) and regional industrial hubs, linkages and spatial integration of opportunities related to these development should now receive attention.

2.7.6 Governance

- (a) 36% of KZN citizens are not satisfied with the performance of Provincial Government, while 33% were satisfied and 31% somewhat satisfied.
- (b) 49% of KZN Citizen are not satisfied with the performance of municipal governance in the Province and 28% of citizens who reported being satisfied with the performance of the provincial government do not feel the same satisfaction with the performance of their local government.
- (c) All population groups across all population groups and income levels in the Province are unanimous in their views that job creation must be the top priority for government.
- (d) Low income household rated the provision of housing as a second and third priority, whilst higher income levels rated fighting crime and corruption as the second priority.
- (e) 52% of the citizens of KZN view the provision of water as the most important service to be rendered.
- (f) Increased urbanisation requires a greater focus on urban management and development frameworks and recognition of the role of larger cities and towns in all aspects of growth and development in the Province. This will require a rethink of current policies and relationships between the spheres of government in the Province.
- (g) Sustained focus is required to improve intergovernmental relations between the various spheres and institutions of government in the Province. The inter-related nature of powers and functions assigned to the respective spheres of government requires a strong basis for integration, coordination and alignment.
- (h) Poor performance of the economy and resultant budget cuts has again emphasised the need for greater efficiencies in government programmes. This places high demand on

appropriately qualified and skilled officials who are dedicated and committed to good clean government and service delivery.

- (i) Slow progress with the implementation of the Land Reform Programme is impacting negatively on the transfer of land ownership and therefore access to collateral for already marginalised sections society.
- (j) Labour market instability and unproductivity in relation to international norms is weakening the Province's competitive advantage as a preferred African investment destination.
- (k) New and innovative funding and participation models are required to facilitate public private partnerships. The existing unduly bureaucratic processes are not attracting needed private sector investment in areas where government is not able to provide adequate resources.
- (l) Only two Provincial Department received clean audits in the 2015/16 financial year, while four received unqualified audits. This is a clear indication that there is much room for improvement in improving effective and efficient governance in state institutions.

2.8 Conclusion made on basis of Strategic Analysis

Based on the strategic analysis done above, it is concluded that:

- (a) The strategic direction expressed in Vision 2030 adopted in the PGDS 2011 is still highly relevant and appropriate although movement towards this desired state has not been at the pace anticipated. This vision is however silent on issues related to an ideal living environment and social cohesion. It is therefore recommended that Vision 2035 be amended to be:

“By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World.”

- (b) The seven Strategic Goals adopted in PGDS 2011 and which has found further expression in each of the Annual PGDPs adopted since then are all still relevant and still reflect the highest level strategic priorities of the Province. Minor adjustments are to be made to:
 - (i) Strategic Goal 1 to change the title from Job Creation to Inclusive Economic Growth. This obviously still includes the specific outcome of job creation, but acknowledges that this can only be achieved through inclusive and shared growth of the economy. This also places greater emphasis on entrepreneurial development, as well opportunities for informal employment; and
 - (ii) Strategic Goal 5 to change the title from Response to Climate Change to Environmental Sustainability. This reflects a broader outcome to ensure that matters of sustainability and resilience are placed in the forefront of all strategic decisions made in the Province.
- (c) The thirty Strategic Objectives adopted in PGDS 2011 and which has also found further expression in each of the Annual PGDPs adopted since then are all still relevant and still reflect key outcomes to be achieved in the Province, but have been expanded to thirty one.

(d) The following adjustments have been made to the strategic objectives.

Figure 8: PGDS Listing of Strategic Goals and Strategic Objectives

2016 PGDS STRATEGIC GOALS and OBJECTIVES			Nature of amendment
(Key – <i>Bold Italic font</i> indicates changes from PGDS 2011)			
STRATEGIC GOAL	No	STRATEGIC OBJECTIVE 2016	
1 INCLUSIVE ECONOMIC GROWTH	1.1	<i>Develop and promote</i> the agricultural potential of KZN	<i>New Wording</i>
	1.2	Enhance sectoral development through trade investment and <i>business retention</i>	<i>New Wording</i>
	1.3	<i>Enhance spatial economic development</i>	New
	1.4	Improve the efficiency, <i>innovation and variety</i> of government-led job creation programmes	<i>New Wording</i>
	1.5	Promote SMME and entrepreneurial development	
	1.6	Enhance the Knowledge Economy	
2 HUMAN RESOURCE DEVELOPMENT	2.1	Improve early childhood development, primary and secondary education	
	2.2	Support skills development to economic growth	
	2.3	Enhance youth and adult skills development and life-long learning	
3 HUMAN AND COMMUNITY DEVELOPMENT	3.1	<i>Eradicate</i> poverty and improve social welfare services	<i>New Wording</i>
	3.2	Enhance health of communities and citizens	
	3.3	<i>Safeguard and</i> enhance sustainable livelihoods and food security	<i>New Wording</i>
	3.4	Promote sustainable human settlements	
	3.5	Enhance safety and security	
	3.6	Advance <i>social cohesion</i> and social capital	<i>New Wording</i>
	3.7	<i>Promote youth, gender and disability advocacy and the advancement of women</i>	
4 INFRASTRUCTURE DEVELOPMENT	4.1	<i>Development of seaports and airports</i>	<i>New Wording</i>
	4.2	Develop road and rail networks	
	4.3	Develop ICT infrastructure	
	4.4	<i>Ensure availability and sustainable management of water and sanitation for all</i>	<i>New Wording</i>
	4.5	<i>Ensure access to affordable, reliable, sustainable and modern energy for all</i>	<i>New Wording</i>
	4.6	<i>Enhance KZN waste management capacity</i>	New
5 ENVIRONMENTAL SUSTAINABILITY	5.1	<i>Enhance resilience of ecosystem services</i>	<i>New Wording</i>
	5.2	<i>Expand the application of green technologies</i>	New
	5.3	<i>Adapt and respond climate change</i>	<i>New Wording</i>
6 GOVERNANCE AND POLICY	6.1	Strengthen policy, strategy coordination and IGR	
	6.2	Build government capacity	
	6.3	Eradicate fraud and corruption	
	6.4	Promote participative, facilitative and accountable governance	
7 SPATIAL EQUITY	7.1	<i>Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities</i>	<i>New Wording</i>
	7.2	<i>Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment</i>	<i>New Wording</i>

- (e) At the indicator and intervention level, substantial adjustments are recommended under each Strategic Objective to ensure that progress made with implementation and new opportunities and demands are reflected.
- (f) The Institutional Framework for the implementation, refinement and periodic review of the PGDS is still relevant and appropriate. There is now a much better understanding of the respective roles and responsibilities of development partners and adjustments to this framework will disrupt the momentum that has now been achieved. Further attention will however have to be given to improve the functionality and effectiveness of these structures.
- (g) The Monitoring and Evaluation Framework established to monitor, evaluate and report on progress made with implementation of the PGDS is still relevant and appropriate. Substantial progress has been made to strengthen this process through the Provincial Nerve Centre, however this will remain work in progress, striving for continuous refinement and improvement in the credibility of information and reporting.

3 The 2016 KZN PGDS Strategic Framework

3.1 Vision statement to 2035

“By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World”

By 2035, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.

Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all its' people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.

The people shall have options on where and how they opt to live, work and play, where the principle of putting people first, living together in dignity and harmony, and where leadership, partnership and prosperity in action has become a normal way of life.

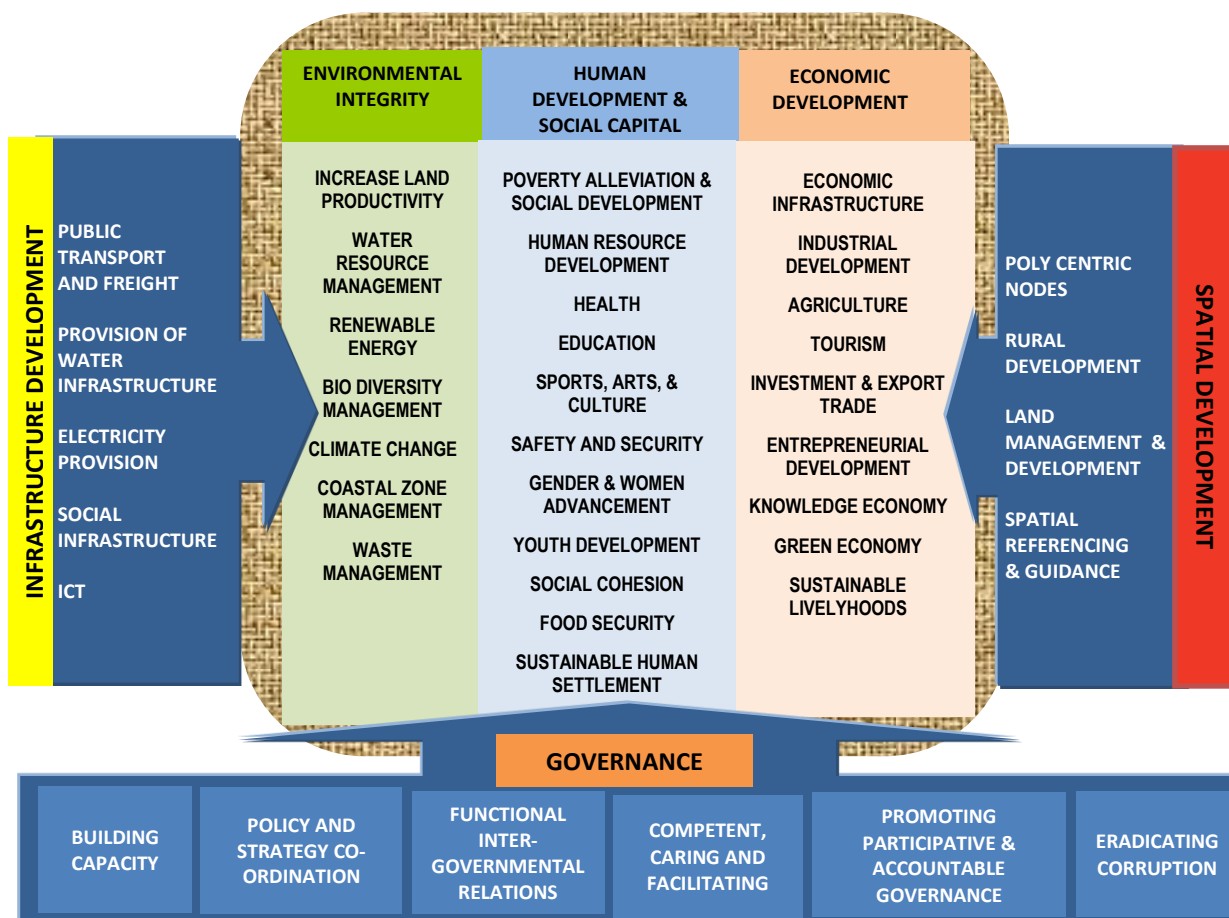
In the context of the PGDS defining 'growth' and 'development' includes 'growing the economy for the development and the improvement of the quality of life of all people living in the Province of KwaZulu-Natal'. In doing so, it is envisaged that the KwaZulu-Natal Province will:

- (a) Enjoy stable and sustainable economic growth supported by world class Infrastructure with a skilled and stable workforce;
- (b) Be the preferred Southern African business, investment and tourism destination;
- (c) Be energy secure, augmented by viable green economy technology;
- (d) Be connected via high speed reliable internet access;
- (e) Be food secure through own agricultural production;
- (f) Experience poverty eradicated with HIV/AIDS and social ills firmly under control;

- (g) Enjoy dignified and safe living environments for all;
- (h) Have inequality drastically reduced;
- (i) Prosper under clean, effective and efficient governance; and
- (j) Reap the benefits of well-connected urban and rural places.

3.2 The PGDS Sustainability Approach

Figure 9: PGDS Sustainability Approach



A Growth and Development Strategy must respond to the challenges and opportunities the Province faces. A sustainability approach governs the development of the KZN strategic framework, namely the inter-related nature of the environmental, human and social development and the economic landscape, supported by the strategic infrastructure and spatial pillars with the governance and policy being the foundation, as depicted in the diagram above.

The inter-related complexities of poverty illustrate that all economic and societal formations rest on factors of human and social capital. Poverty is a leading indicator of lack of resources and lack of access to resources. Poor provision of social services, especially health and education services are debilitating. A growing reliance on welfare programmes is noted. The backlogs in access to water, sanitation, electricity and transport / roads in rural areas is an ongoing cause for concern.

3.3. The 2016 Revised PGDS Strategic Framework

Figure 10: PGDS Strategic Framework

2016 PGDS STRATEGIC GOALS and OBJECTIVES		
STRATEGIC GOAL	No	STRATEGIC OBJECTIVE 2016
1 INCLUSIVE ECONOMIC GROWTH	1.1	Develop and promote the agricultural potential of KZN
	1.2	Enhance sectoral development through trade investment and business retention
	1.3	Enhance spatial economic development
	1.4	Improve the efficiency, innovation and variety of government-led job creation programmes
	1.5	Promote SMME and entrepreneurial development
	1.6	Enhance the Knowledge Economy
2 HUMAN RESOURCE DEVELOPMENT	2.1	Improve early childhood development, primary and secondary education
	2.2	Support skills development to economic growth
	2.3	Enhance youth and adult skills development and life-long learning
3 HUMAN AND COMMUNITY DEVELOPMENT	3.1	Eradicate poverty and improve social welfare services
	3.2	Enhance health of communities and citizens
	3.3	Safeguard and enhance sustainable livelihoods and food security
	3.4	Promote sustainable human settlements
	3.5	Enhance safety and security
	3.6	Advance social cohesion and social capital
	3.7	Promote youth, gender and disability advocacy and the advancement of women
4 INFRASTRUCTURE DEVELOPMENT	4.1	Development of seaports and airports
	4.2	Develop road and rail networks
	4.3	Develop ICT infrastructure
	4.4	Ensure availability and sustainable management of water and sanitation for all
	4.5	Ensure access to affordable, reliable, sustainable and modern energy for all
	4.6	Enhance KZN waste management capacity
5 ENVIRONMENTAL SUSTAINABILITY	5.1	Enhance resilience of ecosystem services
	5.2	Expand the application of green technologies
	5.3	Adapt and respond climate change
6 GOVERNANCE AND POLICY	6.1	Strengthen policy, strategy coordination and IGR
	6.2	Build government capacity
	6.3	Eradicate fraud and corruption
	6.4	Promote participative, facilitative and accountable governance
7 SPATIAL EQUITY	7.1	Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
	7.2	Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment

The following sections include a detailed description of each of the 7 strategic goals and their related strategic objectives, including an indication of some high level indicators and interventions.

A detailed Implementation Framework exists in the PGD Plan, inclusive of description of each intervention, related key performance indicators, baseline indicators, target/s, timeframes, the identification of the primary responsible Provincial Department and supporting partners.

3.4. Strategic Goal 1: Inclusive Economic Growth

Inclusive, expanded and sustained economic output is the fundamental driver for job creation and economic growth

National Outcome 4: Decent employment through inclusive economic growth

This Strategic Goal is aligned to the National Outcome 4 which focuses on more labour absorbing growth; increased competitiveness to grow the production base, to withstand international competition, to raise net exports, to grow trade as a share of world trade, and to improve its composition; improved support to a variety of businesses - including small businesses – including by reducing the costs of doing business.

Additional efforts are needed to align provincial support with available national support programmes and measures; further improve the performance, scale and impact of the Expanded Public Works (EPWP) and of the Community Work (CWP) programmes; and to expand the range of opportunities available to the youth and other marginalized groups, including by reducing the costs of bringing such groups into the productive sphere.

Goal Indicators:

- **Total output value of all sectors within the KZN economy.**
- **Total employment in all sectors within the KZN economy.**
- **KZN's GDP per capita.**
- **Annual unemployment rate (narrow and broad) for KZN.**
- **Percentage increase of youth (15-34) amongst economically active in employment.**

The lead sectors of the KZN Economy in terms of contribution to GDP, and which will require continued business retention and growth support are:

- Manufacturing 22%;
- Finance, Real Estate and Business Services 20%;
- Wholesale and retail trade, Catering and Accommodation 15 %; and
- Transport, Storage and Communications 14%.
- Although the Agriculture sector has a relatively low direct contribution to GDP at 4%, it still remains a key growth sector with significant employment creation and radical socio economic transformation opportunities. Unemployment remains one of the major structural constraints within the Province and contributes to high levels of poverty and inequality and deteriorates the overall quality of life of and the socio-economic prospects available to the people of the Province.

Key sectors for job creation (and including the production value chain) are:

- Manufacturing.
- Agriculture.
- Tourism.
- Transport and logistics.
- Maritime.
- Green Economy.
- Services.

High unemployment results in high dependency ratios, with many more people relying on fewer wage earners. This has resulted in the phenomenon of a large numbers of working households living near or below the poverty line. Currently an unequally large proportion of the population of KZN relies on grants and related forms of welfare as a source of income. Additional income pressure on the household related to job losses appear in signs that discouraged workers are going back to look for jobs again.

Although there has been a slight increase in employment in the Province, those that are employed remain vulnerable. This growth in employment has primarily been in the informal economy. South Africa and the Province notably have very high proportions of youth unemployment (those between the age of 15 and 34 years) with an under-representation of women in particular in top positions. Current trends, however, indicate that the unemployed and discouraged work seekers are at risk.

The current pattern of employment and of unemployment means that the current growth path of KZN is still far from being inclusive. Serious challenges are also being experienced in achieving the objective of enhancing decent employment, given the work conditions of those in informal employment. Concomitantly, sluggish growth brings upfront issues of skills and how to best boost labour demand. Significantly more needs to be done to alter and accelerate economic growth in KZN so as to boost demand from the labour-intensive sectors, to protect existing employment and to create new quality jobs. This is critical to ensure that the progress that has been made in KZN in reducing poverty are not rapidly eroded and reversed. This will also help address inequality.

Job creation in this PGDS remains a primary objective of inclusive growth and structural transformation, distributing the benefits of growth more widely and consequently reducing dependency on the welfare system by broadening economic participation. This is a critical and central dimension of inclusive economic growth. The pattern and pace of economic growth need to be adjusted and accelerated to achieve this outcome. It continues to require investment and interventions by both the public and private sectors to enable a conducive environment to further stimulate the generation of employment opportunities and inclusive economic growth. Government needs to be increasingly efficient and innovative, in view of increasingly limited financial and human resources, relative to what is required to achieve to its development goals. This goes hand in hand with skills development including internships, mentorship and learnerships which is dealt with under Goal 2: Human Resource Development and in particular Strategic Objective 2.3.

Key strategic objectives and interventions proposed in the PGDS 2011 to stimulate economic growth and create jobs remain highly relevant. These have been refined to take into account that some important constraints remain and that new constraints have emerged. The aim is still to unlock the full range of opportunities around existing and new industries, for emerging participants, as well as promote job retention. Creating meaningful as well as decent employment is a major cross-cutting issue, and is vital in achieving the vision of the Province. Creating jobs through an inclusive economy is a key enabling factor for the Province to drive successful interventions in all the goals of the PGDS. This includes education and skills development, the preservation of the assets of the Province in a sustainable manner and the unlocking of integrated development opportunities.

The Province must continue to focus on the creation of employment through the realisation of agricultural potential, enhancing industrial development through investment **into the key productive sectors of manufacturing, tourism, transport and logistics, the maritime sector, the green economy and services sectors.** This is to be assisted through a Provincial Business Retention and Expansion (BR&E) programme, as well as a full range of industrial policy support programmes and measures. Further attention will also have to be given to the expansion of government-led job creation programmes, such as the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP). The efficiency of these programmes should be improved to promote a higher cost benefit ratio and value add. It is equally important to move focus from job creation to the

promotion of entrepreneurship; continue with the empowerment of those currently marginalised, including youth and women as well as enhancing the knowledge economy.

It is recognised that urban centres are driving economic growth globally and account for the major part of world GDP. They are also centres of innovation and create the agglomeration to drive economic growth. This situation is bound to become even more prevalent given current urbanization trends and the role of eThekweni and the four (4) secondary cities (Pietermaritzburg, Richards Bay, Newcastle and Ray Nkonyeni) in particular will be critical to achieve the economic growth and employment targets set in the Provincial Growth and Development Plan. It is for this reason that specific attention will have to be given to the development of an Urban Management Framework for the Province that will give due recognition to the needs of city and large town managers to grow the economy and create jobs in a manner that will also promote the attainment of the social and environmental objectives of this Strategy. Furthermore, more than 80% contribution to the Province's GDP is generated in the seven (7) largest urban centres. These centres therefore require special attention through appropriate governance processes to build on existing potential and expand the economic footprint across the Province through a clearly defined hierarchy of places and development corridors.

Strategic Objective 1.1: Develop and Promote the Agricultural Potential of KZN

The KZN agricultural sector grows, generates employment and the Province is food secure

The agricultural sector is of key strategic importance given the comparative advantages that KZN possesses with regard to its land and labour resources and natural assets. As a primary sector, agriculture contributes about 4.4% to provincial GVA. However, KwaZulu-Natal produces almost 30% of national agricultural output and hence contributes significantly towards creating formal and informal employment, while providing food security in South Africa. The sector has strong linkages with a number of manufacturing sectors such as 'food, beverages and tobacco', and 'wood and paper' industries that are very important for the provincial economy through employment and export activities. There are also numerous inputs into the agricultural production chain that contribute to economic growth, including the local procurement capital equipment, consumables and services required by the sector. Agriculture also offers critical prospects for particular renewable energy projects, notably those that use biomass.

The agriculture sector has exhibited signs of growth in the last five years, suggesting that the agricultural potential is slowly being unlocked. It is likely that the growth of the sector reflects adjustments and changes of production methods by commercial farmers, signalling that there is scope to grow the sector further.

At present, the primary agricultural sector contributes 7% to total employment within all districts besides eThekweni and Amajuba. Agriculture contributes just over 9% to total employment in uMzinyathi and Harry Gwala, almost 8% in iLembe, and around 7% in Ugu, Zululand, uMkhanyakude, and King Cetshwayo (previously known as uThungulu).

In essence, the agricultural sector in KZN, if appropriately harnessed, has the potential to create a substantially higher number of jobs in the short term with good prospects for sustaining this into the longer term. This will also contribute significantly to sustainable rural development. Over the short to medium term agricultural value chains can support labour-intensive absorbing activities generating large-scale employment. This increased employment in rural areas will contribute towards addressing household food security and sustainable livelihoods. New models of rural transformation have been put in place and a number of model-case land transfers have been concluded. This confirms that land redistribution can work and benefit all parties. A range of initiatives has been set in motion

to help expand sustainable agricultural production which is supported the revitalisation of agriculture and the agri-processing value chain. This has also been recognised as a priority of the Nine—Point Plan.

Notwithstanding the above, this sector currently faces severe constraints that have resulted in the stagnation in the production of some agricultural commodities and has contributed towards job losses. These constraints include amongst others, inadequate access to funding for new capital development and maintenance of infrastructure, inappropriate land and water-use use practices, a concentrated agri-industrial base, limited access for agricultural graduates to commercial farms, increased competition due to subsidisation of international farming and reduced tariff barriers, slow land reform progress, as well as poor coordination between agriculture agencies, rural development agencies and traditional authorities. Additionally, the scientific base within the agricultural sector has been eroded, resulting in the Province being unable to cope with the demands for scientific research. This is serious cause for concern, given that the growth of this sector in the Province is reliant upon sound research and development, which in itself presents substantial potential as a commercial service.

Strategic interventions have been identified to address the constraints to unlock the agricultural sector. These are intended to achieve greater production as well as more effective and sustainable utilisation of highly productive agricultural land. In order for the Province to realise its agricultural potential, the entire sector needs to be diversified further and expanded. This will create a substantial amount of jobs directly in the agricultural sector and related rural economic sectors.

Beneficiation of agricultural produce also needs to be unlocked. This will require greater economies of scale through expanded irrigation and water infrastructure, as well as the implementation of a rural transformation model which supports the expansion of emerging commercial farmers. Land with high agricultural production potential needs to be protected and degraded agricultural land should be rehabilitated to ensure that there are sufficient resources to sustain the sector. This will require a scientific base for the consideration of development of land for uses other than agriculture.

The development of new forms of rural agricultural settlements, such as agri-villages, can play an important role in promoting nodal rural settlements and protecting productive agricultural land from sprawling human settlements. This model also promotes cooperation between farm dwellers, farm workers and land owners, enhancing commercial farming potential and facilitates social cohesion.

The national agri-parks strategy as one of the new rural transformation models has a critical role to play in eradicating poverty and in ensuring that the agricultural sector catalyses rural development. This is also aimed at facilitating the establishment of new agricultural value chains in the Province. Agri-parks have been identified as a critical element for the growth of agriculture in the Nine-Point Plan.

The strategic objective indicators include:

Strategic Objective 1.1 Indicators:

- 1.1.1 Increase employment within the agricultural sector.
- 1.1.2 Increase in commercial farmers.
- 1.1.3 Increase in emerging commercial farmers.
- 1.1.4 Increase in hectares of land under irrigation.
- 1.1.5 Real value of output of the agricultural sector.

Current performance, as measured against the above indicators, emphasise that insufficient progress has been made towards increasing the contribution of commercial agriculture to inclusive economic

growth. The objective indicators take into account the critical role which agriculture plays in rural development as well as the role the sector has in both upstream and downstream value chains through interventions such as the development of agri-parks. Of concern however in the further development and promotion of agriculture is the need to ensure that future generations are able to secure optimum and continued benefits from the sector. This relies on the implementation of sustainable land use methods and practices as well as appropriate infrastructure networks. Agri-villages can contribute significantly to manage spatial dimensions of human settlement in rural areas, ensuring optimal use of high potential agricultural land whilst promoting social cohesion.

Interventions to further the development and promotion of the agricultural potential in KZN include the following:

Strategic Objective 1.1 Interventions:

- 1.1(a) Diversification of agricultural production & markets (niche markets and agri-processing) and revitalization of the agro-processing value chain through the beneficiation of particular agricultural products, as defined by the Industrial and Agricultural Policy Action Plans.
- 1.1(b) Development, implementation and monitoring of new models to support the development of emerging commercial farmers and promote commercial agricultural ventures (for both small-holder and large-scale) (Radical Socio-economic Transformation Model).
- 1.1(c) Efficient maintenance and expansion of appropriately scaled irrigation schemes.
- 1.1(d) Appropriate protection and rehabilitation of agricultural resources.
- 1.1(e) Expedite the resolution of unresolved land claims and restitution projects.
- 1.1(f) Support, monitor and evaluate progress on agri-villages and agri-parks including related services and infrastructure requirements to deliver their intended impacts.

Strategic Objective 1.2: Enhance Sectoral Development through Trade Investment and Business Retention

Provincial trade and investment grows and generates employment

In assessing the comparative and competitive advantages, as well as the nature and structure of the KZN economy, it has become evident that the lead sectors are industrial development and manufacturing, finance, real estate and business services, infrastructure development and construction, transport storage and communications, tourism, mining and beneficiation as well as wholesale and retail trade. The diversified nature of the KZN economy is one of its key strengths and has enabled resilience in response to economic volatility.

Industrial development has been the anchor of the KZN economy and its enhancement remains fundamental to the creation of employment contributing to inclusive economic growth in the Province. Manufacturing remains important for sustainable growth and for meaningful employment, as emphasized in a strong national industrial policy action plan. This is also acknowledged in the Nine-Point Plan with specific reference to advancing beneficiation and adding value to South Africa's mineral wealth, as well as growing the ocean economy. Further, although more broadly, the Nine-Point Plan specifically identifies a "more effective implementation of a higher impact Industrial Policy Action Plan" as a key measure to further rapidly boost growth and job creation.

As a direct result of the current economic downturn, jobs have been lost in KwaZulu-Natal generally as well as across a number of key growth sectors. Some progress has been made in the area of job recovery but the unemployment rates in South Africa and in the Province remain excessively high when measured against similar developing countries.

Three main high-level approaches can be put into action to support growth of employment:

- (a) Firstly, the current production base around businesses that are weak but that have sound foundations and can become viable with further (contained) short-term support needs to be strengthened. This is not about supporting all firms in difficulty, but rather about supporting firms in key sectors in a manner that would ensure a sound balance between mechanisation and manual labour and /or closure of businesses due to easily preventable causes. Possible interventions are catered for in existing industrial policy support programmes and instruments. These have been conceived to help contain further job losses in South Africa as well as to protect important production capabilities in the country. However, businesses that remain unviable might need to exit the market.
- (b) Secondly, new businesses need to emerge. This requires a dedicated programme of support to new or young businesses as they are more vulnerable than larger older established businesses to shocks and harsh economic conditions.
- (c) Thirdly, existing businesses need to expand. This requires an environment that is conducive to new investment, as well as new market opportunities. The Nine-Point Plan also specifically encourages the enhancement and facilitation of private sector investment.

The aforementioned elements are about enhancing development through industrial development. The protection of existing jobs and new job creation in KZN can be achieved by ensuring an awareness of national policy support and measures and support to those that seek to access these. This objective can also be achieved through a Business Retention and Expansion (BR&E) programme linked to an early warning system, utilising mechanisms such as the Jobs Fund and Distressed Fund. Generally, the Province must firmly commit to encourage the retention and expansion of existing business to ensure that the domestic market has the right capabilities and opportunities, which will stimulate economic activity, as well as sustainable and broad base job creation. However, BR&E programmes currently appear to be primarily undertaken on an *ad hoc* basis by district and local municipalities, and are not coordinated or integrated to provide a spatial picture of the current challenges and constraints faced by businesses in different locations across the Province. Stronger partnerships will be required to help move this forward. Nevertheless, opportunities are also about growing markets. This includes selling goods and services abroad and having access to foreign machinery, equipment and other inputs that are not available on the domestic market and that enable the provincial firms to remain internationally competitive. It also includes stronger relations between existing businesses, as envisaged by government, through the uptake of relevant support measures and programmes and growing value addition around the commodities that are available, extracted or produced in the Province.

The objective of enhancing industrial development is, therefore, through business retention, trade and investment focusing on the key sectors of manufacturing as defined by the Industrial Policy Action Plan (e.g. automotive, maritime, etc.) or other sectors for which the Province has strong comparative advantages such as agriculture, transport and logistics and the green economy. Tourism has to have a special place in the list of key sectors given that KZN has important cultural and tourism assets that support the fast and inclusive growth of this labour-absorbing sector.

All the aforementioned sectors have not only proven to be relatively labour-absorbent, but also have the potential to be expanded to position KwaZulu-Natal strategically as a lead investment destination and hence contributing to achieving the vision of KZN becoming a trade gateway within South and southern Africa. However, manufacturing still requires special attention given its strong linkages with and spill overs onto other sectors and on inclusive economic growth.

Strategic Objective Indicators include:

Strategic Objective 1.2 Indicators:

- 1.2.1 Total absolute value of the provincial economy excluding primary agriculture.
- 1.2.2 Absolute growth in provincial exports.
- 1.2.3 Absolute growth in provincial investment (including in key sectors such as maritime economy, renewable energy and other parts of the green economy).
- 1.2.4 Growth in employment in key manufacturing and service sectors.
- 1.2.5 Growth output of manufacturing sector.
- 1.2.6 Number of tourists (domestic and international).
- 1.2.7 Value spend in the tourism sector.
- 1.2.8 Growth in the number of jobs of those employed in the Green Economy.
- 1.2.9 Increase in the number of businesses supported through BR&E interventions.

In order to create employment through enhanced industrial development and through the growth of crucial labour-absorbing service sectors, a number of strategic interventions need to be accelerated to ensure that all job opportunities are leveraged. Particular attention needs to still be in place to ensure that these opportunities are in line with existing national priorities.

Interventions to facilitate a process of enhancing industrial development through trade, investment and exports in KZN, include the following:

Strategic Objective 1.2 Interventions:

- 1.2(a) Improved access to economic development funding.
- 1.2(b) Facilitate statutory development approval processes in support of new investments (Provincial One-Stop Shop).
- 1.2(c) Raise awareness on key sectors and on support measures and improve the quality of programmes available in these sectors and in new sectors such as, presently those of the maritime and green economy.
- 1.2(d) Improve performance monitoring of the value chain in key sectors within the KZN.
- 1.2(e) Develop, diversify and market the tourism sector to increase domestic and foreign visitors in the Province.
- 1.2(f) Support the job creation and retention prospects of firms in key sectors e.g. by expanding the scale of the existing Provincial Business Retention and Expansion Programme.
- 1.2(g) Develop and implement a green public procurement policy to help support local green businesses.
- 1.2(h) Implement the Provincial Green Economy Strategy.

Strategic Objective 1.3: Enhance Spatial Economic Development

Spatial economic development provides opportunities for inclusive economic growth and facilitates investment growth

The enhancement of industrial development remains fundamental to the creation of employment and to contributing to growth and development within the Province. Special spatial projects are critical in this regard. These projects provide opportunities for all people across the Province to participate in, as well as benefit from new growth opportunities that such projects can facilitate, when these are guided by area specific comparative advantages.

There are a number of key infrastructure projects in the province that are being expanded to further boost industrial development. Whilst provincial key strategic assets such as the Durban and Richards Bay Ports, the Richards Bay IDZ and the Dube Tradeport present a range of opportunities for the Province, the expansion of these are still constrained by the need to expand industrial capacity generally and throughout the Province. Progress on this has been accelerated as new zones are on the point of becoming operational, such as some industrial economic hubs. However, further new investment to stimulate domestic trade, including exports, and notably exports that can command higher value per unit internationally (including beneficiated goods exported), are still constrained by skills shortages, red-tape and bureaucracy in the area of public service provision and uncoordinated investment and export promotion.

The high and uneven cost of water and electricity across District Municipalities' are also constraints. A number of these projects will, going forward, confront notable funding limits while important financial resources are still needed for land acquisition and development and for further upfront infrastructure provision. This is essential for the Special Economic Zones (SEZs). A rethink of sound and effective partnerships between the public and private sectors is needed to help advance this particular problem. An international analysis of where public and private partnerships have worked or failed might also be required to help inform a best practice model for such partnerships. The outcome of these partnerships will need to be acted upon urgently to, firstly fast-track the expansion of the SEZs to their optimum size and, secondly to ensure that other smaller industrial projects, such as the industrial economic hubs, are fully operational. The latter have a key role to play in ensuring that the benefits of growth are spatially sustainably shared.

In addition to the focus on hubs and SEZs, quality zoned and serviced industrial land has to be released in order to stimulate investment in areas of high demand and under-supply. This requires an appropriate institutional arrangement to ensure the growth of investment and the number of businesses in key spatial areas. Strong co-ordination and intergovernmental co-operation will however be required to promote an improved equitable spatial and economic distribution of development opportunities. Streamlining of existing institutions and avoiding the duplication of structures is essential within the context of scarce financial and human resources. A more effective exchange of information and open lines of communication is required between all stakeholders to facilitate co-ordination. Such a conduit already exists in the form of a trade and investment promotion and facilitation agency, namely, TIKZN.

The KZN Investment Strategy provides clear guidelines on the functions of key agencies, on areas of responsibility and on mechanisms in place for large scale investment projects. It also specifies the broad role of municipalities with regard to investment. Municipalities however need to be efficient in their service provision to businesses, particularly as smaller economic actors disproportionately bear the burden of poor and inefficient service provision. Charges and rates also need to be clear and transparent for businesses to understand the nature of administered prices, the increases of these prices and to properly internalise such increases. Government has to respond effectively and efficiently to the queries of investors and of exporters.

The strategic indicators below reflect the fundamental goal of attracting further, at times significantly more, investment in all key new spatial projects that are being set up in or that are planned for KZN. Such investments are required for the purpose of ensuring that these projects achieve their main goal. However, also as emphasised above, it is quality spatial projects that will help the uptake of the new facilities provided and attention needs to be paid to ensuring that infrastructure supply is at least in line with demand. It is noted above that uneven and, at times, unclear pricing formulae and mechanisms remain a problem area in some parts of KZN. This might adversely influence private investment and set up decisions.

Ensuring efficient and effective implementation of LED projects requires an integrated consolidated funding mechanism, which will streamline the process of accessing funds for strategic projects and stimulate growth and employment creation.

Strategic objective indicators include:

Strategic Objective 1.3 Indicators:

- 1.3.1 Annual percentage change in employment and unemployment per district.
- 1.3.2 Government and private sector capital investment in both brownfield and greenfield economic projects.
- 1.3.3 Extent of (m²) of appropriately zoned and serviced industrial and commercial land available.
- 1.3.4 Rand value of private sector investment in the Durban Aerotropolis and Richards Bay SEZ.

Interventions to facilitate a process of spatial economic development include the following:

Strategic Objective 1.3 Interventions:

- 1.3(a) Improve the funding model for SEZs to optimally expand key spatial zones in KZN, through public-private sector partnerships options, as well as evaluation of budgets and spending by municipalities in support of key new spatial projects.
- 1.3(b) Develop programme focused on rehabilitation, regeneration and expansion of existing industrial parks and access DTI funding set aside for this purpose.
- 1.3(c) Provide quality affordable zoned land with the appropriate level of infrastructure and maintain good service provision when sites are occupied.
- 1.3(d) Establish and implement a monitoring and evaluation framework to assess the institutional arrangements and performance of key spatial projects.

Strategic Objective 1.4: Improve the Efficiency, Innovation and Variety of Government-led Job Creation Programmes

Government-led job creation programmes yield incomes and prepare participants for entry into the labour market

As a developmental state, government has an important role to play in creating an enabling environment for the growth of an economy which will create jobs. Government has a dual role in this regard. On the one hand it is to facilitate inclusive economic growth by creating opportunities for private sector to grow the labour market and create employment. On the other hand it has to ensure that opportunities for employment are also maximised through innovative models of rendering government services and procurement processes. This should be balanced, however, to ensure that Government provides the appropriate and quality level of social services and facilities in a manner that is cost effective. Furthermore, infrastructure needs to be developed and maintained at the appropriate level and in the right geographical areas to enhance access for marginalised people within the Province. Jobs created in the process must have a strong focus on the development and transfer of skills through training linked to development programmes, although government might have an extra role to play in helping those that have short term employment find longer term employment by working on potential placement schemes or to gain further skills.

There is significant potential to create employment directly through improving the efficiency of government-led job creation programmes which would help grow the scale of current as well as new programmes. Government can shape job creation in other areas through support and management of the procurement process that involves particular economic actors and stakeholders. This should include actively supporting procurement that offers new sale opportunities to a variety of *local* producers through localisation and procurement of goods that support the green economy as a new area which has the potential for large labour-absorption, as well as large positive energy, water and food-security spinoffs.

Government spending can lever new opportunities across a wide range of sectors. There is also more scope to significantly tap into a number of “Working for” sub-programmes of the Extended Public Works Programme (EPWP), example: Working for the Coast; Working for Water; Working for Waste; Working for Land; Working for Wetlands; Working on Fire; Youth Environmental Services; Youth Jobs in Waste; Groen Sebenza Jobs Fund Partnership; the Eco Furniture Programme; Working for Energy; Working for Ecosystems; Working for Forests; and People and Parks and growing the Community Work Programmes (CWP). There are important environmental, developmental and social benefits to be derived from the experience, empowerment and fulfilment people obtain from being involved with a number of government led-programmes. Efforts around government led-job creation, however, are currently affected in some areas by relatively high costs per job created. This is fuelled by leakages between what is financially allocated for the purpose of creating a job and what is actually received by the beneficiaries resulting in some programmes do not have their full intended effects.

Research by the Human Sciences Research Council indicates the need to significantly enhance the impact of the EPWP and the CWP to achieve the full time equivalent (FTE) employment targets and skills enhancement opportunities for the intended beneficiaries. A revision of the EPWP and of the funding sources has been called for by HSRC and attention needs to be paid to monitoring the scheme as the impact varies across sub-sectors to ensure that public funds are “efficiently turned into jobs”. The infrastructure area needs to be prioritised as there is significant spending in South Africa and KZN in a sector which tends to be capital intensive. Indirect employment opportunities also need to be taken into account in this sector to obtain a full picture of what is happening in this sector. Growing employment around the production of goods and services directly required by infrastructure development projects through localisation programmes should also be considered. Infrastructure development plays a key role in enhancing the competitiveness of businesses across areas and, as such, indirectly supports job creation across various economic sectors as emphasised in the National Infrastructure Plan. Jobs created through infrastructure maintenance need more attention as it is in this area that long-term jobs emerge, as opposed to short term employment with new infrastructure projects. Maintenance further allows the infrastructure to continue to play its intended role over time.

In addition to labour-intensive programmes, provincial government is committed to creating sustainable employment opportunities in other areas such as food security, health and safety, social and community development, environmental protection and rehabilitation, development of sport and recreation and road maintenance.

Generally, government-led job creation can be considered to be directly associated with the following:

- (a) Jobs created through government’s procurement of goods and services purchased for its activities.

- (b) Jobs created through new mandates requiring public goods and services such as new infrastructure development projects and new key spatial projects fall in this category.
- (c) Jobs created from the maintenance of goods and services provided to the public.

The objective takes the above into account and also emphasises that government, as a large employer, also has a role to play in facilitating potential positions for the employment of youth as a priority group. Due to the large proportion of young people in KZN that are unemployed, added attention needs to be given to the youth in order to facilitate access to work and learning. On this, an under-utilised area is about placing competent / qualified youth directly to work on short term assignment with staff in the public sector. The matters relating to youth employment and skills development (including experiential learning) is addressed in more detail in Goal 2, *Human Resource Development*, Strategic Objective 2.3 *Enhance youth and adult skills development and life-long learning* of this PGDS.

Strategic objective indicators to track progress of improving efficiency, innovation and the variety of government-led job creation programmes include the following:

Strategic Objective 1.4 Indicators:

- 1.4.1 Growth in the number of new small contractors.
- 1.4.2 Reduction in the cost per EPWP and CWP jobs.
- 1.4.3 Percentage of provincial government expenditure of goods and services procured on local content.
- 1.4.4 Direct employment multipliers from infrastructure development and maintenance and related development projects.

The following intervention, albeit not exhaustive, has been identified to facilitate a process of Government-led job creation programmes in KZN:

Strategic Objective 1.4 Interventions:

- 1.4(a) Monitor and evaluate the effectiveness, efficiency and impact of EPWP and CWP jobs programmes in KZN on job creation and inclusive economic growth.

Strategic Objective 1.5: Promote SMME and Entrepreneurial Development

Promotion of small enterprises increases economic participation and generates employment

There is a low success rate of start-up entrepreneurial and SMME ventures within the Province, and few opportunities are being created to support the absorption of youth and of women into the labour market. Specifically youth-owned business are curtailed due to factors such as: risk-averse formal financial institutions; a lack of collateral; a lack of business management, financial and technical skills; incorrect targeting of markets; and a lack of economic opportunities within the Province. Women entrepreneurs and women in the informal economy are also affected by specific structural barriers that impede their access to particular opportunities and activities. These barriers, together with a lack of economic alternatives, push vulnerable economic actors into the informal economy. This sector is critical for the survival of a growing number of people in the province. Informal activities are changing in the poorer parts of cities and in rural areas as larger retailers and more established traders are growing their operations in the townships and rural communities. As these enter with new business models and greater product variety, smaller economic actors cannot compete and exit, a process that fuels marginalisation and exclusion.

Generally, the Province needs to further and more systematically stimulate entrepreneurship and put in place activities and programmes that help strengthen economic participation. Priority groups, youth, women and the disabled need to be specifically empowered to own businesses and to participate more actively in the whole range of economic activities for inclusive growth to emerge.

The aim of this objective is to create an enabling environment for entrepreneurial growth and viable SMME's. This can be achieved by addressing the barriers to entrepreneurial activities and supporting the establishment of all types of SMMEs, within it the informal economy, (described as "the second economy")¹ as well as other entrepreneurial ventures in the lead sectors of the economy where entrepreneurial development helps enhance prospects and opportunities. Also, as smaller firms are important to generate new opportunities in specific parts of the Province, including in townships and in rural areas, a new model of small business development and of partnership needs to be promoted. Such partnership is important for business sustainability and for the emergence of business and management role models.

It is also important to improve social cohesion, particularly given the tensions that are at play between the poor South African people of KZN and the vulnerable foreigners that are located and have small businesses in townships and informal settlements in the Province. The latter aspect is dealt with under Goal 3, *Human and Community Development*, Strategic Objective 3.7, *Social Cohesion*.

The Report of the Special Reference Group on Migration and Community Integration in KwaZulu-Natal emphasises that new dynamics are at play in townships and other areas that threaten, if not well managed, relations and stability. A growing number of studies identify that there are enormous opportunities for more township enterprises to emerge as these cater for a range of specific but to date unmet needs in townships. Rural enterprises also have a particular role to play for vibrant rural areas and a number of these involve women (e.g. brick making, wood and small repairs, small milling and craft operations, sewing, etc.)

However, the fact that the barriers to entry are high for youth and women, translate into these being large marginalized groups in KZN. Tackling these barriers is important to help engage these groups into economic activities and to become recognised development actors in a meaningful and proper manner. Of note, however, is that empowerment in the form of "the process of increasing the capacity of individuals or groups to make choices" is necessary to change decisions and thus actions and outcomes.²

There is good progress on many of the issues set out above. SMME and Cooperatives Strategies are in place for KZN and these guide how these small production entities are supported. However, the informal policy is still in draft form. A strategy of entrepreneurship requires developing the capacity to set up and manage a business venture and to help reduce the risks around this. It also requires

¹ The term is controversial and suggests that this economy operates separately from a first economy. In fact high interactions / linkages have been found between the two "types" of economy. The situational analysis uses the term "informal" given the main StatsSA's definition and how this agency collects the relevant data. The term "informal" economy is used internationally and recognised by the ILO moreover.

² This objective, as such, also links closely with the Goal 2 where the importance of mentorship, learnership and apprenticeship programmes in creating sustainable small businesses is recognised. Also, human resource development enhances the prospects of unemployed youths to be part of the job market as entrepreneurs.

altering the willingness of those that are currently marginalised to set up business ventures. Central to the empowerment process are actions which build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets.³ This is a difficult concept to operationalise. There are many government and private sector programmes aimed at uplifting SMMEs and cooperatives, however, lack of proper coordination results in duplication of services and wastage of resources.

Indicators for the strategic objectives include:

Strategic Objective 1.5 Indicators:

- 1.5.1 Increase in the number of SMMEs and cooperatives established.
- 1.5.2 Increase in survival rate of SMMEs and cooperatives.
- 1.5.3 Increase in the number of jobs generated by SMMEs and Cooperatives.
- 1.5.4 Proportion of private sector expenditure on goods and services procured on local content.
- 1.5.5 Number of local municipalities supported to develop informal economy policies.
- 1.5.6 Number of municipal officials capacitated to support the informal economy sector.
- 1.5.7 Number of municipalities funded for informal economy infrastructure development.

Interventions to facilitate a process of promoting SMME and entrepreneurial development and the economic empowerment of the youth, women and the disabled in KZN, include the following:

Strategic Objective 1.5 Interventions:

- 1.5(a) Facilitate SMMEs' (including informal businesses') access to finance, markets, trading facilities and infrastructure with linked services.
- 1.5(b) Develop a progressive regulatory framework for the broader support of and the informal economy.
- 1.5(c) Review business regulations to reduce bureaucratic processes and procedures for small businesses.
- 1.5(d) Improve coordination and monitoring of government and private sector programmes aimed at uplifting SMMEs and Cooperatives.
- 1.5(e) Improve awareness on public and private sector support available to priority groups who want to participate in the work and business sphere.
- 1.5(f) Monitor use of government set-asides for local SMMEs and Cooperatives.

Strategic Objective 1.6: Enhance the Knowledge Economy

Provincial economic growth is enhanced by knowledge generation and innovation

Knowledge has been found to be a critical driver of productivity and of economic growth in a large number of countries, including those that are emerging. Growth in the knowledge economy is being realised as an enabler of international competitive and comparative advantage. This has been the case in developed and developing countries where intellectual capital and capabilities have been prioritised

³ World Bank's approach to empowerment.

and economic benefits have been derived, in spite of limited physical inputs and natural resources. Traditionally the field has been associated with technological advancement and product innovation, typically associated with the manufacturing industries and information technology. The sector evolved to incorporate improvements in the service sector. The notion of “trading” intellectual property is not new, but its potential to facilitate economic growth has not yet realised its full potential.

Whilst there is a view that the growth of the sector as a threat to job creation, it also stimulates new forms of employment and areas of trade, including the trade of intellectual property. Knowledge and innovation is widely recognised as key components to leverage economic growth, improve wages and employment opportunities whilst also increasing local and global competitiveness. As countries realise the potential of trading with intellectual property in various forms and across all sectors. Knowledge favours new modes and models of production, new and innovative ways of doing business and provides greater resilience to external shocks, including through new roles for information, technology as well as learning, all of which accelerate economic performance. Moreover, the knowledge economy allows new areas, such as those of the green economy, to be properly developed and tapped into; a knowledge economy allows better and higher value products to be produced and exported, and offers a greater range of capabilities, thereby the potential for the production of a greater range of products (greater product variety).

There are numerous institutions, organisations, and firms undertaking research into new market opportunities and product development across the Province. However, whilst the Province currently has a substantial knowledge economy, the relationship and coordination amongst stakeholders, including public sector, private sector and tertiary institutions is still weak and fragmented. This constrains the potential to further enhance and expand knowledge sectors within the Province. Although there is a growing number of successful initiatives created through partnerships between the private sector and tertiary institutions, which have led to productive operations being established, there is a lack of acknowledgement and evaluation of these initiatives to identify employment and other opportunities created. In addition, the four techno-hubs currently planned in the Province are at various stages of developments and the impact of these can only be assessed at a later stage.⁴

There are short-term versus medium and long-term trade-offs and adjustments in a knowledge-based growth that require proper investigation, the benefits of such growth tend to be seen as outweighing the costs. The aim of this objective is, therefore, to continue the efforts required for an expansion of the knowledge economy through strengthening mechanisms between key stakeholders, as well as tapping on the specialised knowledge base that is already in place in the Province. Positively, the Province is now well marketed as an African tertiary institution destination. This helps to attract skilled individuals into KZN as well as new investment into the information, communication, and technology (ICT) sectors and research and development (R&D). However, skilled South Africans in a number of key scientific sectors remain in short supply, causing important as well as growing wage differences between those that are skilled and those that are not. This sector also depends on technological investment and skilled labour, hence also relates to increasing the Human Resource Development and research capacity as outlined in Goal 2 of the PGDP, and read with Goal 4 in relation to ITC. As such, the

⁴ These are affected by issues of project funds possibly being insufficient for these to attract both, the right number and type of investors and of tenants. Infrastructure development issues are also a problem for a number of these hubs. These problems are similar to those established for other key new spatial projects and that are dealt with under Strategic Objective 1.3.

knowledge economy requires that the skills platform of KZN be enhanced, as discussed in the Human Resource Development part of the Strategy.

KZN requires additional efforts towards increasing its knowledge base for the provincial economy to develop and maximise its comparative advantage further, thereby enhancing its regional and international position.

Key priorities for the growth of the knowledge economy in KZN are to increase; the contribution of Research & Development to GVA in KZN; facilitate an increase in the proportion of SA patents and designs registered by KZN entities and individuals; ensure that technology hubs are optimised as models to encourage innovation and technology.

Strategic objective indicators to enhance the knowledge economy platform in KZN include:

Strategic Objective 1.6 Indicators:

- 1.6.1 Contribution of Research & Development to GVA in KZN.
- 1.6.2 Percentage of SA patents and designs registered by KZN entities and individuals.
- 1.6.3 Number of functional technology hubs.
- 1.6.4 Occupation rate in techno hubs.
- 1.6.5 Government contribution on green economy R&D.

Interventions to enhance the knowledge economy include:

Strategic Objective 1.6 Interventions:

- 1.6(a) Evaluate the provincial system of innovation and identify where the province currently has a strong R&D platform or strong potential or prospect (e.g. some agricultural sub-sectors, traditional medicine).
- 1.6(b) Develop a market plan for the knowledge economy in KZN.
- 1.6(c) Improve the funding model for the planned technology hubs where appropriate.
- 1.6(d) Establish mechanisms to further strengthen the partnerships between the relevant institutions (public, private and tertiary) particularly with regard to the commercialization of R&D projects, including indigenous knowledge.

Strategic Goal 2: Human Resource Development

The human resource capacity of KZN is relevant and responsive to the growth and development needs of the province

National Outcomes 1, Education, and Outcome 5, Skills Development

This goal is aligned to National Outcomes 1, Education, and Outcome 5, Skills Development. National Outcome 1: Education which is aimed at improving the quality of teaching and learning through development, supply and effective utilisation of teachers; and through provision of adequate, quality infrastructure and Learning and Teaching Support Materials (LTSM); tracking learner performance, expanded access to Early Childhood Development (covered in Outcome 13) and improvement of the quality of Grade R; strengthening accountability and improving management at the school, community and district level; and partnerships for is aimed at education reform and improved quality. National Outcome 5: Skills Development seeks to create a credible institutional mechanism for labour market and skills planning; Increase access and success in programmes leading to intermediate and high level learning and occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills. Education and skills development are critical success factors for economic growth and social stability.

Goal Indicators:

- **Reduction in skills shortage in key priority skills areas.**
- **Gross enrolment and graduation rates for primary and secondary schools, TVET Colleges and higher education.**
- **Adult literacy rate.**
- **The proportion of the unemployed who are unable to find employment or self-employment due to not having the appropriate education and/or skills.**
- **Percentage of Grade 12 learners passing with Mathematics and Science.**

The acquisition of knowledge and skills needed by a robust and forward looking economy will take place throughout the value chain of the education and training system. For example, the basic education sector must feed the human resource chain to ensure good linkages between economic growth and people development. Basic education is one of the elements that contribute towards the distribution of opportunity, especially in unequal societies like South Africa. Access to opportunity works as a leverage for levelling the playing-field as it provides tools for social mobility.

Challenges being experienced in basic education. This is evident by low ECD enrolments; poor performance in literacy and numeracy at primary school level, as well as persistent poor Grade 12 results. The issue of access to quality education in basic education is of critical importance. The disparities observed between education provision in rural areas and education in urban areas (including between urban settings) must be addressed.

Post-school education that accommodates those who have completed and those who have not completed the 12 years of schooling is the next necessary step to this opportunity giving continuum. The provision of post-school education to all young people in the Province an essential intervention. It is important that young people, once they leave school, are absorbed into, for example, TVET and CET colleges where they will be given a second chance education and their skills enhanced; learnerships and apprenticeships to learn job-related skills; and higher education in order to improve the knowledge-base of the Province. It is suggested that the Province must consider its contribution to the

expansion of the physical facilities of both the TVET and CET colleges in order to accommodate the growing number of those who are Not in Education, Employment or Training (NEET). As much as the Province actively monitors the numbers of enrolments in basic school education, it is equally important to monitor enrolments of its young citizens in all post-school institutions. The social mobility that post-school education will provide these groups should, in turn, translate into many benefits for the society. These include a political democracy where most individuals have a stake and also facilitating increased industrialisation with a more educated and skilled workforce.

The professional, managerial and political coordination within municipalities often poses challenges. Some of the challenges relate to continued provision of certain skills within certain employment terrains or sectors. This is not an issue in relation to sharpening skills at a higher level but there are still challenges in providing education and training for adults whether they are employed or not. This challenge also stretches to communities who have traditionally not had any education and training support for individuals and groups.

The strategic goal related to human resource development within the PGDS highlights the need to look at the whole education continuum i.e. early childhood development, school education, artisan and technical skills, community education and training, and professional education rendered at University level. The linkages in relation to this continuum must be emphasised. Opportunities to partner with the private sector also need further consideration. Best practices from both government- and private led education can be valuable contributions to strengthening interventions, this should also include engagement on farm schools and community colleges, engagements with tertiary institutions to reconsider the courses offered to meet the needs of KZN, as well as partnering with the private sector to expand internship programmes across sectors.

Strategic thinking must also be deployed towards incentives to attract professionals to different parts of the Province to support quality and equity issues. Nodal enhancement must be undertaken so that small towns are made attractive to potential professionals, so that rural schools, hospitals, municipalities and businesses are able to benefit from their quality expertise. Institutions of higher learning must be engaged in producing professionals ready for the social context of the Province. This means quality education related to the professional focus as well as social skills relevant to working with various communities in the Province.

The strategic objectives towards the goal of Human Resource Development are the following:

- (a) Improve early childhood development, primary and secondary education;
- (b) Support skills alignment to economic growth; and
- (c) Enhance youth and adult skills development and life-long learning.

Strategic Objective 2.1: Improve Early Childhood Development, Primary and Secondary Education

The school sector produces students with the ability to study further, or to enter the workplace

Whilst progress has been made to ensure universal access to education at all levels. The critical issues to be attended to now relate to the quality of education. Inequality in the quality and attainment of educational qualifications is still growing and is inhibiting eradication of inequality in all spheres of society and is also regarded as one of the main drivers of poverty in the Province.

Strategic intervention should be directed to the low quantitative gains in the educational achievement of the youth who finish school successfully, as well as to address issues of the poor quality of education. These challenges are interrelated, hence must be tackled simultaneously. Education is fundamental to the Province in relation to growth and development.

Interventions must be directed towards:

- (a) the varying quality of education depending on the location of schools in rural areas, townships and urban areas;
- (b) the challenges relating to the logistical provision of educational materials in the form of books and laboratory material; and
- (c) inequitable access to remedial and specialised attention to learners with specific challenges.

Both community and family related aspects of life influence educational performance. Thus, under-resourced schools affect school performance. Services such as water, sanitation and electricity, must be provided to schools. The quality of teacher education must also be addressed directly and capacity development programmes for teachers who are currently employed must be designed. The quality of management and school governance must also be enhanced in order for schools to set targets and be able to achieve the best from their learners through local support and enhancement of learner effort.

The KZN HRD Strategy is in alignment with this objective. The HRD Strategy Pillar 1 refers to a sound foundation in education for all, giving children a flying start and has a comprehensive set of interventions and activities for enhancing achievement and success in education supported by in-depth analysis.

Alarming trends have been observed in decreasing performance at NSC level and with the inordinately low numbers of 0-4 year olds enrolled in ECD and related ECD provision. There is concern about the disparity in performance and provision depending on location and/or whether the school is in a well-resourced area or not. The issue of coordination and policy guidelines on ECD need to be clarified further, and clear policy direction and regulatory measures should apply to all sectors and roleplayers involved in ECD. Renewed focus is required to accommodate the provision for special needs and *at risk* children.

The strategic interventions identified seek to impact on provision and focus on educators, governance and logistical support for equipment and books. The area of vocational guidance has a focus as well because it is extremely under-provided for and has a bearing on skills alignment to economic growth as recorded in the HRD Strategy, the aim is for “employment literacy to make sound choices about post school opportunities and successfully manage the challenges of the post school environment”.

Strategic objective indicators include:

Strategic Objective 2.1 Indicators:

- 2.1.1 Percentage of learners performing at the required levels in all grades in national benchmark assessments equivalent (previously ANA).
- 2.1.2 Percentage of NSC pass rate (70% across KZN should be the minimum requirement for the Province).
- 2.1.3 Percentage of children in lower quintiles who succeed in primary and secondary school.
- 2.1.4 Percentage of children with special needs (disability, giftedness) and “at risk” children whose needs are being adequately met by the education system.
- 2.1.5 Number of ECD facilities adhering to norms and standards.
- 2.1.6 Percentage of children in 0-4 age group accessing ECD facilities.
- 2.1.7 Number of NSC candidates taking Mathematics and Science;
- 2.1.8 Percentage of Grade 12 learners passing Mathematics at 50% or more in the NSC;
- 2.1.9 Percentage of Grade 12 learners passing Science at 50% or more in the NSC;
- 2.1.10 Percentage of Grade 1 learners who attended a Grade R class;

Interventions to drive Early Childhood Development and Basic Education (Grades 1-12) include:

Strategic Objective 2.1 Interventions:

- 2.1(a) Monitor, evaluate, review and resource teacher education and capacity development programmes, including in scarce skill categories.
- 2.1(b) Improve school infrastructure through the implementation and monitoring of water, sanitation and electricity programmes.
- 2.1(c) Develop and implement programme to enhance logistical support to facilities (books and equipment).
- 2.1(d) Improve effective governance and management at schools and district level.
- 2.1(e) Improve and monitor performance management of educators.
- 2.1(f) Counselling and career guidance to be provided in all schools.
- 2.1(g) Minimise drop-out rates of learners in the system, including a focus on girl child challenges.
- 2.1(h) Promote the use of new technology to encourage distance learning.
- 2.1(i) Develop and maintain a monitoring system to assess adherence of ECD facilities to norms and standards.
- 2.1(j) Promote partnerships with NGOs to support school improvement.
- 2.1(k) Improve capacity in the Department of Education.

Strategic Objective 2.2: Support skills alignment to economic growth-

The development of skills is sufficient and appropriate to service the economic growth and development needs of the province

One of the key undertakings of the Province must be to identify the skills shortage and to work with different stakeholders to find solutions to the brain drain of critical skills in the Province. Each district within the Province must be made aware of its economic potential and identify short, medium and long-term advancement of optimal economic performance. The Province must also identify lead sectors in terms of employment so that district planning may link with these identified sectors in a bid to advance skills and penetrate economic opportunities. The educational continuum must support the identified strengths of the economy which must also be as area-specific as possible. Schools and providers of career counselling must, therefore, be equipped with all the information to guide children towards different professions and be acutely aware of the economic potential of the Province and its districts.

The KZN HRD Strategy Pillar 2 aligns to this strategic objective which aims to build the foundations for employment and entrepreneurship. The pillar of educational foundation for employment has 3 major components: general educational foundations for employment; formal education for employment through TVETs, skills centres, apprenticeships, learnerships and higher education institutions; and workplace learning for employee development, thus the KZN HRD Strategy supports this objective comprehensively.

The institutions through which this objective lives are the severely compromised TVET sector colleges and the recently launched Community Education and Training Colleges. This objective (as does the HRD Strategy Pillar 2) relies on the approach of linking skills development with economic sectors. This is a frequently discussed topic but has proved difficult to pin down in terms of curricula, private-sector partnerships and accessible courses. The TVET Colleges are generally under-staffed, with educators who have no orientation to pedagogy and the colleges are ill-equipped even in terms of the practical subjects they offer. Governance needs to be strengthened to maximise the impact of education and skills development on growth. The objective also focusses on artisan training, not to deny the value of other

types of training but because artisan skills across all economic sectors / technical fields are in short supply and because artisan training offers a route with diverse prospects and enables development of superior skills and knowledge bases compared to other short courses, skills programmes and learnerships.

Strategic objective indicators include:

Strategic Objective 2.2 Indicators:

- 2.2.1 Number of full- and part-time students in public TVET Colleges for NC(V), N courses and occupational programmes.
- 2.2.2 Students graduating in fields of Education, and in Science, Engineering and Technology (SET).
- 2.2.3 Proportion of students graduating within 4 years of registering.
- 2.2.4 Number of PhD graduates.
- 2.2.5 Percentage of academic staff with PhD Qualifications.
- 2.2.6 Pass rate of TVET and
- 2.2.7 Pass rate of CET colleges.
- 2.2.8 Percentage students successfully placed in employment on graduation from TVET Colleges.
- 2.2.9 Number of artisans qualifying in scarce skills.

Interventions to support skills alignment to economic growth include:

Strategic Objective 2.2 Interventions:

- 2.2(a) Improve skills development planning and implementation in the Province as detailed in the KZN HRD Strategy, and including skills plans for lead economic sectors per district municipality.
- 2.2(b) Revitalise and expand the TVET sector and develop CET Colleges.
- 2.2(c) Develop counselling and vocational guidance for out-of-school youth.
- 2.2(d) Skills development for the informal sector, township and rural economies focusing on enterprise education and technical skills.
- 2.2(e) Strengthen Provincial HRD Council to develop partnerships between the state HRD sector and the private sector.
- 2.2(f) Encourage the development of women professional and technical graduates and people with disabilities.

Strategic Objective 2.3: Enhance youth and adult skills development and life-long learning

The education and skills level of youth and adults is enhanced

Whilst much has been done to improve access to primary and secondary education, much is still to be done to improve access to tertiary and adult, coupled with skills development coupled also to experiential learning to employment opportunities. Whilst a serious effort has been made in the years since democracy, there is relatively little demonstrable effect in empowering citizens to make them competitive in the globally competitive economy. Programmes need to be designed that simultaneously link people with the economy while skilling the unemployed youth - redundant in the current economy - with capabilities that they do not have. The new Community Education and Training (CET) colleges which are about to be established, are to replace the Adult Education and Training

Centres. The new CET colleges will incorporate the Adult Education and Training curricula and will combine with skills centres and NGO programmes to form a college. This is envisaged to be rolled out per District municipality. This should be done in a manner that ensures an appropriate level of coverage in the provision of Adult Education Training through centres that adhere to government norms and standards; as well as development and throughput of the CET College sector across the Province with an appropriate portfolios of courses offered that will promote economic growth and employment. All the pillars of the draft KZN HRD Strategy support this objective. It is a most neglected field and will benefit from the attention afforded by the HRD Strategy.

The focus in this objective is on supporting the organisational framework for streamlining HRD (as proposed in the HRD Strategy) and on information gathering to support the planning function and the monitoring which will be required. The recent Community Survey (2016) also points to the need to intensify engagements with tertiary institutions and the private sector to curb the brain drain of talented students to other Provinces through the inability of local institutions to meet the needs skill sets required in the Province. This section must also be read in conjunction with Goal 3, Strategic Objective 3.7 as transversal issues relating to youth are also addressed in this section.

Strategic objective indicators include:

Strategic Objective Indicators 2.3:

- 2.3.1 Number of youth on mentorships / internships/learnerships.
- 2.3.2 Number of Adult Education Training Centers that conform to government norms and standards.
- 2.3.3 Number of CET colleges established and throughput of the CET College sector across the Province, disaggregated by types of courses studied.

Interventions to facilitate youth skills development and life-long learning include:

Strategic Objective 2.3 Interventions:

- 2.3(a) Expand and targeted skills development, capacity building and mentoring programmes for the SMMEs, Cooperatives, and persons in the informal economy.
- 2.3(b) Facilitate targeted support to meet youth skills development needs.
- 2.3(c) Preparation of district based HRD plans linked to IDPs, including the assessment and development of district needs based supply pipelines.
- 2.3(d) Monitor progress of education and training programmes prepared for delivery in community-based colleges.
- 2.3(e) Develop awareness campaigns regarding opportunities for learnerships, apprenticeships, mentorships and internships within the public and private sectors.
- 2.3(f) Maximise the enrolment of youth in TVET colleges and other post-school training institutions focusing on artisan development.

3.6. Strategic Goal 3: Human and Community Development

Poverty and inequality in KZN is reduced

This Goal is aligned to various National Outcomes. These are : Outcome 2: Health; Outcome 3: All people in South Africa are and feel safe; Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all; Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life; Outcome 11: Create a better South Africa, contribute to a better and safer Africa in a better world; Outcome 13: An inclusive and responsive social protection system; Outcome 14: Nation Building and Social Cohesion

The following goal indicators are aimed at enabling a long and healthy life for all people in KwaZulu-Natal: All people are and feel safe. Vibrant, equitable, sustainable rural communities contributing towards food security for all. Sustainable human settlements and improved quality of household life

Goal Indicators:

- **Life expectancy as a measure of the availability and quality of health services and related nutrition and social welfare.**
- **Decrease in social inequality (Gini Coefficient)**
- **Adjusted Human Development Index.**
- **Decrease in Absolute poverty: (% of households below the national food poverty line).**

Human development and the development of communities are central themes of the Province's strategy for growth and development. The development of communities encompasses a wide range of services and functions that support the manner in which people live and socialise, and the PGDS recognises that social issues and social functioning have serious implications for infrastructure development, economic approaches, environmental and spatial planning issues. This goal area looks at social services such as welfare, health services, the means for establishing and maintaining livelihoods and the structures / settlements in which citizens live; the safety of citizens and the means to maintain and re-create bonds between people are pertinent here. The interventions in this goal area take place at a local level and all the other areas of the PGDS have implications for the way that community life is realised.

As with other goal areas, this area has to deal with the tangible and intangible legacies of deprivation and under-resourcing. An underlying theme is that of moving people from a mode of coping with poverty to a mode of empowerment – empowerment for self-sustenance. Underlying this is a need to transform the mind-set of asset entitlement whereby poverty eradication and social grants orientation is balanced with a mission towards socio-economic empowerment of citizens, coupled with the promotion of personal and community action. Qualitative and sustainable interventions have been proposed at community level – these require monitoring and evaluation mechanisms. As in other areas, political support is required for realising the objectives set out in this goal and the co-ordination of mandates across different levels and spheres of government. In delivering services there is need to prioritise under-served areas and the objectives require the co-ordination of effort amongst the social partners: community organisations, business and labour organisations in partnership with government. The overarching KZN initiative, described in the Poverty Eradication Master Plan, sets an important framework for delivery: Integration and Coordination: calling for / mandating social partners to act in concert, the technical facilitation of game changing interventions through a central point of

co-ordination and harnessing the resource commitments of provincial and municipal resources and of course to co-ordinate resource commitments of social partners.

This goal has particular resonance with services for the vulnerable. The demographic and poverty profile of KZN make it necessary to have a strong net of social services and the concept of community development encompasses social as well as local economic / livelihood strategies. This goal area can only achieve its objectives with the parallel efforts of human resource development interventions – to bolster and further the individual’s participation in and contribution to community life.

Since the publication of the 2011 PGDS, the Province, frequently in concert with national organs, has further built on and developed programmes and interventions to deal with poverty, unemployment and inequality at local level. This goal area incorporates much of the thinking that informs the Poverty Eradication Master Plan, the Agricultural Radical Socio-Economic Transformation Model and the Social Cohesion, Migration and Community Integration projects and works in tandem with SMME and informal economy support measures. These studies and plans are leaned on in this goal area as they offer latest research, approaches and have been drawn up in multi-stakeholder forums.

Human and community development services depend largely on access to a variety of social, socio-economic and health infrastructure. Goal 4 of the PGDS deals with transport – accessibility and bulk infrastructure to ensure in the medium to long term that social and health facilities are accessible – within relatively easy reach of communities both urban and rural. This goal area calls for accessible, quality services and leaves the task of enumerating the various types of facilities to the PGD Plan.

Communities are vital vehicles to effect collective transformation of rural and urban community areas. The opportunity to transform the lives of the poor are best located within the social, economic and institutional dynamics of communities. Therefore, community development programmes and projects that could be designed and implemented by the collective efforts of community members or in which community members have been fully participants and are more responsive to community felt needs and are capable of generating an enthusiastic sense of ownership. These are critical ingredients for sustainable development programmes and projects.

The strategic objectives towards the goal of Human and Community Development are the following:

- (a) Eradicate poverty and improve social welfare services;
- (b) Enhance health of communities and citizens;
- (c) Safeguard and enhance sustainable livelihoods and food security;
- (d) Promote sustainable human settlements;
- (e) Enhance safety and security;
- (f) Advance social cohesion; and
- (g) Promote youth, gender and disability advocacy.

Strategic Objective 3.1: Eradicate poverty and improve social welfare

Social support is primarily aimed at eradicating poverty in the KZN population

The aim in this objective is to achieve successful and thorough-going implementation of the various policy and service specifications that fall within the ambit of the Department of Social Development together with its social partners i.e. NGOs such as SANCA and the many early childhood development, health and care giving NGOs operating in the social sector. Social services on their own will not migrate people out of “the poverty trap” because the poverty line is a measure of income; this is more usefully measured as an overall goal indicator.

The definition of poverty used in the PEMP points to the type of interventions formulated: an “economic condition that hinders access to health, education, food, shelter and clothing as a

consequence of lack of adequate income". This objective has to do with social security and is mainly concerned with the strategy and interventions aimed at the poor and most vulnerable. These are people who are not able to support their own basic daily needs and the majority are in a crisis situation. The plan provides a safety net and stabilizes citizens for participation in higher level interventions.

The mainstay of the social welfare programme is the Social Grant System with attendant social protection / safety net measures targeting identified vulnerable households, progressively, across the Province.

Specific aspects of educational provision are being brought into the ambit of the Department of Social Development (DSD). Early Childhood Education is administered through the (DSD) and the massification of Early Childhood Education is called for i.e. developing community-based ECD Centres, practitioners and educators. The provision of counselling and vocational guidance services is also falling within the ambit of the DSD. Programmes to curb drug abuse and develop resilience against drug use are called for. With the demographic trend noting a future increase in the number of elderly people in the Province and noting that currently the majority of the elderly are not within the ambit of targeted government services (besides social grants), it is imperative to put in place programmes aimed at housing the elderly with the required medical care catered for.

Success in achieving this objective must refer to the provision of services: the quality and spread of service provision breaching rural-urban divides and formal-informal settlements. The establishment and upgrading of social services still follows the apartheid legacy of superior provision in middle class areas. It also requires the identification of local municipalities and wards which carry the heaviest indicators of poverty and then programming for provision in these most vulnerable areas, progressively cascading services to other geographical areas of need. An initiative within the PEMP offers a structured way of taking forward the development and institution of an integrated system for continuous assessment i.e. profiling of vulnerable households, linking them to a potential game changing intervention or project; progress by each beneficiary is recorded and tracked towards "migration" out of poverty: the development of a single registry to support this integrated approach.

The approach is to use existing structures and resources (such as DSD social workers, the DSD input / structures for ECD and extending the welfare services to include the elderly, those vulnerable to drug abuse *inter alia*.) Noting the breadth and depth of the services required, there is a specific call to involve the services of the non-governmental sector which are able to be responsive timeously because of their location within communities. This approach is supported in the PEMP through more formal agreements and the use of agencies and formalizing co-ordination with supply services, including building formal relations with the private and NGO sectors. The support of the NGO sector is dealt with in Strategic Objective 3.6.

Strategic objective indicators include:

Strategic Objective 3.1 Indicators:

- 3.1.1 Effective dependency ratio.
- 3.1.2 Functional Operation Sukuma Sakhe war rooms.
- 3.1.3 Poverty gap (p1) and severity of poverty (p2).
- 3.1.4 Reduction in child poverty and malnutrition: % children that are stunted, wasted or obese.
- 3.1.5 Reduction in relative poverty.
- 3.1.6 Number of eligible social grant applications.

Interventions, albeit not exhaustive, include:

Strategic Objective 3.1 Interventions:

- 3.1(a) Accelerate the roll-out of and the monitoring and impact evaluation of the Poverty Eradication Master Plan and Sukuma Sakhe (on which the PEMP builds) and related social welfare programmes including the development of Community and Ward Based Plans for the identified, most poverty stricken municipalities; and to address facilities and services for the elderly, drug addicted individuals, indigent households and victims of abuse.
- 3.1(b) Implement a comprehensive social welfare system. This refers to the services traditionally within the ambit of social welfare services – the imperative here is to expand social services progressively to people in all areas, urban and rural, formal and informal settlements.
- 3.1(c) Achieve universal coverage in ECD for children from 0 to 4 years through the ECD Educator Development, ECD Practitioner Development and ECD Centre Development projects; recognising the potential for income generation and job creation. This should include up-skilling and development of DSD, its systems and professional staff a to extend their roles to systematically address the massification of ECD.
- 3.1(d) Collaborate with NGOs with proven track records to augment service delivery, training of trainers / practitioners, and for implementation models.

Strategic Objective 3.2: Enhance the health of communities and citizens

The health of KZN population is improved

KwaZulu-Natal is at the epicentre of the quadruple burden of disease including HIV/AIDS, sexually transmitted infections and tuberculosis; high maternal and child mortality; non-communicable diseases; and violence and injury.

A healthy life is the product of a functional and effective health system based on the use of cost-effective interventions rendered at the appropriate level of the health system and reliable and equitable access to decent housing, clean water, sanitation, waste removal, nutrition and education (i.e. social determinants of health) which require effective consultation, community involvement and inter-departmental collaboration. The primary health care approach has been the underlying philosophy of the health system for the past 15 years, although the focus was predominantly focussed on curative care rather than the promotion of health and prevention of illness.

The National Health Act, Act No 61 of 2003 (as amended) clearly articulates and prioritises Primary Health Care with specific focus on equity; provision of comprehensive services; effectiveness; efficiency; quality; improved access to services; decentralisation; overcoming fragmentation; developmental and inter-sectoral approach; local accountability and community participation; and sustainability. The health sector committed to the *“Re-engineering of the health system to one that is based on a PHC approach, with more emphasis on promotive and preventive (instead of curative) healthcare that will underlie all interventions needed to achieve desirable outputs”*. To ensure seamless service delivery, from community to central levels of care, the focus will shift from a high cost, curative-based system to an integrated community-based approach where communities are central in delivery of programmes and services.

Poverty is inextricably associated with disease and closely linked with the synergies of malnutrition, HIV and Tuberculosis which in turn are still the leading causes of maternal and child mortality. Food insecurity leads to poor nutrition, which affects the functioning of the immune system leading to increased susceptibility to disease. The inter-related complexities of poverty, deprivation and disease

therefore compel multi-sectoral community-based programmes where communities actively participate in community development and health initiatives while at the same time accepting responsibility for their own health and well-being. Effective communication, ongoing consultation and feedback, partnerships between communities and service providers will therefore be paramount in developing healthy communities where community members accept responsibility for their own health and well-being with support from service providers.

The Province will scope the extent to which the citizenry is catered for in terms of the provision of community and facility-based services to inform evidence-based health interventions. Regular reviews, monitoring and evaluation will ensure that strategies and interventions remains dated as informed by outcomes.

The main focus will be on the development of effective systems for delivery of seamless health services and will target the quadruple burden of disease in collaboration with all relevant stakeholders and partners.

Building healthy communities and citizens in KZN society necessitates the development of a comprehensive primary health care programme that is premised on a proactive approach with the capacity to deal with both prevention and cure of diseases. A comprehensive health care approach would entail scoping of local and institutional capacity to enhance health for communities. Partnerships between community health practitioners, the rationalisation of health care facilities as provided by government, as well as nutritional, physical and spiritual wellness, are all elements of health for communities. This entails partnerships with traditional healers, faith organisations, sports development practitioners as well as health care facilities. These practitioners are important not only in dealing with health in terms of restoration of ill-health to wellness, but in keeping human beings healthy. The Province thus has to scope the extent to which the citizenry is catered for in terms of management of disease, maintaining good health, management of chronic diseases and epidemics, as well as provision of integrated special facilities for the disabled within the provision of primary health care.

KwaZulu-Natal already has negative trends in relation to substance abuse, debilitated families (as exemplified in the growing phenomenon of street children and teenage pregnancies), as well as the adverse impact of HIV and AIDS. This requires measures to reverse adverse trends in relation to HIV and AIDS, maternal and child mortality as well as impacts of substance abuse.

There is a need to deal with health in KZN through improved access to facilities, reversing negative trends, encouraging citizens to take a proactive approach to health, and affording the citizens quality health care through affordable quality of care and equitable access to services. Affirmative attention to quality of facilities and quality of professionals needs to be directed to rural areas and informal settlements in particular. The issue of quantity and quality of professionals as well as the provision of facilities and the operation and maintenance of facilities is paramount in providing for this objective.

Access to health care also includes the issue of medical cover for universal access to health care. From national level there is the implementation of a NHI pilot and it is developing systems to inform the rollout of the National Health Insurance scheme for universal access. Targeting and reporting on the structures within KZN Department of Health and other stakeholders are in collaboration and this forms part of the interventions in the health sector. Goal 4 of the KZN PGD Strategy deals with provision of infrastructure regarding bulk utilities (water, energy) and accessibility (roads, rail and multi-modal transport) which caters for the issue of citizens being able to reach health facilities. The provision of health facilities on the ground must be seen as a PGD Planning issue and the enumeration of facilities planned for and provided must be targeted and monitored through the PGDP process. The interventions of Goal 7: Spatial Equity deal with the broader placement of facilities in towns, villages and the smaller units of urban areas.

Strategic objective indicators include:

Strategic Objective 3.2 Indicators:

- 3.2.1 Percentage of people living within an internationally acceptable radius of a fully functional healthcare facility throughout the Province.
- 3.2.2 Infant mortality rate (per 1000 live birth).
- 3.2.3 Under 5 mortality rate (per 1000 live birth).
- 3.2.4 Maternal mortality in facility ratio (per 100 000 live births).
- 3.2.5 Percentage of the population with private medical cover.

Interventions, albeit not exhaustive, include:

Strategic Objective 3.2 Interventions:

- 3.2(a) Re-engineer Primary Health Care including community and facility-based services and programmes, as well as to integrate lessons learned from NHI pilot.
- 3.2(b) Implement the 90-90-90 strategy for HIV, AIDS; TB and Non-Communicable Diseases.
- 3.2(c) Enhance physical and mental health programmes with increased focus on screening and referral.
- 3.2(d) Research metric to track causes of natural deaths and notifiable deaths as an early warning

Strategic Objective 3.3: Safeguard and enhance sustainable livelihoods and food security

Livelihoods and food are sustainable and secure

The concept of *sustainable livelihoods* is critical in promoting individual and community empowerment for self-sustenance and includes food production along with other consumables and services. This approach includes the identification of individual and community needs, and enables individuals and groups (co-operatives, micro and small businesses) to fulfil those needs through selling products or services either for gain or on a non-profit basis (social enterprises) as the case may be. State-promoted business development assumes that various organs of state create an enabling environment for the kick-start of such enterprises, together with appropriate inputs from various sources to enable people to act on and in their environments, to produce results for their own livelihoods. The identification of household and community needs, to which entrepreneurs respond, leads to production / income generating activities underpinned by a range of technical and business skills training for those activities. The framework would encompass the physical capital (infrastructure, equipment) required, the human capital (individual and group skills) required, the financial capital (savings clubs, financial support mechanisms) available and extend to the social capital (partnerships, institutions, trade and barter networks) required to make the production / income generation activities possible. All this is done within the conservation of natural capital (environmental considerations). This is the approach recommended for the assurance of food security at the level of households and communities.

Food security as a specific objective within the Province will require coordinated effort. The informal economy requires support in so far as this strengthens food security through local production and smaller scale commercial ventures. There is a need to identify community-based assets and establish support for use of these assets in order to promote sustainable linkages i.e. trade between producers and consumers at local level.

A big portion of the provincial population is currently in rural and traditional areas with predominantly informal socio-economic relations in many areas of their daily lives. However, the larger proportion of KZN's poor and marginalised citizens are in urban townships and informal settlements. This socio-demographic reality is a background to a number of human and community development challenges faced by the Province, especially in planning and coordinating interventions that aim to achieve spatial equity in access to development infrastructure, goods and services by all people in the Province.

The informal sector plays a critical role in the livelihood of many people in urban, rural and traditional areas. The informal economic and social sectors are terrains that many people in rural and traditional areas are accustomed to. These sectors therefore serve a consensus entry point for addressing complex and cross-cutting development challenges, including household livelihood and food security, gender equity, environmental sustainability, women's empowerment, family resilience, community solidarity and social cohesion.

The above are supported by the KZN Poverty Eradication Master Plan which provides a focus for the production of a range of specific commodities and provides guidance on the achievement of these sustainable livelihood goals. Generally these interventions rely on access to land which then applies to people living in rural and peri-urban communities. These will not be seen as narrowly definitive because environmental conditions differ from area to area and community needs are broader than the PEMP focus areas. A number of these are referred to below to indicate the range of interventions which make up this area of sustainable livelihoods.

The National Schools Nutrition Programme has been well taken up in the Province and it needs expansion. The *Fetsa Tlala* Integrated Food Production Initiative, initiated at national level in concert with a range of roleplayers provides a framework of activities, institutional arrangements and resourcing mechanisms aimed at ensuring food security. This is to be achieved through increasing hectares of land under cultivation and feeding into formal and informal markets, including the Schools Nutrition Programme. KwaZulu-Natal is expected to achieve the food production hectares of 80 000 Ha on communal land and 120 000 Ha on commercial land under the framework.

The assets of emerging farmers and those based on Land Reform projects will be enhanced through a reworking of the current mechanization program. Included is the promotion of egg-layers and broilers and a wide range of grains, legumes, fruit and vegetables. Household production units and larger formations of co-operatives form part of the implementing network. Led by the DAFF, it will rely on the co-ordinated efforts of DRDLR, DWS, DTI, DSD, DPW, NT and PDAs.

Included in the above programme are plans for the commercialisation of livestock in communal land, the revitalisation of land reform farms, the promotion of agriculture cooperatives, an agribusiness youth empowerment programme, the establishment of small scale processing facilities and milling stations (e.g. essential oils, maize), a commercial farmer programme, attention to irrigation and water availability (cross reference this to the interventions and indicators on quaternary catchment areas in Goal 5) and research and technology development encompassing horticulture, soil fertility, livestock farming methods, analytical services, farm systems and research.

Rural tourism initiatives are also encouraged with a range of activities to stimulate this sector on a localised level.

Achieving sustainable livelihoods and food security in under-resourced, marginalised urban settings still follows the general approach of identifying needs and creating an enabling environment for producers / business-people (whether formal or informal) to supply those needs, in other words, support for SMME development. There are many models for the provision of this support and cross-linkages between government departments to create enabling environments are required. Importantly as well, as in the development of rural towns, land-use planning and area-based plans are vital for orderly atmospheres, conducive for the ease of consumer and business owner. This goal area is thus

cross referenced to that of goal 4 on Strategic Infrastructure, to Goal 7 on Spatial Equity and importantly to Goal 1 on Inclusive economic growth.

The activities taken up by a particular community / in a particular area will depend on the competitive advantages of that area and the community needs identified. The PEMP and the DSD work stream focusing on sustainable livelihoods, relies on drawing in a range of supporting departments and mobilising resources (material and intellectual) across a range of social partners. This is potentially a massive task which will bear sustainable and admirable results. The challenge is to kick-start these initiatives in a planned, sustainable fashion within good governance guidelines.

It is acknowledged that the informal economy contributes towards this strategic objective and therefore aspects relating to the informal economy are addressed in Goal 1: Inclusive Economic Growth which includes matters related to local economic development and supporting municipalities in this process.

Strategic objective indicators include:

Strategic Objective 3.3 Indicators:

- 3.3.1 Dietary Diversity Index (%of households consuming fewer than the 15 major food categories in the previous month).
- 3.3.2 Hunger episodes (the incidence of a household member gone hungry at least sometimes in the preceding 12 months and refers to a percentage of households).

The objective will be supported through, inter alia, the following interventions:

Strategic Objective 3.3 Interventions:

- 3.3(a) Development of facilities for local markets, production / processing facilities and retail facilities including appropriate storage and logistics measures.
- 3.3(b) Facilitate skills development in communities aligned to local economies to support local food production and provision of consumer services.
- 3.3(c) Accelerate the implementation of the KZN Poverty Eradication Master Plan to contribute to food security.
- 3.3(d) Expedite the roll-out of the National Schools Nutrition Programme.
- 3.3(e) Implement an integrated system for continuous assessment of poverty, malnutrition and hunger and to measure migration out of the poverty trap, targeting the most marginalised urban and rural communities, including an early-warning system.

Strategic Objective 3.4: Promote sustainable human settlements

KZN households have secure residential tenure and access to basic utility services

The provision of housing has previously dominated the approach to human settlements in the Province, as in South Africa in general. Whilst the provision of a house remains an important part of human settlements liveable human settlements require integrated planning that involves: a safe and sustainable living environment, infrastructure that allows and enables economic activity, delivery of services and social facilities, as well as ongoing maintenance capacity. Equitable human settlement refers to developments in both urban and rural settings that address the poverty traps that were created in the location of settlements in the past. This has not been an easy ideal to achieve given the

historical issues related to land availability and the slow progress, almost a stalemate, on land reform in the Province.

This requires the building of technical capacity in the rural communities and informal settlements through human and social capital enhancement; institution building; provision of socio-economic infrastructure; exploitation of indigenous and received technology based knowledge; and market information to partner with government in scaling- up service delivery and to engage in agricultural (on-farm food production) and non-agricultural (off-farm) economic activities.

There has been progress in the way human settlements are conceptualised. The delivery of housing has been augmented with building standards that support energy efficient design. There is wider acceptance that living spaces are an asset and that environment has an impact on social and economic investment. Notwithstanding these improvements, the Province is hampered by slow progress with suitable tenure arrangements that would promote sustainable settlements, as well as the delivery of adequate services throughout the province. Delivery in this strategic objective, therefore, also links directly to *Strategic Infrastructure* (Goal 4) as well as *Spatial Equity* (Goal 7).

Much is still to be done to facilitate the existence of racially and culturally integrated human settlements, which are also promoting citizens to pursue their social, cultural, political and economic goals. This requires communities and their members to be at the center of the scaling-up of service delivery through their involvement in planning and implementation of programmes either as part of voluntary self-provisioning system or as paid up community members.

Provision of decent housing in the urban setting has taken the mode of in-situ upgrading as well as provision of new sites. However, there are land-related constraints relating to tenure, as well as suitability of sites for safe, sustainable and efficient development. The Province must ensure that housing programmes address the needs of all KZN citizens, ensuring a mixed approach in terms of tenure and products in support of the National focus on mega-projects and incorporating the Integrated Development Housing Programme.

Besides urban initiatives there are challenges related to provision of human settlements with all the elements of sustainability in rural areas. The spatial integration, and where possible, densification of human settlements is recommended to enable equitable provision of basic water, sanitation and electricity. The Inkululekho model that has been applied also demonstrates the possibility of creating sustainable settlements in rural areas, but also points to the need to develop a spatial human settlements master plan for the Province. Access to social facilities such as schools and clinics as well as provision of road linkages to markets and other economic activities must begin to inform the manner in which human settlements are designed in the near future, considering also the impact of catalytic projects in the broader development context. Thus stakeholders involved in land allocation, establishment of social facilities and designing human settlements must together implement polycentric planning in order to achieve sustainable livelihoods and sustainable human settlements.

Considering the complexity of issues, the variety of stakeholders and governance matters and considering the modern approaches to settlement design, the strategic approach required at this point is for the Province to undertake a comprehensive review of the KZN Human Settlements Strategy incorporating the key focus areas of informal settlements upgrade, social housing and a comprehensive rural settlement policy. There are various aspects to this review: the development of a spatial human settlement plan for the Province, informed by the PGDS as well as an Integrated Rural Human Settlement Development Strategy.

The requirements for integrated planning / polycentric planning require co-ordination across various departments, in conjunction with municipalities, and it is imperative for private sector partnerships to be developed. With this being one of the main areas for delivery in the Province, the establishment of

a joint provincial forum addressing integrated development planning is important as a strategic means to take forward the issue of housing delivery.

The Province's success in the area of human settlement delivery will be seen by the percentage of households living in formal dwellings in integrated, sustainable settlements, across rural and urban areas, using a mixed approach in terms of tenure and products available.

As the issue of integrated development is yet to become standard practice, the Province should at this stage consider it strategic to monitor the extent / number of integrated developments across the Province, again applying this to rural and urban areas.

The issue of having a home with a registrable form of tenure is a strategic consideration at this point: it recognizes that a site has value which can be leveraged for further development. This aspect is important for building state and private sector partnerships.

Strategic objective indicators include:

Strategic Objective 3.4 indicators:

- 3.4.1 Percentage of households living in formal dwellings per district.
- 3.4.2 Percentage housing backlog.
- 3.4.3 Percentage households with a registrable form of tenure.
- 3.4.4 Percentage of Provincial Human Settlement budget spent on formal settlement development.
- 3.4.5 Percentage of Social Housing and Rental Opportunities.

Intervention include:

Strategic Objective 3.4 Interventions:

- 3.4(a) Establish a joint provincial forum to address human settlements to ensure coordinated and integrated development planning and implementation.
- 3.4(b) Implement polycentric nodal development aligned to Provincial Spatial Development Framework to achieve sustainable livelihoods.
- 3.4(c) Undertake a comprehensive review of the KZN Human Settlements Strategy incorporating the key focus areas of informal settlements upgrade, social housing, housing in the gap market and a comprehensive rural settlement policy. This will ensure housing programmes that address the needs of all KZN citizens and that lays the foundation for a mixed approach in terms of tenure and products available, as well as reduce travel time between work and place of residence.

Strategic Objective 3.5: Enhance safety and security

The safety and security of the KZN people and their property is improved

Communities and individuals in KwaZulu-Natal face a broad and diverse range of safety and security challenges. These range from violent crime such as assault, robbery, burglary, hijacking, to commercial crime which includes white collar crime and cybercrime to fraud, from theft of non-ferrous metals through to corruption. The perception of increased gender-based violence and child abuse reported through NGOs is cause for alarm. Contributing to safety and security challenges are matters related to transport conflicts, violent service delivery protests, intra/inter political violence and inter-group violence.

The underlying causes of these challenges are equally diverse and complex. High levels of inequality, poverty, unemployment, social marginalisation and exclusion contribute, as well as an overloaded justice system, and a police force with varying levels of training and competence. As a whole, the criminal justice system is unable to respond adequately. A sub-culture of violence and criminality has developed and vulnerable groups including women, children, the elderly and the disabled are increasingly its most powerless victims. Road safety and traffic accident fatalities have become a serious concern with the loss of productive citizens and the economic consequences.

Issues which also need attention are the public perception and lack of confidence in law enforcement agencies and the low level of satisfaction with police and policing systems (*Statistics South Africa, Victims of Crime Survey, 2014/2015* and *Citizens Satisfaction Survey 2015*). The data indicates an increase in the level of fear among residents of KZN concerning basic normal activities, especially among children. For instance, fear of going to open places and parks, allowing children to play outside alone, and walking to school and shops, has increased since 2011.

Addressing these issues requires a range of skills and resources, drawn from a broad range of stakeholders within a variety of government departments, traditional leadership, civil society bodies, and business. It requires effective partnerships and considerable effort to integrate and coordinate a coherent approach.

The mandate of the Department of Community Safety and Liaison (DCSL) does not bear directly on the SA Police Services, however, the DCSL's supplementary liaison and supportive role does contribute to making the functioning of the police services effective and efficient. The mandate of DCSL focusses on partnership building, ensuring civilian oversight, evaluation of police stations and addressing complaints against police.

Considering the mandate of DCSL and the issues identified, the Province will know of its' success in this objective only by seeing a decrease in the number of crimes committed, reported and prosecuted. These issues seem to fall outside of the ambit of the DCSL, however, the strategic analysis and consultations showed that procedures at police stations have great impact on the reporting and prosecution of crimes. The DCSL can directly intervene in matters contributing to efficiency and effectiveness at this level.

Further, KZN needs to ensure that survivors of gender-based violence and abused children have access to justice and integrated, responsive and appropriately supported response mechanisms such as access to places of safety such as shelters, health care facilities, counselling and legal advice. Victim Empowerment Programmes, as advocated by the Commission for Gender Equality, provide models for the establishment and maintenance of these programmes. The relevant departments should establish appropriate collaboration, referral and statistics gathering mechanisms to ensure integrated services for survivors of child and gender-based violence.

There is recognition within the Department of Community Safety and Liaison that other agencies including the Departments of Justice, Correctional Services, Social Development, Health, Human

Settlements, COGTA, local government structures, civil society organisations, Community Crime Prevention Associations (CCPAs) and business should all co-operate to try and address the social causes of crime.

Considering that community policing as a philosophy of crime prevention has proven to be effective where Community Police Forums (CPF's) are effectively functioning, success in this area must be measured by the extent / coverage of functioning CPF's. Ward level may be too small a unit for this and local municipalities are too large a unit. This indicator must be developed in conjunction with spatial experts, municipalities and COGTA because it has to do with geographical location.

Victim Empowerment Programmes are crucial as a response to the rising gender-based violence and abuse of children. Such programmes affect police station performance, educate the police and justice services as well as provide safety to citizens. The evidence that these programmes are operating will indicate success in this aspect.

Community safety and security requires a multi-stakeholder and multi-faceted approach that balances an orientation towards advocacy and punitive enforcement. Community policing as a philosophy of crime prevention has proven to be effective where Community Police Forums are effectively functioning. Partnership or collaboration with other organisations becomes important in dealing with safety and security related issues. Road safety is increasingly becoming a concern as incidents of fatalities through road accidents challenge the safety and security of communities throughout the province. This affects drivers, passengers and pedestrians.

Strategic objective indicators include:

Strategic Objective 3.5 Indicators:

- 3.5.1 Total number of crimes measured as the number of crimes reported per 100 000 /population).
- 3.5.2 Number of fatal accidents reported.
- 3.5.3 Number and/or spread of functional Community Policing Forums.
- 3.5.4 Number of serious crimes reported.
- 3.5.5 Number of crimes against women and children and elderly.
- 3.5.6 Number of drug related crimes reported.

Interventions, albeit not exhaustive, include:

Strategic Objective 3.5 Interventions:

- 3.5(a) Develop a Consolidated Crime Prevention and Crime Combating Strategy for the Province.
- 3.5(b) Develop a consolidated Road Safety Strategy for the Province.
- 3.5(c) Institute Victim Empowerment Programmes across the Province.
- 3.5(d) Improve and extend programmes to address violence and anti-social behaviour amongst men, especially young men (who are often perpetrators and victims of such violence).
- 3.5(e) Improve and extend programmes providing services to those often targeted in violence with a particular focus on women and children and those in the LGBT communities.
- 3.5(f) Policing Forums across the Province. These partnerships between civil society, business and criminal justice system at local level can work in tandem with Victim Empowerment Programmes. The DCSL must take the lead role in promoting their effective functioning across urban-rural, formal and informal settlements including business and commercial districts. Establish and strengthen Community.
- 3.5(g) Reduce livestock theft.

Strategic Objective 3.6: Advance social cohesion and social capital

Institutions, partnerships and networks within and amongst communities are expanded and strengthened

Ideas of social capital and social cohesion are seen as inter-related concepts, as expressed in the KZN PGDS. Social cohesion can be described as the glue that holds society together and social capital refers to the individual sacrifices of time, effort and consumption made in an effort to co-operate with others. Other elements of the idea of social cohesion expressed, for example, through conferences in KZN and SA generally, link culture, religion and the idea of morality / moral regeneration into the broad concept of social cohesion. These issues are often raised in response or reaction to the violence which seems endemic in our society: child and women abuse, the erosion of family and community structures, gang-warfare, and criminality. Issues of racism in social interactions also point to a lack of social cohesion.

Studies on Migration and Community Integration (KZN, October 2015) also raise issues around social cohesion. The report notes that the lack of integration applies to foreign nationals as well as South Africans born outside of the Province and notes that institutional and structural causes of the violence against foreign nationals are amplified and underpinned by socially rooted issues inter-alia stereotypes, misperceptions and a lack of dialogue and understanding amongst various communities. The underlying causes of social discord include high levels of poverty and unemployment, intermittent service delivery and inequitable access to basic resources which are, to some extent, the unresolved challenges of the social engineering that defined apartheid in South Africa. Relative socio-economic deprivation, heightened competition for employment and social services, widespread perceptions of impunity for criminals and a systematic lack of dialogue have further impeded cohesive and constructive relationships.

The term social capital is usually understood to refer to a composite of three factors in a society: its' institutions, the relationships between people and their institutions and norms that govern the behaviour and thus the quality and quantity of a society's social interactions. An increasing body of evidence has demonstrated that social capital is a crucial factor underpinning community productivity and wellbeing. Commentators note that there is a horizontal and vertical dimension to social capital, the horizontal referring to interactions within a particular community or grouping and the vertical through interconnecting or bridging interactions and institutions. It is also noted that, without the vertical dimension, social interactions can degenerate into parochialism and community conservatism and that important vertically transmitted information such, for example, as the availability of jobs, may not be accessed by a community. In KZN, with its extremely high levels of inequality between different communities, the simultaneous promotion of both the horizontal and vertical dimensions to social capital is essential.

Furthering the social cohesion project (and the related social capital which results from communities acting in constructively in concert) requires the continuation of programmes directed at dealing with challenges identified within specific areas and sectors in social relationships. The work of statutory bodies such as the South African Human Rights Commission, the Public Protector and the Commission of Culture, Language and Religion, which tends to be dominated by a complaints approach, needs to be broadened. The Province needs to continue with its efforts on social cohesion as has been done in previous programmes on African Renaissance and Ubuntu.

A proactive approach will entail making arts and culture not only an events-based leisure sector but cultivating it as an industry worth investment and linked to economic gain. Poverty and crime seem to be related and as poverty still ravages in mainly the black communities and has been racialised, the association of blackness and criminality has been a challenge, despite the fallacy of this association.

At the most basic level, the Province will know if it is succeeding in its **social cohesion** aims if there is a reduction in all the categories of crime and violence referred to by the SAPS, including reference to

racist incidents and utterances which become public. Intangible evidence, such as members of different race and cultural groups mixing more freely and more frequently would also be an indication of increased social cohesion, however, this is difficult to measure objectively. In addition it is proposed that the KZN Citizen Satisfaction Survey and related tools will also provide a measure of social cohesion.

The World Bank notes that **social capital** is difficult to measure, both quantitatively and qualitatively. In KZN, given its diversity, further work will be necessary to develop a refined set of indicators of positive social capital. However, in order to bring the issue into strategic focus, this strategic objective aims for the following outcome: the institutions, partnerships and networks amongst the poor are expanded and strengthened and refers in this instance to the social partners, viz. community-level organisations and NGOs which partner with government in delivering services. It proposes to measure the number of organisations which are active in the social, health, sports and recreation fields – as measured through the participating departments: Social Development (DSD), Health, Arts & Culture and Sports and Recreation. The aim is to enable and facilitate delivery of services – addressing a wide range of tangible services such as health and welfare but which also address the intangibles which arise through sports and forms of artistic expression. During the consultation process of the revision of the PGDS, the idea of a Social Development Council was raised from various quarters (the Commission for Gender Equality, organisations at the Human and Community Development consultation workshop and during the consultations on Governance). It was raised in response to challenges faced by the NGO sector as a whole, such as the lack of organisation, coherence and standard setting, which impacts on the ability of government to implement the quantity and pace of service delivery required.

Strategic objective indicators include:

Strategic Objective 3.6 Indicators:

- 3.6.1 Numbers of incidents of politically motivated, racially or religiously based violence or other forms of intolerance or disharmony reported per district per annum, and trends, throughout the Province.
- 3.6.2 Number and extent of community level organisations (NGOs) active in participating in government department programmes, with active registration status, as brought together through and represented in the proposed Social Development Council.

The report and ensuing proposed Social Cohesion Implementation Plan drawn up by the Special Reference Group on Migration and Community Integration KZN is a useful reference as it locates the challenges and solutions across all citizens of KZN. It contains a range of interventions spanning local economic development, provision of bulk infrastructure and integrated human settlements (as expressed in the PGDS Goal 3: *Human and Community Development*, Goal 4: *Strategic Infrastructure* and Goal 7: *Spatial Equity*). It also include interventions relating to peace education, citizen education and trauma healing dialogues as well as administrative and awareness-raising interventions on the procedures relevant to migrants. It, thus, provides a lead-in to the following interventions:

Strategic Objective 3.6 Interventions:

- 3.6(a) Establish a Social Development Council at Provincial level to systematically build social capital and work for social cohesion.
- 3.6(b) Formalise and implement a social cohesion strategy for the Province (to cover responsible citizenry, moral regeneration, ethics at work etc.).
- 3.6(c) Develop and implement programmes that provide norms and behaviour that create an enabling environment for the NGO sector.
- 3.6(d) Support mutually beneficial platforms as solutions to help reduce tensions between South African and foreign small and informal traders.
- 3.6(e) Develop industry-orientated arts, culture and sports programmes.

Strategic Objective 3.7: Promote youth, gender and disability advocacy and the advancement of women.

Participation and advocacy of vulnerable groups is advanced

This objective focusses on advocacy and recognises the central role played by “champions” and “advocates” in responding to and improving the position of vulnerable people and vulnerable groups. Vulnerability is defined slightly differently depending on the context in which it is used, however, the common themes, which are relied on in this objective, are around the following: Vulnerability is the degree to which a population, individual or organisation is unable to participate, cope with and recover from social and environmental impacts. The term generally covers children, especially orphaned children, pregnant women, elderly people, people who are disabled or differently-abled. Poverty, and its consequences such as malnutrition, homelessness, poor housing and destitution, is a major contributor to vulnerability. In the current context youth are seen as vulnerable especially when poverty and lack of access to skills training and higher education intersect. Women are not seen as a vulnerable group, however, women are over-represented where poverty measures, measures of unemployment, and where gender-based violence statistics intersect.

Advocacy is a process of supporting and enabling people to express their views and concerns, access information and services, defend and promote their rights and responsibilities. It is an activity by an individual or group which aims to influence decisions within political, economic and social systems and institutions. It involves speaking, writing and acting with minimal conflict of interest on behalf of particular vulnerable groups.

The PGD Strategy aims to produce conditions in KZN society which can generally be described as a prosperous society. The PGD Plan sets out the activities for achieving this prosperity and sets in place planning and monitoring mechanisms. The Strategy and its’ attendant plans are structured so that rural development, the participation of youth and the participation of women are worked into the delivery models of these strategic plans. This strategic objective recognises that planning and delivery in complex scenarios such as exist in KZN may result in insufficient attention being paid to actually achieving the principle of inclusivity. Even where inclusivity is planned for, it is frequently not achieved because vulnerable groups are sometimes rendered invisible or difficult to reach.

This objective adds a component which is about “giving voice” and should operate in support of all other interventions. It is envisaged that advocacy and “championing” will happen through government structures, through the NGO sector and through the organisations of labour and the private sector. It is tied to the achievement of all the other goals and objectives and in particular this objective seeks to see socio-economic empowerment. Working from the premise that if an activity is not measured, it most likely will not be undertaken and improved systematically. This objective seeks to advocate for and measure the participation of the vulnerable and of women in the plans and programmes of the Province, noting that the issue of data collection is one in which the Province is increasingly developing expertise and even while data-collection and monitoring systems are improving, the participation of particular groups needs to be advocated for and monitored.

The work of this objective could be co-ordinated through the proposed Social Development Council in concert with other Action Work groups and the Nerve Centre. It should also be read with Goal 2: *Human Resource Development*, Strategic Objectives 2.3 which looks at the skills development aspects.

Strategic objective indicators include:

Strategic Objective 3.7 Indicators:

- 3.7.1 Percentage of youth, in all spheres of socio-economic opportunities.
- 3.7.2 Percentage of women in all spheres of socio-economic opportunities.
- 3.7.3 Percentage of people with disability in all spheres of socio-economic opportunities.
- 3.7.4 Level of participation of women, youth and people with disabilities in the processes of governance and consultative structures at all levels.

Interventions include:

Strategic Objective 3.7 Interventions:

- 3.7(a) Develop programmes to track social and economic development among the youth.
- 3.7(b) Develop programme to track the socio-economic empowerment of women in both rural/traditional and urban areas.
- 3.7(c) Develop programme for tracking social and economic advancement of people with disabilities.
- 3.7(d) Strengthen mechanisms to measure the impact of development plans in the empowerment of women, youth and people with disabilities, including increased levels of participation in the governance structures and processes of the Province.

3.7. Strategic Goal 4: Strategic Infrastructure

Strategic infrastructure provides for the social and economic growth and development needs of KZN

National Outcome 6: An efficient, competitive and responsive economic Infrastructure network

This Strategic Goal is aligned to the National Outcome 6 which focuses on maintaining and building an efficient and effective infrastructure network.

Goal Indicators:

- **Provincial and Municipal Fix Capital Formation as a % of KZN GDP 2010 constant prices.**
- **Percentage of provincial budget allocated to new capital infrastructure.**
- **Percentage of provincial budget allocated to new capital infrastructure spent.**
- **Percentage of provincial budget allocated to infrastructure, operation and maintenance proportional to new capital infrastructure spent.**
- **Percentage of municipal budget allocated to new capital infrastructure.**
- **Percentage of municipal budget allocated to new capital infrastructure spent.**
- **Percentage of municipal budget allocated to infrastructure, operation and maintenance proportional to new capital infrastructure spent.**

Studies confirm that infrastructure development is the foundation for poverty reduction and economic growth in developing countries. As KZN is *en route* to greater socio-economic growth, there are many unfulfilled needs in the provision of services and infrastructure. The long-term success and participation in the global market by the Province of KwaZulu-Natal will be in its ability to maintain good governance, to continue to provide services and improve its transport and logistics infrastructure.

Historic under-investment in basic infrastructure (roads, transportation, water provision, sanitation etc) has undermined the growth potential of KZN. In line with national government policy, public-sector investment in infrastructure is seen as key to building the overall levels of investment in fixed assets, which is central to achieving growth and development targets. The need is therefore to invest in infrastructure in order to stimulate and sustain growth and development and this includes both operational infrastructure (water, sanitation, roads etc) and connectivity (information technology, mobility) infrastructure. This needs to be supported with alternative funding and partnership models for development, prioritising catalytic projects, as well as the development of alternative funding and partnership models for strategic investment, infrastructure development and coordination. These aspects will be dealt with in Goal 6: *Governance and Policy*, Strategic Objective 6.2.

Guidelines need to be developed on how funding is allocated, and review processes on expenditure should be supported, whilst alignment of plans, including infrastructure plans to the PGDS/P must be promoted to ensure scarce resources are used optimally. This will be incorporated in the interventions relating to spatial equity, Goal 7: *Spatial Equity*.

The challenges presented in the infrastructure sector pose also as economic opportunities for innovation that could lead to new job-creating value chains in sectors such as waste recycling, renewable energy, and information technology amongst other sectors.

Transport, logistics and communication are important components of the services sector, and the Province already enjoys considerable comparative advantages in this regard. A major priority for the Province therefore is to build on this comparative advantage by further investment towards positioning KwaZulu-Natal as the trade entrance into the continent. This requires further investments in building

a modern infrastructure, particularly transportation and logistics that reduces business costs, enhances competitiveness and creates employment for firms.

As the world undergoes rapid urbanisation and greater numbers of people in developing countries move to the cities, the need to improve basic services and infrastructure such as drinking water, waste disposal, transportation infrastructure and access to electricity has reached a critical point. Infrastructure development is the foundation for economic growth and poverty reduction and the strategic objectives proposed herein will assist in laying that foundation.

Substantial and large scale infrastructure development is underway and 15 of the 18 Strategic Integrated Projects (SIPs) contained in the National Infrastructure Master Plan has direct reference to and implications for KwaZulu-Natal.

Figure 11: Strategic Integrated Projects

No	18 STRATEGIC INTEGRATED PROJECTS
1	Unlocking the Northern Mineral Belt with Waterberg as a Catalyst
2	Durban -Free State - Gauteng Logistics and Industrial Corridor
3	South Eastern Node and Corridor Development
*4	Unlock the Economic Opportunities in the North West Province
*5	Saldanha - Northern Cape Development Corridor
6	Integrated Municipal Infrastructure Project
7	Integrated Urban Space and Public Transport Programme
8	Green Economy in support of the South African Economy
9	Electricity Generation to support Socio-Economic Development
10	Electricity Transmission and Distribution for all
11	Agri-logistics and Rural Infrastructure
12	Revitalisation of Public Hospitals and other Health Facilities
13	National School Build Programme
14	Higher Education Infrastructure
15	Expanding access to communication technology
*16	SKA and Meerkat
17	Regional Integration for African Co-operation and Development
18	Water and Sanitation
*Note : <i>Grey shaded projects are not relevant to KZN</i>	

The coordination of the planning and delivery of infrastructure has improved substantially through the development of the KwaZulu-Natal Infrastructure Master Plan. The momentum must be retained in this process and focus must be expanded to include major municipal infrastructure projects.

Strategic Objective 4.1. Development of seaports and airports

The ports of KZN operate at optimal capacity and offer greater potential to increase connectivity both at domestic and international level

The two seaports of the Province, Durban and Richards Bay continue to be key infrastructure investments for the Province. The Dube Tradeport as well as the King Shaka International Airport, have contributed to the international logistics and connectivity competitive advantage of the Province. The world class road and rail connectivity also enhances the province's logistic stature, both nationally and internationally.

Transnet has ambitious Port development plans for expansion of both sea ports on the short, medium and long term within the KwaZulu-Natal Province. Transnet National Ports Authority (TNPA) is an active participant of operation Phakisa and will continue to contribute to this strategy of government.

Further developments by TNPA include the development of a Smart People's Port where Information Technology will be further improved to enhance port operations. TNPA is proactively pursuing cohesive intergovernmental collaboration to ensure that port assets are optimally utilised. The alignment to Port, City and provincial planning will be critical to achieve this.

The infrastructure investment into the Port of Durban is for the expansion of the Durban container volumes which are currently at 2.7 million TEU's and forecasted by 2043 to be around 8.8 million TEU's. Vehicle handling is currently around 465,000 vehicles and this is forecast to grow to 1,440,000 vehicles by 2043. There is also forecasted increase in volumes of liquid bulk products and dry bulk exports. The Durban Port expansion includes the Berth Deepening project, Pier 1 Phase 2 Salisbury Island Infill and proposed Durban Dig Port on the longer planning horizon. The value of the investment is in excess of R20 billion.

The Port of Richards Bay is the largest in South Africa by tonnage, handling about 89 million tonnes of cargo per year (by means of over 1800 commercial vessel calls), equating to about 40% of South Africa's total port demand. The 30 year freight demand forecast predicts over 170 million tonnes of cargo per year. Major growth areas for the port are seen to be dry bulk, liquid bulk and break bulk cargo handling.

Bulk operations in the port currently focus on four major activities: export coal, dry bulk, break bulk and liquid bulk. Other services include bunkering and minor ship repairs and facilities for service and recreational craft. In addition to providing bulk facilities for the hinterland, the port plays an important role in the local economy of the City of uMhlatuze, with its growing industrial base.

The primary challenge for the Port is to accommodate growing demand for handling bulk cargoes. This is to be achieved by means of the Port Capacity Expansion Project in the Bayvue precinct. A potential future development will be a dedicated ship repair facility, and a gas (LNG) import facility to supply gas for the conversion to power. Allowance will also be needed for additional liquid bulk freight.

The KZN Regional Aviation Strategy developed in 2014 as a consequence of the 2011 PGDS and adopted by the KZN Executive Council argues for the provincial wide connectivity of the regional airports in KZN to the central hub airport of the KSIA. The rationale for such a strategy and the subsequent development of several regional airports is both for disaster management exercises as well as for potential economic benefits for regional cargo transfer.

Two regional airports currently being developed are in Msunduzi and in Ladysmith. These projects have a capital value of about R2 million and the KZN Government anticipates invest further in the development of other regional airports.

KSIA is the major airport in the province and regarded as the third busiest airport in South Africa. It continues to expand its passenger and cargo terminal and in the 2015-2016 period is had recorded a total of 4.93 million passengers with 288, 188 being international passengers.

The optimization of the KSIA as well as the regional airports therefore remains the strategic objective and the expansion of these airports has the potential to increase regional accessibility and improve logistics in the province.

The interventions proposed seek to optimise existing infrastructure but more importantly, to build on KZN's competitive advantage – creating economic infrastructure that will result in sustainable job creation.

Strategic objective indicators include:

Strategic Objective 4.1 Indicators:

- 4.1.1 Increase in efficiencies and volumes (of cargo and passengers) of Durban Port, Richards Bay Port and Dube Tradeport as measured by the following:
 - (i) Port Capacity throughput measured in millions of TEUs.
 - (ii) Port Capacity measured in Dry Bulk Volumes (Million Tons).
 - (iii) Port Capacity measured in Containers (Crane Handling).
 - (iv) Port Capacity measured by number of Cruise Ship Operators in KZN.
 - (v) Port Capacity measured by number of Cruise Liner visits.
 - (vi) Volume of passengers through KZN seaports and airports.
 - (vii) Number of scheduled domestic connections.
 - (viii) Number of scheduled international connections.
- 4.1.2 Volume of passengers through KZN seaports and airports.
- 4.1.3 Number of scheduled domestic connections.
- 4.1.4 Number of scheduled international connections.

The interventions, albeit not exhaustive, include:

Strategic Objective 4.1 Interventions:

- 4.1(a) Advance collaborative planning and development of the Aerotropolis with relevant authorities to ensure its realisation.
- 4.1(b) Explore options for the development of an inland inter-modal logistics hub to improve efficiency and cost competitiveness of Port of Durban for all main cargo types.
- 4.1(c) Improve efficiency of cargo handling in Port of Durban.
- 4.1(d) Increase Richards Bay Port Multi-Purpose handling facility.
- 4.1(e) Provide a modern Durban passenger terminal facility.
- 4.1(f) Create an environment conducive for the development of small craft harbours.
- 4.1(g) Development of appropriately located Regional Airfields.
- 4.1(h) Promote KZN seaports as a desirable destination for international cruise liners.

Strategic Objective 4.2. Develop road and rail networks

The road and rail networks in KZN provide efficiently for cargo and commuter needs

The road and railway network in the Province is the backbone of the logistics network in the Province and for the country. In this review the implementation of the road upgrade programs as well as increasing rural accessibility by improving standards of the province's gravel roads has seen improvement in the passenger and cargo movement. Major road authorities continue to invest in the acceleration of these programs as well as drive a safer and more efficient road and rail environment.

The fiscal crisis and increasing demand for services has implications for funding availability and consequently the pace at which the above programmes can be implemented. Furthermore, financial limitations within the local sphere of government results in inadequate budgetary provisions for development of new roads and, particularly, upkeep, of existing road infrastructure. This dictates more prudent planning. The other area which demands more focus to avoid retardation of road infrastructure delivery is the extent of co-ordination and alignment between district and local municipalities, which is not at the desired level. Duplication of efforts contributes to delays in delivery.

Transnet's rolling 7-year capital investment strategy, namely the Market Demand Strategy (MDS), was launched in 2012 and is in its 4th year of implementation. One of the key objectives of the MDS is to drive the move of cargo from road to rail, thereby assisting in the national imperative of driving down the total cost of logistics. According to the 2015 version of this strategy, total rail volumes are anticipated to grow from current levels of approximately 225 million tons per annum to about 362 million tons over the next 7 years.

This drive to move freight from road to rail formed a part of the 2011 PGDS and again finds expression in the 2016 review of the PGDS. This is primarily due to the increasing logistics costs associated with freight by road as well as increasing pressure being placed on road infrastructure.

The increasing connectivity by road, rail, airport and harbours is fundamental to the realization of the provincial industrial hubs, agri-parks, aerotropolis and new urban spaces or secondary cities. In addition, infrastructure stakeholders have recognised the need for multi-modal facilities that cater for fast-moving consumer goods as well as bulk minerals and lighter manufactured goods. Mandeni local municipality has been identified as an area for such a multi-modal facility and currently is in the planning phase. These will be fundamental to the success of the above key spatial projects.

Whereas road and rail transportation infrastructure has provided job opportunities through EPWP programs, this should continue to provide at least temporary employment for youth and female headed households. In addition, continued investment to improve the efficiency of public transport will greatly reduce carbon emissions in the Province. Local employment also contributes to improve community upliftment both in terms of local employment and also local social cohesion.

Road authorities should have long term plans to guide their MTEF budgets as well as guiding the distribution of funds to the respective regions/disciplines to ensure a fair and scientific basis of distributing construction and maintenance funds. In addition, road authorities should have long term (30 year) road improvement strategies aimed at accommodating the increasing traffic demands expected over this planning horizon.

Strategic objective indicators include:

Strategic Objective 4.2 Indicators:

- 4.2.1 Percentage of container cargo destined for inland (inter- and intra provincial) hubs leaving eThekweni by rail.
- 4.2.2 Volume (in tons) of coal being transported from inland areas to Richards Bay Port for export.
- 4.2.3 Number of kilometres of new rural access roads developed.
- 4.2.4 Percentage Modal Split in Commuter transport.

The interventions, albeit not exhaustive, include:

Strategic Objective 4.2 Interventions:

- 4.2(a) Improve inter-modal connectivity between the Port of Durban and Inland Hub.
- 4.2(b) Expansion of Coal Rail Link.
- 4.2(c) Implement road-building and maintenance programmes and improve rural accessibility.
- 4.2(d) Improve public transport.
- 4.2(e) Expand and maintain core rail network and the branch lines to increase road to rail ratio.
- 4.2(f) Develop inter-modal facilities in identified secondary cities.

Strategic Objective 4.3: Develop ICT infrastructure

Sufficient Information & Communications Technology (ICT) infrastructure is available for the growth and development needs of KZN

The Province has made significant strides in the delivery of ICT, however, much more needs to be achieved. ICT broadband connectivity will have a huge impact on the access to information by citizens, including government services and access to employment opportunities. In addition, it has a positive impact on spatial location of residence, work and recreational opportunities. Increased internet access and wireless connectivity enables ease of access to information and faster business to business interaction. To date 28 140 km of fibre optic cable has been rolled out to various districts and the metro in the Province. The number of schools connected are 1999 against a 2020 target of 1800. 131 municipal digital access centres have been established a 2020 target of 250. ICT infrastructure in rural or previously disadvantaged communities still remains a challenge due to the nature of the terrain. Further, household access to internet access, while it has improved is still not sufficiently supplied. In addition, maintenance of existing infrastructure must be managed effectively by Industry to ensure reliable connectivity and speed, particularly as it relates to the needs of business and government communication as well as citizens needing to access information. This is further complicated the existence of a plethora of ICT implementing agents. Integration and alignment between programmes of such agents could streamline processes whilst also reducing costs.

In terms of ICT skills development, several initiatives have been implemented since 2008, with the Moses Kotane Institute and more recently, the KZN Smart Exchange Incubator program which have been established in Port Shepstone and Richards Bay respectively. The technology park for the Durban Dube Tradeport is currently underway and will consist of an Enterprise zone for both large and small companies, ICT Innovation Incubators and an ICT R&D Innovation Institute. In addition, 4 techno innovation hubs are being established in PMB, Newcastle, Port Shepstone was launched in June 2016 and Richards Bay was launched in July 2016.

The above are substantial ICT infrastructure investment and; will stimulate economic growth in the area through science, research and technological innovations as well as assist greatly in improving ICT skills in the province. However in this review we proposed that ICT skills development remains an intervention so to ensure we meet growing demand for ICT connectivity.

Strategic objective indicators include:

Strategic Objective 4.3 indicators:

- 4.3.1 Number of kilometres of backbone Fibre Optic cables rolled out.
- 4.3.2 Percentage of local municipalities with established access networks.
- 4.3.3 Percentage of households with access to the internet at home.
- 4.3.4 Percentage increase in 3G and 4G coverage in the Province.
- 4.3.5 Reduction in average cost of data.

Interventions, albeit not exhaustive, include:

Strategic Objective 4.3 Interventions:

- 4.3(a) Expand community access to broadband services.
- 4.3(b) Increase bandwidth (speed) for economic competitiveness.
- 4.3(c) Expedite the rollout of broadband backbone.
- 4.3(d) Expand the number of Public WiFi hotspots.
- 4.3(e) Develop ICT Maintenance Plan.

Strategic Objective 4.4: Ensure availability and sustainable management of water and sanitation for all

Sufficient water is available for the growth and development needs of KZN

The 2015/2016 drought experienced in the country and more so in the Province has had a severe impact on the citizens of the Province and their livelihoods. The most severe impact has been felt by the rural communities of KZN whose livelihoods depend on agriculture, including livestock. The Province, through various initiatives and programs, has attempted to ensure a reliable supply of water to its citizens. The continued low rainfall has made this task increasingly challenging. National and Provincial government have spent millions of rand to ensure citizens have access to water.

The discourse on reliable and affordable water supply has forced the water sector to re-look at several aspects of the water source management and water supply. In terms of water source it is being argued that the Province requires a better understanding of groundwater and its catchment areas. This strategy argues that water planning and resource management should be done at a quaternary catchment level - the focus should not only be at regional level. Alternative water sources, like grey water and desalination must become viable options as sources of supply.

There is also a school of thought that the severity of the drought is a direct correlation to the poor maintenance programs of water services authorities. These related to poor borehole upgrades and spring protection, high water losses due to leakages not been attended to urgently, water theft and lack of bulk and reticulation planning.

Skills development and capacity building, in the water sector continues to be an area of investigation in this review. There is a school of thought that argues that the skills required are more at an artisan level rather than at engineering level. This relates to the maintenance issue around boreholes and spring protection and attendance of water leaks. There is, however, another school of thought that water services authorities have focused more on water demand rather than water source management

and that shift must be emphasised. Further, there is increasing pressure being put on the water sector institution to begin to develop a sustainable water sector capacity building model. The water services boards, the water services departments and the water services authorities all have various levels and type of expertise within their institutions. Therefore, these institutions along with engineering councils and the private sector must begin to provide a holistic sustainable capacity building model that contributes to a new water sector investment strategy. In addition, there is a growing demand for localized water skills at all levels as well as employment and business opportunities. The water sector through the vast capital spend have the potential to improve employment opportunities and create entrepreneurs in decentralized local spaces.

The financial cost of water supply cannot be underestimated and the Province needs to have a funding model to address this. Like energy, water costs will increase and become increasingly expensive for consumers and business, thus the importance of having a reliable and affordable water supply. The Department of Water and Sanitation in the Province have several key capital water projects that will ensure a relative supply of water in the province. The growing concerns will be the pace at which our province is urbanizing and the greater demand this will have on water provision in these urbanized areas as well as to ensure reliable access to water, in rural areas.

Given the above, the Province in the next five years must engage in the development of a new water sector investment strategy. This strategy must include elements of water loss and maintenance, water availability, cost of water supply. In addition, the strategy should include water source plans that consider ground water, desalination, grey-water. Further a discussion on localized skills and local business development. Greater emphasis on improving rural access to water and increasing mitigating measures to this section of our population.

Strategic objective indicators include:

Strategic Objective 4.4 Indicators:

- 4.4.1 Percentage mean annual runoff water stored in each district.
- 4.4.2 Quantity of water abstracted per annum in each district.
- 4.4.3 Number of households receiving minimum standards of sanitation.
- 4.4.4 Percentage households with access to safe drinking water
- 4.4.5 Cubic meters of water available.
- 4.4.6 Surface Water storage as a percentage of surface mean annual runoff per district.
- 4.4.7 Non-Revenue Water loss – (physical and non-physical water loss).
- 4.4.8 Number of projects not approved due to bulk Water and Sanitation Infrastructure constraint.
- 4.4.9 Number of MIG and WSIG projects meeting 75 litres of water per person per day.

Interventions, albeit not exhaustive, include:

Strategic Objective 4.4 Interventions:

- 4.4(a) Review and implement the Provincial Water Sector Investment Strategy.
- 4.4(b) Policy and guidelines on the inclusion of quaternary catchment for groundwater, grey water and desalination.
- 4.4(c) Develop and implement water sector capacity building programme with all water institutions.
- 4.4(d) Develop new water and sanitation tariff policy.
- 4.4(e) Expedite the approval of Water Use Licences.
- 4.4(f) Programme for development of water sources (desalination, rainwater, recycling, groundwater).
- 4.4(g) Expedite the planning and implementation of sub-transmission networks in the Province.

Strategic Objective 4.5: Ensure access to affordable, reliable, sustainable and modern energy for all.

Sufficient electricity is available for the growth and development needs of KZN.

The energy supply in KZN and the country is becoming increasingly expensive for both domestic consumers and business/industrial consumption. The multi-pronged approach to electricity provision as indicated in the DOE Electricity Masterplan is indicative of the fact that alternative sources of energy must become a reality. The coal generation power stations of Medupi and Kusile are able to produce 9,563 megawatts of energy to the national grid. These power stations will come into operation incrementally and will be fully operational by 2017. Hydropower, through the Grand Ingula hydropower plant, a treaty signed with Democratic Republic of Congo, is expected to provide South Africa with at least 9,540 megawatts by end of August 2016. Energy is also anticipated through gas and diesel turbines which are anticipated to be on-line later in 2016 and it is estimated that they could provide as much 700 megawatts. Wind and solar energy as well as co-generation are on the energy mix for a reliable supply of energy.

Eskom has also invested significantly in bulk infrastructure projects in the Province and this to deal primarily with electricity backlogs in parts of the Province. The 2015/2016 financial year, saw this potential financial investment to be in the region of R519 million.

The increasing demand to supply electricity for consumption and economic growth is expensive and the continued lack of investment in electricity infrastructure is also not an option. A new funding model has to be considered to curb the growing electricity cost. In addition, maintenance of existing electricity infrastructure must become a priority for both local municipalities as well as for Eskom reticulated areas. Skills development at local level must become enhanced for both on and off-grid technology to ensure reliability of service but also improved local skill set. The current lack of local grid must be addressed by Eskom but simultaneously with the required skilled set mentioned about.

The Province must prioritise alternative energy projects and or programs to determine their feasibility as a reliable supply of energy. Alternative energy supply or the green economy must become measurable in the PGDP with an institutional structure accountable to ensure targets are met.

Strategic objective indicators include:

Strategic Objective 4.5 Indicators:

- 4.5.1 Percentage of households receiving reliable and affordable electricity supply.
- 4.5.2 Percentage reduction in transmission losses.
- 4.5.3 Number of projects not approved due to bulk Energy Infrastructure constraints.

The interventions proposed, albeit not exhaustive, include:

Strategic Objective 4.5 Interventions:

- 4.5(a) Develop and implement the Provincial Energy Strategy. Cover generation, delivery, and financial partnerships.
- 4.5(b) Provide base-load alternative energy supply.

Strategic Objective 4.6: Enhance KZN waste management capacity

Waste disposal sufficiently protects the environment and communities

This is a new objective and it reflects on the state of solid waste disposal landfill sites. The Province developed a KZN Waste Management Strategy in 2012 and it reflects the state of the waste land fill sites in the Province. The overall conclusion is that while land fill sites are adequately provided for within the urban areas, this is not the case in rural communities.

A KZN Waste Management Forum has been established and 6 of the 10 Districts have active District Waste Management Forums. There is a need to accelerate the number of local municipalities that have Integrated Waste Management Plans adopted by their Council. There is a lack of registration of land fill sites in terms of the Environmental Conservation Act (No.73 of 1998) which could mean that some of the current sites are illegal. There is also the issue of air pollution from uncontrolled burning of waste and wind scatter from sites because waste is not covered. There is also an issue with regards to a lack of capacity on sites both in terms of personal and equipment used onsite. These are sometimes inadequate for what is required. The consequence of a lack of management of these sites can have a negative impact on surrounding communities and the environment in general. There is also incidence of sites not being properly fenced and controlled which means that tip pickers gain access to sites for salvaging of food or other material from sites.

There are currently several initiatives by the Province to create employment opportunities from waste recycling in local communities. There is also opportunity to create waste management entrepreneurs, particularly within the rural areas of the province. These could relate to collection and preparation of the waste prior to collection or transfer. This must be accompanied by waste management education which could be done by local youth and women once they themselves are trained. Train a trainer capacity building program.

The proposed interventions must address the management of the waste land fill sites as well as formal recycling initiatives. Localised skills development and entrepreneurship must also be considered. Crematoria and graveyards, the disposal of bodies, coffins and graves must also be catered for in the waste management policies and plans.

Strategic objective indicators include:

Strategic Objective 4.6 Indicators:

4.6.1 Percentage increase in tonnage of waste recycled.

4.6.2 Percentage of legally registered landfill sites that are fully compliant.

The interventions include:

Strategic Objective 4.6 Interventions:

4.6(a) Review the KZN Integrated Waste Management Plan.

4.6(b) Municipal capacity building in waste and environmental management.

3.8. Strategic Goal 5: Environmental Sustainability

The province's environmental assets and natural resources are well protected and continually enhanced through synergistic development practices

National Outcome 10: Environmental assets and natural resources are well protected and continually enhanced.

Goal Indicators:

- **Reduction in Greenhouse gas emissions.**
- **Percentage (%) protection of High Risk Biodiversity Planning Units.**

South Africa has committed to reducing greenhouse gas emissions (from reported Business as Usual levels) by 34% by 2020 and by 42% by 2025. This strategic objective also speaks to the need for increased efficiencies in the use of energy and water and the reduction of greenhouse gas emissions in line with international commitments.

The NDP 2030 vision is that by 2030, South Africa's transition to an environmentally sustainable, climate-change resilient, low-carbon economy and just society will be well under way. The desired trajectory to 2030 is one which assumes more compact and energy efficient urban development and a refocusing of political priorities towards the protection and rehabilitation of natural assets. Immediate challenges include addressing and preventing further deterioration of environmental quality due to pollution and natural resource degradation, destruction and/or depletion. South Africa's progressive environmental legislation provides a framework within which natural resources can be protected and managed, but this needs to be supported through effective compliance, monitoring and enforcement.

The 2016 KZN Situational Overview report provides an overview of the changes that have taken place in terms of the physical and environmental landscape in KwaZulu-Natal over the last 5 years, since the 2011 version of the PGDS was published. The changing landscape has been influenced by the following:

- (a) There is a plethora of new spatial data, policies and plans relating to the environmental landscape, allowing for more refined, quantitative analysis of the impacts of development patterns in the Province over time and to better identify provincial priority areas.
- (b) New environmental impact assessment legislation requires greater intergovernmental coordination and decision-making.
- (c) Climate change commitments relating to COP21 agreements mean that the Province must commit more strongly to a green growth path and embrace green economy opportunities.
- (d) There is evidence that climate change is resulting in shifting crop belts and natural habitats, increased risk of storm events and changing weather patterns. This climate change trend requires dynamic policies and programs to address agricultural development, biodiversity conservation and disaster management, including targeting interventions in the most vulnerable communities.
- (e) The natural resource base including the soil, water, air, biodiversity and the natural landscapes provide a range of ecosystem services to support growth and development in the Province. There is an opportunity to better understand environmental thresholds, such as the water balance in stressed catchments, in order to plan for more sustainable growth and development in order to maintain and enhance the resilience of these ecosystem services to provide not only for the current generation but for future generations and to withstand the impact of a changing climate.

The Resilient Cities Development program also encourages cities to revisit their development strategies and to incorporate environmental considerations. Strategies adopted by Ethekewini as a member of the programme, demonstrate the need to approach development and environmental considerations holistically. Environmental sustainability also cuts across the seven goals of the PGDS. Alternative energy Goal 4: *Strategic Infrastructure*, Strategic Objectives 4.4, 4.5, and 4.6 is a means of protecting the environment and our natural resources in the value chains looking at water and sanitation, electricity and waste management. It also contributes towards creating jobs in the green economy (Goal 1: *Inclusive Economic Development*, Strategic Objective 1.2 and 1.4). Based on these changes, the PGDS has been reviewed to include a number of refined strategic objectives, goal indicators and interventions. Measurable indicators relating to the monitoring of progress towards the goal indicators will be outlined in the PGDP document.

A set of strategic objectives was formulated to encapsulate the strategic imperatives of the Province in terms of meeting environmental commitments and in terms of environmental management.

Strategic Objective 5.1: Enhancing resilience of ecosystem services

Land productivity is sustainably improved and biodiversity loss trends are halted and reversed

This strategic objective recognises the wealth of natural resources in the Province and the critical ecosystem services provided, including provision of water, soil, air and food, flood attenuation, as well as the rich biodiversity which supports the agricultural and tourism sectors., and this strategic objective aligns with National Outcome 10 (Protect and Enhance our Environmental Assets and Natural Resources) and in particular Sub-outcome 01 (Ecosystems are sustained and natural resources are used efficiently). The resilience of ecosystems can be improved through effectively increasing the conservation estate, the protection of biomes and endangered species, rehabilitation and restoration of degraded land and ecosystems as well as through sustainable utilization of natural resources. The desired impact is to maintain and where possible enhance the ecological integrity of natural resources and environmental assets. The objective aligns to key interrelated sub-outcomes, i.e. reduction in water demand and improved management of water resources; reduced threats to resilience in priority terrestrial and marine landscapes; improved intergovernmental coordination in environmental planning and decision-making; and enhanced compliance, monitoring and enforcement of environmental legislation.

Protection of land resources to ensure sustainable development and land use, and to support the objectives set to promote commercial and emerging commercial farming (Goal 1: *Inclusive Economic Growth*), as well as protecting communities so that they can have sustainable food security, remain a key focus area. Priority landscapes which provide a range of important ecosystem services, including high value agricultural land and high value biodiversity areas, wetlands and priority catchments, the National Freshwater Ecosystem Priority Areas (NFEPA), have been identified in the Spatial Development Framework. These priority areas allow for targeting of monitoring and interventions. Monitoring should focus on tracking the main threats undermining the resilience of these systems, including land use change, alien/invasive plants, land degradation, and resource use and developments within the coastal zone. Environmental thresholds and sustainable harvesting rates need to be identified. Addressing threats to ecosystem resilience may require extending the formal and informal conservation estate, rehabilitation in degraded systems, developing management and offset plans and declaring specific geographic areas with guidelines for development to be considered in land use plans and environmental impact assessments.

This objective therefore also relates to planning to reduce urban sprawl (also addressed in Goal 7: *Spatial Equity*), green design (also addressed in Goal 3: *Human and Community Development*, Strategic Objective 3.4: *Sustainable Human Settlements*) and the public transport infrastructure which supports

sustainable mobility and connectivity addressed in Goal 4: *Strategic Infrastructure*). A transition to higher levels of residential density within compact settlements is viewed as a means of achieving a number of key environmental objectives and greater functional efficiencies.

In line with National Outcome 10, *Protect and enhance our environmental assets and natural resource*, sub-outcome 01, the emphasis needs to be placed on conserving and protecting the quality and quantity of finite surface and groundwater resources of the Province, so as to meet current demands and not to undermine projected future water demands. Nationally, there is a commitment to reduce water demand in urban areas to 15% below Business as Usual demand by 2030. The most important water catchments that deliver the bulk of the Province's water have been identified on a national scale, and these Strategic Water Resource Areas (SWSAs) must be carefully managed. Catchment level interventions need to be informed by water balance/ reconciliation studies for quaternary catchments, considering the cumulative impact of water transfer schemes and the current and existing ground and surface water use allocations. The improvement of the ecological category of water resources will result in ecosystem services provided.

Incremental project-specific decision-making takes place through the Environmental Impact Assessment, Water Use Licensing and other permitting and licensing processes. While project impacts may be considered in these processes, it is the overall cumulative impacts of activities that needs to be monitored. A system for tracking these impacts needs to be developed, and used to inform decision-making and planning. This is of particular relevance to sand mining and residential developments in the Province. Government Departments such as Department of Water and Sanitation, Department of Economic Development, Tourism and Environmental Affairs, Department of Agriculture and Rural Development, and the Department of Mineral Resources, amongst others need to collaborate to allow for coordinated decision-making. However, in addition to this, the monitoring of non-compliances and the effectiveness of existing compliance, monitoring and enforcement programs and the penalties, fines and legal action taken is required, as outlined in National Outcome 10: Sub-outcome 4 (Enhanced governance systems and capacity), needs to be intensified.

Given that landfill space and the regulation of landfills remains a challenge in the Province (see Goal 4: *Strategic Infrastructure*, Strategic Objective 4.6), there is a need to reduce the volume of waste entering landfills for disposal. There are many strategies that can be employed and monitored to track reductions in volumes of waste going to landfill, throughout the waste hierarchy, including source reduction, reuse (on- or off-site), recycling (on- or off-site), treatment (on-site), treatment (off-site), with the least favoured option being disposal. Effective recycling programs are just one of the required interventions in the waste hierarchy. The waste sector can through the various interventions contribute towards the green economy.

Strategic objective indicators include:

Strategic Objective 5.1 Indicators:

- 5.1.1 Provincial Land Degradation Index.
- 5.1.2 Hectares of land rehabilitated annually.
- 5.1.3 Percentage use of high value agricultural land for non-agricultural activities.
- 5.1.4 Percentage compliance with Blue Drop rating.
- 5.1.5 Percentage compliance with Green Drop status.
- 5.1.6 Percentage compliance with national Air Quality Standards.
- 5.1.7 Percentage of waste water treatment works complying with enforcement measures to meet effluent standards.
- 5.1.8 Percentage of waste licence applications finalized within legislated time frames.
- 5.1.9 Number of biodiversity plans for threatened species developed.
- 5.1.10 Percentage EIAs processed within legislated time frames.

Interventions include:

Strategic Objective 5.1 Interventions:

- 5.1(a) Promote sustainable agricultural land-use practices.
- 5.1(b) Enforcement of Conservation of Agriculture Resources Act (CARA) legislation relating to erosion prevention and control and eradication of alien and invasive plant species.
- 5.1(c) Finalisation of surface water and groundwater reconciliation and reserve determination studies for all quaternary catchments.
- 5.1(d) Enhanced monitoring of compliance and enforcement of environmental legislation.
- 5.1(e) Licensing, upgrading and monitoring of wastewater treatment works.
- 5.1(f) Coordination of the systematic reduction of carbon emissions and develop and maintain a provincial greenhouse gas emissions inventory.
- 5.1(g) Develop annual environmental implementation and management plans.

Strategic Objective 5.2: Expand application of green technologies

Greater proportion of renewable energy used in KZN

The shift to renewable energy will allow for a reduction of greenhouse gas emissions. Renewable energy sources include solar heat, biomass, geothermal, wastes, hydro, wind and photovoltaic. Nationally, there is a commitment towards 17,800 MW renewable energy generated by 2030, and 13,225 MW renewable energy generated by 2025. Importantly, it is reported that for each kilowatt hour of renewable energy that displaces fossil fuels in the national grid, 1.2 litres of water will be saved, allowing the Province to achieve both greenhouse gas emission and water demand reduction targets. These initiatives also contribute towards Goal 4: *Strategic Infrastructure*, Strategic Objective 4.5.

Furthermore, the use of green technologies also create opportunities to grow the green economy. South Africa's New Growth Path (2010) outlines markets for employment creation and growth, implying fundamental changes in the structure of production to generate a more inclusive and greener economy. The green economy opens up opportunities for economic growth and job creation whilst addressing environmental issues such as reducing greenhouse gas emissions through renewable energy use, reducing pollution and waste going to landfill, promoting integrated water resource management, improving public transport, green design and energy efficiency. This Strategic Objective is aligned with National Outcome 10: Sub-outcome 02 (An effective climate change mitigation and adaptation response) and Sub-outcome 03 (An environmentally sustainable, low-carbon economy resulting from a well-managed just transition). Objective therefore links to Goal 1, inclusive Economic Growth. The green economy has been recognised internationally as an area that contributes towards economic growth. It has a niche with increasing potential to support job creation, e.g EPWP programmes to eradicate alien species and/or ecological restoration. Public green economy participation programs such as Working on Waste, Working for Water and others contribute towards employment generation and skills development in the Province. Goal 1: *Inclusive Economic Growth* addresses the need for job creation cross various sectors.

This strategic objective relates to a transition to a sustainable economy which can be monitored through the national Department of Environmental Affairs' Environmental Sustainability Indicators and the 20 NSSD1 Sustainable Development Indicators.

Participation and growth of jobs in the Green Economy, will be supported through investment in education and skills development, research, development and innovation (Socio-economic indicators to be included under Goal 1: *Inclusive Economic Growth*).

Progress on the expansion of green technologies will be monitored through the following indicators, albeit not exhaustive:

Strategic Objective 5.2 Indicators:

- 5.2.1 Number of small scale renewable energy projects (<1MW).
- 5.2.2 Units of energy produces though alternative energy generation (new build).

Interventions include:

Strategic Objective 5.2 Interventions:

- 5.2(a) Implement the Renewable Energy Action Plan.
- 5.2(b) Develop provincial renewable energy strategy.

Strategic Objective 5.3: Adapt and Respond to Climate Change

The province is able to effectively anticipate, respond to and mitigate the effects of climate change

Climate change is predicted to impact on temperatures, rainfall patterns, evaporation rates, growth rates and sea-level rise. There is evidence of these changes taking place locally, and the vulnerable, poor communities are most at risk in terms of loss of livelihood, impact on access to basic services, increased exposure to diseases and risk of flooding and damage to property.

This Strategic Objective is aligned with the climate change adaptation response called for in National Outcome 10: Sub-outcome 2 (*An effective climate change mitigation and adaptation response*). The national sub-outcome calls for inclusion of climate change risks in disaster management plans. This requires that the disaster management planning considers the scientific evidence for increased storm intensity and changes in weather patterns, causing flooding or droughts, and prioritises more vulnerable communities.

There is a need to assess the mainstreaming of climate change adaptations strategies in local planning, such as Integrated Development Plan reporting and Sector Plans. These strategies relate to *inter alia* food security issues, health issues, water availability, mapping of vulnerability and reducing vulnerability to risks and early warning systems. Strategies need to address both the immediate and longer term threats to the health and well-being of communities. Areas more vulnerable to effects of climate change need to be highlighted in policy and programs, both in terms of disaster management responses and means of increasing resilience in these areas. In relation to the high risk coastal areas in KZN, the Provincial Coastal Management Programme is in progress and through the work of the Provincial Coastal Committee (PCC), this will inform coastal management strategies and management (setback) lines based on the latest sea-level rise modelling. Disaster management planning and interventions must consider the latest provincial vulnerability assessments and climate change modelling.

Strategic objective indicators include:

Strategic Objective 5.3 Indicators:

- 5.3.1 Number of Districts / Metro with updated Disaster Management plans.
- 5.3.2 Provincial coverage of functional Disaster Management Centres.
- 5.3.3 Proportion of events with early warning systems where affected parties receive prior warning.
- 5.3.4 Average time taken to respond to disaster events.
- 5.3.5 Percentage of IDP's incorporating comprehensive strategies for adaptation and mitigation of climate change.

Interventions include:

Strategic Objective 5.3 Interventions:

- 5.3(a) Identification of focus areas for disaster management.
- 5.3(b) Development and implementation of the Provincial Coastal Management Program.
- 5.3(c) Update mapping of climate vulnerability and integration into IDPs.

3.9. Strategic Goal 6: Governance and Policy

The population of KZN is satisfied with the levels of government service delivery

National Outcome 9: A responsive, accountable, effective and efficient local government system.

National Outcome 11: Create a better South Africa, contribute to a better and safer Africa in a better world.

National Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

This Strategic Goal is aligned to National Outcomes 9 and 12 which focus on a transformed and transformative Government. Both outcomes seek not only to make Government more effective, efficient, responsive and accountable, but they also require that Government becomes more inclusive in its planning, implementation, monitoring and evaluation of delivery. This is given emphasis in National Government's assertion of the need for "delivery agreements" in which the social partners of business labour and communities are made part of the delivery team for these outcomes, and agreements are negotiated before implementation. "Effective" governance focuses on doing the things that have the greatest impact on people's lives. "Efficient" governance points to the need for appropriate capacity and strong management to implement. "Responsive" governance means developing policy which meets people's needs. "Inclusive" governance expresses the need to have structured partnerships amongst the social partners aimed at delivering the targeted development outcomes. Through participatory decision making processes effectively design and deliver quality and dependable social services such as health, education and social security to meet universal access to these services by both the poor and non-poor members of rural and urban communities. The Governance and Policy Goal thus attempts to give expression to these outcomes in the PGDS.

Goal Indicators:

- **Functionality of social partnership structures (Councils).**
- **Level of satisfaction of citizens of KwaZulu-Natal with governance of Provincial and Local Government, as measured in the KZN Citizens Satisfaction Survey.**

The implementation of the PGDS is heavily dependent on there being effective and efficient governance systems, across all sectors, but particularly in the Government sector. Similarly, the practical interventions proposed for growth and social transformation are dependent on a policy environment and policy alignment that facilitates change and better efficiencies.

Since 1994, a multitude of structures of governance have been developed in the public sector. National legislation has set out the competencies and roles of the three spheres of Government (National, Provincial and Local), but with the underlying principle that these structures, and the specialist agencies which they have formed, will coordinate their policy development and implementation, to ensure that the impact on the beneficiary and partner constituencies is consistent with the overall policy objectives of Government. At this point it is very difficult to know with certainty that such alignment exists. This is partly because there has been an enormous amount of policy formulation by Government – much of which has been translated into legislation. But it is also because Government has yet to develop very effective systems to constantly assess the alignment of policies across the different sectors (community services, economy, environment, etc.) and across the different spatial

areas of the Province. Thus a more comprehensive inventory and assessment of existing policy instruments applicable in KZN is needed.

What has however emerged from the initial assessments and engagements with KZN stakeholders regarding governance and policy are the following:

- a) National Government's commitment to the *National Development Plan* provides all institutions and spheres of Government with a central reference point for assessing policy and strategy alignment at all levels. Similarly at Provincial Level, the *Provincial Growth and Development Plan*, if fully aligned to the NDP, provides a similar central reference point in the Province. This is a major breakthrough since 2011.
- b) The Provincial Government has made an impressive and positive approach to trying to coordinate the implementation of the PGDP. Some 18 *Action Working Groups* have been established to try to coordinate, manage and monitor the implementation of the 30 strategic objectives of the PGDP, and whilst there is still much to be fixed and improved in the representivity and effectiveness of these *AWG's*, their continued existence and functioning shows an encouraging commitment to integration and coordination within Provincial Government.
- c) There is a need to have much greater levels of participation from stakeholders outside of Government in the policy formulation, implementation and monitoring processes. More substantive and compulsory participation processes need to be entrenched. More specifically, the partnership with the key social partners of Government, namely organised business, organised labour and the organised community sector, needs to be given greater emphasis and structure. As an example, there is sporadic and very limited participation in the *AWG's* from non-governmental social partner organisations.
- d) The intentions behind the establishment of the National and Provincial Planning Commissions (and indeed local government planning commissions) need to be given effect through specific systems for monitoring and intervention in Government policy formulation processes so that integration and alignment are proactively fostered by these planning commissions.
- e) At local government level, there is a need to continuously improve the quality of integrated planning, and to ensure that Government-related institutions/agents of delivery do work closely and collaboratively with local government, especially through structures and alignment processes at the district municipality level. The Local Government Turnaround Strategy needs to be expanded to include stronger systematic partnerships with state- owned enterprises, private sector and civil society.
- f) Improving the institutional partnerships between municipalities and the social partners at local level can only strengthen the developmental approach of local government. There is therefore a need to support partnership building. The District Growth and Development Plans are an important reference point for building these partnerships but this should be taken further through the promotion of strong local development agencies, which bring business, and civil society on board with the district and local municipalities in promoting shared growth and development.
- g) Urban Agenda: One of the issues that the New Urban Agenda is emphasizing is the need for further devolution of powers and functions from National and Regional Government to that of the cities. This approach is also supported in the National Development Plan which states that: "Large cities should be given greater fiscal and political powers to coordinate human settlement upgrading, transport and spatial planning".

Strategic Objective 6.1: Strengthen policy and strategy coordination and inter-governmental relations

Public expenditure is spent in accordance with coordinated policy, strategy and plans

A major focus of the 2011 PGDS was around the need for greater policy and strategy alignment between national and provincial levels. Whilst this is still an important requirement, this 2016 review suggests that more of a focus is now needed on coordination between provincial and local levels of planning and implementation. The 2016 KZN Situational Overview report highlighted the major steps forward that have been taken in the adoption of the *NDP* (at national level), and the *PGDP* (at provincial level) – as these serve as critical central reference points for building policy and strategy coordination. However the adoption of the plans is just the first step in the process. The National Planning Commission reported in April 2016 that they found a 47% alignment between the national budget and the *NDP*, pointing to the need for better tools for alignment and better resource allocation frameworks.

Three key challenges flow from these first important steps of having commonly agreed development plans:

- (1) The Province must have an effective mechanism and capacity to assess and report on the level of alignment between old and new policy and strategy initiatives and the *PGDP*, and to influence changes to policy/strategy processes to maximize such alignment;
- (2) The level and quality of strategy formulation and implementation coordination at local government level needs to be significantly improved; and
- (3) There is a need to develop strong fora for engagement between Government and its social partners at both provincial and local levels around strategies for growth and development, in particular where private sector and community sector development strategies need support from Government to achieve their goals.

These three challenges are the focus of the interventions proposed, and these must find more concrete expression in the 2016 version of the *PGDP*. However, a difficult and continuing challenge overall remains the question of how the levels of coordination of policy and strategy are measured. Through this review process it has become clear that two complimentary reference points need to be further developed in order to get a more fair and accurate measurement of coordination levels.

The first is measurement through public opinion. Although reports through the media are an important expression of public opinion, most stakeholders and the public at large would agree that robust and credible surveys, such as the *KZN Citizens Satisfaction Survey (2015)* are the most reliable measures as they allow for the quantification of peoples' perceptions of levels of coordination and the outcomes of coordination (or lack of it). Hence this survey, the first of its kind in the province, is used as a lead indicator as regards governance and coordination.

The second form of measurement is the assessment of the efficacy of the institutions and structures through which coordination is supposed to happen. At provincial level, these structures include:

- (a) The cluster system and structures of the Provincial Executive Council.
- (b) The structures related to the implementation of the *PGDP* (in particular the Action Working Groups).
- (c) The structures where provincial government and local government plan and build coordination, which include the Premier's Coordinating Forum, and the Muni-MEC.

- (d) The provincial level multi-stakeholder fora and institutions where Government discusses policy and strategy with non-governmental partners, such as the KZN Economic Council, the KZN Council on Climate Change and Sustainable Development, the KZN HRD Council and the KZN HIV and AIDS Council.
- (e) The municipal structures (especially at district municipality level) where all spheres of government, as well as non-governmental partners/stakeholders, consider and try to coordinate development strategies for specific localities.

These two elements of measurement of coordination at present give us the most balanced perspective of how much coordination is actually happening, and more importantly, whether the coordination efforts are indeed bearing fruit in terms of improved service delivery and higher levels of satisfaction amongst the citizenry regarding governance in the province.

As regards interventions, it must be noted that Provincial Government has taken an important step forward in drafting a *KZN Intergovernmental Relations Strategy*. If comprehensive, practical and strongly supported by all institutions of Government, this *KZN IGR Strategy* can constitute one of the most important interventions towards better policy and strategy coordination. In addition there is a need to put renewed focus and energy into revising policies and strategies in the province towards much greater empowerment of women and youth in our society, and these imperatives must find practical expression on the revised PGDP and in the agenda's and programmes of all institutions and fora dealing with policy and strategy coordination.

Strategic objective indicators include:

Strategic Objective 6.1 Indicators:

- 6.1.1 Percentage of IDPs and District Growth and Development Plans, departmental and public entity Annual Performance Plans aligned to the PGDS/P.
- 6.1.2 Average IDP assessment score.
- 6.1.3 Level of functionality of IGR forums.
- 6.1.4 Reduction in number of registered IGR disputes.
- 6.1.5 Number of cross border (inter municipal, inter provincial and international) agreements and shared services agreements maintained.

Interventions include the following:

Strategic Objective 6.1 Interventions:

- 6.1(a) Develop and implement credible mechanisms to regularly measure the level of alignment between provincial and municipal budgets and the PGDP and District/Local growth and development plans.
- 6.1(b) Develop and implement a strategy alignment framework that applies across the three spheres of Government in KZN, and which is monitored and supported by dedicated capacity.
- 6.1(c) Strengthen the effectiveness of the Provincial Executive Council Cluster System.
- 6.1(d) Develop a stronger provincial coordinating structure for collaboration between Provincial / Local Government and institutions of Traditional Leadership.
- 6.1(e) Maintain and implement policy co-ordination and inventory instruments.

Strategic Objective 6.2: Build government capacity

Government is able to effectively and efficiently deliver infrastructure and services to the population of KZN

The need to build Government capacity to implement the policies, strategies and programmes of Government remains one of the most critical priorities of our Province and country. Lack of appropriate implementation capacity is one of the main underlying reasons for the outcry about poor service delivery. The outcomes of the *2015 KZN Citizens' Satisfaction Survey* show public levels of dissatisfaction with some areas of service delivery of provincial and local government being unacceptably high. As described in the NDP, a major cause of poor levels of service delivery is skills and capacity within the public sector.

Despite the increased support given to institutions such as the KZN Public Service Academy under the Office of the Premier, there are still a multitude of initiatives needed to address capacity limitations at different levels and spheres of Government. The urgency for these interventions is especially found in the case in rural municipalities that are caught between lack of funding for sustainability and difficulty attracting appropriately skilled officials to their areas. The implementation of the *"Back to Basics"* initiative in local government, the establishment of "war rooms" in municipalities and the deployment of Provincial Treasury's "crack team" to help weak municipalities with infrastructure projects have been a useful start to address service delivery problems, but much more needs to be done to build skills and capacity, especially in weak municipalities. The Citizens Satisfaction Survey points to those municipal areas which are most affected by these problems, and thus some prioritization and targeting of capacity-building will be needed for many years.

As part of a systematic plan, there needs to be much greater sharing of knowledge, resources and specialist services amongst district and local municipalities in the Province. More needs to be done to strengthen the "shared services centre" approach, where at district levels, strong specialist service teams can be enlisted to provide services for the local municipalities across a whole district.

Whilst noting the progress made by the province to formulate a more integrated and holistic human resource development strategy for the public sector in the Province, much more needs to be invested in implementing that strategy, and professionalizing the public sector. A key aspect of this strategy must be transforming the culture of service of the public in all institutions.

Strategic objective indicators include:

Strategic Objective 6.2 Indicators:

- 6.2.1 Percentage of vacant funded posts in provincial departments, municipalities and public entities.
- 6.2.2 Number of municipalities, provincial departments, public entities achieving clean audits.
- 6.2.3 Percentage of positive rating of service delivery at provincial and local levels, measured through the KZN Citizens Satisfaction Surveys.
- 6.2.4 Percentage of provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle.
- 6.2.5 Percentage of conditional grant funding spent in accordance with approved business plan/s.

The interventions include the following:

Strategic Objective 6.2 Interventions:

- 6.2(a) Rationalisation of municipalities and public entities.
- 6.2(b) Finalisation and Implementation of the KZN integrated public sector HRD strategy and professional support programme.
- 6.2(c) Promote shared services amongst municipalities.
- 6.2(d) Strengthen the capacity of the Provincial Nerve Centre and Provincial Planning Commission to monitor and evaluate Government performance.
- 6.2(e) Establishment of a central project management unit to coordinate infrastructure planning as well as support and monitor implementation of catalytic infrastructure projects.
- 6.2(f) Develop alternative funding and partnership models *for development, prioritising catalytic projects.*
- 6.2(g) Develop alternative funding and partnership models for *strategic investment, infrastructure development and coordination.*

Strategic Objective 6.3: Eradicate fraud and corruption

Government is corruption-free

The eradication of fraud and corruption is an especially critical objective of the PGDS, as the credibility of the entire governance system rests on people being able to trust that the system works and is transparent, fair and accountable. In the *2015 KZN Citizens Satisfaction Survey* this was the area where the province scored worst, with 49% of people regarding the province's performance at eradicating fraud and corruption as "poor". The media similarly carries the general perception of high levels of fraud and corruption which has beset the public sector generally. Part of the challenge is to find more objective, accurate and credible ways to measure the levels of fraud and corruption in institutions of government, in the private sector and in society generally. A further challenge is to build stronger collaboration amongst the range of institutions and mechanisms at national, provincial and local levels that have been established to both monitor and act against fraud and corruption.

The Office of the Auditor-General is a key reference point for the assessment of the fraud prevention policies and strategies of provincial and local government and their respective agencies. With the much wider scope of the audits now being carried out by the AG, fraudulent and corrupt practices are more likely to be noticed and in turn, pursued. The campaign to have all municipalities, departments and public entities achieve "clean audits" must be strengthened as this is the first sign of clean administration. Where officials are found or suspected to be involved in illegal activity of this type there has historically been inordinate delays in the process of pursuing disciplinary cases against these individuals and this must be corrected. Similarly where criminal investigations and/or cases are being pursued against officials, this must be seen to be undertaken with due diligence and speed, as rapid convictions of those involved in fraud and corruption has been shown to be a major deterrent of such behaviour. It is also proposed that new institutionalized partnerships involving Government, the private sector and civil society be developed around ways to combat fraud and corruption and promote a culture of good governance in society in general.

Strategic objective indicators include:

Strategic Objective 6.3 Indicators:

- 6.3.1 Percentage of positive rating of provincial performance as regards eradication of fraud and corruption at provincial and local levels, measured through the KZN Citizens Satisfaction Surveys.
- 6.3.2 The rand value affected by fraud and corruption in the public and private sectors.
- 6.3.3 Number of departments achieving a satisfaction or better rating through MPAT on fraud and integrity.
- 6.3.4 Percentage of cases from the National Anti-Corruption hotline closed by departments.

The key interventions include the following:

Strategic Objective 6.3 Interventions:

- 6.3(a) Fast track disciplinary processes and effective criminal prosecution.
- 6.3(b) Implementation of more centralised public procurement systems with more effective and reliable anti-fraud monitoring mechanisms.
- 6.3(c) Implement proactive integrity management programmes in the public and private sectors.
- 6.3(d) Develop and implement a new public-private coalition dedicated to combatting fraud and corruption and promoting good governance.

Strategic Objective 6.4: Promote participative, facilitative and accountable governance

Government listens to and is accountable to the people

The Constitution as well as many of the regulated planning processes of Government imposes a requirement for Government to consult with stakeholders and communities in the formulation of their plans. However an honest assessment would agree that in many instances, such consultation is done merely for the sake of compliance with the requirement rather than in the belief that stakeholders and communities should be important and respected partners to Government in the planning and implementation of initiatives which affect people's lives.

The challenge is for Government and its social partners to be able to identify both structures and mechanisms for partnership that still maintain the responsibility of Government to carry out its developmental mandate without extraordinary delays or endless disputes with interested parties which create unreasonable obstacles to effective and efficient service delivery. The PGDS therefore proposes that the principle of participative governance be given real meaning through sector-specific consultative forums which will allow social partners to engage and collaborate around specific areas of the PGDP. Significant progress in this regard has already been made in the operation of:

- (a) The KZN Economic Council.
- (b) KZN HRD Council.
- (c) The KZN Council on Climate Change and Sustainable Development.
- (d) The KZN HIV/AIDS Council.

Some in the civil society sector especially have called for the establishment of a similar consultative council to be established around issues of social development and poverty eradication, and this is worthy of consideration.

At local level, the capacity of municipalities to leverage social partnerships and in particular to accelerate local economic development, must be strengthened through the establishment of specialist local development agencies where the private sector and civil society can contribute together with the local and district municipalities to the development agenda.

The ward committee system is in theory a very powerful mechanism for enhancing community participation in the governance process, but the system lacks resources and support and needs to be enhanced significantly. The PGDS also believes that the Provincial Nerve Centre in the Office of the Premier, as well as the Provincial Planning Commission are well-placed to play a strong monitoring and evaluation role with respect to alignment of planning and implementation, as well as general accountability of the Departments and municipalities of the Province.

Strategic objective indicators include:

Strategic Objective 6.4 Indicators:

- 6.4.1 Voter participation in provincial and municipal elections.
- 6.4.2 Number of engagements with functional social partnerships in the form of sector-specific multi-stakeholder forums/councils to engage and collaborate on aspects of the PGDP.
- 6.4.3 Level of participation on non-governmental partners/stakeholders in the implementation structures (Action Working Groups) of the PGDP.
- 6.4.4 The number of district municipalities with functional development agencies which actively involve the private sector and civil society at local level.
- 6.4.5 Number of functional wards committees.
- 6.4.6 Level of participation/awareness of programmes (PGDP/OSS/Izimbizo).

The interventions include the following:

Strategic Objective 6.4 Interventions:

- 6.4(a) Support effective multi-stakeholder and social partnership forums for consultation on all key elements of the PGDP.
- 6.4(b) Strengthen local development agencies at District level.
- 6.4(c) Strengthen functionality of Ward Committees.
- 6.4(d) Undertake a review of the service delivery and implementation models of Government and public entities at provincial and local government spheres to ensure that most effective and efficient implementation options are being presented.
- 6.4(e) Strategies to increase participation and to engage stakeholders as well as provincial communication.
- 6.4(f) Provincial M&E framework to streamline reporting and performance information.
- 6.4(g) Develop a provincial Urban Management Framework to facilitate optimal contribution by metro and secondary cities to growth and development.

3.10. Strategic Goal 7: Spatial Equity

Spatial Equity and Integrated Land Use Management which guides the allocation and utilisation of human and environmental resources towards sustainable growth and development.

The envisaged outcome for this Strategic Goal is not directly aligned to any one specific National Outcome, but rather implicit in all of them. The outcome will focus on the promotion of spatial concentration, the co-ordination of development interventions, the integration of spatial planning initiatives and effective land use management.

Goal Indicator:

- **Improved population physical access to goods as services as measured by the Spatial Equity/Accessibility index.**

Spatial planning and development at a provincial scale considers what can and should happen and where it should happen. It investigates the interaction of different policies and practices across regional space and sets the role of localities in a wider provincial context. It reaches beyond localised land-use planning by setting out a strategic framework to guide future development and policy interventions, whether or not these relate to formal land use planning controls as contained in a scheme.

Integrated Spatial Planning is subsequently the single most important tool utilised to co-ordinate the distribution of population, land uses, existing resources, and proposed initiatives etc. in relation to each other in order to create an improved sustainability to such uses of scarce land resources.

The availability of information has been a shortcoming within government departments and it is the intention to establish a point of reference where all spatial data can be obtained from and should include data on all aspects of development i.e. infrastructure, social needs, environmentally sensitive areas, road networks, etc.

Various data sets have been sourced in order to do spatial analysis of KwaZulu-Natal. The analysis is depicted on the various maps included in the PGDS document and assisted in the identification of the localities as envisioned in the strategic objectives below.

Strategic Objective 7.1: Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Concentrate public and private investment in locations that have been selected on the basis of their development potential

This objective has to do with spatial concentration; facilitating development interventions development investment interventions in nodal and corridor areas; to ensure that initiatives are coordinated, cost effective and not counterproductive. Densification in designated development areas in this context refers to the number of households accommodated within formalized small towns and settlements with efficient and secure land management systems, able to secure investment in rural areas. It is of strategic importance that investment from various departments needs to be coordinated to ensure integrated development provides all the needs of the targeted communities.

To ensure a coordinated approach, it is necessary to identify nodal areas for focused investment, and to classify nodes into hierarchical levels of importance. Scarce resources limit equal development of all

nodes. Subsequently it is necessary to prioritise and guide development initiatives to be located in areas where the greatest impact and positive spin-offs from an initiative can be achieved.

By stating that all nodes cannot be equally developed does not imply that no development should take place in lower order nodes, but that the initiatives, type of interventions, and level of investment will differ from Metropolitan areas, to sparsely populated rural areas. Different services will thus be provided within different nodal levels. Higher order services should be made accessible by developing movement and development corridors, to allow for ease for movement to facilities, services and amenities.

Strategic objective indicators include:

Strategic Objective 7.1 Indicators:

- 7.1.1 The spatial distribution Human Development (HDI) Index at provincial scale.
- 7.1.2 Number of municipalities meeting minimum hierarchy of plans standards.

Interventions, albeit not exhaustive, include:

Strategic Objective 7.1 Interventions:

- 7.1(a) Establish a classification of Provincial Nodes with clearly defined functions and interventions per node.
- 7.1(b) Develop specific Corridor Plans to co-ordinate interventions around provincial corridors.
- 7.1(c) Monitor progress in the implementation of the Small Town Regeneration and Rehabilitation Programme.
- 7.1(d) Formalise Strategic Rural Nodes (which might include the dedicated establishment of new towns).
- 7.1(e) Review, implement and monitor a Densification Strategy.

Strategic Objective 7.2: Ensure integrated landuse management across the Province, ensuring equitable access to goods and services, attracting social and financial investment

Effective spatial planning and land management systems are applied across the Province

Cadastral boundaries do not necessarily conform to the characteristics of land and the natural environment, and residential activities, economic activities and natural phenomena traverses municipal, provincial and international boundaries. All municipalities do not possess the required resources to provide services to communities e.g. water. Hence the aim of this objective is to ensure that spatial planning is aligned to allow government organisations to take advantage of comparative advantages offered within an area. This also refers to cross boundary provision of services such as education facilities, which can be utilised by communities residing in two municipalities. This allows for cost effective provision of services and is applicable to the provision of civil services, social services and economic opportunities.

Alignment of initiatives will also prevent conflicting initiatives and land uses to be implemented on opposite sides of a boundary i.e. mining activities versus tourism due to pristine natural environment.

Sustainable development can only be reached through proper land management. Land use management schemes serve to improve land use management through provision of guidelines and regulations for the development and utilisation of land. Schemes form part of a larger and more comprehensive land use management system, which address valuation of properties, the payment and collection of rates and taxes, and ultimately provide insight related to the service requirements for a town, and the available capacity of bulk infrastructure to handle additional development pressures. Land use management is difficult in areas where no cadastral boundaries exist especially in the traditional council areas of KwaZulu-Natal.

There is thus a resulting need for land use management schemes to ensure that land use activities do not negatively impact on the natural environment, on existing developments by negating the economic potential and value of adjacent land portions/properties and the general amenity of an area. These schemes also stimulate and guide economic investment within the affected areas.

A large number of the population in KwaZulu-Natal resides within rural areas with high agricultural potential. These areas also need to develop economically, but need to do so without impacting on the agricultural potential of land and subsequently negating food security within the Province.

The above mentioned land use activities are controlled, impacted on, and influenced by a number of governmental role players within the three tiers of government. There is thus a need to coordinate land management within these departments, which includes inter alia, the National Department of Agriculture, Department of Co-operative Governance and Traditional Affairs and Department of Rural Development & Land Reform.

Strategic objective indicators include:

Strategic Objective 7.2 Indicators:

- 7.2.1 Percentage of land covered by comprehensive land use management schemes.
- 7.2.2 Percentage of municipal capital expenditure aligned with the Provincial Spatial Development Framework.
- 7.2.3 Number of municipalities with functional municipal planning units.
- 7.2.4 Number of municipal Spatial Development Frameworks aligned with the Provincial Spatial Development Framework.

Interventions, albeit not exhaustive, include:

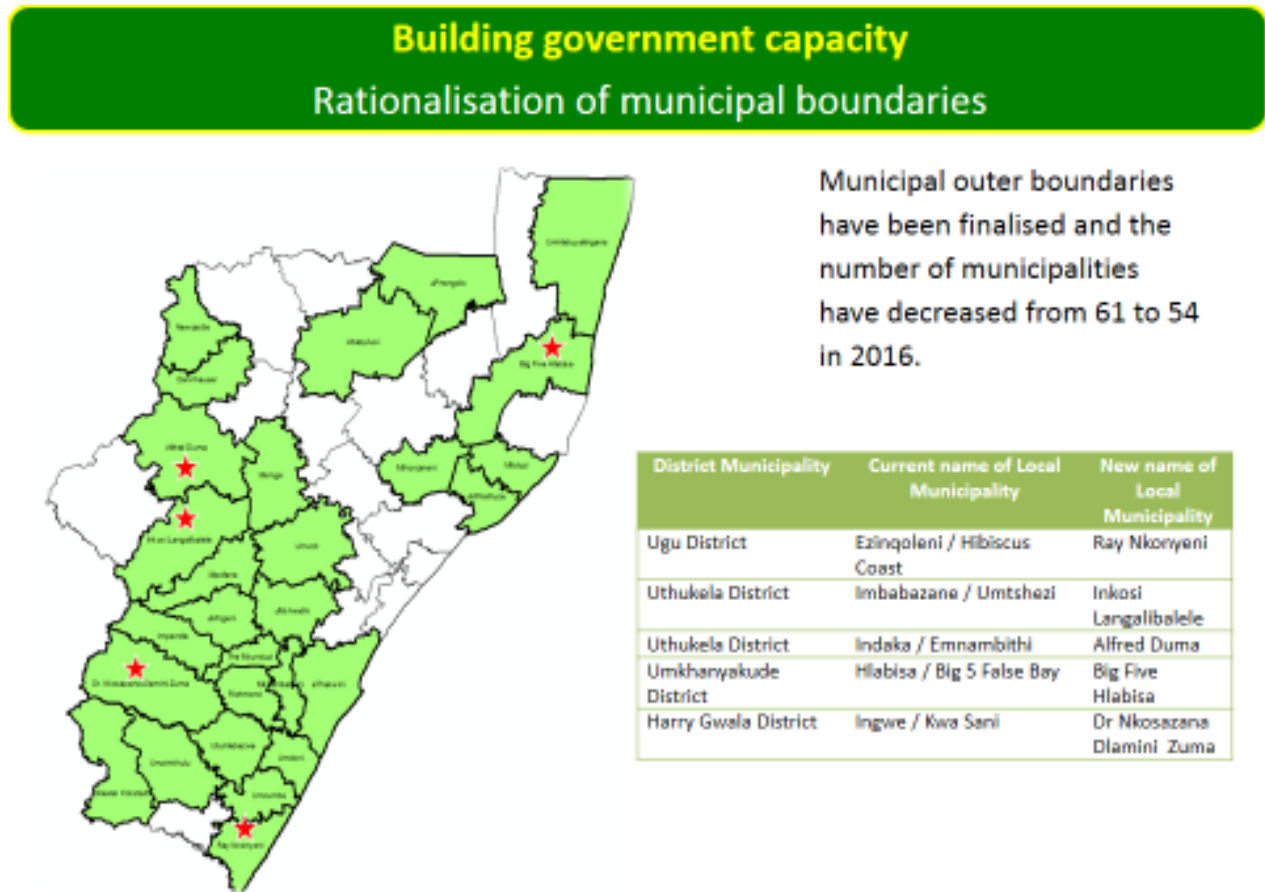
Strategic Objective 7.2 Interventions:

- 7.2(a) Promote and monitor the development of Ward-Based Plans.
- 7.2(b) Formulate Land Reform Area-Based Plans within each District.
- 7.2(c) Resolve the impasse between Act 70 of 1970 and Land Use Management legislation.
- 7.2(d) Implement land use management schemes across the Province.
- 7.2(e) Align District and Local municipal Spatial Development Frameworks with the Provincial Spatial Development Framework.
- 7.2(f) Formulate Provincial Planning Norms, Standards and Guidelines (Including Rural Settlement Planning).
- 7.2(g) Improve alignment for integrated planning through the Provincial Infrastructure Master Plan.

4 Provincial Spatial Development Framework

NOTE : Post 2016 municipal elections have given effect to the revision of the municipal boundaries. MAPS in this section will be updates as the formalisation process unfolds through the local government system. The diagram below provides an overview of the key amendments:

Figure 12: Spatial planning contexts – Rationalisation Map



4.1 Introduction and Purpose

The Provincial Growth and Development Strategy recognises that environmental vulnerability, social need and economic development are not evenly distributed and spatial disparities will always exist due to the spatial distribution of natural resources, historical disparities and cultural factors. Past spatial planning has often aggravated these spatial disparities. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalisation from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth and the protection of vulnerable bio-resources.

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Need and Potential. Provincial strategies aimed at promoting growth and development must therefore be developed on the basis of a thorough understanding of the existing profile of the Province and an analysis of the strengths, weaknesses, opportunities and threats of the current situation. This implies that strategies,

programmes and plans would be developed to build on the strengths, eliminate the weaknesses, explore the opportunities, and to mitigate the threats within social, economic and environmental realms. Provincial strategies for growth and development must therefore also make clear pronouncements on specific geographic areas of focus for the phased implementation of Province's strategic objectives and priorities in achieving the vision of the Province. This will require a thorough understanding of the physical, demographic, social, economic and institutional profile and the state of the environment of the Province. It will further require a careful analysis of historic and current development trends, as well as a projection of future anticipated trends within the local and global environment.

The KwaZulu-Natal Provincial Spatial Development Framework has therefore been developed in order to achieve the goals and objectives of the PGDS in a targeted and spatial coordinated manner. The Provincial Spatial Development Framework sets out to:

- a) Be the spatial expression of the Provincial Growth and Development Strategy (PGDS) and provide spatial context for proposed strategic interventions;
- b) Provide a contextual explanation of the underlying spatial development challenges (past, current & future) towards the areas of future interventions;
- c) Provide a set of normative principles or departure points that guide the Province's approach to dealing with socio-economic issues that are manifested spatially;
- d) Provide a basis for informed consensus on the Province's spatial priorities by providing a map giving guidance for the future spatial development of the Province based on Broad Provincial Spatial Planning Categories (BPSPCs) and a series of other relevant features;
- e) Assist to prioritise and align where government directs its investment and development initiatives to ensure sustainable and maximum impact;
- f) Capitalise on complementarities and facilitate consistent and focused decision making,
- g) Guide municipal integrated development plans (IDPs), spatial development frameworks (SDFs) and provincial and municipal framework plans (i.e. sub-SDF spatial plans); with normative principles, approach and content.
- h) Provide clear intent to the private sector about desired development directions;
- i) Increase predictability in the development environment.

4.1.1 Legislative Context

Provincial and regional planning is assigned by the constitution to be the responsibility of Provincial Government. Furthermore, Section 15 of the Spatial Planning and Land Use Management Act, 2013 the Office of the Premier of the province is required to compile and publish a Provincial Spatial Development Framework (PSDF). Such a PSDF must coordinate, integrate and align:

- a) Provincial plans and development strategies with policies of National Government;
- b) the plans, policies and development strategies of Provincial departments; and
- c) the plans, policies and development strategies of municipalities.

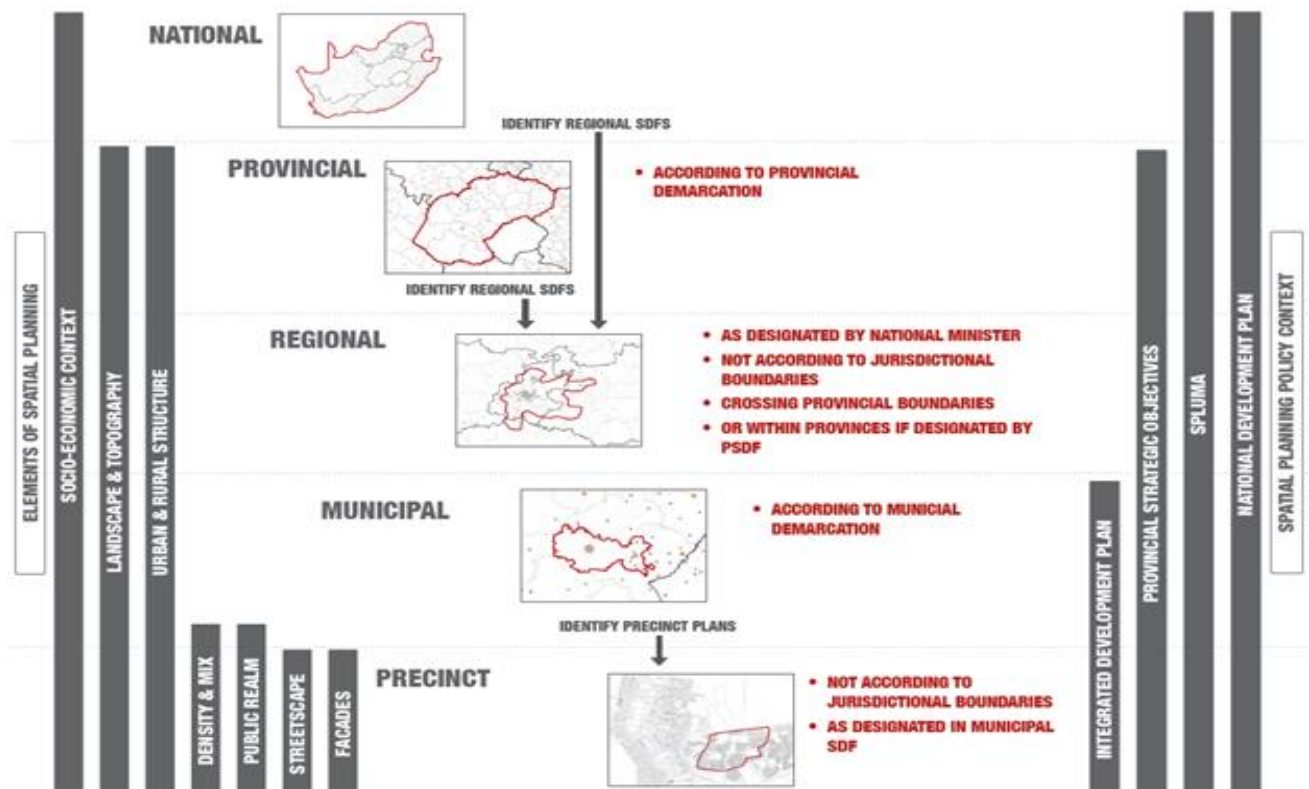
Although each sphere of government is assigned with shared and exclusive spatial planning and management responsibilities, it is evident that the PSDF mandate (as assigned to the provincial government) requires coordination, integration and alignment between all spheres of government.

SPLUMA requires that the PSDF should include the following aspects:

- i) a description of the process followed preparing a PSDF;
- ii) an assessment of a Province’s spatial development status and the key spatial challenges it faces;
- iii) Provincial spatial implications of relevant national development strategies;
- iv) a Provincial spatial vision that articulates desired land use patterns;
- v) Provincial land development objectives, principles, strategies, policies and priorities (with particular attention to the sustainable use of spatial assets/resources, and adaptation/mitigation of climate change and energy risks);
- vi) a coordinated and integrated spatial reflection of the plans of Provincial departments; and
- vii) a coordinated framework for Regional and Municipal SDFs.

The diagram below illustrates the relationship between the national, provincial, regional, municipal and precinct planning frameworks. The PSDF is firstly informed by the NDP and its related spatial policies and is further a direct expression of the KZN Provincial Growth and Development Strategy. It is therefore a long term spatial framework to serve as the basis for various implementation programmes and plans to be implemented. The KZN PSDF further define and illustrate the province’s spatial strategy to national and provincial departments and other state owned enterprises (SOEs), to ensure that their strategies, programmes and sectoral plans are based on the common spatial logic and intentions of the province.

Figure 13: Spatial planning contexts



Source: DRDLR, 2015

The PSDF also communicates the province’s spatial development strategy to municipalities, to guide and inform their IDPs, SDFs and land use management systems (LUMS) to be consistent with PSDF and thus contribute to the implementation and achievement thereof.

In so-doing, the PSDF guides the location and form of public investment at a regional scale within both urban (nodal) and rural areas. The provincial government departments, as well as national and municipal government and SOEs are thus viewed as important public sector users of the PSDF to influence their programmes, projects and investment by establishing a coherent and logical provincial spatial investment framework.

The KZN PSDF thus aims to strengthen the linkages between the three spheres of government towards optimising the returns on public investment to the benefit of affected communities and industries. This in turn should provide greater certainty to communities and the private sector towards the sectoral and geographical focus areas of spatial growth.

The private sector is also considered an important user of the KZN PSDF as it makes an important contribution to reducing investment risk by providing certainty and direction on where public infrastructure investment will be targeted and in turn potentially unlocking new economic opportunities in such areas.

4.2 Spatial Challenges

From the various landscape analysis as well as further specific spatial analysis the key spatial challenges to be addressed could be grouped into three categories as illustrated below:

Figure 14: Spatial Challenges

LEGACY CHALLENGES	CURRENT CHALLENGES	FUTURE RISK CHALLENGES
<ol style="list-style-type: none"> 1. Scattered Settlements 2. Poor Rural Accessibility 3. Uneven Distribution of Services 4. Land Tenure and restitution 	<ol style="list-style-type: none"> 1. Poverty Distribution 2. Unsustainable Settlement Patterns 3. Regional infrastructure needs 4. Lack of spatial norms and standards 	<ol style="list-style-type: none"> 5. Emerging Urban-Rural Continuum 6. Climate Change 7. Food Security 8. Water deficits
REDRESS	ADDRESS	ADAPT AND MITIGATE

Each of these challenges are described in more detail within the Provincial Spatial Development Framework Report.

The **Legacy Challenges** represent those spatial conditions which had emerged through both past political policies as well as historical economic and land use management practices. Such challenges typically require a dedicated response towards redressing such spatial patterns/ challenges.

The **Current Challenges** represent a set of contemporary and emerging conditions and challenges which are impacting on spatial planning and development and could develop into future risks. These challenges need to be addressed within current policies, programmes, projects and institutional arrangements.

The **Future Risk Challenges** represent the changing future conditions and anticipated challenges which are anticipated to impact on the effective spatial planning and development of the province in the medium to long term. It is therefore important that the provincial spatial strategy promotes measures to adapt to and/or mitigate the potential impact of those challenges on the growth and development of the province.

4.3 Spatial Rationale

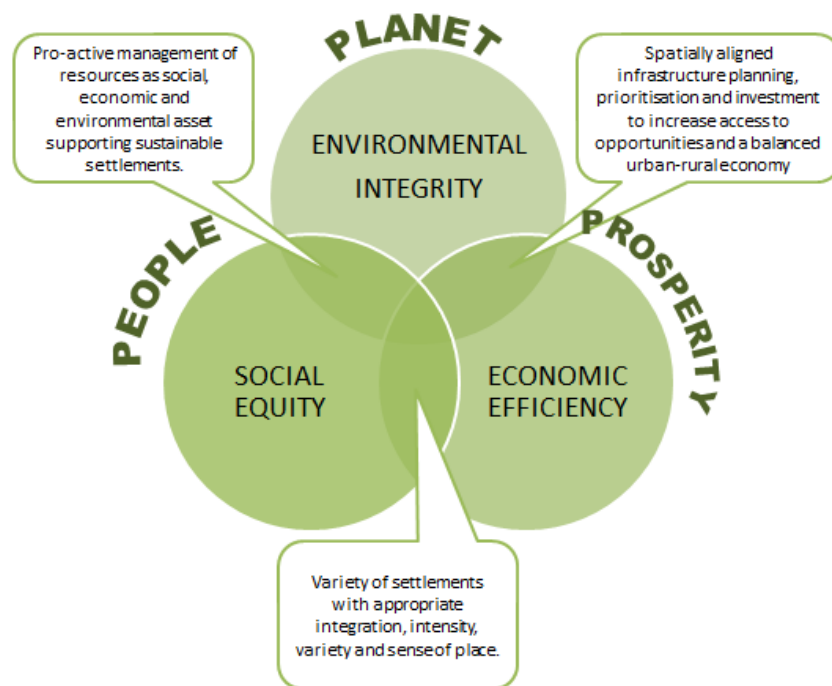
4.3.1 Spatial Vision and Approach

The envisaged spatial vision for KwaZulu-Natal could be summarised as follow:

“Optimal and responsible utilisation of human and environmental resources, building on addressing need and maximising opportunities toward greater spatial equity and sustainability in development.”

From the above spatial vision, the Provincial Spatial Development Framework PSDF takes as its starting point the goal of sustainable development which, in spatial terms, could be expressed as follow.

Figure 15: Illustration of the Concept of Spatial Sustainability



The three pillars of sustainability, also referred to as the "triple bottom line", are:

Ecological Integrity (health of the planet): This refers to the continued wholeness and success of the environment in terms of providing for and sustaining life on Earth or in a subset thereof such as a region or town, and concerns both the natural and human-made environment. Due to the fact that the survival of species, including our own, ultimately depends on the ecology, ecological integrity is then a key factor in the environmental sustainability equation. In this regard it must be remembered that KwaZulu-Natal is one of the most biodiversity rich provinces in the country.

Social Equity (situation of the people): Within a secure ecology, society can move towards needs fulfilment for all. Social equity refers to both material human wellbeing (the absence of poverty) and spiritual human wellbeing, i.e. provision of a physical and moral space where the continuity of a complex society and ecology is maintained and enhanced, and its health attained. In the South African

context the concept of social equity is an extremely important component of society as it emphasises the need to redress the wrongs of the past as a central component of social sustainability.

Economic Efficiency (attainment of prosperity): If human needs are met, society can seek prosperity through economic efficiency. This refers to the optimisation of benefit at the lowest cost, i.e. optimal development must be achieved at the lowest possible cost – and moreover, to comply with the sustainability principle, taking all costs now and in future into consideration.

These three pillars of sustainability can be viewed as providers of the capital necessary for each subsequent pillar to function. Thus, economic capital is dependent on social capital, which is in turn dependent on ecological capital.

It is important to note that the nesting of the spheres – economic, social and ecological – illustrates that economic and human capital cannot draw more from society and from the ecology than what the ecology and society can yield sustainably in the long term. Thus, although there might be a number of spatial specific principles which guided the further formulation of the PSDF, the overarching principle remains sustainable development.

4.3.2 Spatial Principles

The following nine spatial principles underscores the general spatial intentions of the PGDS and serves as provincial guiding principles which should, ideally, be pursued within all levels of spatial planning at district and local level in alignment with the provincial spatial development strategy.

Figure 16: Nine Spatial Principles

Sustainable Communities	Economic Potential	Environmental Planning
Sustainable Rural Livelihoods	Spatial Concentration and Urban Development	Local Self-Sufficiency
Coordinated Implementation	Accessibility	Balanced Development

4.3.2.1 Principle of Environmental Planning

The Principle of Environmental Planning (Bio-regional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas.

The PSDF supports environmental planning as the fundamental methodology on which spatial planning should be based. Thus, rather than being a reactionary barrier to commenced development, the environment is seen as an enabling primary informant to spatial planning and development. Environmental planning can be defined as land-use planning and management that promotes

sustainable development. The environmental planning methodology involves the use of Broad Provincial Spatial Planning Categories to reflect desired land use.

4.3.2.2 Principle of Economic Potential

The Principle of Economic Potential aims to improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The principles further promotes the consideration of spatial needs for Economic Competitiveness (Potential) by proposing an asset based spatial approach based on unique advantages and opportunities within various areas. An essential component of this principle is the engagement of the private sector in the refinement and spatial economic needs of any particular zone / area.

4.3.2.3 Principle of Sustainable Communities

The Principle of Sustainable Communities promotes the building of places where people want to live and work. Again the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities.

Often communities within the rural context of KwaZulu-Natal are not located in the areas with perceived highest economic potential. Where low economic potential exists planning and investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities towards building sustainable communities.

4.3.2.4 Principle of Local Self-Sufficiency

The Principle of Local Self-Sufficiency promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore, the principle is underpinned by an assessment of each area's unique competency towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.

4.3.2.5 Principle of Spatial Concentration

The Principle of Spatial Concentration aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e. roads, facilities, housing etc. This is envisaged to lead to greater coordination of both public and private investment and result in higher accessibility of goods and services to communities while ensuring more economic service delivery.

This principle will further assist in overcoming the spatial distortions of the past. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

4.3.2.6 Principle of Sustainable Rural Livelihoods

The Principle of Sustainable Rural Livelihoods considers rural areas in a way that is integrated with other decision-making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural, financial and social capital of an area and spatially structure these in support of each other.

Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

4.3.2.7 Principle of Balanced Development

The Principle of Balance Development promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the Province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

4.3.2.8 Principle of Accessibility

The Principle of Accessibility simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region. At a provincial level there is a strong correlation between the most deprived areas and poor regional accessibility to those areas. In addressing accessibility at provincial and local level, the need for possible new linkages, the upgrade in the capacity of existing linkages and the suitable mix of modes of transport should be considered.

4.3.2.9 Principle of Coordinated Implementation

The Principle of Coordinated Implementation actually projects beyond spatial planning and promotes the alignment of role player mandates and resources with integrated spatial planning across sectors and localities. Essentially the principle suggests that planning-implementation becomes a more continuous process and that government spending on fixed investment should be focused on planned key intervention localities.

This principle ultimately also proposes a move towards more developmental mandate definitions of the various departments, away from single mandates to enable the spatial alignment of growth and development investment.

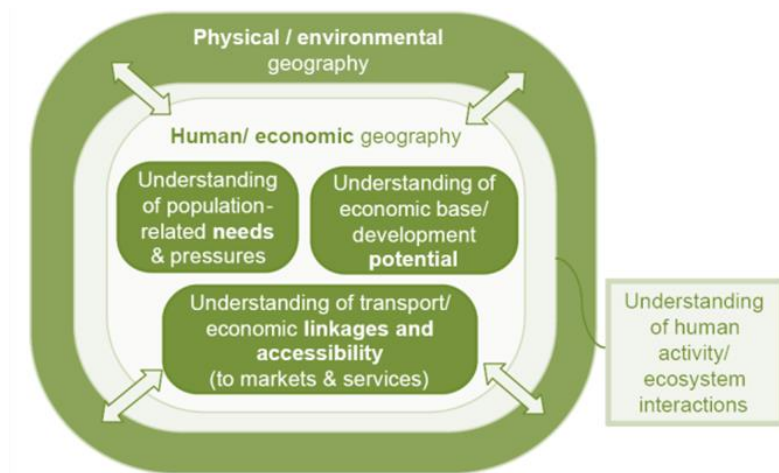
4.4 Environmental Management Areas

As emphasised above, a spatial development framework for the province must be based on the recognition of and balance between areas of critical spatial variables related to Social Need, Economic Potential, Environmental Vulnerability or Sensitivity as well general accessibility. Having identified and mapped each of these spatial variables the overall critical and priority intervention areas in the Provincial is then determined by an overlay of these four variables. It is therefore important to first map each of these areas; namely:

4.5 Spatial Themes and Logic

Where previous provincial spatial prioritisation strategies such as the Provincial Spatial Economic Development Strategy has focussed on the identification of both areas of Social Need and Economic Potential and especially also the areas where these two variables intersect, the PGDS incorporates a third vital component by considering Environmental Vulnerability or Sensitivity as well, and the spatial development strategy follows the same philosophy towards environmental responsibility and sustainable development. This approach to spatial variables is illustrated below and considers that the Physical / Environmental Geography of any area impacts on and is impacted on by the Human / Economic Geography and it is the interaction between these variables which is essential to understand and plan for growth and development.

Figure 17: Spatial Variables Approach



Spatially, it is further vital to consider general accessibility as a crosscutting variable, which impacts all three pillars of sustainable development, and as a result the four main spatial variables informing the provincial spatial development framework include:

- ***Sustainable Use of Provincial Natural Resource,***
- ***Unlocking growth potential through the space-economy, and***
- ***Addressing Social Needs within Sustainable Settlement planning.***

These variables themselves are also in turn represented by a number of spatial variables, which are directly and indirectly representative of the particular spatial component.

Cross-cutting to these spatial themes spatial logic forming the basis for the PSDF's strategy is to:

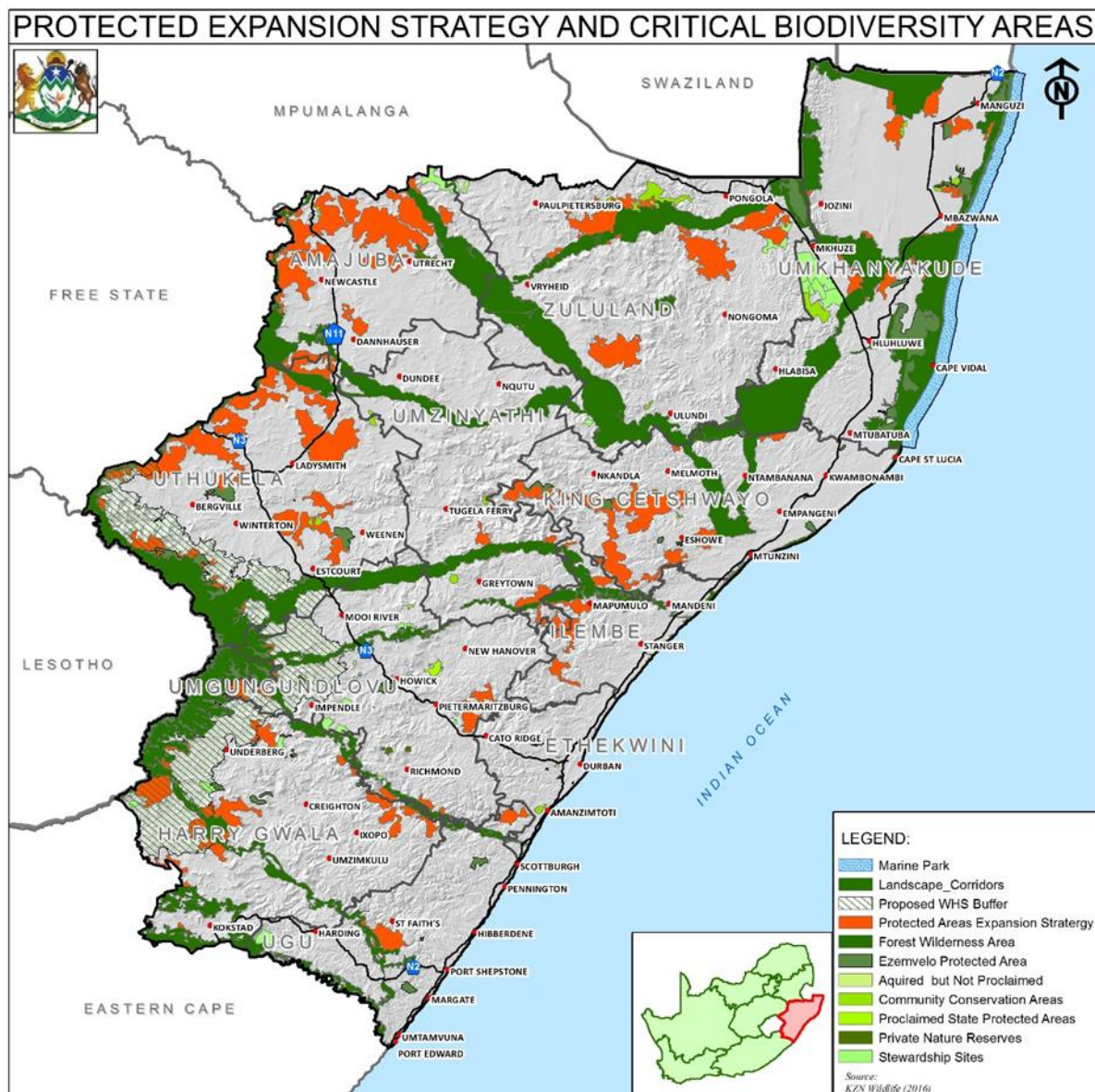
1. **LOCALISE** economic potential through infrastructure and facilities within dedicated localised areas and accessibility routes in order to maximise the impact and coverage of public investments and consider the variety requirements of areas. This should ensure consolidation and improved co-ordination of development efforts and expenditure by various departments within a localised area.
2. **LINK** and integrate critical biodiversity areas, fragmented and/or isolated settlements and urban and rural markets through infill planning, establishment of corridors, freight and public transport routes and linkage as well as ICT (broadband connectivity) between existing and emerging regional economic and development nodes as they offer the best prospects to generate jobs and stimulate innovation.

3. LEVERAGE the sustainable use of land and environmental assets to unlock the underlying growth and development potential of such localised and regional area based on their unique needs and comparative strengths (e.g. rich environmental base, local knowledge, proximity to major economic investment areas). This approach would require a multi-dimensional (social, economic and environmental) rethink of the function and structure of certain areas where such potential has not been leveraged.

4.5.1 Environmental Sensitivity and Resilience

The critical bio-diversity areas and associated environmental management areas (at a provincial scale) are represented by the map below and these have been incorporated as a key element to the PSDF map as a series of landscape / conservation corridors. It is important to note that these conservation corridors are not suggested as absolute “no-go” areas, but rather highlighted as areas of environmental significance to the sustainable development of the entire province.

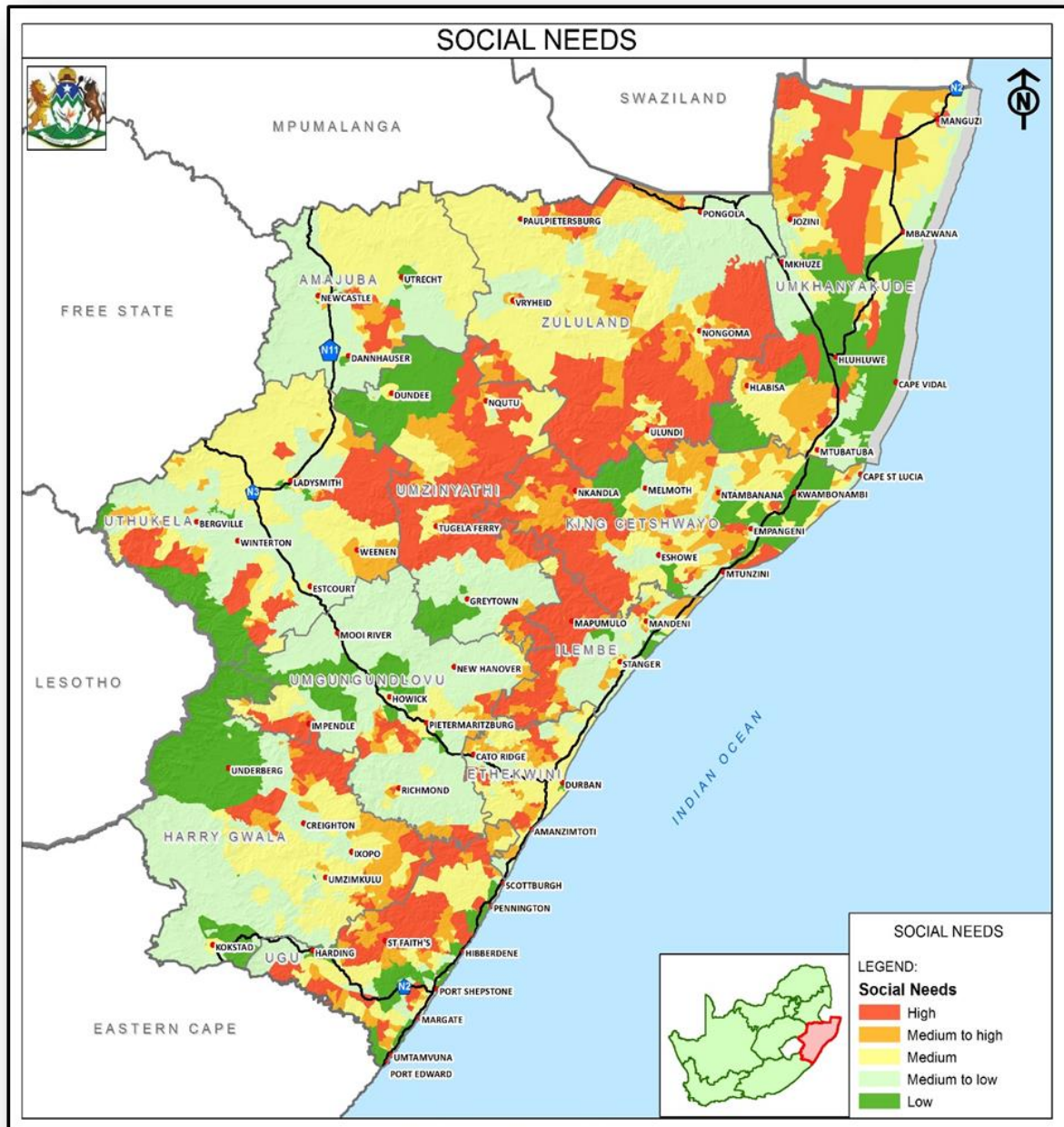
Figure 18 Environmental management areas



4.5.2 Priority Social Intervention Areas

The composite map of priority social intervention areas, based on the variable weighting described is illustrated below

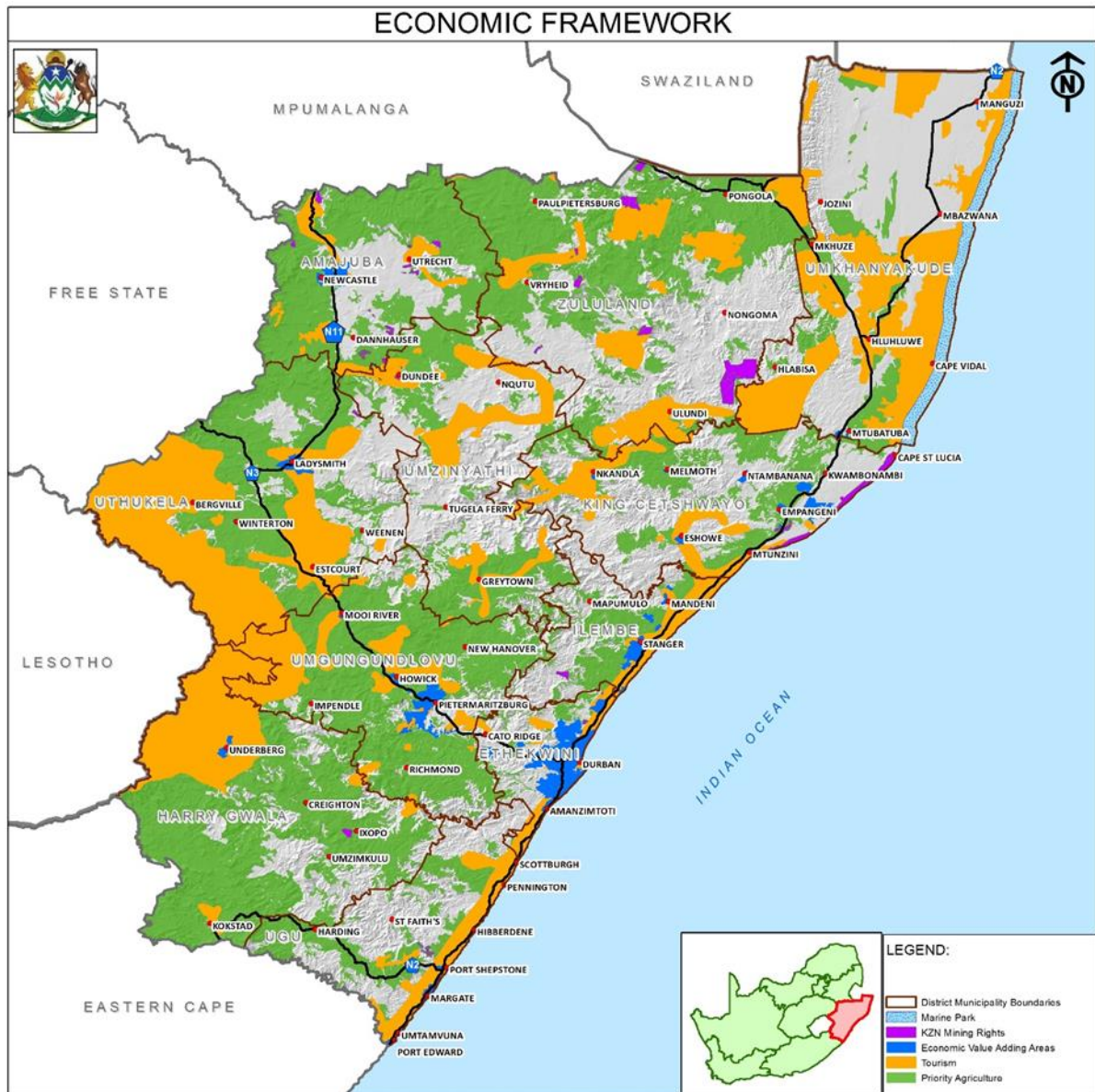
Figure 19: Composite Map illustrating Priority Social Intervention Areas



4.5.3 Priority Areas of Economic Activity and Potential

Based on the current economic activities in the Province, as derived from the performance of the respective lead sectors of the KZN economy, augmented by areas with further development potential as identified in competitive assessments of the Metro and districts in the Province, the following map depicts the priority economic focus areas in the Province.

Figure 20: Composite map of Economic Potential



NOTE : The economic contribution to provincial gross value added (henceforth GVA) is largely driven by eThekweni (53%), uMgungundlovu District (12%) and King Cetshwayo District- previously known as uThungulu District (8%).

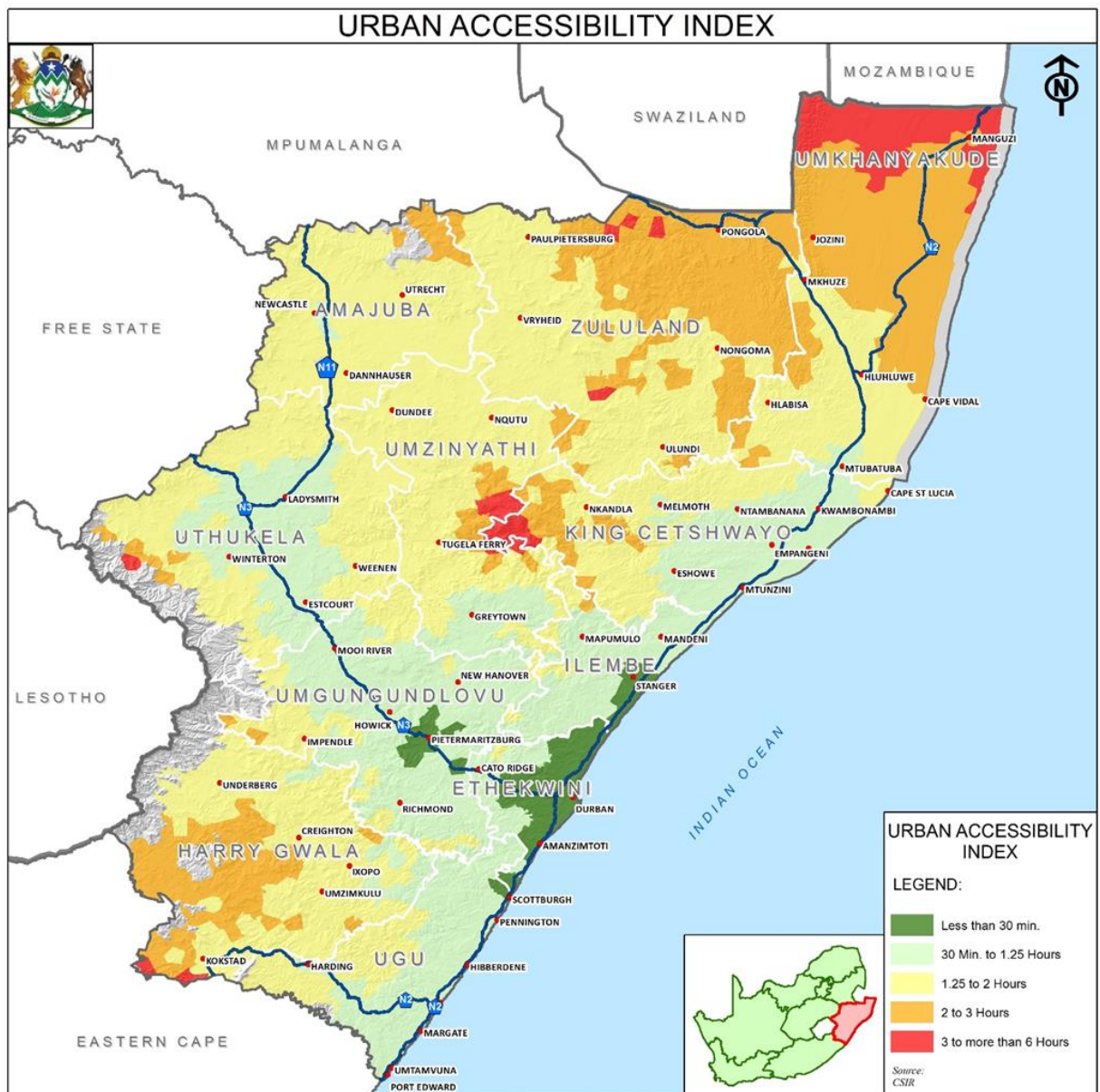
Economic activities remain dominated by the three cities of Durban, Pietermaritzburg and Richards Bay.

The smaller towns and rural areas contributing less than 30% to total GVA.

4.5.4 Levels of accessibility to public and private sector services

Mapping the areas of the Province where accessibility to public and private sector services are proving to be restriction to the realisation of the development of a particular area in the Province is an important variable in determining the priority of governance intervention. For potential to be maximised and optimal spatial equity to be achieved, will require specific interventions to improve and expand accessibility.

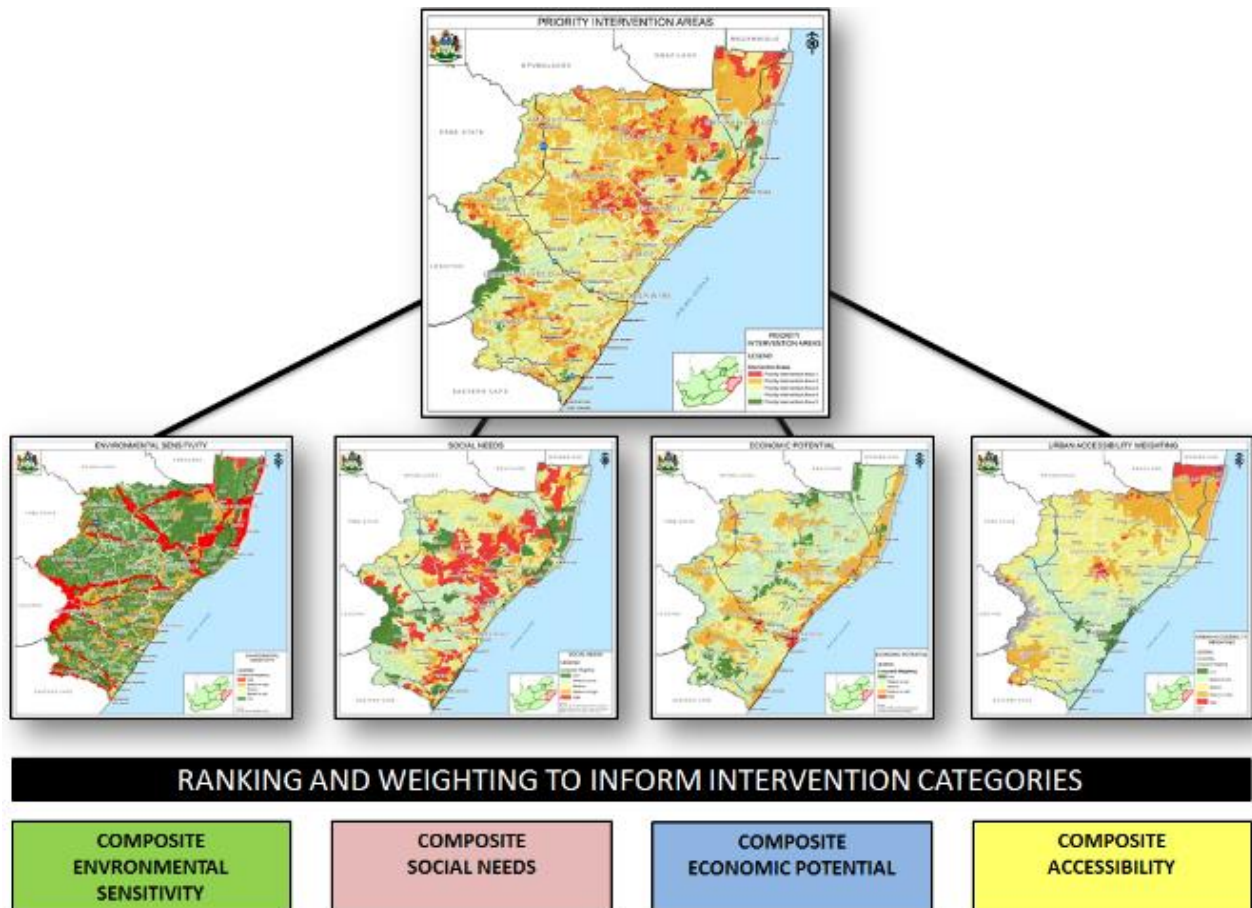
Figure 21: Composite map of level of accessibility to public and private sector services



4.5.5 Combined Priority Intervention Areas of the Province

These spatial variables were considered collectively and a ranking order to key elements used to formulate a composite Provincial Spatial Development Framework, which identifies Broad Provincial Spatial Planning Categories as, indicated below.

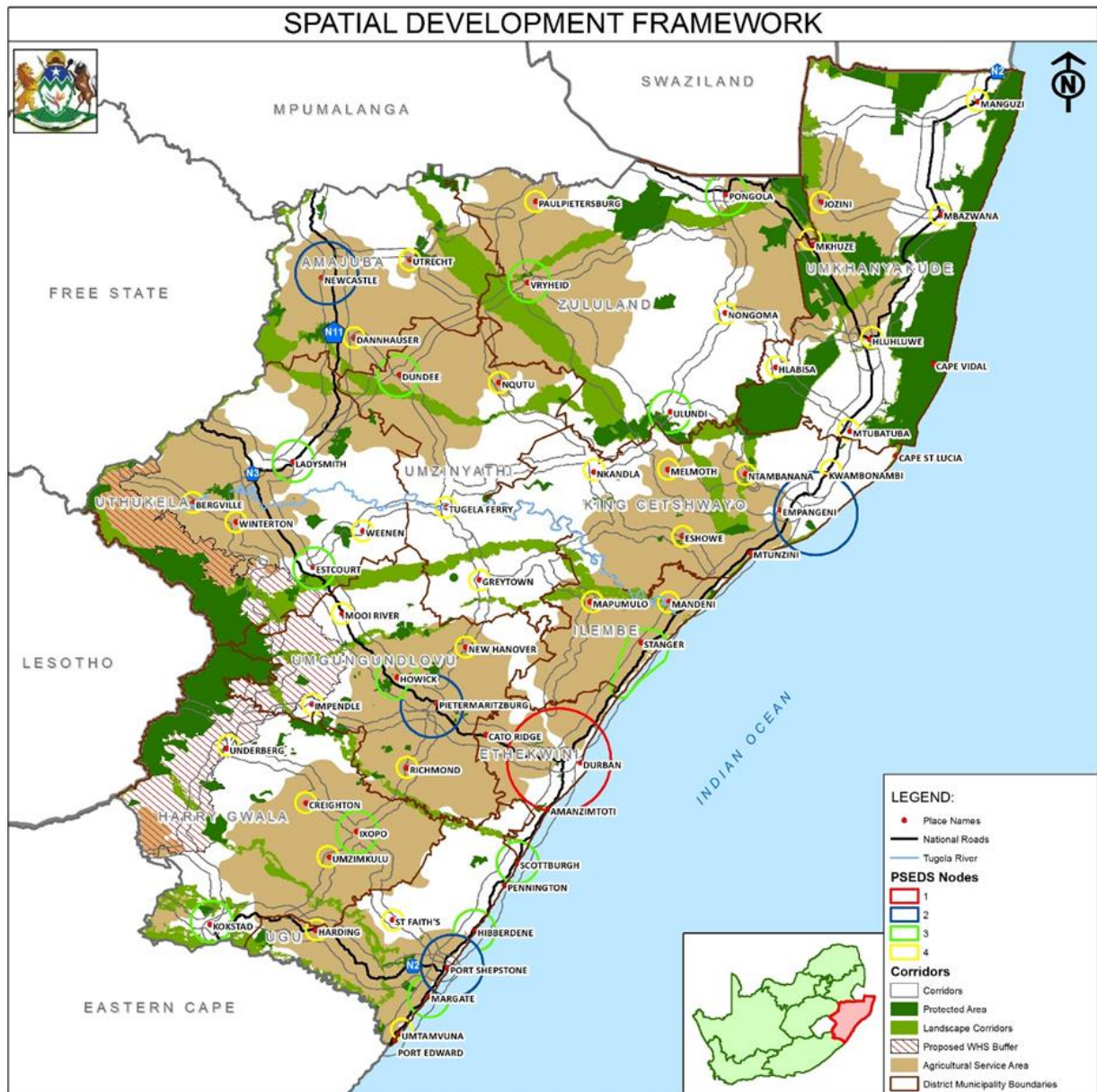
Figure 22: Composite map of priority intervention areas in KZN



Although the classification criteria used defines core areas, especially within the interior of the Province, it should be noted that it is not the intention of the PGDS or the provincial spatial framework that only these core areas benefit from strategic interventions. Rather as a minimum, the Level 1 and Level 2 areas are identified as areas where urgent short-term concentration and coordination of public interventions are required, with other intervention areas systematically being attended to. The type and extent of the interventions that would be targeted at these areas, would be formulated jointly with the various district municipalities against the framework of the PGDS, its goals, objectives and envisaged interventions.

Given the urbanisation trends as well as the already significant contribution that major urban centres such as eThekweni, Msunduzi and Richards Bay make to the regional economy of the Province, as well as the fact that these areas also accommodated concentrations of poverty-stricken areas, these centres should not be neglected. The Provincial Spatial Economic Development Strategy (PSEDS) has identified a hierarchy of provincial nodes that contribute strategically to the provincial, regional and local economies as well as serve as vital service centres to communities. These nodes, in relation to the Level 1 and 2 Priority Interventions areas are illustrated as follows:

Figure 23: Illustration of the Nodes in relation to Priority Interventions



It is evident that in certain centres (e.g. Newcastle, Ulundi etc.) the proposed nodes and priority intervention areas do correspond to a high level. However, even the nodes that are seemingly not core areas of priority interventions such as eThekweni and Richards Bay also accommodate smaller, concentrated areas where priority interventions are proposed. Public investment areas are therefore directed both by the priority intervention areas as well as the identified provincial nodes. It is also envisaged that the nodes would serve as centres where the highest synergies between public and private investment would occur.

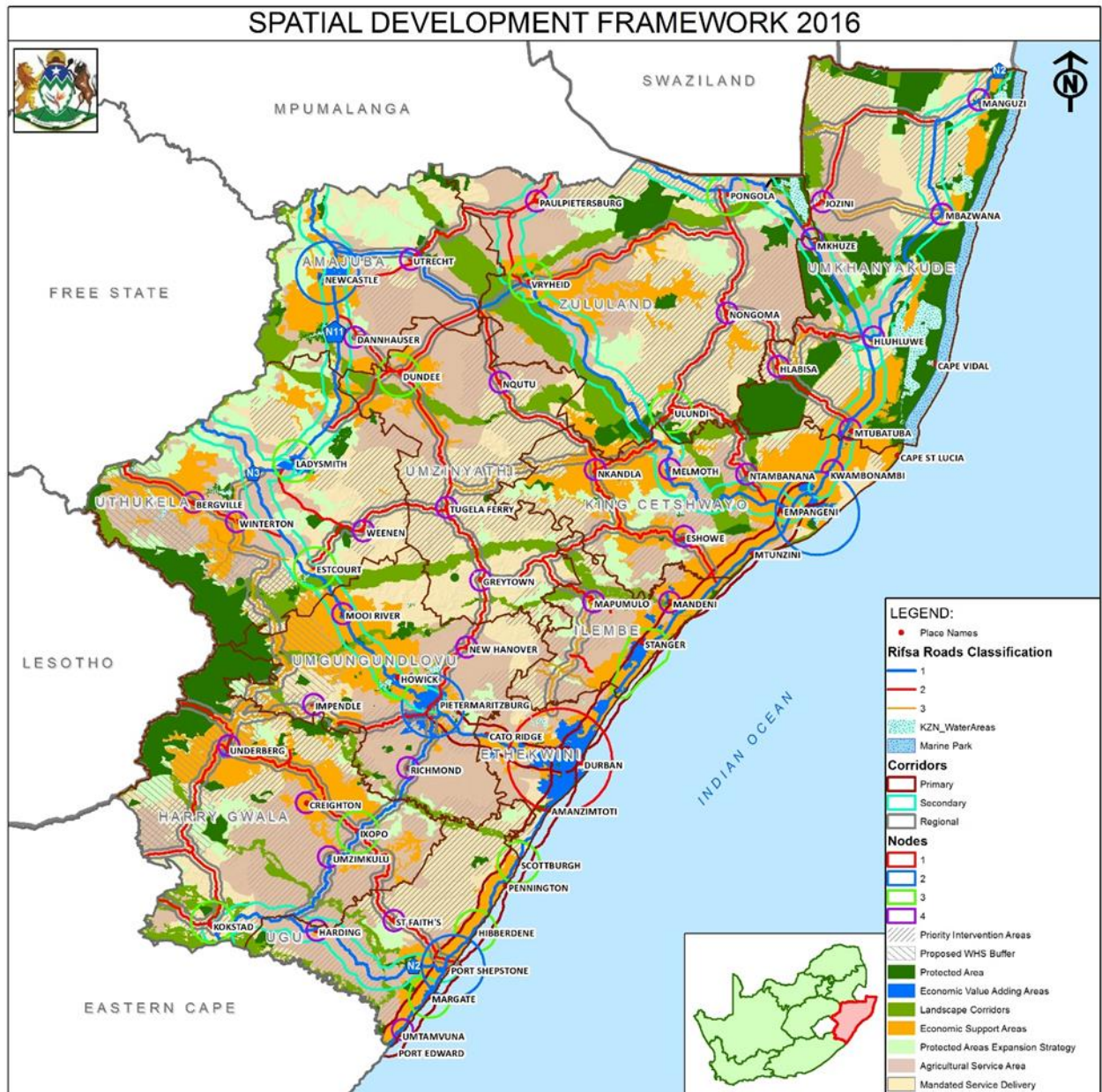
The various nodes and their broad intended function and possible interventions are described in the table below.

Figure 24: Intervention Nodes and Broad Intended Function

Intervention Node	Broad Intended Function
Primary Node	Only eThekweni is classified as a Primary Node within the provincial context as an urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy.
Secondary Nodes	Richards Bay, Msunduzi, Newcastle and Port Shepstone have been identified as provincial Secondary Nodes and thus urban centres with good existing economic development and the potential for growth and services to the regional economy.
Tertiary Nodes	These nodes are mainly centres, which should provide service to the sub-regional economy, and community needs and is represented by the following towns such as Pongola, Vryheid, Ulundi, Dundee, Ladysmith, Estcourt, Howick, KwaDukuza, Ixopo, Scottburgh, Hibberdene, Kokstad, and Margate.
Quaternary Nodes	These nodes are mainly centres which should provide service to the local economy and community needs and is represented by 31 towns, such as but not limited to: Nongoma, Nkandla, Bergville, Greytown, Underberg, uMzimkulu, etc.
Rural Service Centres	<p>The proposed Rural Service Centres are envisaged to serve as the lowest level of provincial nodes and could typically be established around existing traditional administration centres as well as other accessible rural points identified as periodic markets. These will be identified in consultation with the district municipalities and should serve as first access to basic services within rural areas. These rural service centres will include, and some have already emerged to include, a combination of the following activities:</p> <ul style="list-style-type: none"> ● Traditional administration centre. ● Taxi/ bus stop. ● Informal trading / market area. ● Social facility (clinic, library etc.). ● Skills development centre (mainly local schools), ● Mobile services point (mobile clinics, pension pay points, mobile library etc.). ● Small commercial facility. ● Recreational facility such as a sport field. <p>A conceptual model of these rural service centres will guide the formulation of a provincial implementation strategy towards the implementation of the proposed Rural Service Centres.</p>

4.6 Provincial Spatial Development Framework

Figure 25: Illustration of Composite Provincial Spatial Development Framework



The Broad Provincial Spatial Planning Categories (BPSPCs) that are indicated within the above-illustrated provincial spatial development framework should be interpreted as follow:

Figure 26: Spatial Planning Category and Broad Intended Land Use and Interventions

Spatial Planning Category	Broad Intended Land Use and Interventions
Landscape Corridors	Proposed regional critical conservation areas, which are linked in a continuous system of ecosystems and bioregions traversing the Province between the Drakensberg and the Indian Ocean. These areas were identified combining existing environmentally protected areas as well as conservation corridors proposed by Ezemvelo KZN Wildlife, through combining extensive environmental research into bio-resources throughout the Province as part of the formulation of a Critical Biodiversity Plan for the Province. These Conservation Corridors are not suggested as absolute “no-go” areas, but rather highlighted as areas of environmental significance to the sustainable development of the entire province. Where economic opportunity (such as tourism development) and high social need exist within these Conservation Corridors, it implies both that the rich natural environment should contribute to address such needs and potential, and further that any interventions in these areas need to consider the impact on such important regional ecological corridors. These corridors are however perceived as areas where extensive densification would be discouraged and sensitive development promoted.
Biodiversity Priority Areas	Areas with a significantly high biodiversity value expressed in the number of species and sensitive environments as identified through extensive research by Ezemvelo KZN Wildlife. These areas are most often located in close proximity to the identified Conservation Corridors and may serve as an additional buffer to these corridors. These areas too are not (at a provincial level) proposed as absolute “no-go” areas, but are identified to indicate areas where extensive densification would be discouraged and sensitive development promoted.
Areas of Economic Value Adding	The key economic centres and areas where all of the varieties of economic sectors (Agriculture, Tourism, Manufacturing, and Services) are prevalent and perceived to have good potential to be further expanded on. These areas are visibly linked to high accessibility areas with existing bulk infrastructure and relatively high population densities that would both contribute to the economic expansion and benefit from interventions in these areas. Due to these factors, further economic processing and value adding at a provincial level, are mainly proposed within these identified areas.
Areas of Economic Support	A number of regions resembled areas of good economic potential in more than just one of the key provincial economic sectors. Due to the fact that these areas represent a larger distribution across the entire province than the core areas of economic value adding, these zones are considered important areas of Economic Support. Typical interventions in these areas would

Spatial Planning Category	Broad Intended Land Use and Interventions
	include economic prioritisation of development, labour force interventions (e.g. skills development), key economic infrastructure investment and area promotion.
Areas of Agricultural Development	Relatively high agricultural production areas, which are not located within biodiversity areas combined with other potential economic sectors, are highlighted by this category to identify and promote areas with the potential to make a significant contribution through agricultural production. Although successful farming practices are already occurring on some of these areas, it is proposed that under-utilised agricultural land within these zones are more effectively utilised for sustainable agricultural production. Associated interventions may include agriculture specific infrastructure, skills development, market access interventions etc.
Areas of High Social Need	The highest ranges of combined social need when considering the population density, dependency ratio as the provincial index of multiple deprivations is illustrated by this category of high social need. These are broadly the areas where the most intensive social interventions are required and this category is further overlaid above all other categories to provide a spatial reference to the types of interventions, which might be pursued in addressing the concentrated social need within these areas. As an example where high social need is identified within an area earmarked as a conservation corridor, this firstly provides a reference to the fact that social conditions of communities will need to be addressed if any conservation is to be promoted within such areas. Further it suggests that the effective utilisation of the high biodiversity within such areas might be harnessed towards addressing social need through, for example, conservation tourism.
Undifferentiated Areas	The areas, which are not representative of any of the above-mentioned categories, are classified as undifferentiated areas. It is acknowledged that these areas also have communities residing on them with economic potential and environmental resources, however, based on the approach followed these areas weren't differentiated to the same degree as the identified preceding categories. It is therefore important that this category is not neglected in public and private interventions and, as the various departmental programmes are inclusive in nature, these areas should also benefit from it. It is anticipated that the intensity of such programmes and the total portion of resource allocation to these areas would be less than the identified categories and the key intervention areas identified previously.

In order to ensure the resulting Provincial Spatial Development Framework (SDF) guides and coordinates spatial planning within district municipalities, it is envisaged that a series of sub-regional plans (e.g. Conservation and Investment Corridors) will follow. Furthermore each the Provincial SDF has been extracted to each district municipality level in order to provide a mechanisms for discussion and alignment of District SDFs to the provincial level plan and ultimately with each other.

4.7 Implementing the Provincial Spatial Development Framework

The Kwazulu-Natal Provincial Spatial Framework represents the long term spatial vision of the province. As such it is not merely a short term prescriptive masterplan to be implemented, but rather a framework for:

- aligned and integrate sectoral / departmental planning on a regional scale which will result in the co-ordinated planning, budgeting and implementation by the spheres of government and SOEs, and
- local communities and the private sector investor to have greater certainty in the spatial growth and development within the province as well as the opportunities it presents.

The implementation of the PSDF will require the following elements to be addressed:

- 1. Co-operative Spatial Planning and Governance** – The continuously improving integration of planning and governance amongst spheres of government and departments. This will also include support to local municipalities both in terms of guidelines and provincial norms and standards, but also in the gathering and distribution of data and shared services and support where needed.
- 2. Effective Development Partnerships** – The formulation and implementation of effective mechanisms to involve the private sector and communities in planning and implementation processes. This will require a) effective communication channels and working relationships, b) streamlined administrative processes and c) a mechanism to unlock or fast track provincially significant developments and investment such as bulk regional infrastructure (traversing multiple local municipalities) or large scale foreign investment into developments which will have a significant regional and local economic benefit.
- 3. Catalytic Interventions** – Such interventions will include (but is not limited to) major strategic capital investments into regional economic and infrastructure, as well as effective spatial knowledge management, dedicated spatial targeting instruments (e.g. Provincial Housing Development Areas, Urban Development Zones etc.) and land assembly. It is important that such catalytic interventions consider and enable the national and provincial strategies aimed at growth and development (e.g. Special Economic Zones, Agri-Parks etc.).
- 4. Monitoring of Spatial Transition and Performance** –The introduction of a planning performance, monitoring and evaluation system, a set of SMART (Specific, Measurable, Achievable, Relevant, Time bound) indicators to be developed and applied at provincial, district and local municipal level. These should measure progress on delivering on the Provincial spatial target, its spatial transformation and governance components.

A vital part in the implementation of the PSDF would be the manner in which it manifests and contributes to the District Growth and Development Plans as well as the District Spatial Development Plans (as guidance to local SDFs). Within the PSDF, a spatial expression of the plan is provided for each district as well a translation thereof into the implications for the DGDP and DSDF as it relates to planning co-ordination, proposed local partnerships, catalytic interventions as well as monitoring and performance matters.

5 Implementation of the PGDS through the PGDP

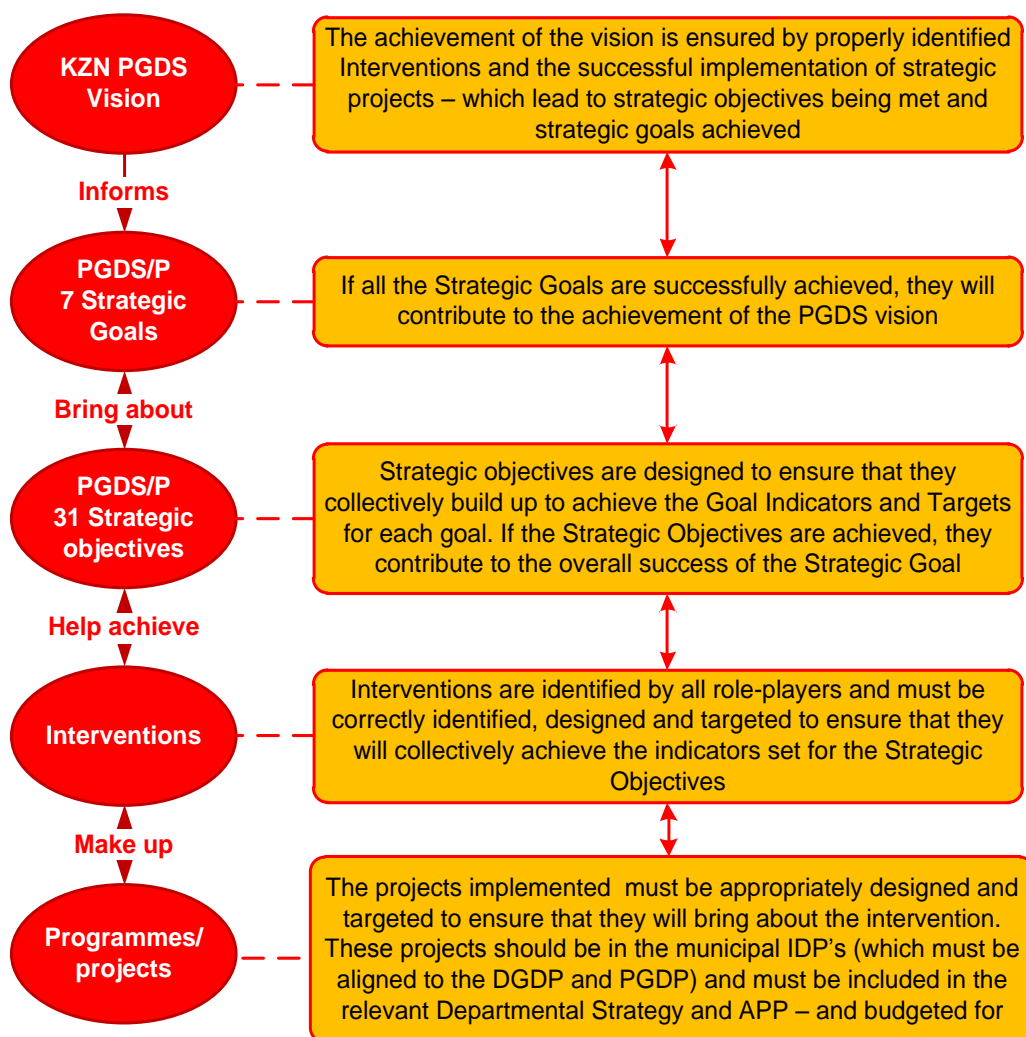
The *Provincial Growth and Development Strategy* (PGDS) sets the 20 year Vision for the Province as well as the Strategic Goals and Objectives that will drive the Strategy. The *Provincial Growth and Development Plan* (PGDP) provides the implementation framework for the PGDS and describes the desired outcomes in respect of each Strategic Goal and Strategic Objective through indicators, interventions and targets. To measure progress over 20 years, the PGDP targets are set in 5 yearly intervals.

The 2011 – 2030 PGDS served as the basis of the first version of the Provincial Growth and Development Plan (PGDP) adopted in 2012, as well as subsequent annual refinements of the PGDP. The 2016 – 2035 PGDS now forms the basis for the revision of the 2016 version of the PGDP. In this manner the PGDS and PGDP will remain updated and relevant.

Implementation through the PGDP is further guided through the *Quick Start Manual for the Implementation and Review of the Provincial Growth and Development Plan*. This is updated annually and can be found on the following website : www.kznppc.gov.za.

The interconnectivity of the PGDS – PGDP is described in the following diagram:

Figure 27: Linking the PGDS to PGDP through Implementation Plans



5.1 Catalytic Projects as key to successful implementation of the Strategy

There is a very clear and emphatic emphasis on processes and mechanisms to enhance implementation of the Strategy. Whilst recognising the value of a long term vision and strategy, there is an equal recognition of the need for a clear implementation plan with a focus on immediate action and the attainment of short term gains. One of the processes to be pursued in this regard is to ensure that the strategy and its objectives are driven by a range of Catalytic Projects. A Catalytic Project is defined as a project of significant scale and scope that will make a substantial impact and contribution to the achievement of the vision and goals of the Province.

The significance of a project being awarded “Catalytic” status is that it will confirm that such a project had been subjected to a screening and prioritisation process of the Provincial Planning Commission and the Infrastructure Coordination Work Group. As such, Catalytic Projects will receive preferential facilitation support and guidance, in recognition of the contribution such a project can make to achieve the growth targets of the Province. These Catalytic Projects will form an integral part of the Provincial Growth and Development Plan (PGDP), which will be reviewed and adopted by the Provincial Executive Council annually.

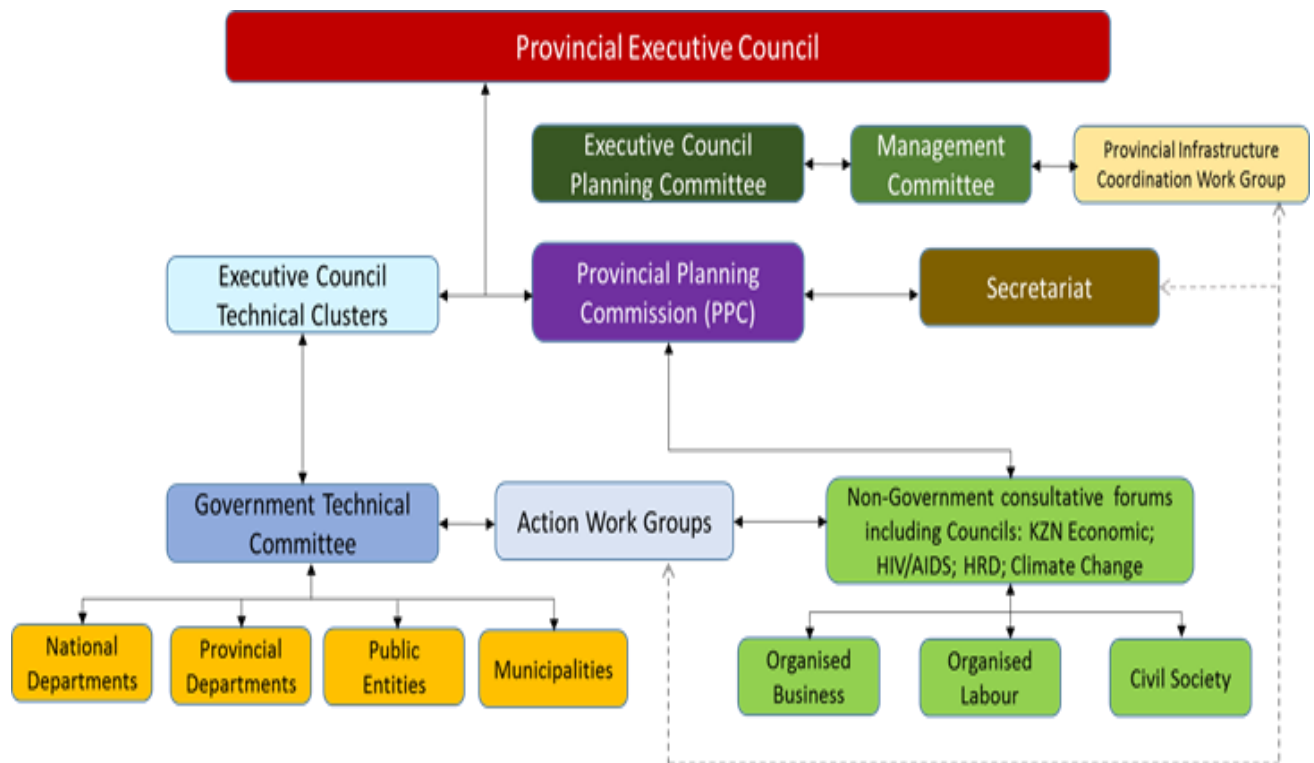
Figure 28: Catalytic project categories

Catalytic projects			
	Major needs	Major Enablers	Game changers
	This applies to projects that are meant to address wide-scale regional needs	This applies to projects that will unlock downstream infrastructure services	This applies to projects that will structurally change the economy
National and parastatal focus areas / competencies	<ul style="list-style-type: none"> • Flagship Integrated Human Settlements • Higher education facilities • Health facilities • Business incubators • Skills centers 	<ul style="list-style-type: none"> • Class 1 roads upgrade • Freight Rail upgrades • Pipeline infrastructure • ICT infrastructure • IRPTN / IPTN • Energy Upgrades / Power plants / Subs • Dam development 	<ul style="list-style-type: none"> • Airport Development • Port Development • Intermodal Development • Mining Licenses • Refinery • IDZs / SEZs
Provincial competencies	<ul style="list-style-type: none"> • Flagship Integrated Human Settlements • Hospitals • Small Town Rehabilitation & Urban renewal • Business incubators • Skills centers 	<ul style="list-style-type: none"> • Class 2 & 3 roads upgrade • Intermodal • IRPTN / IPTN • Energy Upgrades • Dams / Water transfer schemes • WWTW 	<ul style="list-style-type: none"> • Airport Development • IDZs / SEZs • Technology Hubs • Industrial Hubs • Cluster Parks / Industrial Parks • AgriZone / AgriParks
District, Metro and Local Govt. competencies	<ul style="list-style-type: none"> • Flagship Integrated Human Settlements • Urban Renewal • Business incubators • Skills centers 	<ul style="list-style-type: none"> • Class 3 & 4 roads upgrade • IRPTN / IPTN • Energy Upgrades • Water transfer schemes • WWTW • Substations 	<ul style="list-style-type: none"> • Airport Development • IDZs / SEZs • IT / Technology Hubs • Industrial Hubs • Industrial Cluster development • Intermodal • New nodal development

5.2 Institutional Framework for Implementation

The institutional framework entrenches accountability for the implementation of the PDGS and promotes an integrated, action-orientated approach with the involvement of all the social partners, relevant stakeholders and government, as indicated in the diagram below.

Figure 29: Institutional Framework and Organisations



The implementation and refinement of the PGDP has been institutionalised through the system or structure of Action Work Groups. These PGDP Action Work Groups (AWGs), of which there are 18, have been set up to take responsibility for the implementation and reporting of the various Strategic Objectives of the PGDS/P, as well as to provide input to the annual refinement of the PGDS/P. These AWGs operate across government departments and external stakeholders to promote collaborative planning, resource allocation, implementation and reporting. The strategic objectives of the PGDS/P are assigned to the AWGs.

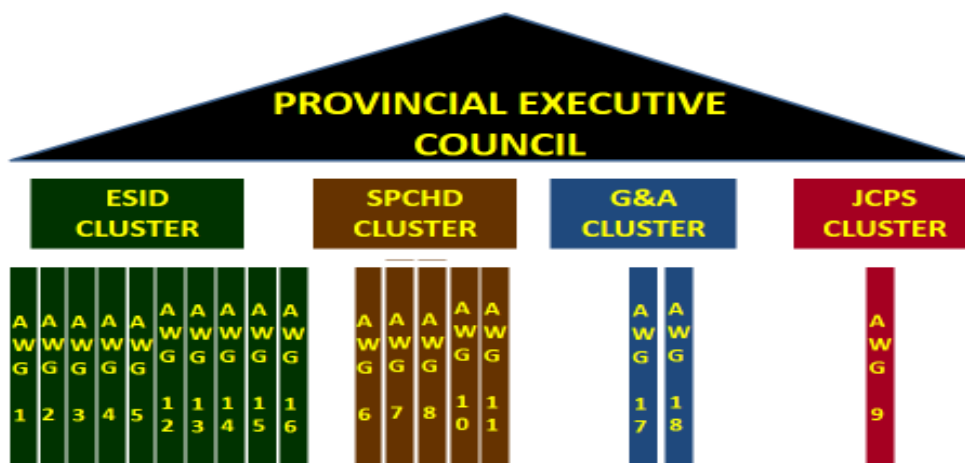
6 Monitoring and Evaluation

The monitoring and evaluation of the implementation of the PGDS/P is driven through the Cluster system which underpins the Provincial Executive Council as the apex decision making body in Provincial Government which is ultimately responsible for the performance of Provincial Government, including performance on the PGDS/P. The four Provincial Executive Council Clusters are:

- Governance and Administration (G&A);
- Economic Sectors and Infrastructure Development (ESID);
- Social Protection, Community and Human Development (SPCHD); and
- Justice, Crime Prevention and Security (JCPS).

There are four corresponding Technical Support Clusters which support the Executive Council Clusters. The 18 Action Workgroups report to the Executive Council Clusters on the implementation of the PGDP, as indicated in the following diagram:

Figure 30: Reporting Structures



For more information on the functioning of the Action workgroups, please refer to the *Quick Start Manual for the Implementation and Review of the Provincial Growth and Development Plan*. This is updated annually and can be found on the following website : www.kznppc.gov.za.

The 2016 PGDS will provide a firm basis for the development of annual PGDPs as the implementation framework for the strategy. The PGDS Technical Committee will drive the implementation of these interventions in dialogue with the relevant supporting partners to ensure that the strategic outcomes are achieved through improved alignment, coordination, partnerships and good governance.

The Provincial Growth and Development Plan (PGDP) the implementation framework encompassing the monitoring, evaluation, reporting and reviewing components, brings together the proposed key indicators, targets and interventions needed to achieve the strategic objectives and high-level goals identified in the 2016 PGDS.

The Technical Committee, and the Provincial Nerve Centre based in the Office of the Premier, will formulate, capture and evaluate a wide range of data to assess the effectiveness of the provincial

government departments and entities that will be responsible for implementing many of the strategies and interventions of the PGDS.

Similarly the KZN Provincial Planning Commission (PPC) is expected to play a leading role in monitoring and facilitating alignment in the planning and execution of development strategies across a wide range of stakeholders, but in particular with regard to the alignment of the three spheres of government in the Province.

The 2016 KZN PGDS sets out a growth and development strategy for the Province to 2035 and hence inherently requires periodic review to ensure that the strategy remains relevant and that progress towards achieving its goals and objectives is monitored and evaluated.

For the 2016 KZN PGDS to deliver on shared growth and integrated, sustainable development through its interventions, all spheres of government must commit to the following:

- (a) The incorporation of the strategic goals and objectives in their priorities and programmes; Effective participation in the institutional implementation framework;
- (b) The implementation of catalytic projects and interventions;
- (c) The provision and allocation of the required support and resources; and
- (d) The reporting of progress.

7 Way Forward

The 2016 PGDS will serve as a basis for the drafting of the PGDP 2016.

The PGDS will be reviewed every 5 years and the PGDP will be reviewed annually. Progress reports on the implementation of the PGDP will be submitted on a quarterly basis by the Action Work Groups to the Executive Council Clusters and on a half-yearly basis to the Provincial Executive Council Makgotla as well as to all stakeholders via the institutionalised implementation structure.

The commitment of the various stakeholders is critical in bringing to fruition the KwaZulu-Natal 2016 Provincial Growth and Development Strategy. Hence, in the institutionalisation of the 2016 PGDS, the partners commit as follows:

- (a) Government will be developmental, competent, caring and facilitating,
- (b) Private Sector will grow a shared economy and provide employment,
- (c) Labour will be protect workers from exploitation while promoting labour productivity, and
- (d) Civil Society will be responsible for shaping its own destiny.