

**OPENING REMARKS BY MEC FOR ECONOMIC
DEVELOPMENT, ENVIRONMENT AND TOURISM,
MR MN MOKOENA, MPL, DURING THE DEPARTMENTAL
STRATEGIC PLANNING SESSION HELD AT
MTPA AUDITORIUM IN NELSPRUIT**

06 to 07 February 2012

The Head of Department, Dr Vusanani Dlamini

CEO of MGB, Mr Bheki Mlambo

Acting CEO of MTPA, Dr Nthabiseng Motete

Acting CEO of MEGA, Mr Elvis Rabohali

Officials of the Department and Public Entities

Ladies and Gentlemen

Good Morning

I would like to start by reminding you that on the 8th of January 2012, South Africa, the African continent and diaspora celebrated a historic anniversary which marked the ANC 100 years of existence.

This historic anniversary occurs at a critical moment in the struggle against Poverty, Unemployment and Inequality which have become a central focus of the ANC led government.

The Constitution of the Republic of South Africa adopted in 1996 enjoins us in our resolve to remain unwavering to the commitment of a better life for all citizens.

The freedom of our people that was attained in 1994, and the subsequent overwhelming mandate given to the ruling party through at least four (4) national elections and four (4) local Government elections must find expression in our plans and day to day operations.

Since I joined the DEDET family in October 2010, I have consistently quoted President Jacob Zuma in his inaugural state of the nation address when he said *“The creation of decent work will be at centre of our Economic policies and will influence our investment attraction and job creation initiatives. In line with this we have to forge ahead to promote an inclusive economy”* close quote.

I am happy to pronounce that DEDET's Vision and Mission statement is in sink with the President's inaugural state of the nation address, and I wish to re-state the vision and mission statement of the department verbatim.

Vision : “An inclusive globally competitive economy”

Mission Statement: “Drive Economic growth that creates decent employment and promote sustainable development through partnerships”

Ladies and Gentlemen, I must hasten to remind you that this is a shared vision and mission statement that encapsulate our collective desired future in the global economic space.

This means that from time to time we will convene in a manner we have done to re-focus and re-align our plans to this Vision and Mission statement which summarizes our collective resolve.

It is my considered view that, there is a clear and compelling evidence that, the provincial balance sheet on poverty alleviation, job creation and equality shows a critical deficit, and thus as a province we cannot continue with business as usual characterized by strategic plan, annual performance plans and budget plans with glaring faultlines.

These planning faultlines if remain unchecked pose a potential risk to erase or reverse the gains accruing from the glorious political, economic and social milestones achieved since 1994.

However, the over-arching question should always be whether or not our plans and approach as a department/province are still relevant to the direction the country is taking.

We are alive to the fact that in November 2011, the National Planning Commission has released a national draft plan which sets out key targets for 2030, and the steps or decisions required to achieve the plan.

The key result areas of the draft plan include among others:

- **Creating jobs and livelihoods**
- **Expanding infrastructure**
- **Transition to low Carbon Economy**
- **Creating an inclusive and integrated rural economy**

I have no doubt that both our five (5) year strategic plan and Mpumalanga Economic Growth and Development Path (MEGDP) are aligned to this long term vision.

However, this brings me to the fundamental question to be answered in this strategic planning session, are we as DEDET (HQ) doing what we are suppose to be doing?

Taking a glance of our nine (9) months performance review, I get a sense that significant percentage of planned-output for 2011/2012 is not going to be achieved.

Some of the key planned outputs for 2011/2012 include:

- **Established water bottling plant in Gert Sibande (Mkhondo Local Municipality)**
- **Establishment of the paint making plants in all seven CRDP municipalities**
- **Establishment of the chemical and detergent production plants in the CRDP municipalities**
- **Finalization of the climate change response strategy**
- **Entrepreneurship schools of excellence**
- **Establishment of district co-operatives movements**
- **Feasibility study on co-operative banks**
- **Establishment of partnership with institutions of higher learning**
- **Establishment of One Stop centre**
- **Establishment of a filter bags plants in all municipalities**

- **Establishment of food processing plants in all municipalities**
- **Greenest municipality competition**

Just to mention but a few; and the reason which cuts across is the issue of budget. When I joined the department, I posed the question whether it should be DEDET or its agencies who must implement projects.

To my re-collection, it was unanimously agreed upon that project implementation will henceforth be cascaded to the agencies.

This has not happened, instead I still hear agencies complaining that certain projects belong to the shareholder.

It was our view that the shareholder should remain with strategic functions which must inter-alia include:

- **Policy determination and regulatory functions**
- **Monitoring and Evaluation of the programme of action for the MEGDP**
- **Facilitate the creation of enabling environment which must include the strategy to reduce cost of doing**

business in our province. (eg. Red tape reduction, One Stop Service Centres)

- **Facilitating economic empowerment of those who suffered from the historical economic exclusion targeting the youth, women and people living with disabilities by strengthening micro-enterprises ability to transact and negotiate with established business.. This can be done through training for SMME”s in product development to enable them to improve quality of their product.**
- **We need a more structured approach to ensure that developmental finance Institutions are accessed by those who are hard-hit by historical economic exclusion. If we are to narrow the gap between the first and second economy.**

INTERGRATED ACCESS TO NATIONAL FUNDING

There has been a number of funds that have been announced to support and sustain Economic Growth including the R9 billion job creation fund and the R10 billion IDC fund which looks at among other things, revitalization of the manufacturing sector.

These funds are funds that, among other things should help to attract, even investors from outside our Province to set up their factories in Mpumalanga and foster expansionary growth.

Through the agencies we should ensure that Mpumalanga gets its fair share from these funds.

All we need is to adequately prepare and present well structured projects based on sound business principles of financial viability and significant potential for job growth.

Without these direct interventions, we as a province could potentially forfeit accessing funding for catalytic initiatives to rive economic growth above national norms.

This area of work must also be at the centre of our planning.

What DEDET (HQ) should focus on is “strategy and policy development”, and this should be our cost driver in real terms. Agencies should accordingly focus on project implementations.

I am aware that some of the strategy documents are already in place although most of them are still in a draft format. We need to commend responsible programme managers with their respective teams for the efforts exerted.

HOD, you need to ensure that these strategy documents are finalized and approved accordingly. However, the proof of the pudding is in the eating, it is one thing to have strategies in our shelves and it is something else to get them implemented, monitored and evaluated.

The point of emphasis here is that our budget if only enough to support strategy and policy formulation coupled with strategic empowerment programmes for SMME”s and Co-operatives.

Project implementation should be the subject of engagements with all three agencies of the department.

Albeit the challenges I have alluded to a lot has been achieved and it is important that we should all get a sense of synergy to build on these achievements.

ACHIEVEMENTS (High Level)

- Firstly, we manage as a collective to develop a new vision and mission statement for the department informed by the reconfigured mandate defined by outcome four (4) and ten (10).**
- The plans and roles of the entities were accordingly aligned to the shareholder’s new vision and mission.**

- **Measures were put in place to stabilize agencies which were riddled by challenges of poor governance.**
- **We are almost ready to present the final draft of the programme of action for MEGDP.**
- **As I have already indicated, a number of critical strategies have been developed.**
- **The department got unqualified audit opinion for the 2010/2011 financial year.**
- **We hosted a successful provincial COP17 Summit and 2011 Metro Awards and many more operational success stories.**

Having said that, there are still few areas which I will direct this planning session to pay urgent attention to:

- **Non-finalization of the organizational structure**
- **Lack of Institutional arrangement to support MEGDP and CRDP**
- **Failure to define the role of regional offices which are also currently under-resourced**
- **Absence of a monitoring tool for job creation projects in all sector departments in the province.**
- **Lack of a coherent empowerment programme for SMME's Co-operatives, youth and women entrepreneurs, current support programmes are**

disjointed and scattered making it difficult to measure our impact.

- Non-execution of plans characterized not only by lack of budget but also organizational culture of poor discipline, leadership and lack of requisite skills.
- Enhancement of our research capacity and a need to capitalize on our economic strength and cease opportunities as they present themselves.
- Improving our project management, monitoring and evaluation capacity has been an elusive exercise and I have directed at some point that all employees should undergo basic training in project management.
- Failure to implement Mpumalanga Liquor act remains a thorn in the flesh.
- Failure to implement provincial trade and investment promotion strategy.

PLANNING CYCLE

I welcome the fact that some of these challenges are being addressed by the new set of priorities for 2012/2013, although we seem to be repeating the same mistake of focusing on projects with no budget attached to them, remember as I said our baseline allocations can only address our core role of facilitating enabling economic environment in the province.

Planning and budgetary processes in our department were found wanting on a number of occasions, and a point in case is this very planning session.

You cannot have a departmental strategic planning session after PMC Lekgotla, to me logic dictates that the presentation at PMC Lekgotla is supposed to be informed by the departmental strategic planning decisions in respect of 2012/2013 priorities.

A Strategic Planning Session is meant to take stock of milestones in respect of target set for the year under review, conduct an in-depth diagnostic exercise on the root causes of performance gaps rather than just opting for any easy escape route namely “Lack of fund.”

Furthermore, corrective and pro-active measures must be set, and marching orders in the form of priorities for the coming financial year must be agreed upon by this collective of men and women, and these priorities therefore, must constitute a departmental mandate to both PMC Lekgotla and Cabinet Lekgotla.

This also applies to budget submissions to treasury, which I am told occurred months before we finalized departmental APP priorities. It is my considered view that plans should not chase the budget but it should be the other way round even if it means not all our priorities will necessary be covered by the baseline allocations.

This anomaly will have to be corrected because by now as technocrats you should know government planning and budgetary cycles.

As the political head of this institution I do not want anything less that a well-oiled machinery that is accountable, transparent and people-centered as a pre-requisite for delivery on our mandate.

We need to spare no effort in changing the Organizational culture and demand professionalism, excellence and accountability for results.

We need to create a “high performance” culture, and for this to happen effectively we need to conduct proper performance management. I said at some point, we must reward those who are doing their duties with excellence and

equally ensure that there are consequences for poor or non-performers.

In yesterday's City Press dated 05 February 2012, I read an article written by Professor William Gumede an honorary associate professor at the Graduate School of Public and Development Management at Wits, the article uses Ruel J Khoza's book titled Attuned Leadership as its main source of reference wherein Khoza argues strongly that Leadership has been the difference between success and failure in many countries and mediocre organizations.

A reference is made to the dynamic economic miracle of states of East Asia, such as South Korea and Singapore who are doing better than some of their former colonizers.

Therefore, South Africa and many African States cannot continue to blame the unfortunate historical legacy because that is half the story at the core of challenges is the failure of leadership.

The article then goes on to draw parallels of this analogy with leadership in a corporate environment.

Key pillars of strong leadership which I want you to take note of are outlined – namely:

- **Emotional Intelligence (knowing what to say when, what to do or should not do under what circumstances)**
- **Secondly, as a leader in whatever level you must be attuned to the needs and aspirations of your followers – do not just rely on authority, because authority on its own has its own limitations**
- **Being moral and ethnically centered (Lead by example, remain impartial by bracketing your emotions in taking decisions)**
- **Being attuned to history, the present and destiny (organizations will always require visionary leadership which is equipped with tactical awareness of the environment).**

Importantly, Khoza argues and I quote *“Leadership requires the active participation of followers as a mutual engagement between leaders and followers”* Three central tenets of good leadership are often missing in African Leadership:

- **Morals**
- **Values and**
- **Ethics**

I deliberately bring this article to the fore to caution all and sundry that successful organizations are not only driven by resources but quality of management leadership at all levels is always going to be important.

If we are to be counted among the best not only by media assessment as it happened over the last few weeks but also by the people we are meant to serve.

Finally, I take the opportunity just to say a BIG Thank You to all those men and women who are hard at work always prepared to go an extra mile, your efforts have not gone unnoticed, keep up the good work.

I am looking forward to fruitful engagements led by critical thinking of this leadership.

I thank you.