



# The South African Economic Reconstruction and Recovery Plan

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# CONTENTS

1. Background
2. Objectives of the Plan
3. Key Observations
4. Key Enabling Factors
5. Interventions Per Priority Area
6. Social Compact by Partners
7. Structural Reform
8. Intervention on Crime and Corruption
9. Resource Mobilisation
10. Monitoring and Evaluation
11. Implementation Plan
12. Implications
13. Risk Mitigation
14. Recommendations



# BACKGROUND

- ▶ The COVID19 pandemic has had the effect of aggravating the economic challenges confronting South Africa.
- ▶ As a result, the Economic Reconstruction and Recovery Plan has two aims:
  - ▶ to deal with **immediate actions** towards economic recovery amid covid-19
  - ▶ **Rebuild and grow** the economy ensuring sustainability, resilience and inclusion.
- ▶ Cabinet adopted a draft Economic Reconstruction and Recovery Plan that identifies catalytic and enabling actions with an overarching goal to rebuild and grow the economy ensuring sustainability, resilience and inclusion.
- ▶ The purpose is to provide for economic interventions that lift the country's overall economic performance by delivering South Africa to the generation of inclusive growth.
- ▶ Break the cycle of low economic performance, weakness in production and poor labour market outcomes by using infrastructure, localisation, re-industrialisation as levers to stimulate economic activity and to raise the standard of living in marginalized communities.
- ▶ The final Action Plan is being developed taking into consideration detailed consultation between all social partners. It sets out both their collective and individual commitments made in respect of a focused number of areas, which are expected to build investor, consumer and public confidence in the short term and turn the economy around in the medium to longer term.



# OBJECTIVES OF THE PLAN

1. Implementation of agreed reforms to stimulate investment growth and building the capacity of state;
2. Stimulate growth and job creation through implementation of Infrastructure Development Programme and industrialisation centred on localisation and growing export sectors;
3. Social protection through Mass Public Employment Programme; and
4. Strengthen Empowerment, transforming ownership patterns in the economy including participation of vulnerable groups and further strengthening of the role of SMMEs and cooperatives across the economy



# KEY OBSERVATIONS: PRODUCTION & JOBS



Source: StatsSA

## KEY OBSERVATIONS

- The COVID19 pandemic has had the effect of aggravating the economic challenges confronting South Africa.
- The pandemic has resulted in sever job losses and collapse in production.
- In 2020 (Q2) over 2.2 million South Africans lost their livelihoods whilst production concomitantly collapsed to unprecedented levels.
- Significant jobs losses were recorded in Private Households (-24%), the Construction Sector (-21%), Manufacturing Sector (-15%), Mining (-14%), Community and Social Services (-14%)
- Estimations are that the economy will contract by about -7% for the year 2020, with a potential loss of 3 million jobs affecting both large businesses and SMMEs.
- The highly subdued demand conditions and production activity across most manufacturing sub-sectors and some mining segments, tourism, services and creative sectors will continue to impact on the performance of companies, their profitability and financial sustainability.
- Various private business enterprises are either postponing or cancelling investment projects for the time being, until demand conditions improve meaningfully and uncertainty levels subside.



## KEY ENABLING FACTORS

1. Build a strong social compact that unlocks scarce resources, both human and financial, and further facilitates trade-offs in society as well as building consumer and business confidence;
2. Ensure that the population is skilled and equipped to be more productive in the economy;
3. Adaptation to the “new normal” as society transitions to a reality of co-existence with COVID19; and
4. Macro-economic stability, particularly fiscal sustainability.



# INTERVENTIONS PER PRIORITY AREA (1/4)

## 1. Ensuring Energy Security

- ▶ *Phase 1:* Reliability of supply, enabling generation for own use, issue RFQ for Liquid Petroleum Gas.
- ▶ *Phase 2:* Separation and unbundling of Eskom and implementation of the IRP to ensure diversification of resources
- ▶ *Phase 3:* Gas-to-liquid programme, preparation for Nuclear Built Programme and the Liquid Natural Gas import framework and architect.

## 2. A thriving industrial base that creates jobs

- ▶ *Phase 1:* Support for local manufacturing as well as firms and households in distress, strengthen SMMEs and cooperatives on the back of localisation and support for badly affected labour intensive industries.
- ▶ *Phase 2:* Deal with confidence boosting measures including land rights, digital migration, mineral rights etc., and implementation of employment tax incentive and cutting of red tape and improve the ease of doing business.
- ▶ *Phase 3:* Strengthen regional and global trade including review of trade arrangements and commercial/economic diplomacy with strategic markets, deepen localisation including innovation and financial inclusion, and implementation of an innovation aimed at sustainability of returning workers to labour intensive industries.



# INTERVENTIONS PER PRIORITY AREA (2/4)

## 3. Mass Public Employment Programme

- ▶ *Phase 1:* Build and maintain community infrastructure, implement environment and circular economy programme, strengthen education support, support ECD and community health, support food security programmes and invest in creative and cultural sectors.
- ▶ *Phase 2:* Scale up and replicate the ZIBAMBELE programme
- ▶ *Phase 3:* Skills development, intensify the interventions in the arts and cultural sector, support the “COVID Class” of 2020 graduates, environmental restoration and ecological services programme as well as war on waste.

## 4. Infrastructure that meets NDP 2030

- ▶ *Phase 1:* Accelerate implementation of shovel ready projects and those identified through the DIDS process as well as regulatory reforms aimed at increasing private sector participation/investment.
- ▶ *Phase 2:* Implement NPC recommendations on state procurement and projects oversight, rebuild SA construction sector, encourage private sector investment in infrastructure through IPPs, rail and ports concessions, strengthen PPP Framework, Digital migration, maintenance of public buildings and deal with SOE infrastructure governance mechanisms.
- ▶ *Phase 3:* Broadband rollout, Bulk Water infrastructure, and energy and transport sector reforms, and development and implementation of a National Infrastructure Plan and pipeline.



# INTERVENTIONS PER PRIORITY AREA (3/4)

## 5. Macro-Economic Interventions

- ▶ *Phase 1:* Restore and strengthen revenue collection capacity including dealing with tax morality; illicit economic; quality of spending and corrupt, put measures to support liquidity and credit flows, continue to protect workers through UIF, ensure fiscal prudence including the management of wage bill, and put in place tools to support the “new normal” at workplace.
- ▶ *Phase 2:* Review the Tax Employment Incentive with the view to support vulnerable sectors and small business and well as review of VAT progressivity focusing on food security and vulnerable household.
- ▶ *Phase 3:* Tax holidays and tax relief for people and business and businesses in vulnerable sectors, reorganisation and repurposing of SoEs, and facilitate access to domestic savings for greater investment into non-consumptive public expenditure.

## 6. Green Economy

- ▶ *Phase 1:* waste recycling, beneficiation and transition to circular economy; market tools, local beneficiation and export potential ash, gypsum, slag and biomass. Waster picker integration and revitalisation f buy-back centres and operationalisation of landfill sites.
- ▶ *Phase 2:* Increased issuance of green bonds as a measure to reduce carbon footprint and increase use or sourcing of green climate finance to fund just transition.
- ▶ *Phase 3:* diversion of waste from landfills to industries (batteries, lighting, e-waste, tyres, paper and packaging).





# SOCIAL COMPACT BY PARTNERS

Three focus areas have been identified, namely:

1. Aggressive infrastructure investment;
2. Employment orientated strategic localisation, re-industrialisation and export promotion; and
3. Enabling conditions and a supportive policy environment.

All these actions must be underpinned by the need for enhanced job and social protection, food security and building a capable state, together with improving competitiveness and productivity across the economy .

2

PRIORITY  
FOCUS AREAS

**Aggressive Infrastructure investment and delivery (network industries, large scale, community based/social, maintenance) with a focus on:**

- Secure and affordable energy including a just transition to a low carbon future;
- Improving efficiencies and capacity of rail, ports and road infrastructure;
- Communication infrastructure including release of spectrum, and broadband
- Water security; and
- Social infrastructure including housing, schools and other facilities.

**Employment orientated strategic localisation, re-industrialisation and export promotion with a focus on:**

- Expanding mining;
- Revitalising manufacturing in light of changed global conditions;
- Defending and rejuvenating the tourism, hospitality, leisure and entertainment industries;
- Growing the digital economy including global business services, recognising and accommodating emerging platform work, access to e-commerce & e-learning;
- Supporting agriculture and agro-processing;
- Developing the green economy; and
- Focusing on the opportunities through greater African economic integration.

**Enabling conditions and a supportive policy environment for a new accelerated, inclusive, transformative growth trajectory with a focus on:**

- Strengthening employment and empowerment related policy and legislation;
- Mass public employment programmes for inter alia community infrastructure, environment, health care, education and ECD support;
- Management and mobilisation of financial resources;
- Skills development and transformation with a particular focus on black industrialists, women, youth and persons with disability; re-skilling and upskilling to embrace digitalisation and mitigate retrenchments;
- Massively increasing the participation of and benefits to black communities in the economy;
- Anti-corruption; and
- Expediting the submission of agreed legislation to Parliament.



# STRUCTURAL REFORMS

The Action Plan has been developed through detailed consultation between all social partners. It sets out both their collective and individual commitments made in respect of a focused number of areas, which are expected to build investor, consumer and public confidence in the short term and turn the economy around in the medium to longer term.

1

ROLE OF  
THE SOCIAL  
PARTNERS'  
ECONOMIC  
RECOVERY  
ACTION  
PLAN  
("ACTION  
PLAN")

These structural reforms include *inter alia*:

1. Modernizing and reforming network industries and the associated state owned enterprises (such as electricity, road, rail, ports and telecommunications) so that lower costs and increased efficiency can improve business competitiveness;
2. Re-orienting trade policies and pursuing greater regional integration to boost exports, employment and innovation;
3. Lowering barriers to entry to make it easier for businesses to start, grow, and compete;
4. Supporting labour-intensive sectors such as tourism and agriculture to achieve more inclusive growth;
5. Creating greater levels of economic inclusion, including through addressing high levels of economic concentration;
6. Addressing the weak job-creating capacity in the economy;
7. Boosting education and skills development;
8. Promoting greater beneficiation of raw materials; and
9. Addressing racial, gender and geographical inequalities which hamper deeper economic growth, inclusiveness and greater economic development.

The social partners **attach equal significance to the short and longer term measures** and commit to work together to engage, negotiate, implement, mobilise resources and ensure alignment to the planning and budgeting processes of government.

The Action Plan also sets up collaborative and collective **implementation arrangements** to implement the agreed short term measures and develop road maps for the medium to longer term ones.



## INTERVENTION ON CRIME AND CORRUPTION: COLLECTIVE SHORT TERM ACTIONS TO ACCELERATE ECONOMIC RECOVERY

To accelerate the fight against corruption and criminality, the social partners commit to:

3

1. Embarking upon a multi-stakeholder campaign to deal with the illicit economy, including protection rackets for jobs and the illegal occupation of construction sites by armed gangs, that has a crippling effect on the economic contribution of mining, construction and other sectors which also creates environmental damage;
2. Supporting efforts by the President to act against public office bearers and officials who may be, or are, guilty of corruption and the waste of public resources, including through enforcing available legislation with urgency, supporting the work of the Fusion Centre and lifestyle audits;
3. Increasing the human and financial resources of law enforcement agencies and the judicial system (including specialised courts where possible) so that prosecutions can be speeded up, including of those against whom allegations have been made at the Zondo Commission;
4. Ensuring that all government procurement transactions are reported in a transparent manner on an open platform;
5. Business organisations taking firm and decisive action, together with law enforcement agencies, against private companies and professional services firms in the business community that facilitate collusion and corruption, including state capture; and
6. Civil society and trade unions acting against corruption in their organisations, or against officials and office-bearers who facilitate corruption, including state capture.

BUILDING  
ACTIVE  
PARTNERSHIPS  
TO  
FIGHT  
CORRUPTION  
AND  
CRIMINALITY



# RESOURCE MOBILISATION: COLLECTIVE SHORT TERM ACTIONS TO ACCELERATE ECONOMIC RECOVERY

3

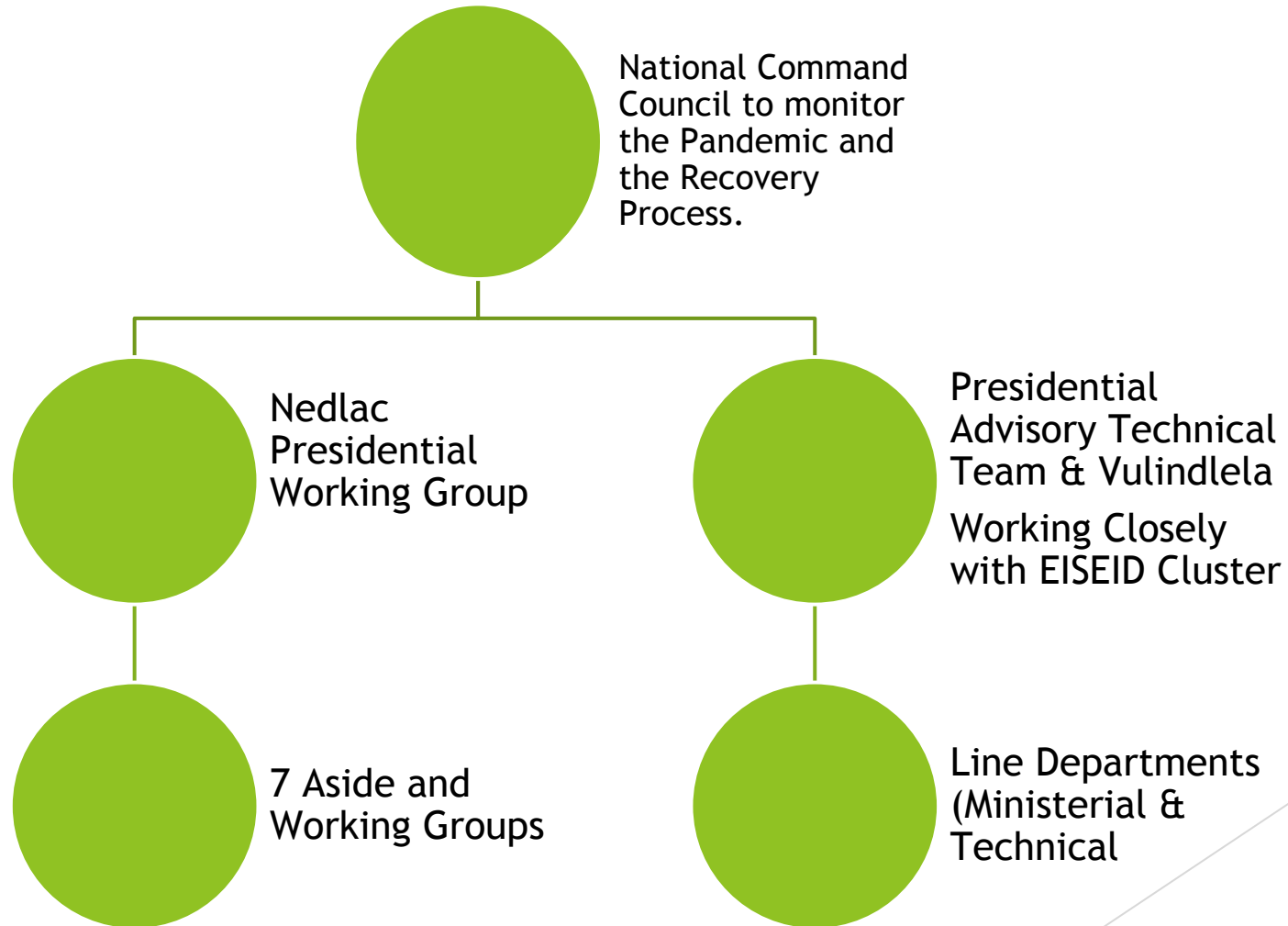
The steps taken in this regard cannot undermine the integrity of the financial system or the government budgeting process and should be consistent with the need to achieve fiscal sustainability. The social partners thus commit to boost business confidence and public trust and through/ to

1. Joint initiatives co-ordinated by government to optimise the mobilisation of international and domestic resources to demonstrate common purpose with respect to the sourcing and application of such funds;
2. Input into the Medium Term Budget Policy Statement;
3. Take all steps in their power to increase levels of investment, including impact investment;
4. Support the commitments made at the Presidential Investment Conferences;
5. Taking appropriate and urgent actions in their respective constituencies to promote full tax compliance (including taking steps against measures such as transfer pricing, base erosion and profit shifting, non-payment of customs duties and tariffs, tax boycotts and tax evasion through offshore arrangements and use of tax havens);
6. Pay statutory and contractual contributions such as unemployment insurance, skills levies, electricity bills and traffic fines;
7. Support efforts to strengthen the ability of all levels of government to collect taxes, customs and excise, rates and other revenue and fully capacitate SARS;
8. Support efforts to drastically improve the efficiency of government spending and end corruption and mismanagement of state resources; and
9. Mobilise technical human resources and skills to reinforce areas of weakness in the state at national, provincial and local levels.
10. There is also a recognition that enabling measures implemented by government can lead to the further mobilisation and release of financial resources into the economy by the private sector.

MOBILISATION  
OF  
FINANCIAL  
AND  
HUMAN  
RESOURCES



# MONITORING & EVALUATION STRUCTURES



# CASCADING TO PROVINCES AND DISTRICTS

- ▶ Provinces and Provincial Departments to develop supporting provincial implementation plans working with relevant National Departments and Districts.
- ▶ Provincial Coronavirus Command Council (PCCC) and District Coronavirus Command Council to integrate the monitoring of the implementation of the Economic Reconstruction and Recovery Plan.
- ▶ Provincial Economic Clusters working with the offices of the Premiers to serve as technical support for the monitoring of the plan at provincial level.
- ▶ Presidential Coordinating Committee (PCC) to receive monthly reports on the implementation of the plan.



## IMPLEMENTATION PHASES

- ▶ The three phases are:
  1. **Immediate:** focuses on the protection of the supply base and livelihood,
  2. **Medium-term:** focuses on recovery of the economy and
  3. **Long-term:** focuses on growing and transforming the economy.
- ▶ Uniform modelling of the overall impact of the proposed interventions is currently being conducted by National Treasury and will be available at the time of the final approval of the plan for implementation.
- ▶ A need for district distribution of the intervention for ensuring the plan cascades to all spheres of government



# IMPLEMENTATION FRAMEWORK

INTERVENTION	FUNDING	IMPACT	LEAD AND REQUIRED PARTNERSHIP	TIMEFRAMES
Focus on what the intervention is meant to address	Respond to whether funding is required to implement the intervention	Explains what the impact of the intervention will be	It identifies the lead department, State Owned Entity and whether the intervention will be implemented with partners	The timeframe will be as follows 0-6 Months 6-12 Months After 12 Months



# IMPLEMENTATION PLAN



Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: ENSURING ENERGY SECURITY</b>						
For improved energy supply security, fast track the registration and licensing of generation for own use	None	<ul style="list-style-type: none"> <li>Speed up implementation of generation for own use</li> <li>Cushion consumers especially industrial and commercial operations from load shedding</li> </ul>	DMRE	X		
Issue RFQ for Liquid Petroleum Gas (LPG),	None	Increase energy security and energy mix	DMRE	X		
Sign and implement the Framework Agreement for Social Compact on supporting Eskom for inclusive economic growth	Yes	Improvement on operational and financial sustainability of Eskom	DPE, NEDLAC	X	X	X
Operational and financial stabilisation of ESKOM	Yes	Eskom Recovery Programme will be implemented to fast track the recovery of the fleet. Improvement of energy availability and increase in energy security of supply.	DPE	X	X	X
Diversification of energy sources within just transition context.	Private Sector (IPPs)	Increase energy security	DMRE			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: ENSURING ENERGY SECURITY</b>						
Separation and unbundling of Eskom		The unbundling of Eskom will address the structural challenges caused by vertical integration and lack of transparency into business operation and lack of prudent management of profit and loss centers. It will allow for focus into each business operation.	DPE, National Treasury	X	X	X
Continuation of the implementation of the IRP to ensure diversification of resources	Private Sector (IPPs)	Increased energy security	DMRE		X	
Gas-to-power	Private Sector	Increased availability of electricity Diversification of electricity generation	DMRE			X
Preparation for Nuclear Programme and the Built	Public-Private Partnership	Security of energy supply Massive infrastructure development Huge capital injection into the economy Skills development for graduates to participate SMMEs development and their participation in the localization of the program	DMRE			X
Liquid Natural Gas import framework and architect.	Private Sector	Infrastructure for importation of liquefied natural gas. To enable gas-to-power	DMRE 21			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INDUSTRIALISATION/GROWING THE PRODUCTIVE ECONOMY</b>						
Strategic localisation to repurpose SA's manufacturing sector	Current budgets of procuring entities	Sustainable increase in State procurement from local manufacturers in strategic value-chains	DTIC	X	X	
Maximise localisation to cover supplier development and also increase the number of designated projects	Private-sector	<ul style="list-style-type: none"> <li>Integration of Black Industrialists and SMMEs in sectoral and large firm supply-chains.</li> <li>Increased State procurement from local manufacturers</li> </ul>	DTIC	X	X	
Reduce the proportion imported intermediary and finished goods	Private-sector	<ul style="list-style-type: none"> <li>Increase in local manufacturers' share of domestic demand</li> </ul>	DTIC	X	X	
Improve efficiencies of local producers	Current budget	<ul style="list-style-type: none"> <li>DTIC incentives and Masterplan processes lead to increased market share of local producers</li> <li>Improvement in sectoral competitiveness and quality indices</li> </ul>	DTIC	X		
Strengthen local procurement as a tool for localisation	Current budget	<ul style="list-style-type: none"> <li>Increase in compliant tenders awarded by organs of state</li> </ul>	DTIC	X	X	
Strengthen transparency of procurement systems in public and private sector	Current budget	<ul style="list-style-type: none"> <li>Strengthened oversight of public and private-sector procurement</li> <li>Identification of import replacement opportunities for Black Industrialists and local manufacturers</li> </ul>	National Treasury, DTIC <sup>22</sup>		X	X

Intervention	Funding	Impact	Lead and Required partnerships	0-6m	6-12 m	12m<
<b>PRIORITY AREA: INDUSTRIALISATION/GROWING THE PRODUCTIVE ECONOMY</b>						
Develop local supplier industries for infrastructure delivery	From current budget	Increasing import replacement in key infrastructure value-chains	DTIC, DPWI, Presidency (Infr)	X		
Support for local manufacturing as well as firms and households in distress	From current budget	<ul style="list-style-type: none"> <li>Increase in private-sector manufacturing investment level</li> <li>Diversion of firms in distress from closure/retranchments</li> </ul>	DTIC, Presidency (PMO)	X		
Strengthen SMMEs and cooperatives on the back of localisation and support for badly affected labour intensive industries	From current budget	Competitive SMMEs that contribute to inclusive economic growth and job creation	DSBD	X		
Export promotion and regional integration, support for township and village economies	From current budget	Township and rural enterprises participating in the mainstream economy resulting in the growth of marginalized areas	DTIC, DSBD	X		
Implement the digital economy master plan	From current funded programs	Impact linked to key objectives of (i) economic growth (ii) job creation and (iii) transformation	DCDT	X		
Enable emergence of an industrial and medicinal hemp and cannabis industry		Development of new industry, reduction of illicit economy and contribution to rural economic development	DALRRD, DoJ&CD	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6m	6-12 m	12m<
<b>PRIORITY AREA: INDUSTRIALISATION/GROWING THE PRODUCTIVE ECONOMY</b>						
50% reduction in the current timeframes for mining licenses and support efforts to invest in green jobs. (Reduction to 50% can be done but the processing timelines are legislated and would require legislative amendments)	None	Improved turnaround times and improvements on investor confidence rankings	DMRE	x		x
Deal with confidence boosting measures including land rights, digital migration, mineral rights etc.,	Current budget	Improvement in the turnaround times of finalizing applications would boost investor confidence and increase equitable participation of all South Africans into the mainstream economy	Vulindlela Unit, line departments		x	
Implementation of employment tax incentive and cutting of red tape and improve the ease of doing business	Current budget	Continued implementation of the employment tax incentive will promote labour intensity and growth and address youth unemployment. Promoting the ease of doing business will drive competitiveness.	National Treasury, DTIC		x	
Strengthen regional and global trade including review of trade arrangements and commercial/economic diplomacy with strategic markets	Current budget	Real increase in SA market share of key regional or sectoral value-chains	DTIC, DIRCO			x
Deepen localisation including innovation and financial inclusion	Current budget	Identified opportunities for import replacement/beneficiation underpinned by innovation	DTIC, DSBD, DSI 24			x

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12m	12m<
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**PRIORITY AREA: EMPLOYMENT PROTECTION AND STIMULATION THROUGH MASS PUBLIC EMPLOYMENT INTERVENTIONS AND OTHER MEASURES**

Build and maintain community infrastructure	DPWI budget	Increased accessibility and improved experience of citizens when utilizing community infrastructure	DPWI	X		
	SIP 25 - Welisizwe Bridges Programme: No funding yet. Funding applied for: (a) National Treasury Allocation of R150 million has been requested for 2020/21 Financial Year (b) Budgeted Fund for Infrastructure (BFI) application has been submitted for R4,9 Billion over the MTSF period.	<ul style="list-style-type: none"> <li>Reduction of risky river-crossings to social facilities for rural communities.</li> <li>Improve access to social amenities for rural communities such as Towns, SASSA Pay points, Schools, Health Facilities, etc.</li> <li>improved access to service delivery</li> </ul>	DPWI		X	
Implement environment and circular economy programme	Fiscal and private sector	<ul style="list-style-type: none"> <li>Reduction of the amount of waste landfilled, thereby saving landfill airspace for residues that cannot be recycled, recovered.</li> <li>Saving natural resources and protecting the environment from degradation</li> <li>Improved circularity for plastic carrier bags</li> </ul>	DEFF (Lead), NT, DTIC, Plastic industry	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6m	6-12m	12m<
<b>PRIORITY AREA: EMPLOYMENT PROTECTION AND STIMULATION THROUGH MASS PUBLIC EMPLOYMENT INTERVENTIONS AND OTHER MEASURES</b>						
<b>Strengthen education support:</b> Extension of the academic year; Remote multimodal teaching and learning plans; Campus Health and Safety support; Data support for remote teaching and learning; Laptop provision; Provision of Multi-modal remote learning, Adjusted Academic Calendar; Adjusted curriculum requirements; Provision of learning devices; Curriculum Recovery Plan implementation	Partly funded	Social dividend, investment in future skilled labour force.	DHET, DBE	<b>X</b>		
Support ECD and community health	Funded	Social dividend from educational and nutritional support to young people, improved gender economic mainstreaming	DBE, DSD	<b>X</b>		
Support food security programmes	Yes	Currently underutilized land turned into production. Uplift poor households from poverty	DALRRD	<b>X</b>		
Invest in creative and cultural sectors.	Funding allocated for mass employment programme	Enable recovery of the creative and cultural industry through Public Employment interventions aimed at counteracting job losses and reviving. To supporting entities, organizations and businesses within the sector through an employment retention grant mechanism	DSAC	<b>X</b>		

Intervention	Funding	Impact	Lead and Required partnerships	0-6m	6-12m	12m<
<b>PRIORITY AREA: EMPLOYMENT PROTECTION AND STIMULATION THROUGH MASS PUBLIC EMPLOYMENT INTERVENTIONS AND OTHER MEASURES</b>						
Scale up and replicate the ZIBAMBELE programme	An additional R712 882 000.00 requested to be released into the Provincial Road Maintenance Grant and ring-fenced for provincial roads	If the additional funds are released, the nine provinces combined are committing to various projects and to creating 37097 work opportunities during the remainder of 2020/2021	DOT (lead) Provincial Road Authorities (implementing agents)		X	
Skills development, intensify the interventions in the arts and cultural sector in the context of mass employment	Existing resources and partnerships	Support the industry through the Mzansi Golden Economy; in diversification of skills and creating an enabling environment for the growth and expansion of the industry  Partnering with CATHSSETA; in the implementation of the comprehensive Skills development programme; targeting the SIX cultural domains	DSAC, DHET, Presidency (PMO)			X
Environmental restoration and ecological services programme as well as war on waste.	Funding allocated for 2020/21 to 2023/24	Increased cleanliness levels	DEFF (Lead), DPME & National Treasury - with the support of provincial and private conservation agencies, community NGO's and NPO's are key support partners in driving this as well <sup>7</sup>	X	X	X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Accelerate implementation of shovel ready projects and those identified through the SIDS process as well as regulatory reforms aimed at building broad-based public; private partnerships	R23 billion to unlock private sector investment and for the funding of the Special Projects	<ul style="list-style-type: none"> <li>R340 billion private sector investment</li> <li>550 000 job opportunities created</li> <li>Transformation; sustainability, contractor and skills development</li> </ul>	Presidency (Infr) & DPWI	X		
	R1.6 billion over the MTSF	<ul style="list-style-type: none"> <li>Immediate as well as short to long term impacts on job creation, SMME empowerment, transformation and skills development</li> <li>For Small Harbours, Current tenants (private sector) are willing to invest R500 million within small harbours in the short term. High appetite for further private sector funding within the small harbours</li> </ul>	DPWI		X	
Improve efficiencies and reduce costs of the movement of freight	N/A – Private Sector Participation (PSP)	<p>Movement from road to rail</p> <p>Increase capacity of railway infrastructure - PSP</p> <p>Reduce to cost of doing business, increase agricultural exports and grow the economy.</p> <p>Mapping of freight transport corridors</p>	DOT DPE			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m <
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Improve efficiencies and reduce costs of the movement of freight	N/A – Private Sector Participation (PSP)	<p>Movement from road to rail</p> <p>Increase capacity of railway infrastructure - PSP</p> <p>Reduce to cost of doing business, increase agricultural exports and grow the economy.</p> <p>Mapping of freight transport corridors</p>	DOT DPE			X
Develop and invest in affordable public transport, protect and sustain commuter rail transport infrastructure,	Yes	<p>Fully integrated public transport corridors – integrated fare collection</p> <p>Modernization of high-volume commuter rail corridors</p> <p>Increase in railway capacity, patronage and fare revenue</p> <p>Improvement in passenger security, protection of the rail reserve and railway infrastructure, creation of jobs.</p>	DOT, Provinces and Metropolitan Authorities			X
	<p>R2,25bn (6 months)</p> <p>R4,5bn (12 months)</p>	Improved public transport network infrastructure and services that function optimally and are accessible, safe, convenient, affordable, well managed and maintained	DoT	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Implement a national rural and municipal road rehabilitation and maintenance programme	An additional R712 882 000.00 requested to be released into the Provincial Road Maintenance Grant and ring-fenced for rural roads	Improved access and mobility in rural areas and easy access to basic social services, such as health, education, pension pay points and etc, and at the same time create job opportunities through labour intensive methods of road construction and maintenance (7097 work opportunities during the remainder of 2020/2021)	DOT (lead) Provincial Road Authorities (implementing agents)	X		
Rebuild SA construction sector	Professional councils in terms of regulating the construction and built environment industry	<ul style="list-style-type: none"> <li>Compliance to CIDB prescripts, transformation, contractor and skills development, Job creation</li> <li>Improve compliance to CIDB Register of Projects and CIDB Register of Contractors</li> <li>Implementation of CIDB Skills Standard, Enterprise Development Standard, Contract Participation Goal, Labour Intensive Design and Construction Methods, National Immovable Asset Maintenance Management (NIAMM) Standards, Special Procurement Legislation and developmental support</li> </ul>	DPWI		X	

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Encourage private sector investment in infrastructure	R500 million for project preparation & packaging which will unlock 50-100x of project preparation value	<ul style="list-style-type: none"> <li>Greater private sector participation</li> <li>Better distribution of risks</li> <li>Economic growth and job creation</li> </ul>	Presidency (Infr), DPWI and line departments		X	
Rail and ports concessions	No	<p>Movement from road to rail – reduce road congestion and damage to road infrastructure, improve road safety, reduced GHG emissions</p> <p>Concessioning/PPP of rail branchlines, third party access to main lines</p> <p>Establishment of rail economic regulation - infrastructure access regime</p>	DOT DPE National Treasury Private Sector		X	
Strengthen PPP Framework	None required	Promoting private sector participation will drive competition, support efficiency gains the service delivery and leverage private sector balance sheets for investment	National Treasury		X	

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Implementation of digital migration,	<p>In line with the December 2019 Cabinet Approved Delivery Model</p> <ul style="list-style-type: none"> <li>▪ Required R5.7b</li> <li>▪ Appropriated = R1.6b</li> <li>▪ Shortfall:R4.1b</li> </ul>	<ul style="list-style-type: none"> <li>▪ Subsidization of at least 4.7million indigent households</li> <li>▪ Improved access to digital television broadcasting services</li> <li>▪ Release of high demand spectrum</li> </ul>	<ul style="list-style-type: none"> <li>▪ DCDT</li> <li>▪ Basic Education</li> <li>▪ COGTA.</li> <li>▪ Private Sector (Mobile Network Operators).</li> <li>▪ Broadcasters</li> <li>▪ Department of Trade and Industry</li> <li>▪ National Treasury.</li> </ul>	X	X	X
Maintenance of public buildings	<p>DPWI Planned &amp; Un-scheduled Maintenance Budget of R305 million</p>	<ul style="list-style-type: none"> <li>• Create 744,968 job opportunities</li> <li>• Add Value and Improve Productivity of the Asset through infrastructure projects</li> <li>• Improved access and citizen experience of public buildings</li> <li>• Reduced reliance on leased buildings for Government Departments</li> <li>• Improved OHS Compliance in Public Buildings leading to reduced OHS related incidences</li> <li>• Improved Service Delivery, transformation, sustainability, contractor and skills development.</li> </ul>	<ul style="list-style-type: none"> <li>• DPWI</li> </ul>		X	

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Deal with SOE infrastructure governance mechanisms.	None required	Improved Service Delivery and provision of infrastructure required for economic growth	IMC in place		X	
Broadband rollout	Not yet funded. Undergoing project preparation (feasibility study)	Improved service delivery Contribution to economic growth	DCDT Private Sector SOEs with broadband infrastructure National Treasury DFIs			X
Bulk Water infrastructure	Not fully funded, current sourcing from the market.	Address climate variability and change as well as ensuring water security for economic growth and maintaining the water security of large urban economic centres.	DWS with National Treasury and TCTA	X	X	X
Energy sector reforms (Legislative amendments and regulations to enable the implementation of the IRP and renewable energy programme)	None	Enabling environment for the implementation of the IRP and the renewable energy rollout programme. Improve energy availability factor and reduce the energy affordability gap	DMRE			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: INFRASTRUCTURE THAT MEETS NDP 2030</b>						
Transport sector reforms	Funding framework will give direction. PPP is the preferred method.	<p>Increase investment in railway infrastructure and operations, private sector participation, job creation and economic growth</p> <p>The impact in the medium to long-term will be the creation of a single framework for economic regulation; formalisation, regulation and ensure sustainability of the Taxi Industry; ensure existence and provision of the Integrated Public Transport Network System; ensure fair subsidization of the integrated transport network, improve modal integration; ensure modal shift from road to rail for freight movements; consolidate the public transport funding from various sources;</p>	DOT DPE National Treasury			<b>X</b>
Development and implementation of a National Infrastructure Plan and pipeline.	R25 million	<ul style="list-style-type: none"> <li>• GDP growth</li> <li>• Revitalization of the construction sector, efficiencies in the economy</li> <li>• Precise, targeted and planned and coordinated investment into infrastructure over the long-term horizon</li> </ul>	Presidency			<b>X</b>

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: MACRO-ECONOMIC INTERVENTIONS AND ENABLERS FOR ECONOMIC GROWTH</b>						
Implement the Anti-Corruption Strategy	Partly funded	Reduced leakage from the fiscus, increase legitimacy of the State. Restore rule of law, build investor confidence	JCPS	X		
Restore and strengthen revenue collection capacity including dealing with tax morality and compliance	Partly funded	Increased revenue collection and capacity fund developmental programmes	SARS	X		
Fight illicit economic activities	Partly funded	Increased revenue collection and leakage prevention	JCPS	X		
End wastage including enhanced productivity	Productivity SA baseline for 2020/21	Better value for money in the public sector will promote fiscal sustainability and support the efficiency of the public service	DPSA, DEL, National Treasury	X		
Customer centricity and quality of spending	None required	Increased legitimacy of the state and allocation of resources	DPSA, National Treasury and ALL organs of state.	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: MACRO-ECONOMIC INTERVENTIONS AND ENABLERS FOR ECONOMIC GROWTH</b>						
Put measures to support liquidity and credit flows	None required	The COVID response package supports vulnerable households and business and sustains critical economic activity	National Treasury	X		
Continue to protect workers through UIF and inspections and CF	Yes	Provide temporary financial relief to workers  Compensate workers injured or contracted occupational diseases at work  Protect and provide for the health and safety of workers	DEL	X		
Review and integrate government support for formal and informal SMMEs, start-ups and cooperatives	Current resources	Improved accessibility and reduced overheads for SMME support facilities	DSBD	X		
Ensure fiscal prudence including the management of wage bill and ensuring value for money	None required	Fiscal sustainability will lower debt service costs that crowd out important social expenditure and promote investment	National Treasury	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: MACRO-ECONOMIC INTERVENTIONS AND ENABLERS FOR ECONOMIC GROWTH</b>						
Design more appropriate financing products including microfinance	None required	Effective financial sector regulation can support economic growth and financial inclusion	National Treasury	X		
Gap housing products and blended financing for emerging farmers	Partly Funded	Provision of decent housing and integrated human settlements	DHS	X		
Support for international and national resource mobilisation, action in respect of distressed SoEs	Not required	Mobilisation of savings will ensure that funding is availability to support economic recovery and growth in private investment	National Treasury	X		
Skills strategy reorientation to respond to demands	Funded	<ul style="list-style-type: none"> <li>• Creation of new qualification and/or update, existing qualifications offered at universities and TVET colleges.</li> <li>• Provision of scholarships / bursaries / learnerships to potential students to ensure the production of graduates with the right set of skills for the world of work.</li> <li>• Employment of foreign nationals who are sufficiently skilled in areas where the domestic labour supply is not able to match employer needs, at least in the short-term, to grow the economy</li> <li>• Appropriately skilled candidates assisted into employment in priority sectors</li> </ul>	DHET (lead), DTIC, DEL, DHA, SETAs	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: MACRO-ECONOMIC INTERVENTIONS AND ENABLERS FOR ECONOMIC GROWTH</b>						
Put in place tools to support the “new normal” at workplace, partnerships to strengthen the skills ‘base in the public sector	None required	Promote and protect the health and safety of workers	DEL, DHET and DoH, BUSA	X		
Identification of licenses and permits that may be unnecessary or too stringent for waivers.	Within current budgets	<p>Ensure seamless and central repository for information and access in relation to Aviation.</p> <p>Ensure revival of the CARGO, Charter and Domestic aviation market.</p> <p>Review and reduction in the number of stringent requirements, there by improving cost of doing business</p>	<p>DOT Foreign Operations, Overflights and licenses.</p> <p>DSBD, DTIC, DOT and other licensing and permitting authorities</p>		X	
Review the Tax Employment Incentive with the view to support vulnerable sectors and small business	None required	The employment tax incentive is an important initiative to address labour market weakness and support job retention	National Treasury		X	
Tax relief for people and business in vulnerable sectors	None	Existing temporary tax relief measures support vulnerable businesses and household	National Treasury	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
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**PRIORITY AREA: MACRO-ECONOMIC INTERVENTIONS AND ENABLERS FOR ECONOMIC GROWTH**

1. Reorganisation and repurposing of SoEs	No funds available in this FY. Need to explore funding sources in consultation with NT and Presidency	The immediate impact will be facilitation stabilization, rationalization and enhanced coordination of all SOEs through a centralized delivery unit. In the medium term DPE to develop the white paper on government shareholder management.	DPE			X
1. Facilitate access to domestic savings for greater investment into non-consumptive public expenditure.	Not required	Reduced exposure to internationally denominated debt and directing savings into non-consumptive expenditure.	National Treasury			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: GREEN ECONOMY</b>						
Waste recycling, beneficiation and transition to circular economy	Fiscal, EPR Fee and Private Sector	<ul style="list-style-type: none"> <li>Increased demand for green products.</li> <li>Less waste that is better managed.</li> <li>Products designed for maximum recyclability</li> <li>Diversion of waste away from landfill towards reuse, recycling and recovery.</li> <li>Maximize and efficient use of natural resources.</li> <li>Potential to develop SMMEs and entrepreneurs.</li> </ul>	DFFE (Lead), DSI, DTIC, National Treasury, BUSA, PAMSA, CGCSA, DSBD, Provinces	X		
Market tools, local beneficiation and export potential ash, gypsum, slag and biomass	Private Sector	<ul style="list-style-type: none"> <li>Less waste landfilled</li> <li>Maximise the utilisation of waste streams in the built industry</li> <li>Opening of trade routes through Africa via revitalizing rail networks</li> <li>Less reliance on fossil fuel for energy generation</li> <li>Efficient use of natural resources</li> <li>Creation of SMMEs and entrepreneurs</li> <li>Create demand for waste materials resulting in less waste to landfill.</li> </ul>	DFFE (Lead), DALRRD, DMRE, ESKOM, SASOL, BUSA, DEFF, Private Sector, DSI, DTIC	X		

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: GREEN ECONOMY</b>						
Waste picker integration and revitalisation of buy-back centres and improved management of landfill sites.	Fiscal and Private sector funding	<ul style="list-style-type: none"> <li>• Transitioning the informal into the formal economy</li> <li>• Improvement in quality of waste management services.</li> </ul>	DFFE (Lead), Private sector (Producers), SAWPA, ARO, National Treasury, COGTA, MISA, Municipalities & SALGA, Provinces	X		
Increase use or sourcing of green climate finance to fund just transition.	New financial instruments and PPP approach	Innovative financing instruments can support South Africa's just transition and contribute to lowering the cost of finance	DFIs and SOEs		X	
Diversion of waste from landfills to industries (batteries, lighting, e-waste, tyres, paper and packaging).	Private sector	<p>Job creation through Section 18 Extended Producer Responsibility schemes lighting, e-waste, paper and packaging and Section 29 Tyre Industry Waste Management Plan and also contribution towards:</p> <p>Reduction in the amount of waste disposed of.</p> <ul style="list-style-type: none"> <li>• Increase in the beneficiation of waste thereby contributing to the waste economy and GDP of the country</li> <li>• Contribution to the green economy</li> <li>• Diversion of waste from landfill</li> </ul>	DEFF (Lead), DTIC, DSI, National Treasury, BUSA, BBC, Provinces, DSBD			X

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: AGRICULTURE AND FOOD SECURITY</b>						
Consolidated buying linked to additional social relief of distress through market linkages	Yes	Improve quality supply and market linkages with institutional markets	DALRRD, ARC, OBP, NAMC, Land Bank, Commodity Groups and Agribusinesses	X		
Ensuring more support to emerging and small-scale farmers.	Yes	Upscaled production schemes Additional jobs, output and new farmers and SMMEs	DALRRD, ARC, OBP, NAMC, Land Bank, Commodity Groups and Agribusinesses	X		
Review trade policy to support agro-processing	Yes	Expanded market opportunities and increasing investments in the sector	DALRRD, DTIC		X	
reconfiguration of agro-processing incentives	Yes	Expanded market opportunities and increasing investments in the sector	DALRRD		X	
Identification of strategic markets in the African continent, Europe, and Asia	Yes	Expanded market opportunities and increasing investments in the sector	DALRRD		X	
Secure market agreements for institutional markets.	Yes	Increase market opportunities for small-scale farmers Turn marginalized land into productive use – food security	DALRRD, DSBD, DPWI, DBE, DoJ & CD		X	

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: AGRICULTURE AND FOOD SECURITY</b>						
1. Review the Agriculture Marketing Act	Yes	Increase viability and inclusivity in the agricultural marketing environment	DALRRD			<b>X</b>
1. Intensify agricultural research and introduce new smart agriculture technologies	Yes	Build domestic competitiveness and new farm innovations	DALRRD, DSI, ARC			<b>X</b>
1. Implement climate strategy to mitigate climate change	Yes	Reduce emissions from agricultural value chains.	DALRRD, DFFE, DSI			<b>X</b>
1. Deal with monopoly and concentration in agricultural inputs supply as well as agro-processing and food retail.	Yes	Remove barrier to entry in markets. Improve competition in the agricultural value chains	DALRRD, DTIC, Competition Commission			<b>X</b>

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: REVIVING THE TOURISM SECTOR</b>						
Protect the supply base through, market entry facilitation programme to stimulate investment	Yes	Increase diversification of South Africa's product offering.	Dept Tourism Private Sector	X		
Rollout a maintenance programme for state owned attractions	Yes	Increase diversification of South Africa's product offering.	Dept Tourism Owning entities	X		
Reignite the domestic tourism market and develop	Yes	Increase in the number of domestic holiday trips	Dept Tourism SA Tourism	X		
Implement norms and standards to create consumer confidence.	Yes	Consumer confidence for on biosafety	Dept Tourism Private Sector	X		
Facilitate re-entry into the regional and international markets	Yes	Increase in international tourist arrivals.	Dept Tourism SA Tourism DIRCO DHA		X	

Intervention	Funding	Impact	Lead and Required partnerships	0-6 m	6-12 m	12m<
<b>PRIORITY AREA: REVIVING THE TOURISM SECTOR</b>						
Continue to rollout e-visa programme	Yes	Increase diversification of South Africa's product offering.	DHA Dept Tourism		X	
Protection of aviation capacity through operations  (ensure Bilateral Agreements are reviewed. only two points of entry into South Africa are catered namely; Cape Town and OR Tambo. This will ensure and strengthen DPE plans of the State Owned Airlines and the protection and effect of licenses given as required by the International Air Services Act.)	Yes	Improved visitor experience  Increase in the number of domestic holiday trips  Increase in international tourist arrivals.	DOT DPE Dept Tourism		X	
Facilitate transformation through implementation of the Tourism Equity Fund	Yes	Improved transformation levels in the sector in terms of management control, skills development, enterprise and supplier development and socio-economic development	Dept Tourism DFIs			X
Build a bidding pipeline for future conference and mega events.	Yes	Increase in international tourist arrivals.	Dept Tourism SA Tourism Provincial and Cities Conventions			X

# RISK MITIGATION

- ▶ **Non-implementation of the economic reconstruction and recovery plan** could lead to loss of economic capacity, including collapse of the supply capacity, consumer and business confidence, the labour market and increased vulnerability of the poor. The overall plan aims to mitigate these risks.
- ▶ **Potential recurrence of the super spread of the infections.** This could lead to regression in the implementation of the Risk Adjusted Strategy for the reopening of the economy. This requires adaptation to the “new normal” and strict adherence to the necessary protocols
- ▶ **Non-Commitment by Social Partners** could lead to lack of confidence in the plan and will affect investor confidence



# RECOMMENDATIONS

- ▶ It is recommended that Extended Cabinet adopts South Africa's Economic Reconstruction and Recovery Plan, its implementation plan and the monitoring framework

