



**IN TRANSFORMATION  
INITIATIVE**

# Public Private Growth Initiative



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## EXECUTIVE SUMMARY

The Public Private Growth Initiative (PPGI) was formed in response to President Cyril Ramaphosa's State of the Nation (SONA) speech in February 2018 calling on citizens to "Thuma Mina" (literally, "send me"). The late Dr Johan van Zyl,<sup>1</sup> Roelf Meyer<sup>2</sup> and then Minister in the Presidency Nkosazana Dlamini-Zuma<sup>3</sup> responded with a plan based on the Japanese model of cooperation between the private sector and government to stimulate economic growth. The plan was tested with senior business leaders and the Presidency before being rolled out. The purpose of the PPGI is to promote rapid growth in the South African economy, to rebuild and strengthen a relationship of trust and cooperation between the public and private sector, and to spur the private sector to organise and engage – and focus its engagement with appropriate and relevant government departments.

The model targeted business leaders across diverse sectors of the economy. ITI facilitated engagements between the government and business sector to promote inclusivity, build trust and enhance ownership of the process. Because of the trust deficit between the private and public sector a decade prior to the Ramaphosa era, an urgent intervention was needed. The PPGI started to fill this gap as a platform to overcome the era of disconnect with the aim of spurring greater economic growth outcomes. The PPGI thus became a vehicle for relationship building in support of national development.

The PPGI was well received as a tool to facilitate economic transformation processes by both the government and the private sector. More than 20 public sector entities participated in the PPGI and developed individual five-year Sectoral Growth Plans. This process spurred significant action within sectors, with most of them beginning to organise and align sectoral activities. The Presidency also endorsed the PPGI, giving it the desired momentum and acceptance to facilitate partnerships for economic growth.

### LESSONS LEARNED

Although the PPGI is still an on-going initiative, with this case study covering 2018–2021, the following lessons have emerged thus far:

- Partnership between the government and business leaders is critical for the growth of the South African economy, and for facilitating human development, job creation and the eradication of poverty and inequality.
- Political buy-in, entailing both ministerial and governmental leadership, is a prerequisite for ensuring collaboration between the state and business to reduce and eliminate obstacles and red tape hindering economic growth.



- Interest, willingness and participation on the part of the private sector are crucial for successful partnerships with the government, through their potential to unlock resources and create co-accountability for governance and oversight.
- Building relationships by re-establishing trust, collaborating and setting a joint vision is necessary to facilitate sustainable development initiatives where the government and private sector engage as partners.
- Alignment of government and private sector interests through consultative and participatory approaches and regular communication can lead to the unlocking and efficient use of resources to benefit a wider section of the country's citizens.
- At local-government level, committed senior-level district and provincial stakeholders can drive development by focusing on shared priorities that respond to local needs and realities.
- Identification of game-changing projects by stakeholders can make a significant difference in South Africa's global competitiveness, and so drive economic growth and employment.
- Including communities in local development can unlock embedded local knowledge and local experience, with opportunities to create employment creation and reduce poverty and inequality.



Game-changing projects can make a significant difference in SA's global competitiveness

## INTRODUCTION

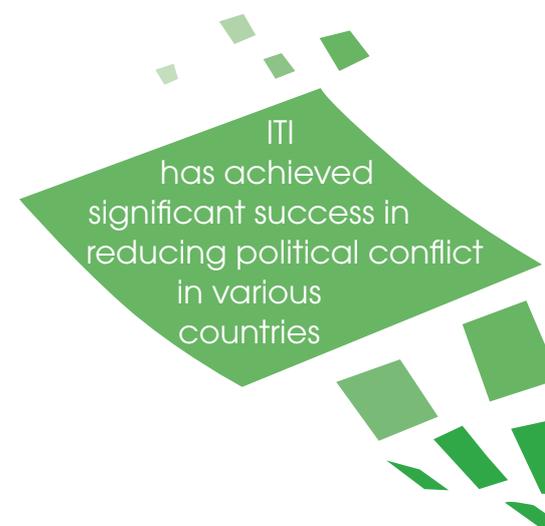
Over the past eight years, In Transformation Initiative (ITI) has conducted numerous projects in South Africa in the domains of national dialogue, social cohesion, political economy, agriculture, land reform, business and the economy. The main objective of these interventions has been to create a space where high-level interactions and dialogue can take place on sensitive topics of national importance. The major intervention processes have focused on supporting initiatives on institutional and leadership strengthening, partnership building, national reconciliation and economic development.

Among its various initiatives and projects, ITI saw the need to find a mechanism to align government and private sector interests in helping to set the country on the path to economic transformation. Following commentary on the state of the economy, particularly the annual State of the Nation Address (SONA) of 2018, ITI identified an opportunity to mobilise and motivate the private sector and government to buy in to a partnership model that could unlock national economic development, with benefits accruing to a wider section of South African citizens.

The Public Private Growth Initiative (PPGI) was borne out of the need to address economic growth and economic inequality, and restore the relationship and trust between the government and private sector in South Africa. Continued economic disparities and lack of private sector intervention in development were major obstacles in the way of the country's attaining the desired economic transformation set out in the National Development Plan (NDP).<sup>4</sup> The NDP is South Africa's development vision, launched in 2012, that outlines its developmental aspirations and goals.

As a South African organisation working in global peacebuilding, ITI has achieved significant success in reducing political conflict in various countries in the past eight years. Having made major inroads in its regional and global endeavours, ITI has long been concerned about the challenges of political and social conflict – amid acute levels of economic deprivation – in South Africa after its historic and widely acclaimed political transition from apartheid to a democratic state. While this transitional milestone was admirable, the country still struggles to eradicate poverty and close the inequality gap. In explaining the formation of the PPGI, Ivor Jenkins<sup>5</sup> said, "It was in light of the realisation that South Africa's transition is not complete without economic transformation that ITI decided to establish the initiative as a way to address the economic inequality experienced in South Africa."

In the same vein, Nick Binedell<sup>6</sup> stated that economic growth "is the oxygen of a democracy, with business being the productive agent of the economy". He highlighted that there could be no economic growth without business, stressing the symbiotic relationship that should exist between government



and the private sector. "Business needs government, and vice versa, and society, importantly, needs both to work well."

This case study relies on information from the PPGI project documentation, meeting and workshop reports; interviews with individuals involved in the PPGI; and publicly available information on the economy, developmental challenges and inequality in South Africa.



## ITI INTERVENTION

The decisive moment that ultimately inspired the formation of the PPGI came in response to the SONA speech on 16 February 2018. In it, the president implored citizens to respond to the call of “Thuma Mina”.<sup>7</sup> This was a call for citizens to commit to making South Africa work. In his SONA speech the president focussed on the need to promote economic growth to benefit all citizens, while emphasising the need for collaborative initiatives for sustainable development. He underlined the *need for a genuine growth plan that ensures inclusivity, is credible and implementable, and brings together the combined resources of all sectors of South Africa society: workers, business – small and big – social enterprises, the informal sector and the vast resources of the state.* The stage was thus set for an initiative like the PPGI.

ITI answered the “Thuma Mina” call by initiating the PPGI. ITI’s first step was to reach out to Dr Johan van Zyl. This decision was influenced by the role he had played in shaping the automotive industry as the chair of Toyota in South Africa and Europe. ITI organised and facilitated an informal discussion with a small group of influential individuals in business, academia, civic society and government. In this discussion, Van Zyl presented a framework premised on a collaborative approach between government, business, labour and civil society in building an inclusive and sustainable economy.

This framework consisted of an economic transformation model based on a partnership approach aligning government and business economic priorities in achieving economic growth and transformation. This alignment centred on the government creating an enabling business operating environment by removing growth inhibitors. Business, on the other hand, would commit to fostering economic growth through alignment and coordination within and across various business sectors. The approach was based on the Japanese model and experience of cooperation between the private sector and government to stimulate economic growth after World War II. Having been convinced of the soundness of the proposed initiative, the ITI team, together with Van Zyl, then approached Dlamini-Zuma, explained the proposed model and requested political buy-in from the Presidency. The response was positive.

In crafting its PPGI strategy, ITI was cognisant of the persistent challenges that the country was facing. These included a sluggish economic recovery after the devastating global financial crisis of 2008, rising unemployment and worsening inequality. As Mohammed Bhabha,<sup>8</sup> one of ITI’s directors, explained, “These challenges were temporarily overlooked when South Africa successful hosted the FIFA World Cup in 2010 – a remarkable demonstration of what could be achieved when the private sector and government worked together.” Bhabha recalls how, by 2012, it had become evident that



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achieved

the economy was sliding into decline yet again. The president's 2018 SONA speech came at a time when the country experienced great despondency and offered a rallying point around which to re-energise citizens.

## THE STATE OF GOVERNMENT AND BUSINESS RELATIONSHIPS

Based on its experience of working with governments, the private sector and civil society, ITI observed that in South Africa the relationship between the private sector and the government was fraught with mistrust and suspicion. According to Binedell, "Talking to big business, it was clear that their perception of government was that of corrupt and incompetent officials bent on pilfering state resources. Conversely, government looked at private sector as capitalists amassing profits and motivated only by self-interest."

Tanya Cohen<sup>9</sup> added, "The private sector was viewed as elitist and white with no interest in cooperating with government. Conversely, the government did not view the private sector as a partner." This lack of cooperation between the private sector and the government was steeped in suspicions dating back to the apartheid era. According to Cohen,

The democratic dispensation brought about political transformation with no meaningful economic transformation taking place. While political and labour activists who were part of the liberation movement were incorporated in the new government, private business remained in control of much of the economy, further perpetuating racial economic inequality. It is against this backdrop that ITI realised that, in order to get the government and the private sector working together, there was a need to bridge the trust deficit and build relationships between them.

In all its interventions, ITI is guided by the principles of inclusivity, ownership and trust. It was evident that the PPGI's success hinged on the participation of a broad base of stakeholders from the government, private sector, civil society and academia. An inclusive approach would enable stakeholders to engage on various aspects of economic inequality and economic transformation, and come up with shared solutions. The process of consultation and facilitation of engagements would also help to build trust and ownership of the process and its outcomes. Another key aspect that ITI leverages is its high-level access to different institutions and networks in both the government and the private sector. In this respect, ITI was able to target influential individuals to mobilise sectors and get businesses and government to talk to each other and embrace a common vision.

ITI established a coordinating team comprising Van Zyl, Binedell, Meyer, Jenkins, Bhabha, Jenny Mare<sup>10</sup> and Mteto Nyati.<sup>11</sup> The first significant step in implementing this framework was getting buy-in from the business community and the Presidency. The key milestones in this process, achieved by August 2018, were the following:

- A platform was created for the participation of non-governmental organisations (NGOs), unions, civil society and the business community;



- The President's Office agreed to the sector-based business approach and to include the economic cluster; and
- Ramaphosa tasked Van Zyl and Dlamini-Zuma (then minister in the Department of Planning, Monitoring and Environment (DPME)) to engage with the private sector to drive the process.

Ultimately, beyond technical issues, these interactions and engagements were focused on building trusting relationships between the government and the business sector. This included encouraging transparency by sharing information and communicating periodically. The PPGI thus carefully managed the budding relationship between the government and the private sector by ensuring that both parties were in constant communication.

### RATIONALE BEHIND THE SECTORAL APPROACH

A key aspect of the PPGI approach is its focus on sectors. In its formative months, as the PPGI model continued to be refined, a sectoral approach to economic development and transformation was proposed and designed as being crucial to anchoring the model. The intention was to challenge key sectors to develop specific strategies on how to deal with the main economic problems in the country.

Insights were drawn from what the auto industry in South Africa achieved through a partnership between the business sector and the government. The auto industry has organised itself into a formidable sector in the past 15 years, not only to improve collaboration with government but also to facilitate sectoral integration and formulate better legal and import and export frameworks. Although there was intimate engagement between the government and the automotive industry at a strategic level, there was no sector plan on reaching a common vision. However, the industry made inroads in formulating its vision and structures by developing the Automotive Sector Master Plan.

This success story to a great extent could be attributed to Van Zyl's experience at Toyota and his exposure to the Japanese model for aligning private and public sector efforts in promoting economic transformation. While the automotive sector was one of the most successful sectors in the South African economy, there were still inhibitors that needed to be addressed that prevented the sector from achieving optimal performance, especially in the supply chain – the country was importing up to 60% of its components, thereby affecting business performance. The supply chain also had to be transformed to reflect South Africa's racial profile.<sup>12</sup> It was therefore decided that lessons from the automotive industry could provide direction on how a sectoral approach could work for other sectors.

The sectoral approach was premised on the understanding that each sector has unique challenges and demands at the policy and implementation levels. Rather than looking at the business community as a monolithic entity with a singular vision, will and capacity, inviting business to participate



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in the initiative through a sectoral approach would be more efficient and better targeted. Concrete commitments were more likely to emerge and be implemented through this approach. Furthermore, each sector needed to be organised to align with specific ministries for more effective communication. This approach considered the entirety of stakeholders in each sector to include companies, employees, relevant government departments and communities.

This strategy was viewed as a bottom-up approach that enabled businesses and policymakers to engage in ways that would bring about efficient coordination within sectors, as well as more effective policy alignment to promote business and economic growth.

It was noted that the private sector would sit on “idle money”, not having the confidence to invest in an economy rife with policy uncertainty. Therefore, the PPGI could also unlock investment by facilitating engagement between the government and private sector on policy alignment and certainty. It was envisaged that, as part of the process, the sectors would need to be strengthened or helped to organise themselves in order to ensure the anticipated efficiency. The sectoral approach was also viewed as a win-win approach that could help generate employment in communities, increase the tax-revenue base and promote business growth. Therefore, ITI sought to drive the establishment of the PPGI through a participatory and inclusive approach.

### HIGH-LEVEL ACCESS AND BUY-IN

It was crucial to identify key sectors and get their agreement to participate in the initiative. CEOs and senior management in companies were targeted to expedite the required processes. This speaks to ITI’s strategy of focusing on individuals in high-level positions with the knowledge, experience and influence in their sectors to ensure speedy decision-making and commitment to action. In the initial stages of conceptualising the approach, various meetings were convened with business leaders. These included a meeting between the ITI coordinating team and Dlamini-Zuma<sup>13</sup> with a view to facilitate engagements between the DPME and the business sector.

With the minister buying into the initiative, this culminated in the first of a series of meetings between the government and private sector aimed at identifying growth inhibitors and opportunities for development over the next five years towards the NDP Implementation Forum. It was emphasised that the plans should demonstrate their contribution (year by year) to growth, employment, skills training, investment and transformation. These engagements were also designed to find alignment between the government’s economic growth plans and the private sector.

Meetings were conducted with sector CEOs to explain and discuss the concept and implementation process of the five-year Sectoral Growth Plan. The sector CEOs, representing more than 20 business sectors, were



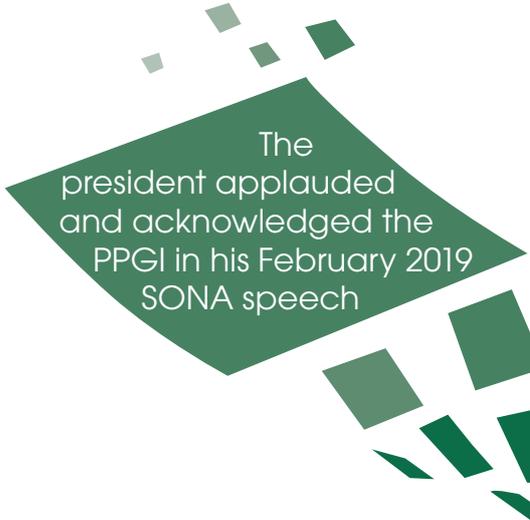
challenged by the Presidency to find new and innovative ways to participate in a meaningful and practical manner in driving economic growth. A meeting between the PPGI task team and Ramaphosa,<sup>14</sup> with Dlamini-Zuma also present, together with representatives of the agriculture, tourism and automotive sectors, was subsequently held.

The invitation to other sectors to join in the initiative continued to be extended. The response was encouraging, with 14 sectors developing Sector Industry Plans (2019-2020). In November 2018 Dlamini-Zuma, accompanied by ministers Rob Davies (Trade and Industry) and Ebrahim Patel (Economic Development), held a meeting with the coordinating team during which the 14 sector representatives presented their respective five-year high-level growth plans. The sectors that made presentations were automotive, agricultural, chemicals, manufacturing, tourism, renewable energy (wind and solar), energy, construction, pharmaceutical, mining, retail, information and communications technology (ICT), health and insurance. Each presentation focussed on what that specific sector could contribute towards economic growth and job creation over the next five years; and identified specific inhibitors to growth that the government urgently needed to address.

In further meetings with the Economic and Security cluster, another seven sectors presented their plans.<sup>15</sup> The director generals also endorsed the sector approach, which gave impetus to the PPGI process. Dlamini-Zuma attended a series of joint meetings between the DPME, sector CEOs and industry leaders. One of the meetings' objectives was to influence the president's SONA speech, scheduled for 7 February 2019, by presenting key themes that could contribute to economic transformation and economic justice. It was also considered that these meetings could contribute content to the president's presentation at Davos.

Subsequent meetings with the president to present the PPGI project's statements of commitment regarding its contribution to economic growth and transformation – and to update the president and the 14 cabinet ministers present at the meeting on the PPGI's progress – ultimately resulted in the president applauding and acknowledging the PPGI in his February 2019 SONA speech.

Dlamini-Zuma affirmed that the PPGI had support from all the ministers, including some who initially were sceptical, fearing interference with their line functions. In a media briefing,<sup>16</sup> she announced that this partnership had the potential to unlock investment of at least R500 billion and that 5% economic growth was possible, provided certain enablers for the economy were realised and key inhibitors eliminated. All this gave momentum to the project and was a positive indication that the government and the business community had established a solid base for collaboration.



The president applauded and acknowledged the PPGI in his February 2019 SONA speech

## THE ROLE OF GOVERNMENT IN ADDRESSING INHIBITORS TO UNLOCK ECONOMIC DEVELOPMENT

A major part of the government's support for the private sector's performance was removing growth inhibitors. In fact, it was integral to buttressing the sectoral approach. The initiative noted that the private sector needed to be convinced that the government was committed to this partnership through its committing to removing such inhibitors. On its part, business needed to commit to addressing employment, transformation, investment, the inclusion of small businesses in each sector, the involvement of women and youth in sectors, including business leadership structures, and, where applicable, the working conditions of farm workers.

According to Meyer,

The PPGI realised that the private sector needed a carrot to keep their interest and not feel that they were only being used as cash cows by government in the development and growth plans. That carrot was in the form of convincing political leadership ... that they needed to address some inhibitors constraining the expansion and growth of the private sector and, more specifically, of their respective growth and expansion projects. An example of an inhibitor was, for instance, the visa requirements for international tourists, which were often impractical and almost impossible to obtain for foreign visitors because of distances to South African embassies, and the time taken to process visas. To demonstrate support for the tourism sector, the government had to rescind (some of) these visa requirements.

Other inhibitors could be in the form of a simple and seemingly insignificant signature on a letter to issue a water licence. The major growth inhibitors across the key industries that were identified included: policy uncertainty and inconsistencies; lack of incentives to encourage FDI (foreign direct investment); lack of infrastructure planning; the threat to doing sustainable business posed by Eskom; uncoordinated government programmes; and lack of capacity in municipalities and their resistance to involve the private sector in development programmes.

## INTRODUCING GAME-CHANGING PROJECTS

The PPGI proposed an approach to identify and implement game-changing projects that would have an exponential impact on South Africa's GDP growth. As explained by Mare,

One of the tasks given to the sectoral groups was to identify and submit on a database jointly held by PPGI and DTI (SA Invest) a list of projects that they thought could be game changers in the economy. These were projects that could be fast tracked based on their ability to bring about faster job creation and economic growth.



Once identified, each project was elevated to the offices of the Presidency and the Department of Trade and Investment (DTI), where it was prioritised. Implementation would be expedited and any blockages would be dislodged. An illustration of this was a multi-billion-rand investment in forestry that had the potential to create hundreds of jobs but was stalled by delays in procuring a water licence. ITI intervened and, with the support of the Presidency, expedited the issuing of the water licence, after which the investment was completed.

This approach emphasised the need to have a project framework that took into account global trends shaping the world, such as urbanisation, electrification, education and the Fourth Industrial Revolution. A PPGI subcommittee was established and became actively involved in game-changing projects that would contribute to generating a projected 2-3% growth in gross domestic product (GDP) over the next five years. Based on these considerations, potential projects with high GDP impact were suggested within the steel, gas, tourism and water sectors.

Apart from game-changing projects, more than 45 other projects were proposed for development and implementation. A total of 10 projects have remained a priority for immediate implementation:

- **Agriculture** (Agriculture Development Agency; Beefmaster export project; Citrus export and growth project)
- **Forestry** (Establishment of new plantations and the re-capitalisation of existing damaged/degraded plantations)
- **Automotive** (Automotive Transformation Fund)
- **Water economy** (Emfuleni Local Municipality water and sanitation beneficiation programme)
- **Global business services** (Implementation of integrated work readiness programme and leadership programme funded by Sector Education and Training Authorities and the National Skills Fund)
- **Construction** (Limpopo Eco-Industrial Park project; Green Ship Recycling Facility Saldanha Bay)
- **Offshore oil and gas** (Projected drilling of six new wildcat wells exploring offshore basins and viable petroleum resources)



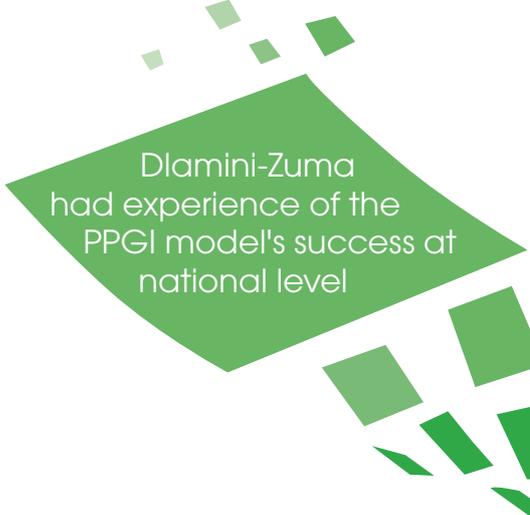
A cabinet reshuffle in 2020 saw Dlamini-Zuma become the Minister of Cooperative Governance and Traditional Affairs (COGTA). Having witnessed the potential of the PPGI to create productive relationships between the government and business, the minister engaged with the PPGI task team to bring the initiative to the district level under the District Development Model (DDM). The DDM is premised on the values espoused in Chapter 3 of the Constitution, which speaks to integrated and cooperative governance. The DDM was thus introduced by the government as an integrated approach to development implementation at a district level.

The DDM, as explained by Bhabha, was developed in response to the challenges encountered at the local-government level, including poor planning and budgeting, and a lack of trust between the government and private companies. The resultant poor coordination led to private companies' operating and implementing programmes at the local level on their own. The DDM therefore provided a streamlined framework for planning and budgeting, thereby eliminating any overlaps or duplication across the three spheres of government.

According to Bhabha, "The local government is the arena for implementation of development initiatives. However, over the years local government had become an area of political contestation riddled with mistrust that impeded joint planning and implementation of programmes." He added that Dlamini-Zuma had experience of the PPGI model's success at national level in reconnecting and rebuilding relationships. She asked that the model be recreated at district level and tested in the OR Tambo, Ethekwini and Waterberg district municipalities. Experiences at the national level indicated that the PPGI enhanced trust between the government and private sector, and bolstered the private sector's confidence to engage and collaborate with government. Following from an agreement to pilot the implementation of the model in the Waterberg District to test its adaptability and relevance, this initiative was rolled out.

Ultimately, the pilot was intended to identify priority areas of focus, enable public-private cooperation, and streamline national and district priorities to enable synergy and limit duplication. The role of ITI at the district level is three-fold: to facilitate joint planning between the government and business; to encourage the participation of business and civil society in local development; and to support effective and able leadership for implementation of local development initiatives.

As the PPGI continues to reflect on its mandate and on-going activities, there has been an emphasis on ensuring that the private sector and government are aligned towards implementation. Interactions with local government are



Dlamini-Zuma had experience of the PPGI model's success at national level

challenging and it is difficult to get clear communication on how to resolve substantive matters. Clearer lines of communication, roles and responsibilities are necessary to build better relations between government and the private sector.

It is envisaged that this approach will create a more effective and interactive platform for the private sector and government to align activities, with better development outcomes.

### THE CASE OF THE WATERBERG DISTRICT MUNICIPALITY

The current PPGI work that is being done in conjunction with the Waterberg District Municipality focuses on three core areas of development: tourism, mining and agriculture. However, there is a broader plan designed to bring about holistic development through partnerships and working with local communities. The PPGI developed the Waterberg One Plan and District Development Model, and met with various stakeholders in order to get their buy-in and create trust as a basis for a collaborative partnership approach.

The district model in Waterberg provides a framework for collaboratively setting the development agenda with inputs from all stakeholders, including local communities. A stakeholder meeting in June 2021 concluded that a formal platform with various sector leaders was needed. At such a platform, projects that are agreed on by all parties for prioritisation by the district are suggested, thereby creating alignment between the private and public sector.

The need for collaboration between the government and the private sector was evident from the onset. According to Daniel Ngwepe,<sup>17</sup>

When we started the project in the district (Waterberg), we observed that, as with other district municipalities, all Integrated Development Plans were being developed in an almost unilateral manner by government. On the other hand, the private sector independently implemented its own projects with little government collaboration or interest. We then spent time talking to government and the private sector and emphasised the idea of joint and multilateral project development, financing and implementation.

Several projects that are currently being implemented in Waterberg came out of this process, while some are still being developed. They include the leadership training programmes and development labs funded by the Development Bank of South Africa. These are designed to alleviate unemployment, especially among the youth, by providing them with skills training in specific areas that support local development initiatives. The initiatives span across agriculture, tourism and conservation.



### a) Waterberg Tourism Initiative (January – December 2021)

The project is intended to promote and facilitate collaboration between the five municipalities in the Waterberg Municipal District – Thabazimbi, Lephalale, Modimolle-Mookgophong, Bela-Bela and Mogalakwena – to boost its tourism potential. The tourism sector in the Waterberg has the potential to support business and community development, job creation and upskilling. The specific projects to be implemented are:

- **Facilitation of a collaboration process:** The aim of this activity is to identify all key stakeholders in the Waterberg region and facilitate a process by which collaboration between the five local municipalities and business can take place.
- **Strengthening of a single coordination office:** Through providing capacity-building support and funding to Waterberg Tourism, the aim is to strengthen the existing infrastructure of the organisation in order to form one single office and coordination point for the region.
- **Support and development of Waterberg Tourism system:** The project will strengthen and further develop the IT system and office infrastructure of Waterberg Tourism, which will include linking the website and social media platforms.

### b) Capacity-Building Workshops (January – December 2021)

The project's main purpose is to provide participants with practical and implementable skills, tools and techniques to deliver on projects aligned with the District's strategy, through a capacity-building course. In the training sessions, which consisted of four modules in 2021, most participants were government employees, while at least 30% were business and civil society leaders. This was to encourage cross-learning and cooperation with local district leaders and personnel.

### c) Urban Farming

This project was implemented by Agrigrow over six months in 2021 to facilitate sustainable market access for its emerging farmer network. This food security initiative was intended to encourage urban city dwellers and urban rural dwellers to plant throughout the season and for Agrigrow to allow them to supply fresh produce to its supply chain. Agrigrow partnered with the Agricultural Development Agency and leading training institutions to provide capacity building, secure farm infrastructure and ensure market access aligned to traditional contract-farming models. It was expected that this approach would enable smallholder and emerging farmers to earn sustainable incomes, promote job creation and enhance food security in their communities. At a broader level, empowering urban farmers is expected to enhance the stability and growth of the broader agriculture and economic development landscape of South Africa.



The tourism sector in the Waterberg has the potential to support community development

Since its establishment in 2018, the PPGI has demonstrated how partnerships and the sectoral approach can deliver on the economic transformation agenda in South Africa. While the initiative is ongoing, it has already realised some milestones and achievements.

### **ANCHORING ON THE PRINCIPLES OF INCLUSIVITY, TRUST AND OWNERSHIP**

The implementation of the PPGI is underpinned by the three key ITI principles of inclusivity, trust and ownership. These are derived from the South African experience that brought the country from the brink of potentially intractable conflict to a new democratic dispensation.

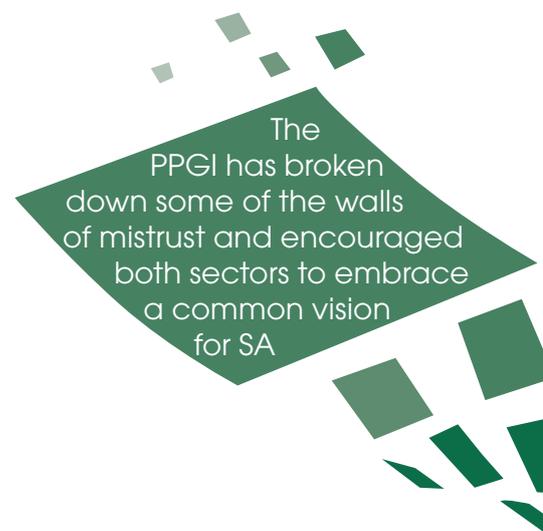
Inclusivity has been demonstrated in the PPGI case through the tireless efforts to identify and involve all stakeholders in the government and private sector. The representation and participation of these stakeholders have led to the acceptance and implementation of the sectoral approach as a viable strategy for national economic development.

The success of the PPGI has been hinged particularly on the principle of trust. Given the history of entrenched suspicion and lack of trust between the government and private sector, significant work is being done to build relationships between government and business and so bridge the divide between them. Through continued consultation and the creation of spaces to bring stakeholders together, the PPGI has broken down some of the walls of mistrust and encouraged the government and private sector to embrace a common vision for the country.

The principle of ownership is demonstrated through national actors' initiating and driving this initiative in an intricate web of local partnerships across a myriad of sectors, with efforts adopted at both national and district levels. Ownership has also been demonstrated by the government's commitments to address the inhibitors constraining the private sector in its quest to contribute to national economic development, with business viewing itself as an equal partner in the economic progress of the country.

Beyond the principles that anchor ITI's approach and the implementation of the PPGI in conjunction with various other stakeholders, some notable milestones have been reached.

- The PPGI received buy-in at the highest level with the president's acknowledgment and endorsement in his 2019 SONA speech, which was key in mobilising increased interest from more business sectors and government departments.
- By June 2019, the private sector had committed to invest R840 billion in 43 projects in 19 sectors and create 155 000 jobs in the next five years. In discussions with business, the government has committed to remove policy impediments and accelerate implementation of these projects.



- The Business Process Services Sector reported that, as a result of an agreement between the sector, the DTI and the Harambee Youth Accelerator, over 20 000 new jobs have been created since January 2018.
- The Automotive Industry Transformation Fund has received R6 billion in investment commitments to apply to the development of an inclusive supply chain.
- The PPGI co-facilitated various engagements together with the DTI and other lead departments, focussing on: developing a framework for masterplan development, convening participants, identifying blockages, participating in the research appointment processes and assisting in convening sectors where needed. The PPGI participates in the overall steering committee, led by the Presidency and the DTI, with the participation of all relevant government departments and representatives of organised labour.
- The PPGI participated in the working group for the Infrastructure Fund Implementation Unit, set up in the Development Bank of South Africa. Participating alongside the Association for Savings and Investment South Africa and the Banking Association of South Africa representatives, who bring financing expertise to the group, the PPGI was tasked with identifying opportunities for private sector participation in infrastructure.
- Three PPGI projects were announced at the Investment Conference in November 2019: the Automotive Industry Transformation Fund, Agricultural Development Agency and Limpopo Eco Industrial Park.



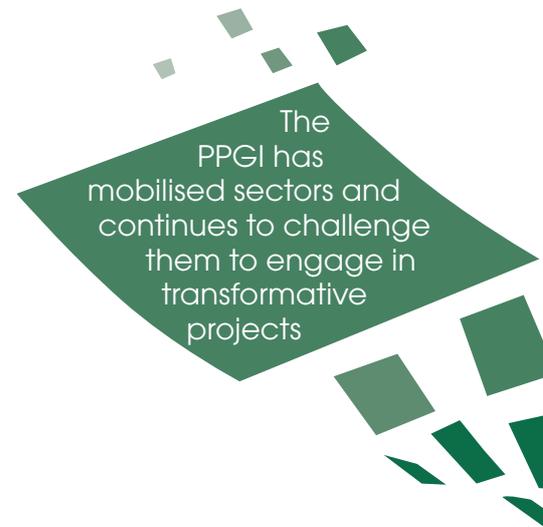
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## CONCLUSION

Social and economic inequality in South Africa is a major impediment to development and social justice. Although the government has promulgated economic policies, genuine and broad-based economic transformation has eluded the country.

The plea by President Ramaphosa in his 2018 SONA address led ITI and other stakeholders, including the Presidency itself, to engage in a process that brought impetus to the economic transformation agenda.

The PPGI's sectoral approach and the subsequent district development models have provided viable partnership platforms between the government and private sector, and allowed the possibility of aligning development activities to drive successful projects. The PPGI has successfully mobilised sectors and continues to challenge them to organise themselves and engage in transformative projects for local and national development.



The PPGI has mobilised sectors and continues to challenge them to engage in transformative projects

## PROJECT TIMELINE

### 2018

**22 MAY**

Business meeting facilitated by ITI and hosted by Johan van Zyl (Toyota) for an informal small group discussion on economic transformation on a national and sectoral approaches at Toyota SA Head Office

**21 AUGUST**

Milestones

**21 SEPTEMBER**

Meeting between the Department of Planning, Monitoring and Evaluation and the business sector coordinated by Dr Nkosazana Dlamini-Zuma and Johan van Zyl at the Union Buildings, Pretoria

**25 OCTOBER**

Meeting with sector CEOs

### 2019

**16 JANUARY**

Meeting with the Economic and Security cluster

**29 JANUARY**

PPGI meeting with President Ramaphosa

**1 MARCH**

Meeting with Ms Mpumi Mpofu (DG : DPME)

**11 MARCH**

PPGI Working Group 2 Meeting

**21 JANUARY**

Meeting with private sector CEOs

**25 FEBRUARY**

Meeting with Minister Dlamini-Zuma

**8 MARCH**

PPGI Working Group 1 Meeting

**18 MARCH**

PPGI Working Group 3 Meeting

**23 JULY**

PPGI stakeholders meeting

**5 AUGUST**

Invest SA meeting

**19 AUGUST**

PPGI stakeholders meeting: energy sector

### 2020

**21 JANUARY**

PPGI stakeholders meeting

**28 AUGUST**

Meeting with Themba Fosi, DDG, COGTA: Waterberg

**OCTOBER/NOVEMBER**

Stakeholder mobilisation and consultation for the One Plan

## PROJECT TIMELINE

2021

**FEBRUARY**Sector Workshops  
to present shared  
project ideas**MARCH**Formation of  
Sector Steering Groups  
(SSGs)**MARCH 2021,  
GOING FORWARD**Project identification,  
prioritisation and  
planning**JUNE 2021**Waterberg One Plan  
Private Sector Input

## ENDNOTES

- 1 Dr Johan van Zyl, who was the chairperson of Toyota SA & Europe, passed away on 30 July 2021.
- 2 Roelf Meyer was chairperson of the South African Defence Review (2011–2014), Minister of Defence in FW de Klerk's cabinet, Minister of Constitutional Affairs in Nelson Mandela's cabinet, and Chief Government Negotiator in the peace talks.
- 3 Nkosazana Dlamini-Zuma is a South African politician, doctor and anti-apartheid activist, currently serving as Minister of Cooperative Governance and Traditional Affairs. She is a former Minister in the Presidency for the National Planning Commission for Policy and Evaluation under President Cyril Ramaphosa.
- 4 The NDP aims to eliminate poverty and reduce inequality by 2030. In its preamble the NDP emphasises that "South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society."
- 5 Ivor Jenkins is a director at ITI.
- 6 Nick Binedell is a South African academic and the founding director of the Gordon Institute of Business Science.
- 7 Thuma Mina is from the isiZulu, isiXhosa and isiNdebele languages meaning "send me". Ramaphosa used these lyrics from a traditional church chorus and from a song by the late Hugh Masekela in evoking the spirit of self-sacrifice and individual responsibility in finding a solution to South Africa's challenges.
- 8 Mohamed Bhabha is a director at ITI.
- 9 Tanya Cohen is a South African labour lawyer, conflict resolution specialist and In Transformation Initiative (ITI) facilitator.
- 10 Jenny Mare is a General Manager: Corporate Affairs at Toyota SA Motors.
- 11 Mteto Nyati is the Group CEO at Altron, a technology company. Nyati was formerly a CEO at MTN.
- 12 Episode 6 (March 28, 2021) - Moments in Transformation – South Africa: <https://intransformationinitiative.podbean.com/e/moments-in-transformation-ep-6-%e2%80%93/>
- 13 Meeting held in August 2018.
- 14 Meeting held in Cape Town in January 2018.
- 15 January 2018.
- 16 After a PPGI meeting on 18 March 2019.
- 17 Daniel Ngwepe is a stakeholder relations and communications practitioner with extensive experience working with governments, the private sector and media.