

SOUTH AFRICAN IT INDUSTRY STRATEGY **PROJECT (SAITIS)**

Project Description

The Project is a joint bilateral project between the South African Government, as represented by the Department of Trade and Industry (DTI), Directorate: Electrical Electronic and Allied Industries, and the Canadian International Development Agency (CIDA).

A Project Steering Committee, chaired by the DTI, is directing all aspects of the Project, while a Canadian Executing Agency (CEA), contracted by CIDA, is managing it in its entirety. A Project Office was established in the DTI in May 1999 to implement the Project. PriceWaterhouseCoopers (PwC - Canada) was appointed as the Canadian Executing Agency (CEA).

This is a three year, Cdn \$3.5 million project to help develop a strong South African IT industry. The Project will promote the South African IT industry in a manner that will contribute to sustainable economic growth, social upliftment and empowerment.

The Project will have an impact on both economic development and human resource development: two main focus areas of the bilateral program strategy developed between CIDA and the Government of South Africa during the reconstruction and development period of post-apartheid. It will contribute in building information communities, in increasing employment, in developing intellectual capital, and in building a local capacity to enhance skills.

Goal and purpose:-

To develop a strong South African Information Technology Industry to contribute to sustainable economic growth, social upliftment and empowerment.

This goal will contribute to the overall programme goal set within the interim SA - CIDA bilateral programme that is to contribute to the successful reconstruction and development of South Africa. The Project is expected to produce the following long-term results:-

economic and social benefits will be achieved through the development of a strong SA IT industry;
by promoting the IT industry, South Africa will significantly increase its ability to participate in the information age;
it will position South Africa for full participation in the global economy and the global knowledge society.

The Project purpose is:-

To establish, on a sustainable basis, the co-operative strategies, structures, processes and the indigenous capacity to strengthen and grow South Africa's Information Technology industry.

The Project will encompass all aspects of IT, including communication technologies. A detailed Project Implementation Plan as well as the Workplan for the first year were prepared by PwC and approved by CIDA and PSC.

Expected results:

The results-chain links immediate “outputs” of specific activities to the “outcomes” expected to be achieved by the end of the three year project. The “outcomes” will lead to longer-range (beyond the scope of the Project) “impacts”. This results-chain format is developed by specifying the long-term impacts and the medium-term outcomes, and then setting-up activities that will produce “outputs” that contribute to the outcomes and impacts.

Development impacts:

In examining the developmental impacts directly attributable to the IT Industry Strategy Project, it is anticipated that, in the long run:-

- a robust and growing IT industry will pervade, enrich and bind all aspects of the economy;
- South African IT expertise will be internationally recognised in niche areas;
- IT, is an enabling industry sector, will drive the transition of the South African society to an information society;
- IT will play an important role in empowering equitable social development in South Africa.

Developmental Outcomes:

In examining the developmental outcomes that can be achieved by the end of the Project, it has been assumed that:-

- in three years, appropriate and sustainable processes and structures, will be established to continue updating the IT Industry Strategy;
- local resources will have the capacity to ensure the continuation of the process;
- a growing IT industry will become an engine for job creation.

Developmental Outputs:

In order to reach the outcomes, which are the expected results that will meet the purpose of the IT Industry Strategy Project, the Project will conduct benchmark exercises, surveys, studies, produce papers, etc., related to the development of a SA IT Industry Strategy.

The various facets of an IT Industry Sector such as its demographics, Human Resource Development (HRD) and labour structure, markets, telecommunications requirements, legislation & regulatory environment in which it operates, the level of R & D, the number of Small, Medium and Micro Enterprises (SMME's), as well as the IT products and services relevant to this sector, will be reviewed and assessed. Based on this gathered information, the Project will identify a strategy, prepare action plans, identify pilot projects and recommend measures to promote and sustain the IT sector.

IT Stakeholders:

The following stakeholders were identified as having specific interests in the outcomes of this Project:-

Government institutions including the DTI, DoC and other Departments;
 South African industry including also the associations and networks such as, but not limited to, BITF (Black IT Forum), CSSA (Computer Society of SA), ITA (Information Technology Association) and the ITUC (Information Technology Users Council);
 Educational institutions including Universities, Technikons and Research Institutes such as the CSIR;
 Labour Unions such as COSATU, FEDUSA and NACTU; and
 Civil Society (defined to be local community organizations as agents of social development, and participants in state/society policy dialogue and its decision making process).

IT Industry Strategy Scope:

The following definition of an IT Industry Strategy was developed as part of the Project Design. It may be subject to change as the Project gets underway, but currently it provides a basis for the development of an IT Industry Strategy for South Africa:

An IT Industry Strategy is a program on a national scale stating intended directions and providing a focal point to concentrate and direct activities and resources in the specified sector.

It will target the public and private sectors, labour and organs of civil society.

This program, embracing all aspects of information and communication technologies, will include a set of planned actions and will represent "The Way Forward" for all stakeholders.

Through its activities, this strategy will promote economic and social growth by levelling the playing field for the IT industry, enriching national knowledge assets, coaching the IT industry in its investment strategies and further developing the human resource capital within the nation.

THE SAITIS PROJECT TEAM

The SAITIS Project management structure is designed to provide parallel, as well as joint management components for South African and Canadian participation.

The South African Component:

The SAITIS Project Steering Committee (PSC) has the mandate to oversee the development and implementation of the IT industry strategy. The PSC is supported by the Project Office attached to the offices of the DTI. The strategy is being developed by a number of Strategy Working Groups as well as Strategy and Executive Fora with predominantly South African membership. Number of Workshops and Pilot Projects aimed at South African IT companies will also be conducted.

The Canadian Component:

PwC Canada was contracted by CIDA to be the Canadian Executing Agency (CEA) for the project. The CEA is managing the SAITIS Project from its offices in Pretoria, South Africa and Ottawa, Canada. The CEA also facilitates provision of Canadian expertise and professional resources via group of strategic advisors and other experts. The Canadian International development Research Centre in Johannesburg was also commissioned to perform base line studies for the project.

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