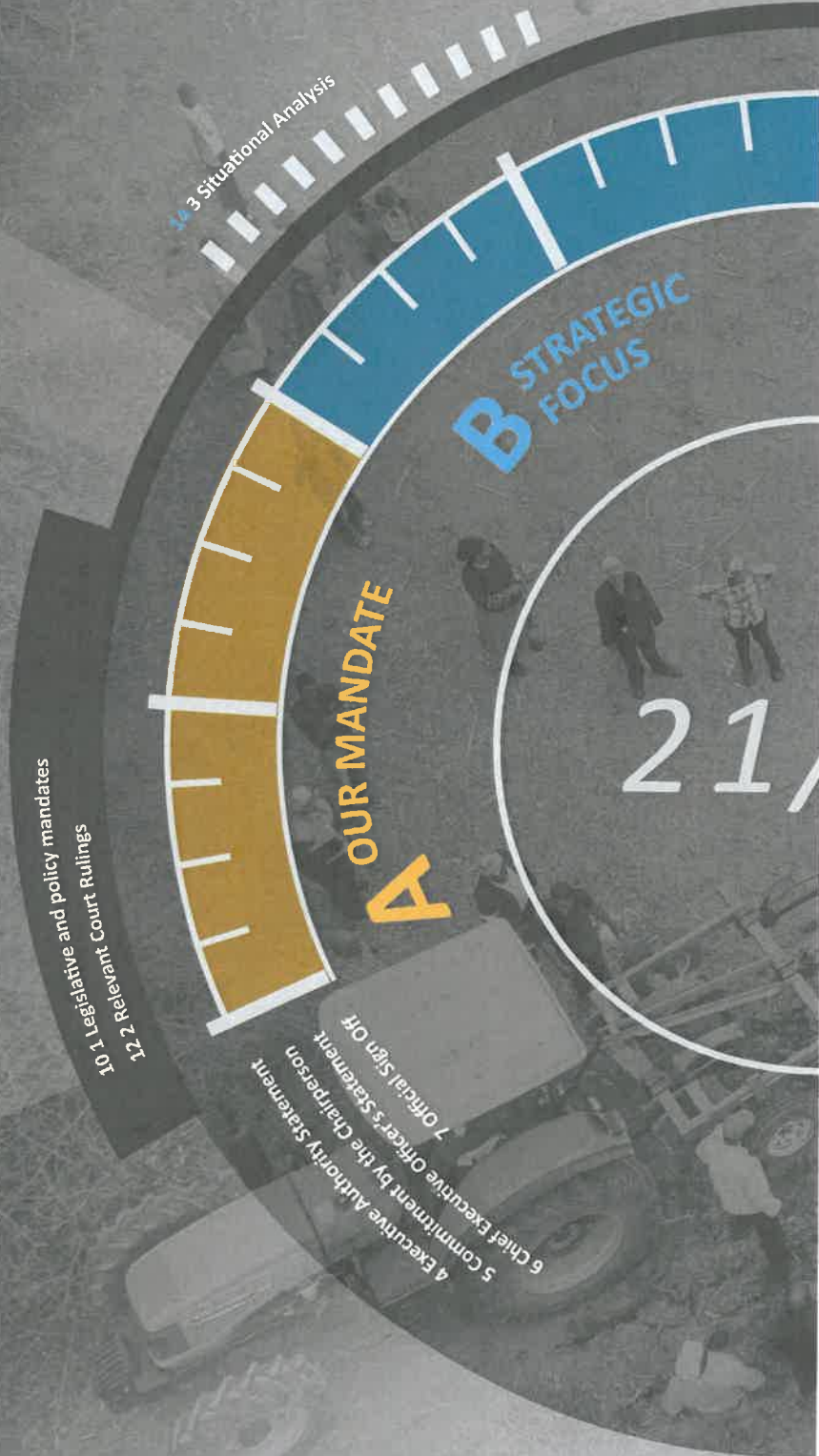


21/22

RURAL DEVELOPMENT AT THE
CENTRE OF ACCELERATED RURAL ECONOMIES



ANNUAL PERFORMANCE PLAN



14.3 Situational Analysis

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EXECUTIVE AUTHORITY STATEMENT

The Eastern Cape rural economy is of critical importance to ensure that the benefits of sustainable socio-economic development accrue to our people, the majority of whom live in rural spaces. Poverty and low levels of socio-economic development in rural areas, therefore, emphasise the need to urgently realise the full socio-economic potential of rural spaces through interventions aimed at re-gearing the rural economy towards inclusivity, resilience and prosperity.

The re-gearing of the Eastern Cape rural economy is informed by the priorities contained in the National Development Plan (NDP). These priorities emphasise the importance of economic transformation and job creation, which requires the establishment and maintenance of economic infrastructure and environmentally sustainable and resilient practices. Concurrently the creation of an inclusive rural economy is underpinned by the need to improved education, training and innovation, supported by a capable developmental state.

In response to the priorities stated in the National Development Plan, the Eastern Cape Provincial Government has aligned and articulated its priorities in the Provincial Development Plan. In this regard, the policy goals of the Eastern Cape Province are to ensure the creation of a growing, inclusive and equitable economy. This in turn, will support the creation of equitable and enabled communities with an educated, empowered and innovative citizenry, supported by capable, conscientious and accountable institutions.

In order to achieve the above-mentioned priorities, the Department of Rural Development and Agrarian Reform (DRDAR) has provided strategic direction to the ECRDA pertaining to several priority areas, which are reflected in the Strategy and the relevant supporting Annual Performance Plans.

These include the re-gearing of the development trajectory of rural areas through transformative resource distribution initiatives, to empower women, the youth and people with disabilities to fully realise their own and their community's full developmental potential. This will, among others, require a refocus from purely agricultural interventions towards more inclusive and multi-dimensional rural development interventions. In support of the above, the expansion and creation of infrastructure and support services through the network of multi-commodity Rural Enterprise Development (RED) Hubs to advance sustainable socio-economic growth and networks, has been identified as a priority. In this regard

accelerated innovation and increased community-ownership will lay the basis for the establishment of commercial partnerships with the private sector, which in turn will exponentially increase the commercialisation of agriculture and the diversification of the rural economy. Accordingly, increased mechanisation and appropriate financing instruments for rural communities will make catalytic operational capital available to achieve these priorities. Combined, the achievement of these priorities will contribute towards the realisation of the full socio-economic potential of rural areas of the Eastern Cape, thus contributing to the overarching task ahead, of government to reconstruct and recover the economy.

With these priorities reflected in the Strategic Plan of the ECRDA, the Executive Authority endorses the Strategic Plan of the ECRDA and commits itself and the Department of Rural Development and Agrarian Reform (DRDAR) to support its implementation.

HON. NONKUBELA N. PIETERS
MEC FOR RURAL DEVELOPMENT AND
AGRARIAN REFORM



COMMITMENT BY THE CHAIRPERSON - ECRDA BOARD

President Ramaphosa has consistently emphasised the need to accelerate spatial and economic transformation to create a just and prosperous South African society.

However, the achievement of this imperative is hampered by the brutal reality that South Africa, and the Eastern Cape in particular, is characterised by the highest levels of inequality and under-development.

Of special significance in this context is the extreme vulnerability of rural households in the Eastern Cape, of which an unacceptably high number does not have access to basic services like their urban counterparts. In these rural communities, inequality and deprivation are exacerbated by the inability to establish a productive asset base that would empower poor rural households to migrate out of a situation of intergenerational disadvantage and poverty. This inability robs these households of equitable and sustained growth, and the ability to exponentially increase living standards in accordance with universal human development goals.

It is against the backdrop of the multi-dimensional nexus of rural poverty, deprivation and underdevelopment that the ECRDA is mandated to record positive socio-economic impact and leverage resources into the rural development space of the Eastern Cape.

In support of the Province's greater development mandate and aligned to the strategy of the shareholder in particular, the ECRDA will refocus its effort to establish, consolidate and maintain transformation corridors to connect and integrate urban and rural economies across the Eastern Cape. This will address and reverse the spatial development legacy of apartheid and increase employment, quality of life, and economic growth for all citizens of the Province.

Our approach and interventions focus on the whole rural Eastern Cape. However, the ECRDA is committed to ensuring that we focus particular attention on the inclusion of women, youth and the disabled in the economy to overturn the historical conditions of triple oppression based on race, class, and gender.

Accordingly, the ECRDA, as documented in this Annual Performance Plan (APP), will continue to advance its leadership, governance, and accountability trajectories to increase efficiencies and effectiveness that will result in increased public value in line with strategic, policy and development imperatives.

The ECRDA Boards' commitment towards increased public value has been demonstrated by a range of performance management and tracking initiatives developed under the board's leadership. In this regard, ECRDA's organisational performance increased by 21% in 2019/2020. 71% was

achieved compared to the 50% organisational performance achieved during the previous year.

Its consistent achievement of unqualified audits clearly illustrates the ECRDA Board's unwavering commitment towards clean and ethical governance. Accordingly, this APP will focus on increasing investment attraction, clean governance, and increased investor confidence.

It is therefore mission-critical that the ECRDA increases its overall performance levels to accelerate delivery and increase the impact of its rural finance portfolio, among key interventions. This will require a concerted effort to decrease the number of non-performing loans while adding new finance support packages to expand our development finance portfolio and drive the exponential increase of the ECRDA's balance sheet towards a sustained going concern status.

The ECRDA APP also highlights our performance commitment towards:

- sound financial governance and management;
- increasing levels of investment and resource attraction;
- establishing catalytic and enabling infrastructure and supporting networks;
- increasing performance and capacitation of our staff and stakeholders;
- advancing localisation and industrialisation in support of emerging rural enterprises;
- accelerating the implementation of sustainable high-impact interventions; and
- maximising value for our shareholder.

We will achieve the above-mentioned by maintaining a social compact with stakeholders in the public, private and community sectors and advancing innovation in all aspects of our operations and interactions in both the terrestrial and oceans economies.

As the ECRDA Board, we are committed to applying this Annual Performance Plan to guide, monitor and ensure that all staff of the ECRDA perform at the highest possible levels of accountability, productivity, and functionality.

Finally, our support and endorsement of this Annual Performance Plan is a clear expression of our unwavering commitment to transforming the rural Eastern Cape's spatial economy.

MS LULAMA NARE
ECRDA BOARD CHAIRPERSON



CHIEF EXECUTIVE OFFICER STATEMENT

The 2021/22 Annual Performance Plan (APP) sees the ECRDA moving into the second year of the implementation of its revised Strategy for the term of the sixth Administration.

While the 2020/21 financial year was mainly focused on the process of re-setting and consolidating key programmes and projects carried over from previous years, as well as planning for new initiatives introduced in the revised Strategy, the 2021/22 financial year will see the emphasis shift more towards strengthened implementation. This will be undergirded by an organisational apparatus whose structure has been reconfigured through a thoroughgoing consultative process to align with the new Strategy. It will also be undergirded by systems and tools that are being continuously improved to address a number of weaknesses that were diagnosed in the course of the development of the Strategy, as well as areas of weakness identified for attention through continuous reflection by staff of the ECRDA, the Board, our Shareholder, communities that we serve, our internal audit process, as well as the Auditor General.

The crafting of the 2021/21 APP happens within a socio-economic environment that could not have been anticipated less than a year ago, an operating environment significantly impacted by the Covid-19 pandemic and other stresses that

this has occasioned. These, among others, are manifesting in a shrinking fiscus as a result of a depressed economy and the concomitant shrink in tax revenues collected by the state. The depressed economy has also seen a rise in unemployment, which calls for greater effort on ameliorative economic interventions from the ECRDA, our partners in government, development support institutions, as well as communities and other collaborators. As we gear up for the next financial year, we would like to see this collaborative effort deepen towards pooling our resources for greater effect.

The staff of the ECRDA would like to thank the Board of the Agency for their guidance and support. We would also like to thank, and look forward to the continuing support of our Executive Authority and the Shareholder Department, DRDAR, as well as other partner departments and collaborating institutional partners. With your support, 2021/22 should see the ECRDA registering an even more pronounced impact in the collective quest to build industrious and sustainable rural economies.

A handwritten signature in black ink, appearing to read 'Nhlanganiso Dladla'. The signature is stylized and fluid, with a long horizontal stroke at the end.

NHLANGANISO DLADLA
ECRDA CHIEF EXECUTIVE OFFICER

OFFICIAL SIGN-OFF



C GARDNER
CORPORATE SERVICES EXECUTIVE



N SIMUKONDA
CHIEF OPERATING OFFICER



J BAXTER
CHIEF FINANCIAL OFFICER




N DLADLA
CHIEF EXECUTIVE OFFICER



L NARE
CHAIRPERSON OF THE BOARD (ECRDA)



B DAYIMANI
ACTING HEAD OF DEPARTMENT (DRDAR)



HON. NONKQUBELA N. PIETERS
MEMBER OF THE EXECUTIVE COUNCIL

IT IS HEREBY CERTIFIED THAT THIS ANNUAL PERFORMANCE PLAN:

- Was developed by the management of the ECRDA under the guidance of the Board.
- Takes into account all the relevant policies, legislation and other mandates for which the ECRDA is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the ECRDA will endeavour to achieve over the period 1 April 2021 - 31 March 2022.

OUR MANDATE



PART A

PAGES 10 - 13



ECRDA

Eastern Cape Rural Development Agency

OUR MANDATE

01 RELEVANT LEGISLATIVE & POLICY MANDATES

The Eastern Cape Rural Development Agency (ECRDA) is listed as a Schedule 3C public entity in terms of the Public Finance Management Act (PFMA).



The ECRDA was established through the Eastern Cape Rural Finance Corporation Amendment Act, (1 of 2012), and the resulting merger of the Eastern Cape Rural Finance Corporation (ECRFC) and Asgi-SA-Eastern Cape (Pty) Ltd into the Eastern Cape Rural Development Agency (ECRDA).

In 2014/15 the Agrarian Research and Development Agency (ARDA) was integrated into the ECRDA.

The ECRDA is a public entity that accounts to the Department of Rural Development and Agrarian Reform (DRDAR) and is entrusted with the responsibility of driving, promoting, and ensuring the implementation of integrated rural development and agrarian reform in the Eastern Cape Province.

Accordingly, the main legislative and policy mandates that guide rural development and agrarian reform initiatives by the ECRDA include:

- Eastern Cape Rural Finance Corporation Act, No. 9 of 1999
- ECRFC Amendment Act, No. 1 of 2012
- The Agriculture Development Act, No. 67 of 1999
- Conservation of Agricultural Resources Act, No. 43 of 1983
- Veterinary and Para-Veterinary Profession Act, No. 19 of 1982
- Animal Health Act, No. 7 of 2007
- Meat Safety Act, No. 40 of 2000
- Animal Disease Act, No. 35 of 1984
- Animal Improvement Act, No. 62 of 1998
- Animal Protection Act, No. 71 of 1962
- Livestock Improvement Act, No. 25 of 1997
- Agricultural Pests Act, No. 36 of 1983
- Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, No. 36 of 1947
- Agricultural Research Amendment Act, No. 27 of 2001
- Marketing of Agricultural Products Act, No. 47 of 1996
- Fencing Act, No. 31 of 1963
- Land Tenure Rights Act, No. 112 of 1991
- Intergovernmental Relations Framework Act, No. 13 of 2005
- Public Finance Management Act, No. 1 of 1999
- Basic Conditions of Employment Act, No. 75 of 1997
- Preferential Procurement Policy Framework Act, No. 5 of 2000
- Skills Development Act, No. 97 of 1998
- Occupational Health and Safety Act, No. 85 of 1993
- Employment Equity Act, No. 55 of 1998
- Treasury Regulations Issued in terms of the PFMA Act, No. 29 of 2000
- Promotion of Access to Information Act, No. 2 of 2000
- Promotion of Administrative Justice Amendment Act, No. 53 of 2000



Additionally, the ECRDA is aligned to and gives effect to the following policy frameworks:

- UN Sustainable Development Goals
- African 2063 Development Agenda
- National Development Plan (NDP Vision 2030) as well as its provincial derivative, the Vision 2030 Provincial Development Plan (PDP)
- Industrial Policy Action Plan (IPAP)
- National Local Economic Development Framework
- Provincial Agricultural Economic Transformation Strategy (AETS)
- Provincial Economic Development Strategy (PEDS)
- Draft National Spatial Development Framework (NSDF).

Strategic and policy guidance is provided by:

- State of the Nation Addresses covering the relevant MTSF period
- State of the Province Addresses covering the relevant MTSF period
- Policy Statements by the Honourable Minister for Agriculture, Land Reform and Rural Development
- Policy Statements by the Honourable MEC for Rural Development and Agrarian Reform
- Strategic Plans by the National Department of Agriculture, Land Reform and Rural Development as well as other departments with strategic import for rural development, such as the Co-operative Governance and Traditional Affairs department and its import for integrated development planning, and the Department of Trade, Industry and Competition for its import on the industrialisation of the rural economy
- Strategic Plans by the Department of Rural Development and Agrarian Reform of the Eastern Cape Province covering the relevant MTSF period. Consistent with the point made above, the strategic plans of other relevant provincial departments are also considered.

Institutional policy guidance is provided by:

- Agricultural Policy Action Plan
- Rural Development Strategy (Ilima Labantu: Conceptual design for interventionist framework)
- Industrial Policy Action Plan
- New Growth Path
- The National Infrastructure Policy Plan
- Eastern Cape Provincial Industrial Development Strategy (PIDS)
- Rural Development Policy Framework
- National Skills Development Plan 2019
- National Skills Development Strategy III
- Provincial Skills Development Forum Draft Regulations

LEGISLATIVE MANDATE

- 1 Mobilising financial resources and providing financial and supportive services
- 2 Promoting and encouraging private sector investment in the Eastern Cape
- 3 Promoting, assisting and encouraging development of the Eastern Cape Human Resources and financial infrastructure
- 4 Acting as the government's agent performing development related tasks
- 5 Driving and co-ordinating integrated programmes of land reform
- 6 Project managing rural development interventions
- 7 Promoting applied research and innovative technologies for rural development
- 8 Planning, facilitating, monitoring and evaluating rural development high impact projects
- 9 Facilitating private sector participation and investment in rural development

PROBLEM STATEMENT AS IDENTIFIED BY THE BOARD

The ECRDA is challenged to register and leverage socio-economic impact within the integrated rural development space of the Eastern Cape Province.

IMPACT STATEMENT

The ECRDA has to register and leverage strategic and systemic socio-economic impact within the integrated rural development space of the Eastern Cape Province.

STRATEGIC OUTCOMES

- 1 Increased socio-economic impact
- 2 Increased levels of resource mobilisation

STRATEGIC OUTPUTS

- 1 Good governance and accountability
- 2 Sustainable Resourcing
- 3 Effective and efficient Programme and Project Management Services
- 4 Sustainable Capacity building and Empowerment
- 5 Sustainable Rural Infrastructure
- 6 Sustainable Environmental Practice
- 7 Sustainable Innovation and Decision Support



1.1. POLICY ENVIRONMENT

The planned performance will impact several elements of the National Development Plan (NDP) as well as the Eastern Cape Vision 2030 Provincial Development Plan (PDP).

The table below illustrates the how the relevant NDP priorities and PDP Goals will be achieved through the production of the stated strategic outputs, which in turn will produce the desired outcomes as per the ECRDA Strategic Plan.

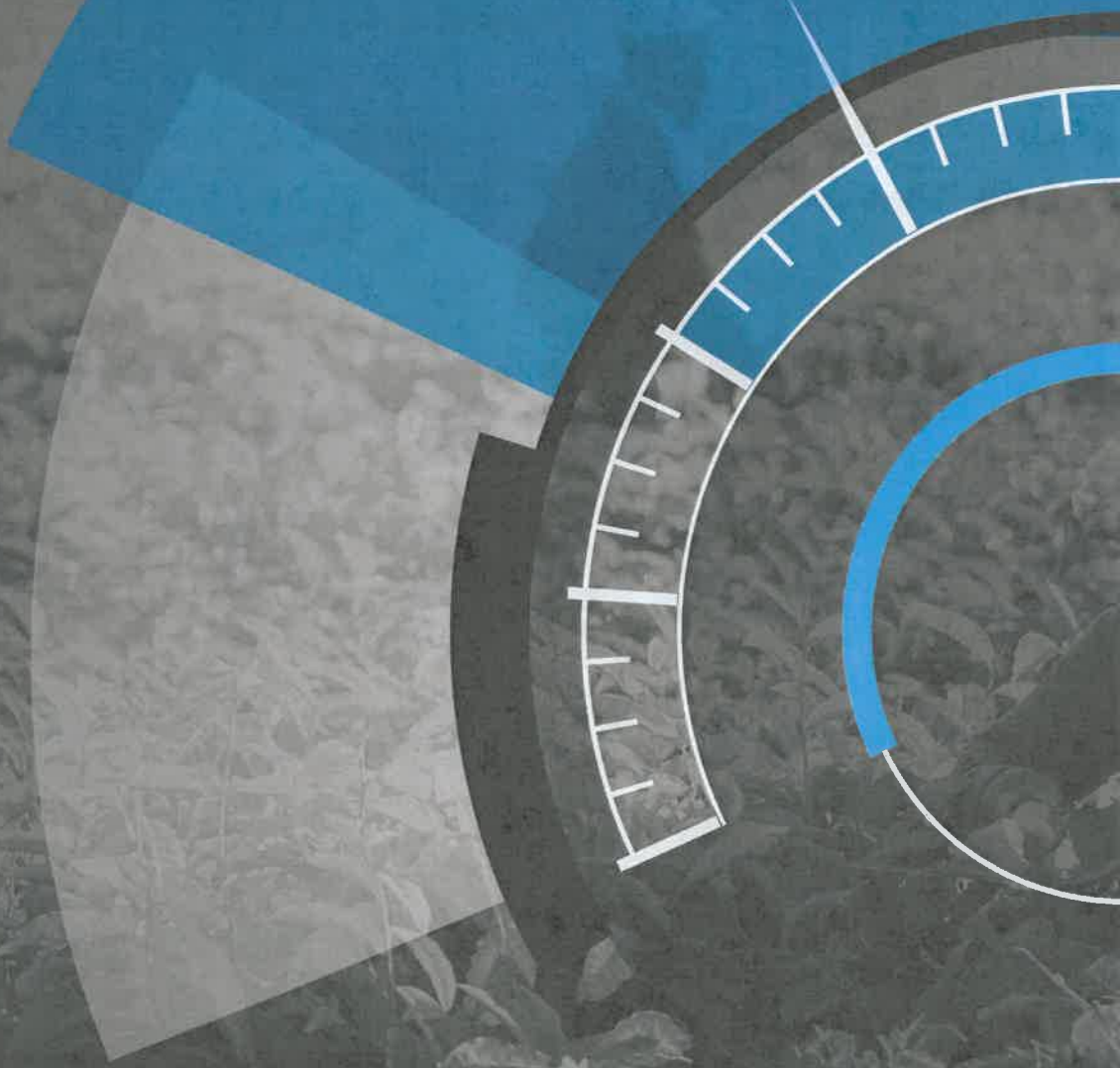
NDP PRIORITIES	PDP GOALS	ECRDA OUTCOMES	ECRDA OUTPUTS
<ul style="list-style-type: none"> Chapter 3: Economic Transformation and Job Creation Chapter 4: Economic Infrastructure Chapter 6: Inclusive Rural Economy 	<ul style="list-style-type: none"> Goal 1: A growing, inclusive and equitable economy 	<ul style="list-style-type: none"> Increased levels of resource mobilisation Increased socio-economic impact 	<ul style="list-style-type: none"> Effective and efficient Programme and Project Management Services Sustainable Rural Infrastructure Sustainable Resourcing Sustainable Environmental Practice Sustainable Capacity Building and Empowerment Sustainable Innovation and Decision-support
<ul style="list-style-type: none"> Chapter 5: Environmental Sustainability and Resilience 	<ul style="list-style-type: none"> Goal 4: Vibrant, equitable enabled communities 	<ul style="list-style-type: none"> Increased levels of resource mobilisation Increased socio-economic impact 	<ul style="list-style-type: none"> Sustainable Environmental Practice Sustainable Innovation and Decision-support
<ul style="list-style-type: none"> Chapter 9: Improving Education, Training and Innovation 	<ul style="list-style-type: none"> Goal 2: An educated, empowered and innovative citizenry 	<ul style="list-style-type: none"> Increased levels of resource mobilisation Increased socio-economic impact 	<ul style="list-style-type: none"> Sustainable Capacity Building and Empowerment Sustainable Innovation and Decision-support
<ul style="list-style-type: none"> Chapter 13: Building a Capable and Developmental State 	<ul style="list-style-type: none"> Goal 5: Capable, conscientious and accountable institutions 	<ul style="list-style-type: none"> Increased socio-economic impact 	<ul style="list-style-type: none"> Good Governance and Accountability

02 RELEVANT COURT RULINGS

There are no court rulings that have a significant on-going impact on operations or service delivery obligations.

STRATEGIC
FOCUS

PART B



PAGES 16 - 29

STRATEGIC FOCUS

03 SITUATIONAL ANALYSIS

The updated situational analysis which informed the development of the ECRDA Strategy, from which the Annual Performance Plan takes its lead, consists of an external and internal environmental analysis, which will be separately discussed below.

3.1. EXTERNAL ENVIRONMENT

The external analysis essentially points to the fact that the development potential of the rural areas of the Eastern Cape is far from being fully realised.

In the map to follow it is illustrated, that rural areas of the Eastern Cape make low contributions to the National Gross-Value-Add (GVA) in the agricultural sector (See Map: Agriculture as Significant Contributor to Local Economies and Employment). Low contribution to GVA notwithstanding, the rural areas of the Eastern Cape are defined as areas with high potential for high value production areas (See Map: Agriculture Land Significant for National Food Security).

The implication of the underutilisation of the full potential of the rural areas of the Eastern Cape is that some strategic existing integrated catalytic programmes and projects need to be consolidated and expanded, while there should be concerted effort to launching new ones that can ensure the realisation of the full potential of the Province. This requires that interventions should focus on unlocking currently utilised areas, improve efficiencies in practice, as well as explore the development of new areas of industry. An important example in the latter sense is the efforts to unlock the full socio-economic potential of the Eastern Cape oceans economy as an alternative source of economic development and diversification in the Eastern Cape.

The current inability to fully realise the potential of the rural areas of the Eastern Cape significantly contributes towards low rates of economic development that characterise the Eastern Cape and its rural areas. Low levels of economic development are attested to by the fact that, compared to the national GDP growth rate of 1.3% achieved in 2017, the Eastern Cape recorded a GDP growth rate of only 0.3%. Similarly, Gross Value Add (GVA) and employment levels

have grown by only 1.3% and 0.9% respectively in the Eastern Cape.

The expanded unemployment rate for the Eastern Cape is at 52.8%, up from 48.9% in the first quarter of 2020, and it is the worst-performing Province in the country. The combination of unemployment and low economic growth rates increases social and economic vulnerabilities and the number of poor households in rural areas of the Eastern Cape. (See map entitled Poor Households (2016).

The state of social vulnerability in the rural communities in the Eastern Cape is illustrated in the map entitled "Social Vulnerabilities". In this regard, it is important to note that most vulnerable communities in the Eastern Cape are in the rural areas. Additionally, the map demonstrates that a substantial number of vulnerable rural people are under the age of fourteen. The prevalence of many children under the age of fourteen being classified as vulnerable presents a multi-generational and multi-dimensional developmental challenge. The inability to mitigate the vulnerability of children will have a knock-on effect in terms of reducing the capability and capacity of rural communities to ensure sustainable development. This further implies that rural development interventions should be integrated into social, educational and health interventions across the full public-sector portfolio.

From a strategic perspective, continued unemployment and low rates of economic growth will exponentially increase not only the social vulnerabilities of rural communities, but also poor households. The implication of this trend is an increased demand for catalytic and transformative projects that will reverse underdevelopment and increase the social-economic security of rural households.

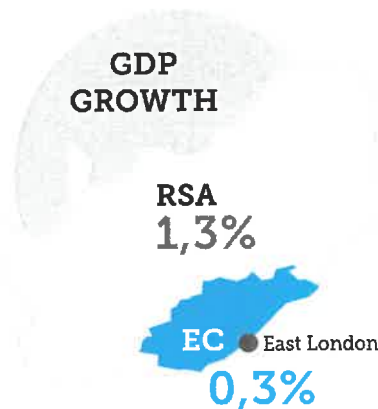




From a strategic perspective, continued unemployment and low rates of economic growth will exponentially increase not only the social vulnerabilities of rural communities, but also poor households. The implication of this trend is an increased demand for catalytic and transformative projects that will reverse underdevelopment and increase the social economic security of rural households.

It is also important to note that underdevelopment and social vulnerabilities in the rural areas of the Eastern Cape is further exacerbated by the isolation of rural areas from inter-regional trade routes and corridors. (See Map: Inter-regional Spatial Development Priorities).

In this regard, the NSDF found in 2008 that, on average, a rural citizen would need to travel more than two hours to access economic services and or opportunities. These high levels of isolation result in a situation where rural communities are marginalised and their access to economic opportunities and well-being is severely restricted. To remedy this situation integrated transport, logistics and socio-economic networks would have to be established and maintained to ensure integration into mainstream economic activities. Without addressing the issue of accessibility, sustainable rural development would be severely hampered.



Economic and Employment Growth

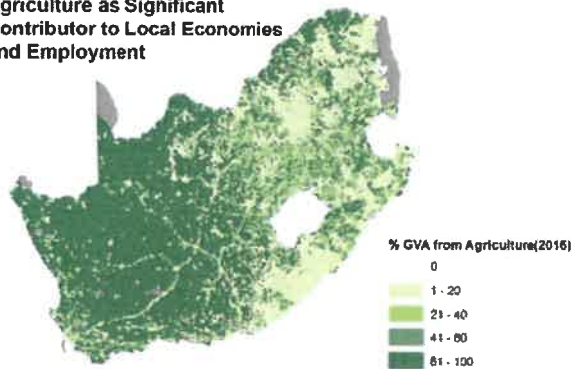
Similarly, Gross Value Add (GVA) and employment levels have grown by only 1.3% and 0.9% respectively in the Eastern Cape.

EC Employment Quarter 1, 2020

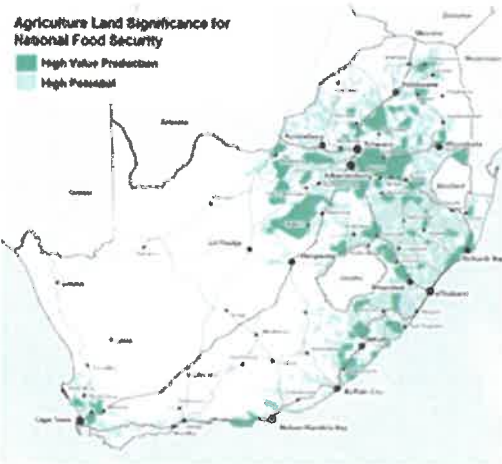


AGRICULTURE AS SIGNIFICANT CONTRIBUTOR TO LOCAL ECONOMIES AND EMPLOYMENT

Agriculture as Significant Contributor to Local Economies and Employment

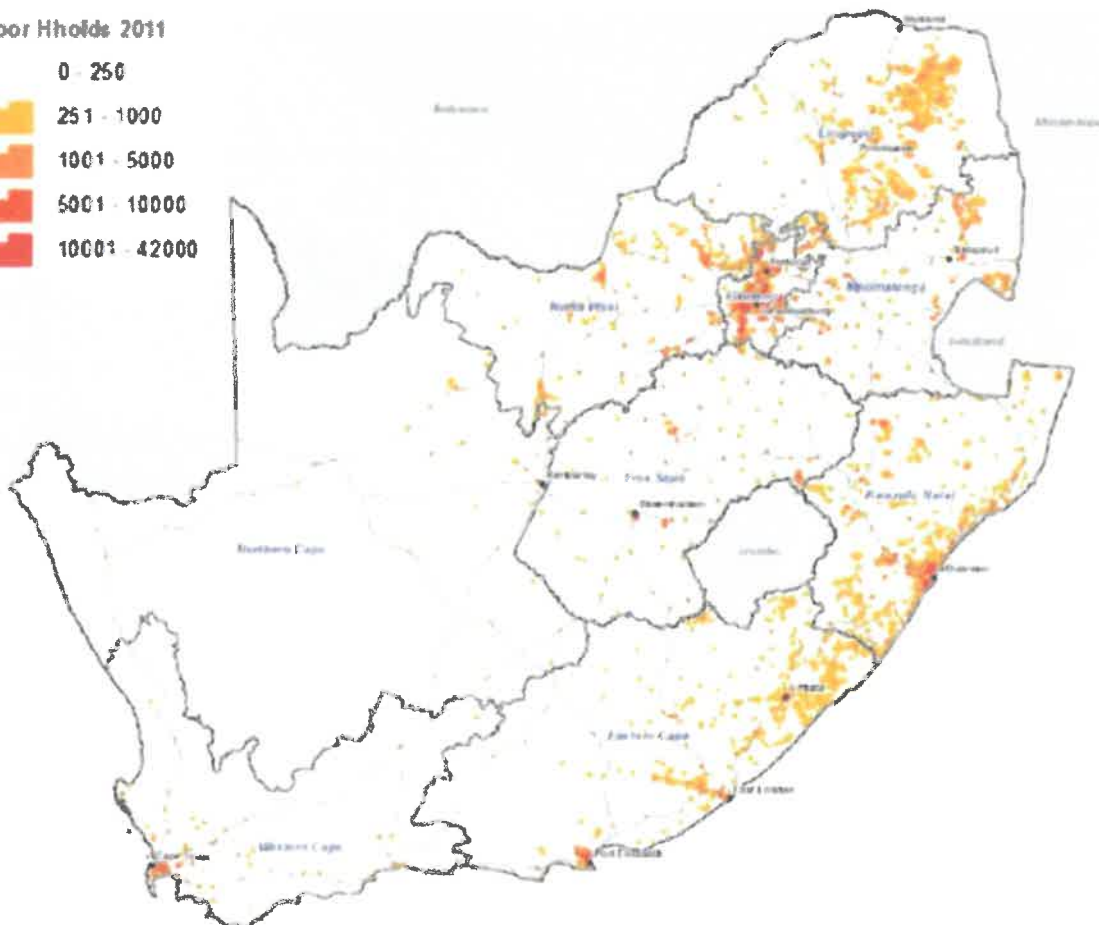
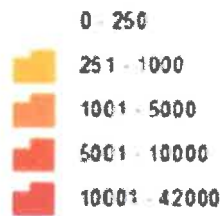


AGRICULTURE LAND SIGNIFICANCE FOR NATIONAL FOOD SECURITY

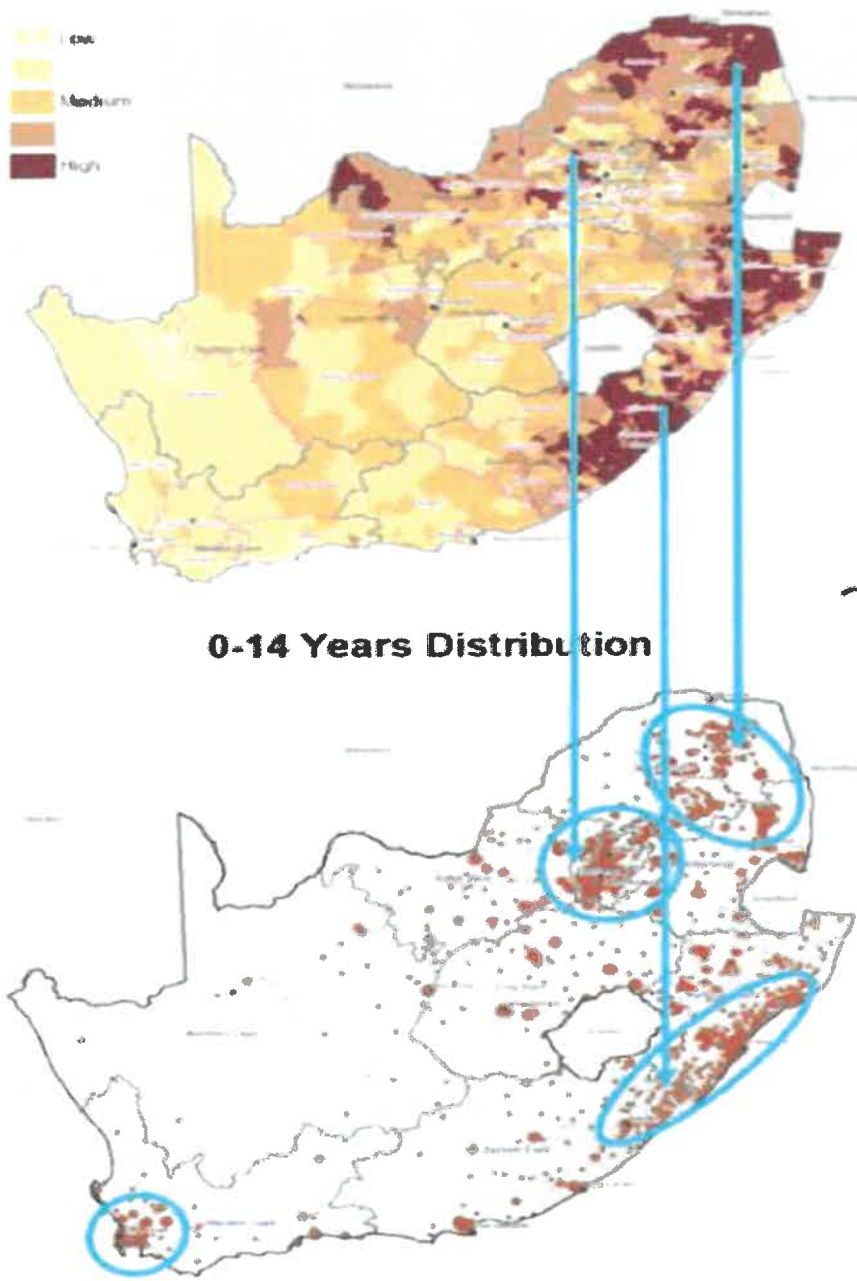


POOR HOUSEHOLDS

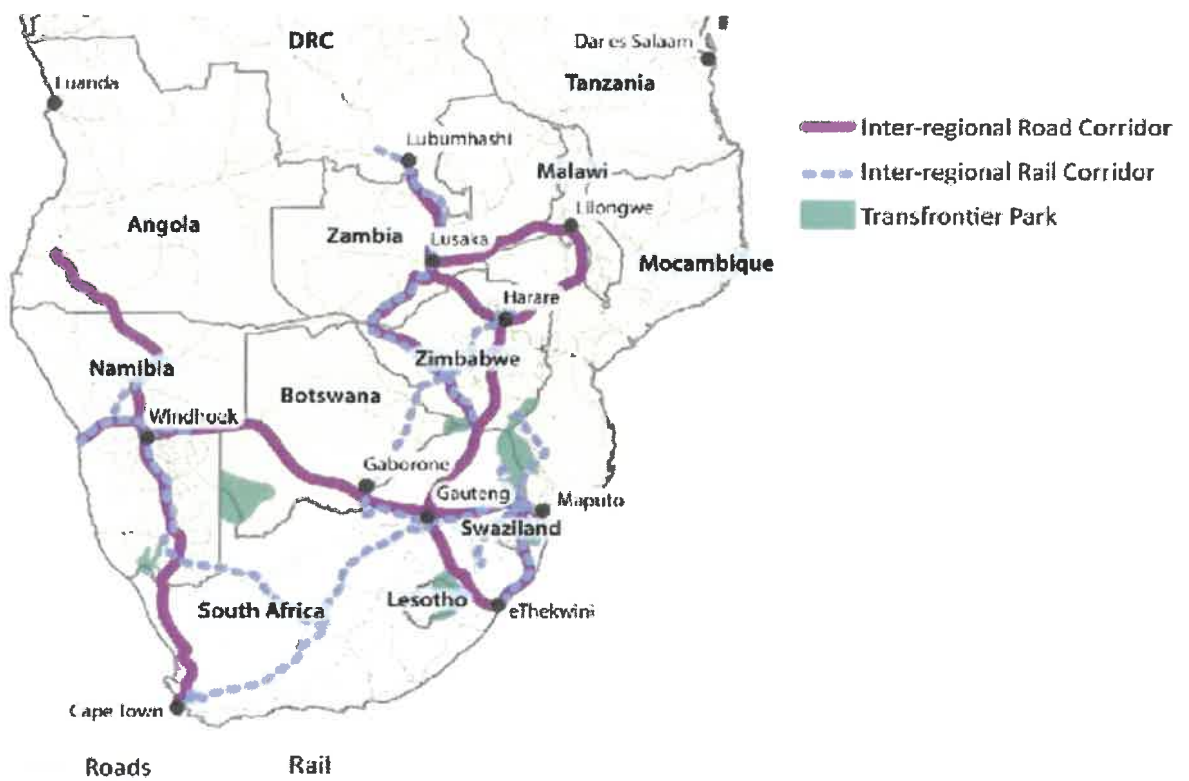
Poor Hholds 2011



SOCIAL VULNERABILITY - 2016 (INCLUDING POVERTY, FEMALE HEADED HOUSEHOLDS, DEPENDENCY, UNEMPLOYED)

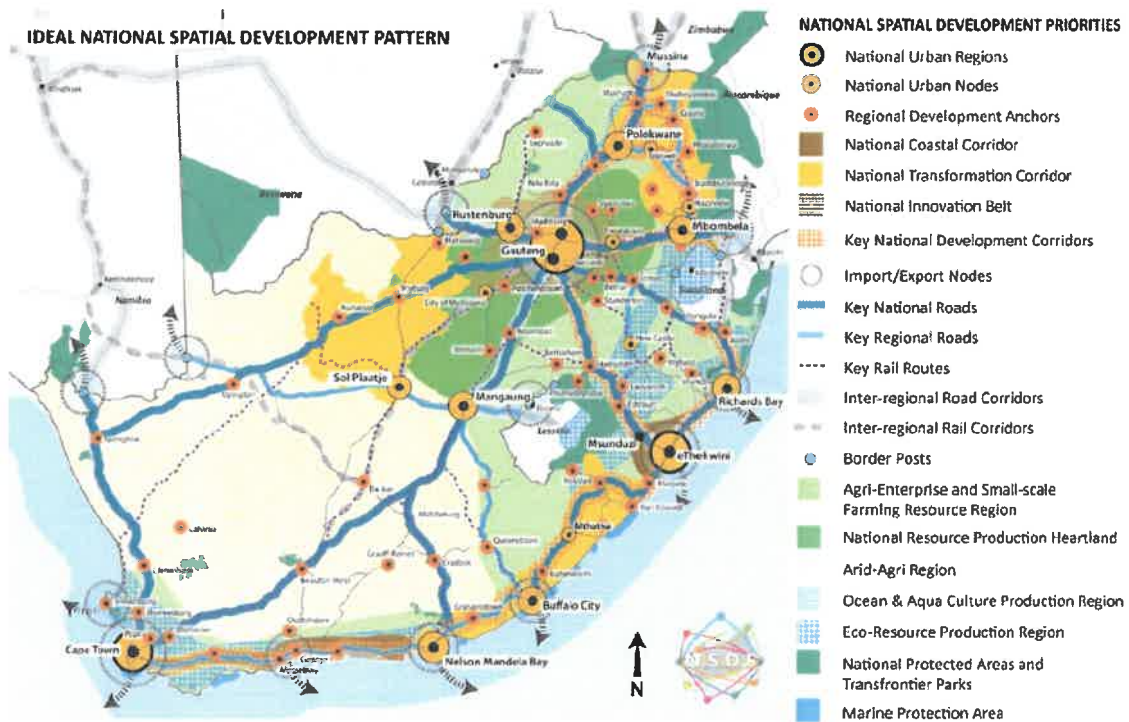


INTER-REGIONAL SPATIAL DEVELOPMENT PRIORITIES



IDEAL NATIONAL SPATIAL DEVELOPMENT PATTERN

Figure 39: National Spatial Development Framework: The Ideal Post-Apartheid National Spatial Development Pattern



The challenge of fully utilising the development of rural areas, combined with the increased demand for rural production and rural development drives the requirement of establishing sustainable rural communities. However, currently low levels of economic growth, low levels of employment and increased levels of socio-economic vulnerabilities present major challenges to realising this goal.

Despite these challenges, the Draft NSDF identifies the rural areas of the Eastern Cape as an area of national spatial development importance.

In this regard, the rural areas of the Eastern Cape, particularly those to the north-east of the Province, are classified as areas of high eco-resource production value, particularly regarding the provision of surface water (See Map: Ideal National Spatial Development Pattern).

Additionally, large portions of the rural Eastern Cape are classified as being of agro-enterprise and small-scale farming resource importance.

The importance of the rural areas of the Eastern Cape is further illustrated by the fact that most of the envisaged development interventions within the Eastern Cape are set to take place in its rural areas. This, for example, requires the development of a series of national urban regions, and national urban nodes, linked to regional development anchors, which are connected via a national transformation corridor; which supports a key national development corridor that stretches almost the full length of the rural Eastern Cape.

This essentially positions the rural Eastern Cape as being an area of national strategic and development importance, which requires high-impact strategic interventions to realise the full socio-economic potential of the region, whilst

contributing towards the achievement of the national development trajectory. Key to realising this achievement is the creation of resilient and sustainable rural communities and economies that will fundamentally reconfigure the human condition in rural areas.

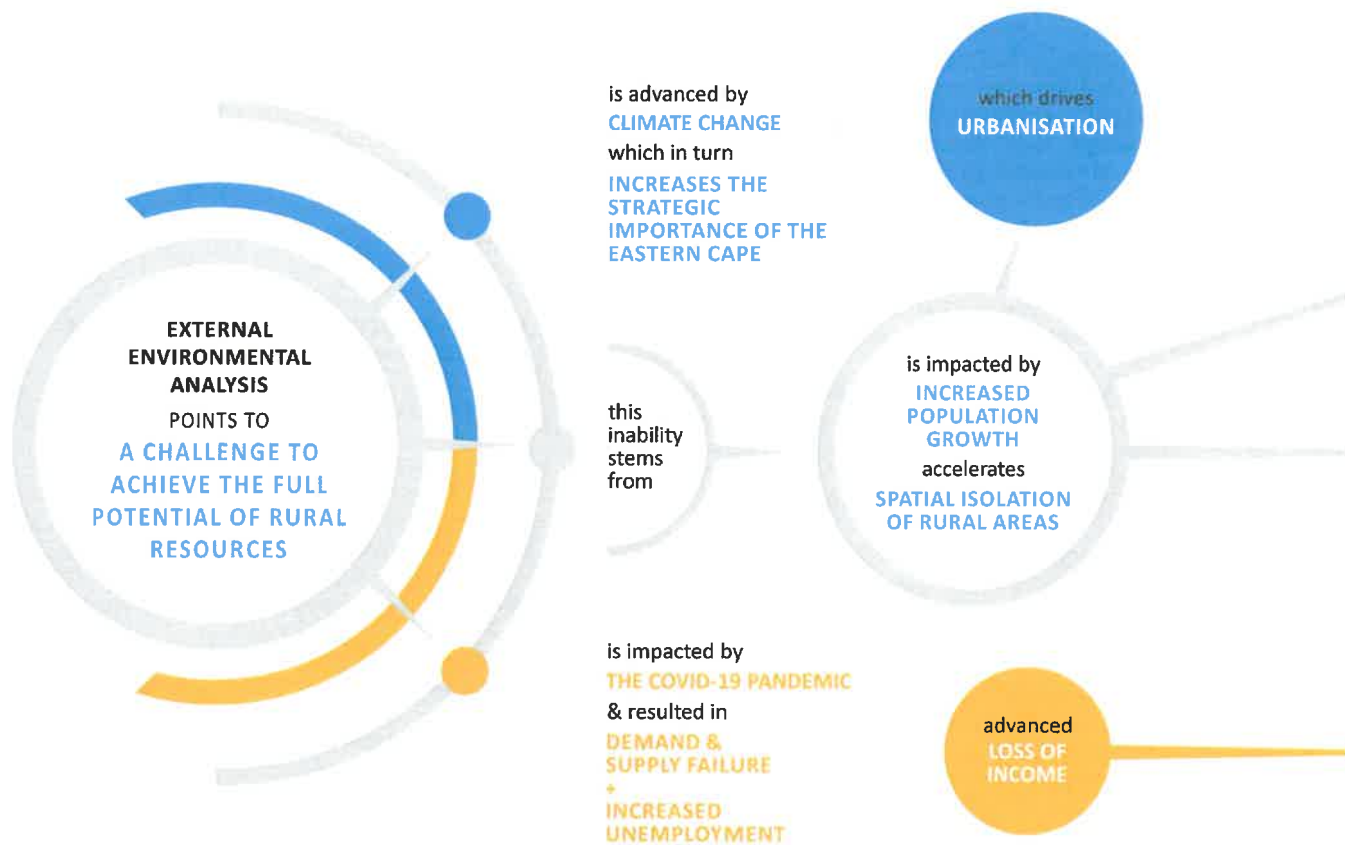
IMPACT OF THE COVID-19 PANDEMIC ON THE EXTERNAL ENVIRONMENTAL ASSESSMENT.

The outbreak of the Covid-19 pandemic has impacted the lives and livelihoods of millions of people across the globe, including those living in the rural areas of the Eastern Cape. As an event of major historical and socio-economic significance, the Covid-19 pandemic has had a substantial impact on the strategic and operational environment of the ECRDA - how business and interactions are and will be conducted going forward.

The impacts of the Covid-19 pandemic have been defined by the United Nations Development Programme (UNDP) in partnership with the National Department for Cooperative Governance and Traditional Affairs, who issued a socio-economic impact assessment of the Covid-19 pandemic in South Africa in 2020.

In addition to the external situation described in the preceding section, the major findings of UNDP impact assessment and its implications for the ECRDA is summarised in the next table.





IMPACT OF COVID-19¹

IMPLICATION(S) FOR THE ECRDA

- 1 Due to the Covid-19 pandemic female-headed households are more likely to fall into poverty than male-headed households. In this regard, women, particularly in poor female-headed households, disproportionately bear the brunt of the impact of COVID-19.

Households with many dependents are also more likely to experience increased levels of poverty due to the pandemic's effects on socio-economic development.

- 2 The socio-economic vulnerability of poor households could exponentially increase in inequality as measured by the Gini coefficient index.

The UNDP projects that the Gini coefficient could increase by between 0.16 to 0.23.

- 3 The current stimulus package may not be sufficient given that households are expected to lose up to 40 percent of their income.

- Increased demand for socio-economic recovery initiatives by the ECRDA, with a special focus on vulnerable groups such as women, youth and people living with disability.

- The ability of rural households to repay loans provided by the ECRDA may be negatively impacted and thus place the financial sustainability of the ECRDA and rural communities at risk. This would require the development of innovative or alternative rural funding and support instruments and/or platforms.

- Rural development interventions would have to be developed with the strategic and operational intent of addressing inequality and reducing the Gini coefficient in rural areas of the Eastern Cape.

- This is extremely important as a means of ensuring equitable and sustainable development which underpins increased levels of social cohesion in rural areas.

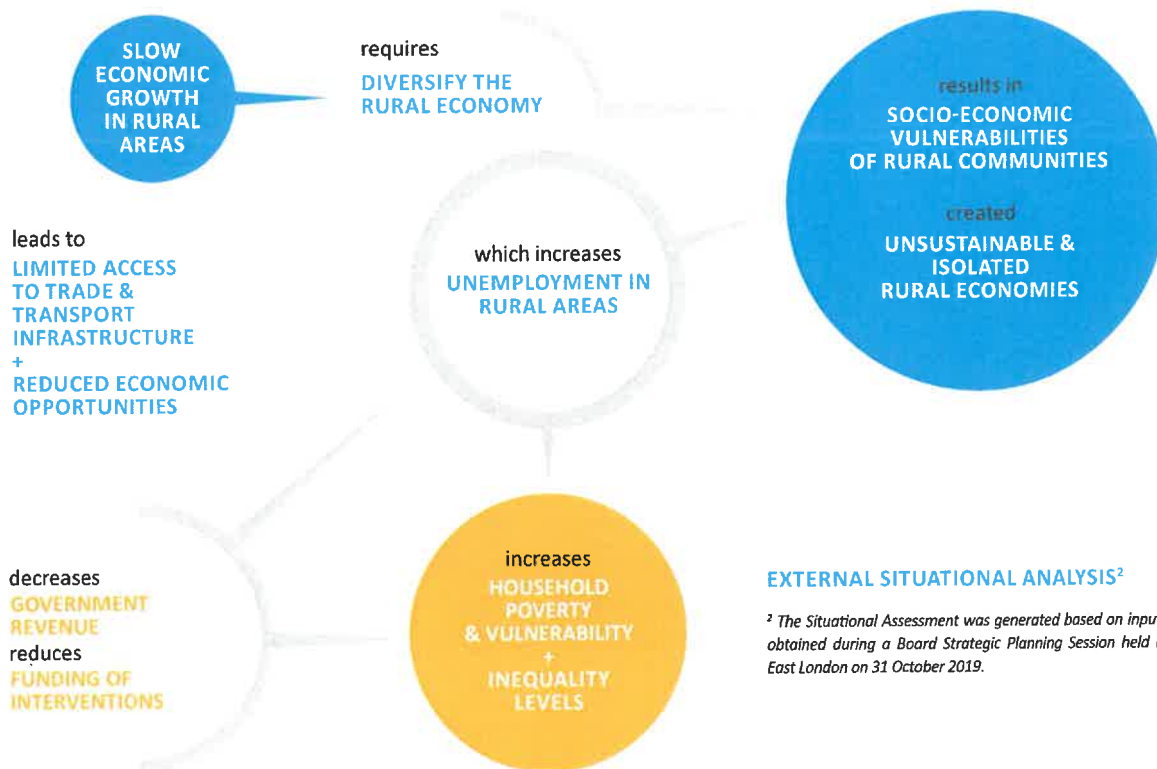
- Implementation designs, funding platforms and tools developed by the ECRDA would have to address the need for socio-economic sustainability and support the livelihoods of rural households beyond the provision of stimulus packages.

- The scope of ECRDA implementation would have to be holistic in nature and cover the full rural development spectrum beyond a primary focus on agricultural development.

- This would require that the ECRDA reposition itself with the provincial portfolio as the key implementing Agency for the provision of transversal rural development services to a broader range of provincial and national departments and public entities.

¹ United Nations, 2020. Covid-19 in South Africa: Socio-economic Impact Assessment. United Nations Development Programme (UNDP) and the National Department of Cooperative Governance. South Africa.





IMPACT OF COVID-19¹

IMPLICATION(S) FOR THE ECRDA

<p>4 UNPD predicts that the Gross Domestic Product (GDP) will drastically fall due to Covid-19 and may not recover till 2024. As a result, government revenue could fall by 3.5% in the optimistic scenario and by 5.1% in the pessimistic scenario in 2020.</p> <p>Unemployment is projected to increase by between 47 082 to 80 712 in 2020.</p> <p>This is attributable to the depressed economy as well as government expenditure growing at the same rate as before the COVID-19 pandemic</p>	<ul style="list-style-type: none"> The ability to secure funding from the fiscus will be greatly reduced. This would require that the ECRDA develop alternative funding and revenue sources to fund catalytic interventions. Interventions would have to be catalytic in nature and focus on accelerating GDP growth whilst at the same time increasing employment. The ECRDA would have to refocus some of its operation towards a more commercial orientation. This will require a balance between providing public goods and ensuring commercial profitability. Structure and operations of the ECRDA would have to be adapted to accommodate a commercial orientation with the aim of increasing financial self-sustainability and drastically increasing efficiencies and cost reductions.
<p>5 The UNDP stated that as the agricultural sector was designated as an essential sector, it has an exponential comparative and competitive advantage to recover faster and experience fewer negative impacts than other sectors.</p>	<ul style="list-style-type: none"> The ECRDA would have to increase its capacity to identify and package feasible interventions to fast-track recovery. This would require the establishment of a sustainable funding pipeline and investment attraction capacity. This would also require the development of an accurate baseline to track progress and demonstrate success, which in turn will increase the attractiveness of the ECRDA as an investment partner and implementing Agency.
<p>6 Consumer prices could fall drastically due to suppressed aggregate demand in the economy.</p>	<ul style="list-style-type: none"> The unprecedented supply and demand failure brought about by the Covid-19 pandemic requires the ECRDA to develop interventions to address both the demand and supply-side components of the rural economy. The decline in consumer prices could further reduce the financial viability of rural enterprises. This could negatively impact the success rate of ECRDA interventions and the ability of clients to make loans repayments. The ECRDA would therefore need to develop innovative mechanisms to mitigate the simulations supply and demand-side failure.



3.2 INTERNAL ENVIRONMENT

The internal strategic and operating environment facing ECRDA is significantly impacted by the reduction in the fiscus, which has reduced the Agency's ability to secure sufficient implementation funding to fully address and realise the national strategic importance and potential of the rural areas of the Eastern Cape.

In this regard, a reduction in the fiscus translates directly into an inability to secure technical expertise, operational and implementation resources required to address development challenges in the rural areas of the Eastern Cape. This situation is further compounded by the fact that as economic growth slows and rural development needs increase, the demand for rural services increases. However, the reduction in the fiscus does not appear to have kept track with the increase in demand for services, essentially creating a situation where limited resources negatively impact on the ability of the ECRDA to address an ever-increasing need for rural services.

The refocussing of the ECRDA towards rural development would require a reorientation of the skills and capabilities required to implement multi-dimensional rural development interventions. In this regard, the need for high-impact technical programme and project management capacity to drive implementation, monitor and report on progress and impacts achieved has fundamentally shifted from the one-dimensional focus on agriculture. Accordingly, a reconfigured skills profile and enabling structure to deploy the new skill-set is required.

The new requirement to fund and support investment in rural development might also require a redesign of the funding instruments available to the ECRDA. The emerging

need to consider alternative means of ownership, securing and holding investment resources, requires the ECRDA to create a balance within its portfolio between implementing projects for purely public good versus commercially viable projects which generate additional revenue to sustain and/or support operations.

In conclusion, the ECRDA is currently completing the scheduled redesign of its organisational structure and capacity profile to align with the emerging need to implement multi-dimensional rural development interventions. The multi-dimensional nature of rural development has orientated the ECRDA towards a community-based decentralised structure that would accommodate new ownership, funding and investment modalities required to drive rural development in the Eastern Cape.

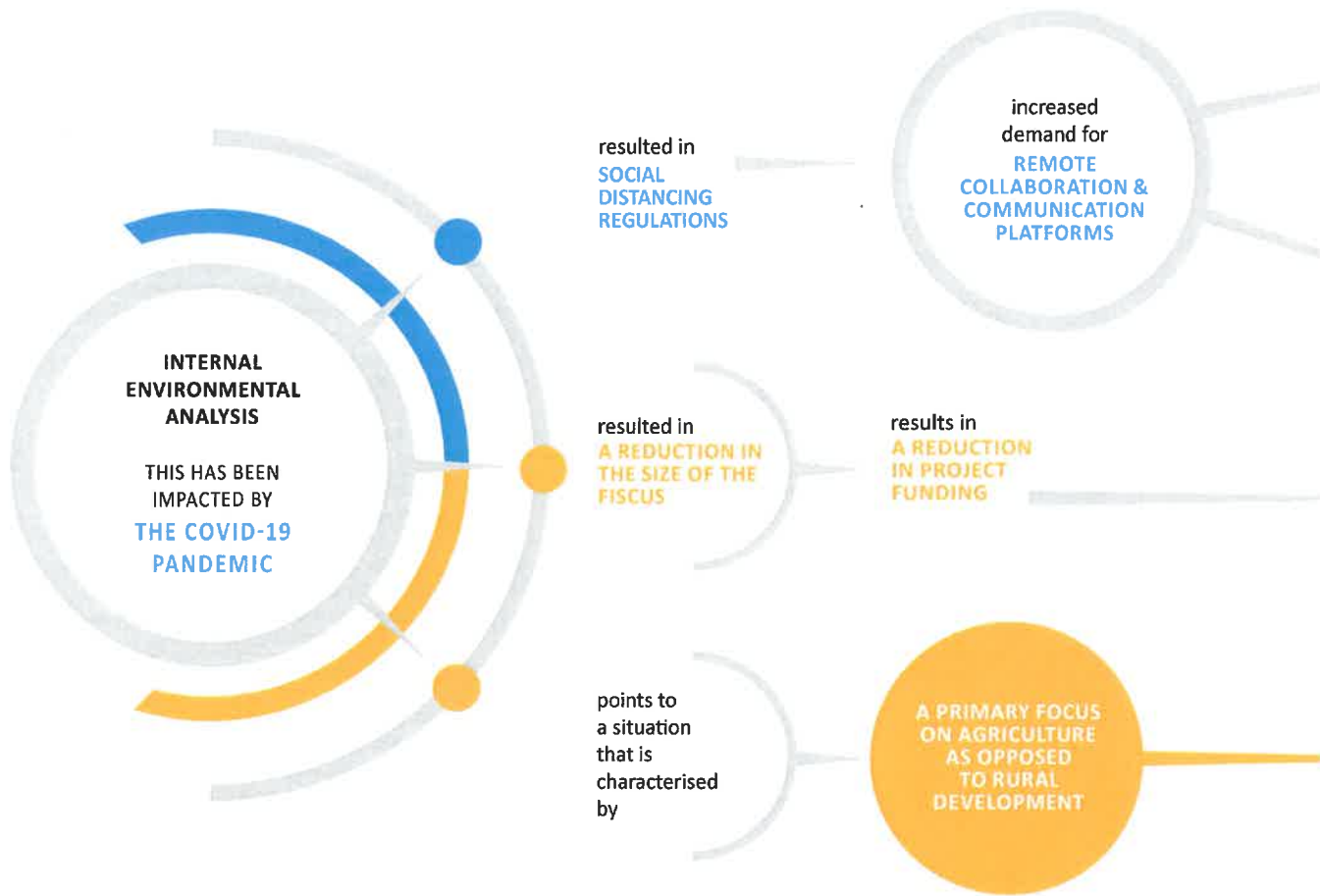
IMPACT OF COVID-19 PANDEMIC ON THE INTERNAL SITUATIONAL ASSESSMENT

In addition to the above-mentioned, the internal operating environment of the ECRDA has, like organisations across the globe, been massively impacted by the Covid-19 pandemic. The general impacts emanating from the pandemic and its implications on the internal operations of the ECRDA are summarised in the table below.



#	IMPACT OF COVID-19 ²	IMPLICATION(S) FOR THE ECRDA
1	Mandatory social distancing measures implemented in accordance with the disaster management legal and regulatory framework.	<ul style="list-style-type: none"> Impact on the ability of ECRDA to fully utilise its office and operational spaces due to social distancing regulations. Increase in demand for remote operating and virtual communication platforms by staff, clients and stakeholders of the ECRDA. Decrease in the ability of the ECRDA to engage with communities and stakeholders through direct engagement sessions.
2	Increased need for the ECRDA to operate remotely and use web-based communication and collaboration platforms.	<ul style="list-style-type: none"> Decrease in the need for office space. Increase in demand for mobile service delivery platforms. Increase in demand to develop new policies, procedures and systems to accommodate remote working environments and collaboration within the ECRDA. Increase in the need to accommodate ECRDA staff that cannot operate remotely in safe and healthy office and operational spaces. Increase in the demand for, governance and performance tracking policies, systems and processes compliant with the requirements of remote operations.
3	Increased demand for remote collaboration and communication platforms, tools and technologies.	<ul style="list-style-type: none"> Increase in the demand for ICT systems and technology in accordance with remote collaboration user requirements. Increase in the demand for ICT services being provided by the ECRDA. Increase in the demand for network security as new access gateways have been created by remote collaboration platforms. Increase in the need to develop new policies and procedures to regulate confidentiality within a remote operating environment.
4	Demand for space utilisation has decreased.	<ul style="list-style-type: none"> Increase in demand to reconfigure ECRDA office space to match the decline in demand. Increase in sanitation and health requirements has impacted ECRDA budgets and the utilisation of space. A need has arisen to reduce the immovable asset portfolio of the ECRDA to match the increased demand for remote operations. Increase in demand for mobile service points as ECRDA office space utilisation decreases.
5	Remote operations and collaboration have fundamentally impacted the process of engagement between ECRDA management and organised labour as direct face-to-face engagements have been severely restricted.	<ul style="list-style-type: none"> Existing agreements must be adopted to accommodate remote collaboration and engagements. Accessible engagement platforms must be made available to all ECRDA staff.
6	Reduction in ability to conduct community-based and face-to-face training and capacity building.	<ul style="list-style-type: none"> Demand for accessible virtual training and capacity building platforms has exponentially increased. Internal ICT systems must be customised to address new remote collaboration and engagement requirements.
7	Face-to-face stakeholder engagements have been hampered due to lack of access to remote collaboration and communication platforms.	<ul style="list-style-type: none"> The ECRDA needs to bridge the technological gap and facilitate access to remote collaboration and communication platforms to stakeholders.
8	Reduced the ability to disburse and recover loan finance due to inability to directly engage with rural stakeholders has.	<ul style="list-style-type: none"> The ECRDA needs to bridge innovation and technological gaps and facilitate access to remote collaboration and communication platforms to clients.

² United Nations, 2020. Covid-19 in South Africa: Socio-economic Impact Assessment. United Nations Development Programme (UNDP) and the National Department of Cooperative Governance. South Africa.



increased demand for
ICT SERVICES & TECHNOLOGIES
+
**NEW POLICIES, PROCEDURES
& SYSTEMS**

decreased demand
for
**SPACE
UTILISATION**

increases the
need
**TO SECURE
ADDITIONAL
INVESTMENT &
RESOURCES**

**to facilitate
OPERATIONS
+
STAKEHOLDER
ENGAGEMENTS**

requires
**NEW TECHNICAL
IMPLEMENTATION
CAPACITY**
creates the need
to
**CHANGE THE PFMA
LISTING IN FUTURE**

**to ensure that the
ECRDA is able to
REGISTER & IMPACT
SOCIO-ECONOMIC
IMPACT**

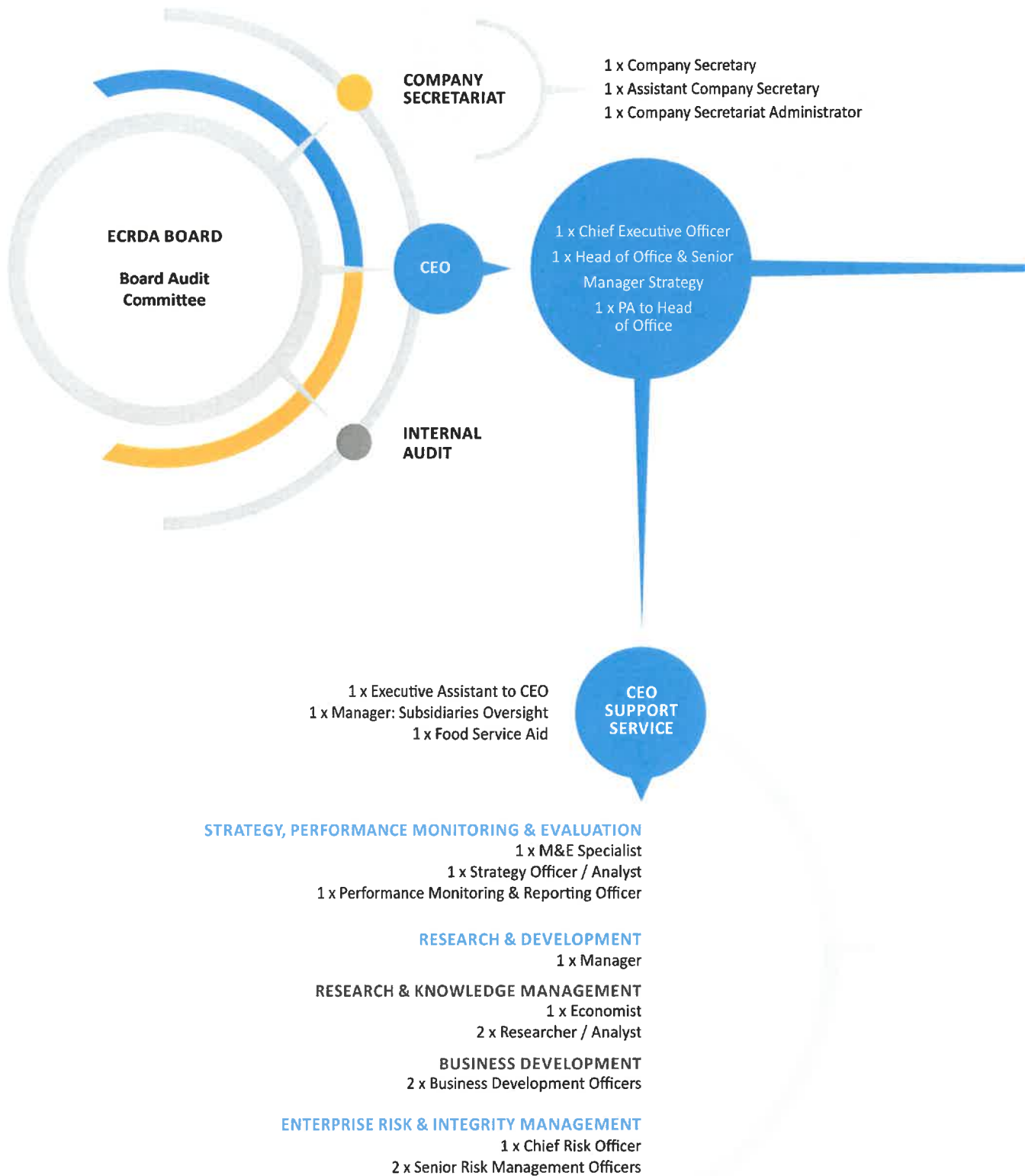
**LIMITED PROJECT
MANAGEMENT CAPACITY**
resulted in
**CENTRALISATION OF CAPACITY
AT HEAD OFFICE**

INTERNAL SITUATIONAL ANALYSIS⁴

⁴ The Situational Assessment was generated based on the inputs obtained during a Board Strategic Planning Session that was held in East London on 31 October 2019.



3.3. APPROVED ORGANISATIONAL STRUCTURE

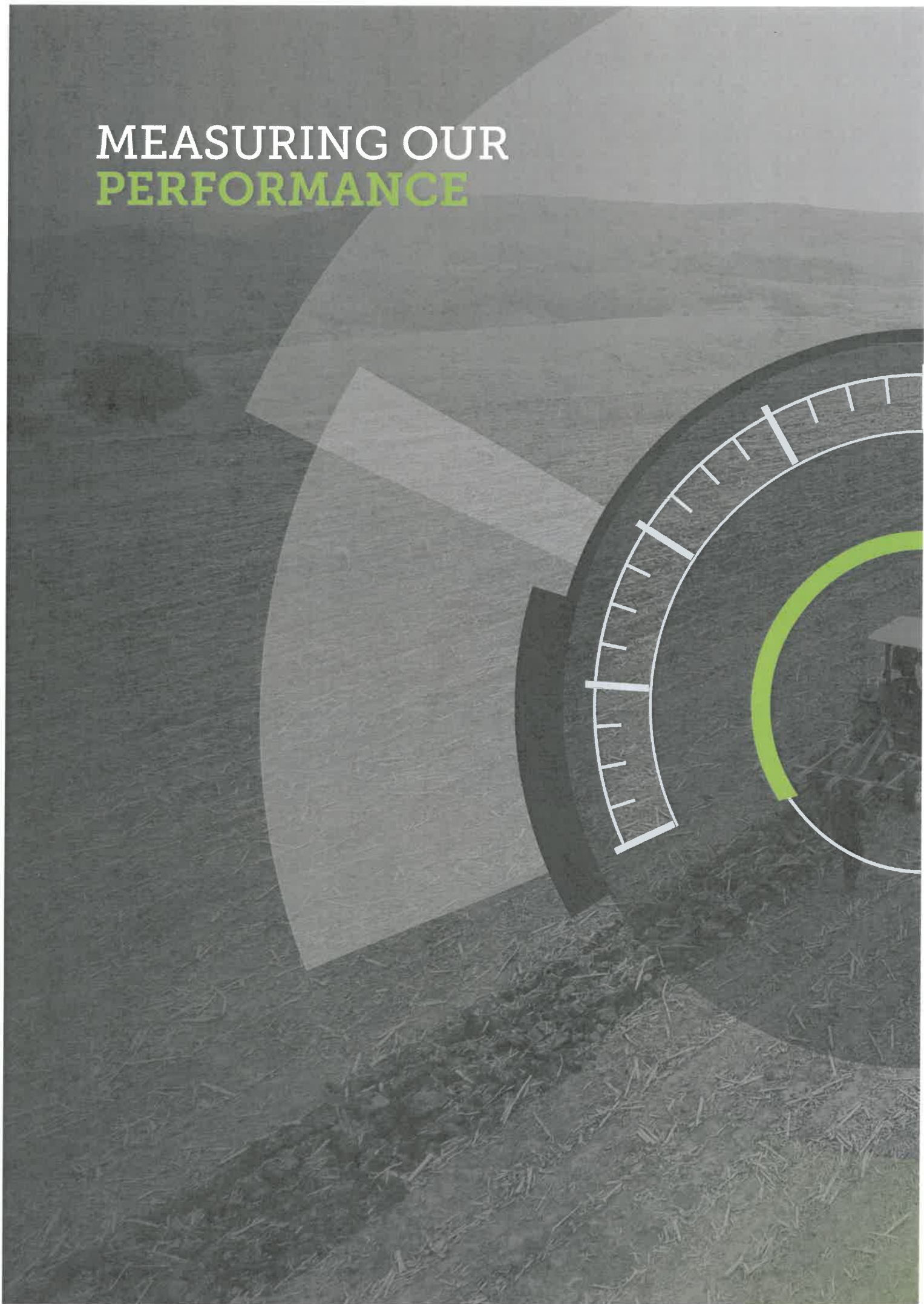




DIVISIONS



MEASURING OUR PERFORMANCE



PART C

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MEASURING OUR PERFORMANCE

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

For the ECRDA to ensure the achievement of its strategic imperatives, it needs to produce two (2) strategic outcomes. This section defines how the ECRDA intends to measure, manage and achieve its strategic outcomes.

IMPACT STATEMENT

Register and leverage socio-economic strategic and systemic impact within the integrated rural development space of the Eastern Cape Province.

MEASURING OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Increased levels of resource mobilisation	Combined value of investment, revenue and/or technical support secured in addition to allocated budget	Zero (0)	R1Billion
Increased socio-economic impact	Percentage (%) completed projects within the portfolio with approved socio-economic impact reports	Zero (0)	100%



04 PROGRAMME 01

PURPOSE

This programme provides oversight, governance and strategic direction across the full spectrum of strategic and operational interventions. In this regard the Office of the CEO is tasked with ensuring overall strategic alignment, governance and oversight.

The Office of the CFO provides financial oversight and financial management services to the full complement of the ECRDA.

The creation of an enabling environment is the responsibility of the Corporate Services component which provides human resource support services as well as ensuring access to enabling infrastructure.

4.1. SUB-PROGRAMME: OFFICE OF THE CEO

SCOPE	SUB-PROGRAMME PURPOSE
Company Secretariat	<ul style="list-style-type: none"> Ensuring compliance with Corporate Governance.
Economic Intelligence, Planning, M&E	<ul style="list-style-type: none"> Research, Strategic Analyses and Planning: leveraging research and knowledge institutions; Knowledge management: Developmental Dialoguing and Information dissemination; (Document management, Compliance with Promotion of Access to Information Act and Protection of Personal Information Act; Monitoring and Evaluation: Reporting and Accountability (statutory and developmental); Monitoring and evaluating the implementation of the corporate strategy; Maintain an unqualified financial and performance Audit with no compliance findings; Support for Admin and Strategic Relations; Quarterly reports (APP).
Audit & Risk	<ul style="list-style-type: none"> Ensuring establishment and consistent application of sound internal controls to safeguard the assets of the ECRDA, facilitating internal audits with positive outcomes; Integrated Risk Management: Facilitating risk assessments, monitoring implementation of mitigating actions.
Stakeholder Relations	<ul style="list-style-type: none"> Build sustainable relations with key stakeholders (International, National, Provincial and local government; business; Traditional authorities; other state-owned entities).

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Good governance and accountability	Number of unqualified financial and performance audit outcomes	1	1	1	1	1	1	1
Increased Socio-Economic Impact	Good governance and Accountability	% of Strategic Risk Mitigated	New	New	New	60%	60%	60%	60%
Increased Socio-Economic Impact	Good governance and Accountability	% of Board resolutions implemented	New	New	New	100%	100%	100%	100%
Increased Socio-Economic Impact	Good governance and Accountability	Number of governance framework developed and submitted to subsidiaries for consideration	New	New	1	1	1	1	1

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
1. Number of unqualified financial and performance audit outcomes	1	n/a	1	n/a	n/a
2. % of Strategic Risk Mitigated	60%	60% of the quarter	60% of the quarter	60% of the quarter	60%
3. % of Board resolutions implemented	100%	100% of the quarter	100% of the quarter	100% of the quarter	100%
4. Number of governance framework developed and submitted to subsidiaries for consideration	1	1	n/a	n/a	n/a



4.2. SUB-PROGRAMME: OFFICE OF THE CFO

SCOPE	SUB-PROGRAMME PURPOSE
Finance	<ul style="list-style-type: none"> Management Accounting Financial Accounting: Revenue and Expenditure Audit Management
Supply Chain Management	<ul style="list-style-type: none"> Supplier management Ensuring compliance with Supply Chain Management legal framework and other relevant legislation
Asset Management	<ul style="list-style-type: none"> ECRDA Fixed Assets Management
Compliance Reporting and OCFO M&E	<ul style="list-style-type: none"> Monthly and Quarterly Compliance Reports (Financial) Mid-Year (Financial) & MTEC Reports POE for all reports analysed, archived & tested BU support for variances

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased socio-economic impact	Good governance and accountability	% of Audit Action plan actions implemented	New	100%	80%	80%	100%	100%	100%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
5. % of Audit Action Plan ³ actions implemented	80%	n/a	n/a	n/a	80%



³ Audit Action Plan also known as Audit Improvement Plan

4.3. SUB-PROGRAMME: CORPORATE SERVICES

SCOPE	SUB-PROGRAMME FUNCTIONS
Human Resource Services	<ul style="list-style-type: none"> Management of HR operations and HR services to ensure sound employment, maintenance, remuneration, records and exit of staff
Human Capacity Development	<ul style="list-style-type: none"> Management of human capital and development
Legal Services	<ul style="list-style-type: none"> Ensuring legislative compliance, drafting and vetting of legal documents and litigation management
Information and Communication Technology	<ul style="list-style-type: none"> Provision and maintenance of efficient ICT systems, governance and controls
Communications	<ul style="list-style-type: none"> Manage communications strategy and protocols internally and externally Brand visibility and corporate marketing of the ECRDA
Facility Management	<ul style="list-style-type: none"> Provision and maintenance of clean, decent and technologically advanced facilities conducive to a good working environment

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable capacity building and empowerment	% of concluded employee performance assessments completed	New	New	New	100%	100%	100%	100%
Increased levels of resource mobilisation	Sustainable capacity building and empowerment	% of human capital plan outputs produced	New	New	100%	100%	100%	100%	100%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
6. % of concluded employee performance assessments completed	100%	100% of staff	100% of staff	100% of staff	100% of staff
7. % of human capital plan outputs produced	100%	100% of the quarter	100% of the quarter	100% of the quarter	100%



05 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR ADMINISTRATION

This programme advances the achievement of both the stated strategic outcomes. The outcome pertaining to Increased Socio-Economic Impact is achieved through providing good governance and accountability interventions which emphasise the quantification of impacts and leverage registered within rural areas of the Eastern Cape.

Good governance and accountability in turn lays the foundation for the achievement of the stated outcome of increased levels of resource mobilisation. In this regard good governance and accountability practice is used to secure additional investment and resource allocation. The

attractiveness of the ECRDA as an investment and resource destination is further enhanced through the provision of a wide range of sustainable capacity building and empowerment initiatives.

The programme enhances the implementation capability of the organisation to increase socio-economic impact. This is achieved through guiding the development of innovative solutions and technologies in accordance with an approved research agenda.

06 RESOURCE CONSIDERATIONS

Allocation to ECRDA for the 2020/21 MTEF

Transactional Advisory Services: R5.2m

ECRDA will be doing the consolidation of eligibility criteria for prioritisation of support to entrepreneurs as well as aggressive publicisation of the TAS facility and invitation to entrepreneurs. The Agency will roll out transactional advisory support for businesses and entrepreneurs to address distressed businesses, greenfield innovative enterprises with impact potential on economic priorities of the rural economy, and provide support for the attraction of investment to grow provincial enterprises.

RED Hubs: R11.2m

Aggregation Centres – The Agency will continue to identify suitable prospective private and independent companies willing to forge hands with the RED Hubs co-operatives. Private entities such as Pro Grain (Mqanduli & Mbizana), Brimack (for Ibuyambo) and Afgri and Amadlelo (for Ncora) will continue to be engaged.

Tshabo RED Hub – Work on expanding the operations for this flora industry-based RED Hub will continue. The project holds attractive prospects for this lucrative commodity for the export market. Bluecut Flora has been identified as the private partner.

Mechanisation Centres: R7.9m

Establish mechanisation centres as per DRDAR directive, against careful calculations of sustainability of mechanisation centres.

The Agency will lobby for funding to operationalise the Elundini and KSD Mechanisation Centres aligned to business cases agreed between DRDAR and ECRDA, as well as secure operator partners.

Elundini Wool Hub & Mohair (unfunded)

The appointment of a private partner for the Elundini Wool Hub will expedite the process of operationalising the Wool Hub Centre in the implementation of other activities that will benefit the farmers. The Agency will continue to facilitate the participation of foreign partners from Norway and other countries who will empower mohair farmers in developing the 'green' Karoo mohair centre with the aim of enabling the farmers to get premium prices for their commodities.

Cannabis Development Industry: R4.5m

The Cannabis TAT Panel, together with the Interim Cannabis Coordinator will continue to work with the Agency to develop a provincial cannabis business case and strategy framework

aimed at attracting private investors to the Province. Farmer capacitation on the cannabis production and industry value chain will continue to be done through various learning channels.

Remodelled Rural Finance Implemented: R4.3m

The Agency will focus on the roll-out of the revamped Rural Finance products, which will be linked to the funding facility being proposed by DRDAR as part of blended finance once it becomes operational.

Bio-fuel & Renewable Energy (unfunded)

The Agency will continue to pursue synergies with other partners. The implementation of the MoA between ECRDA and Stellenbosch University on alternative energy will be undertaken; engagement with Inxuba Yethemba Local Municipality with regards to revisiting the Cradock Biofuels Project is ongoing, and the engagement with the Central Energy Fund (CEF) will continue. Key priority areas have been identified for consideration once a private partner is brought on board.

Forestry: R1.9m

The Agency will continue to support and, where possible, expand on the forestry operations; resource mobilisation will be pursued to enhance participation within the value-chain. A request for additional funding, based on a sound business case for each community forestry project, will be submitted.

Marine Tilapia Industry: R9m

The Agency will commence with the project implementation for site identification and construction of the incubator facility. The ECRDA's PMU is expected to project manage on behalf of the state partnership.

Magwa-Majola: R41,8m

The Agency will continue with the effort of attracting private investors to partner in the development of the estate in high-value cash crops; implementation of the Magwa-Majola Master Plan, which incorporates the agro-tourism component. The target has been set at 1100 tonnes of tea to the market.

Additional Projects such as the Yellow Fleet (R7m) and EPWP will be implemented as directed by the Department to maximise community benefits.



EXPENDITURE ESTIMATES

Table: 2020/21 Budget and MTEF Estimates

	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
	AUDITED OUTCOME	ACTUAL OUTCOME	MAIN BUDGET (APPROVED)	ADJUSTED BUDGET (APPROVED)	REVISED ESTIMATE	MEDIUM-TERM ESTIMATES			
R thousand									
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Sale of goods and services other than capital assets	27 601	17 145	20 205	12 369	12 369	12 369	13 108	13 585	14 236
Entity revenue other than sales	2 329	2 187	2 594	2 733	1 552	1 552	2 268	2 458	2 478
Transfers received	236 335	270 928	290 579	245 854	256 454	256 454	230 399	204 853	213 569
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	6 627	3 240	6 173	3 408	3 408	3 408	3 681	3 743	3 923
Other non-tax revenue	-	-	-	667	-	-	699	733	768
Total revenue before deposits into the PRF	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Less Deposits into the Provincial Revenue Fund	-	-	-	-	-	-	-	-	-
Total revenue	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Expenses									
Current expense	190 547	184 928	191 952	204 672	213 424	213 424	201 519	187 995	198 859
Compensation of employees	81 692	93 407	98 023	106 297	106 297	106 297	111 713	119 172	112 000
Goods and services	108 838	91 503	93 899	98 352	107 104	107 104	89 782	68 798	86 833
Interest on rent and land	17	18	30	23	23	23	24	25	26
Transfers and subsidies	56 559	89 453	108 936	47 263	47 263	47 263	41 853	28 115	28 115
Payment for capital assets	2 890	4 463	5 414	7 586	7 586	7 586	2 444	4 685	4 000
Payment for financial assets	22 896	5 892	5 130	5 510	5 510	5 510	4 339	4 578	4 000
Total expenses	272 892	284 736	311 432	265 031	273 783	273 783	250 155	225 373	234 974
Surplus / (Deficit)	-	8 764	8 119	(0)	0	0	(0)	(0)	0

07 PROGRAMME 2: CATALYTIC HIGH IMPACT PROGRAMMES (CHIPS)

PURPOSE

Programme 2 constitutes the core implementation and impact generation capability of the ECRDA. In this regard it utilises evidence-based decision making to inform project packaging and implementation. Additionally, it provides specialised technical support and capacity building to both projects and beneficiaries. It also serves in an oversight capacity by providing effective and efficient monitoring and evaluation services.

7.1. SUB-PROGRAMME: RESEARCH AND INNOVATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/2021	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Sustainable innovation and decision support	Number of approved research agenda	New	New	1	1	1	1	1
Increased Socio-Economic Impact	Sustainable innovation and decision support	Number of research reports produced based on the research agenda	New	New	4	4	4	4	4

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
8 Number of approved research agendas	1	1	n/a	n/a	n/a
9 Number of research reports produced based on the research agenda	4	n/a	1	2	1

7.2. SUB-PROGRAMME: PROJECT PACKAGING

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable resourcing	Rand value of additional funding and or support secured	New	New	R13,087,000	R100m	R100m	R100m	R100m

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
10 Rand value of additional funding and or support secured	R100m	n/a	n/a	n/a	R100m



7.3. SUB-PROGRAMME: PROJECT IMPLEMENTATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Effective and efficient programme and project management services	% of non-agricultural projects within the ECRDA portfolio	New	New	10%	20%	30%	40%	50%
Increased Socio-Economic Impact	Sustainable rural infrastructure	% of scheduled rural infrastructure projects completed	New	New	60%	70%	70%	70%	70%
Increased Socio-Economic Impact	Sustainable environmental practice	% of ECRDA projects with regenerative rural development practices implemented	New	New	10%	15%	20%	25%	30%
Increased Socio-Economic Impact	Effective and efficient programme and project management services	Number of direct jobs created (Full Time Equivalent)	New	New	200	350	350	450	500
Increased Socio-Economic Impact	Effective and efficient programme and project management services	% of direct jobs created for women, youth and people with disabilities	New	New	50%	50%	50%	50%	50%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
11 % of non-agricultural projects within the ECRDA portfolio	15%	n/a	10% cumulative	n/a	15% cumulative
12 % of scheduled rural infrastructure projects completed	70%	n/a	50% cumulative	60% cumulative	70% cumulative
13 % of ECRDA projects with regenerative rural development practices implemented	15%	n/a	10% cumulative	n/a	15% cumulative
14 Number of direct jobs created (Full Time Equivalent)	350	80 cumulative	200 cumulative	300 cumulative	350 cumulative
15 % of direct jobs created for women, youth and people with disabilities	50%	50%	50%	50%	50%

7.4. SUB-PROGRAMME: PROJECT MONITORING & EVALUATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Good governance and accountability	Number of project viability reviews completed.	New	New	2	2	2	2	2
Increased Socio-Economic Impact	Good governance and accountability	Review Annual Operational Plan (AOP) implementation percentage and report to the Board	New	New	New	4	4	4	4
OUTPUT INDICATORS		ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			
16	Number of project viability reviews completed.	2	n/a	1	n/a	1			
17	Review Annual Operational Plan (AOP) implementation percentage and report to the Board	4	1	1	1	1			



08 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR CHIPS

Programme 2 supports the achievement of both strategic outcomes. In this regard it drives the achievement of increased levels of increased impact through the development and deployment of innovations to advance rural development. The development of innovation and project implementation is enhanced through the production of relevant research products.

The outcome of increased impact is further enhanced through the provision of sustainable rural infrastructure which is supported by sustainable environmental practice as well as effective and efficient programme and project management services. The demand for capacity to ensure the efficient and effective implementation of interventions is provided through a wide range of capacity building and empowerment interventions.

Effective and efficient implementation cannot take place unless adequate resources have been secured and applied. This requires an incremental increase in levels of resource mobilisation. This is achieved through the packaging of bankable/fundable projects in accordance with donor or investor specifications.

Efforts to increase the levels of resource mobilisation is further augmented through the provision of high impact capacity building and empowerment interventions.

Closely associated with the ability to increase levels of resource mobilisation is the ability to provide accurate impact reporting. Accordingly, this programme, through a range of governance and accountability measures, ensures both the quantification and reporting of impact and performance. This in turn increases the credibility of the ECRDA as a recipient of resources, investment and funding.



09 PROGRAMME 3: FINANCE FOR RURAL DEVELOPMENT

PURPOSE

Programme 3 is tasked with the provision of high impact sustainable financial services and products to rural clients. This includes loan funding; empowering clients to leverage and secure commercial funding whilst also providing community-based banking services.

9.1. SUB-PROGRAMME: RURAL FINANCE

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/2021	2021/2022	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable resourcing	% of loans approved and disbursed as per the rural finance Standard Operating Procedures	New	New	New	100%	100%	100%	100%
Increased levels of resource mobilisation	Sustainable resourcing	% of Category A loans within the loan portfolio ⁴	New	New	New	80%	80%	80%	80%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
18 % of loans approved and disbursed as per the rural finance Standard Operating Procedures ⁵	100%	100%	100%	100%	100%
19 % of Category A loans within the loan portfolio	80%	80%	80%	80%	80%

⁴ Loan grading as per the Credit Policy: 30 Days = Category A.

⁵ SOP to be submitted Q1 to enable measuring.



10 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR DEVELOPMENT SUPPORT

For rural communities and stakeholders to achieve sustainable socio-economic development they need to be able to identify, secure, apply and report on the use of financial resources. The devastating impact of the apartheid and colonial legacy, which is characteristic of the rural areas in the Eastern Cape, has deprived communities and beneficiaries of the ability to access sustainable development funding and resourcing.

In order to address this dual legacy, the ECRDA empowers beneficiaries and communities through the provision of a wide range of financial products.

11 ECRDA KEY RISKS

OUTCOME	KEY RISK	RISK MITIGATION
1 Increased levels of resource mobilisation	Low levels of investor and/or donor confidence in the ECRDA	<ul style="list-style-type: none"> Develop dedicated capacity to manage the investor/donor pipeline Provide accurate impact and progress reports Develop capacity to package projects and project proposals
2 Increased impact reporting	Limited internal capacity to develop accurate impact reports	<ul style="list-style-type: none"> Develop an approved socio-economic impact methodology Train internal socio-economic impact capacity If required secure external socio-economic impact assessment capacity



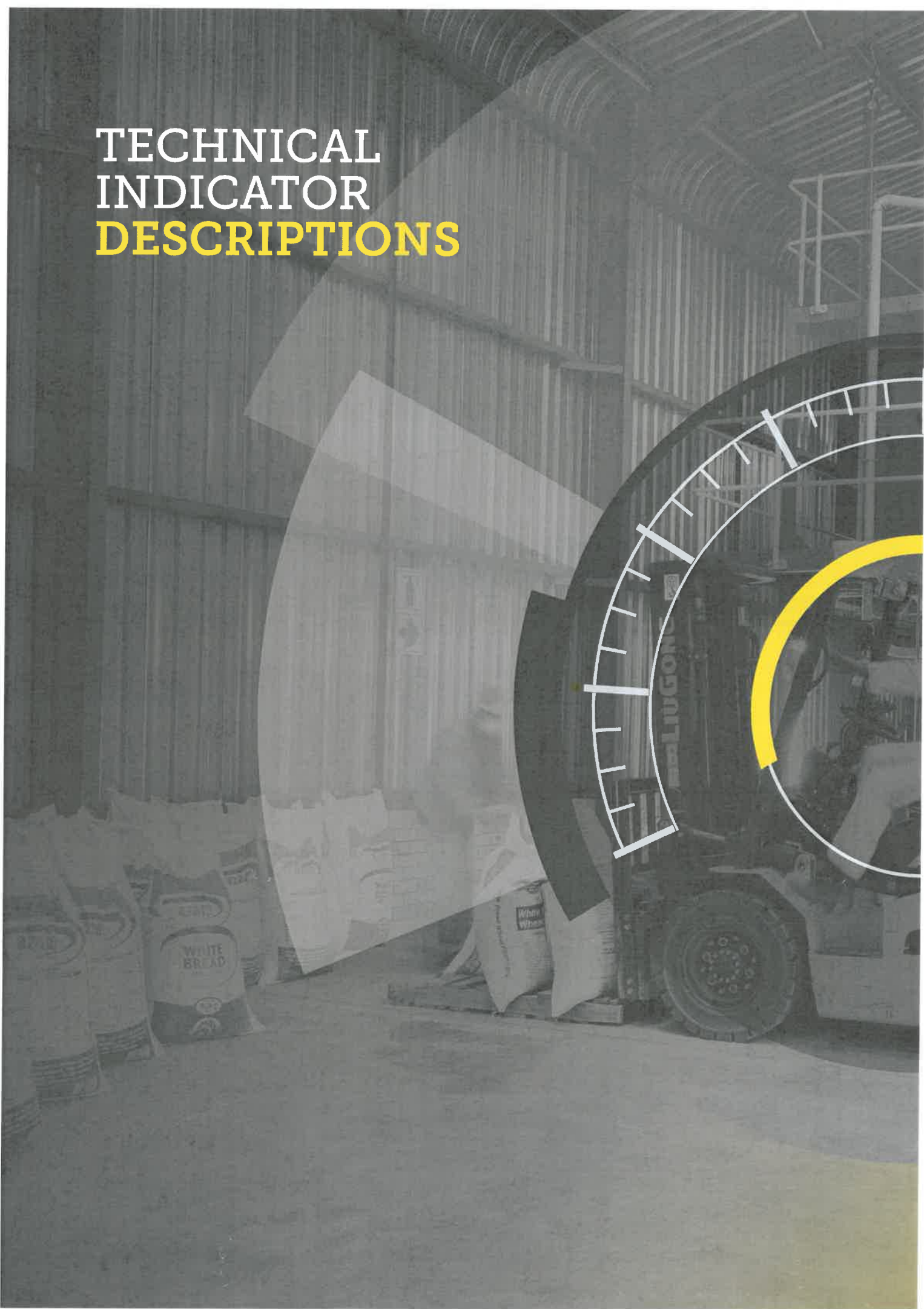
ECRDA INFRASTRUCTURE PROJECTS (DEPENDENCY: FUNDING FOR PROJECTS)

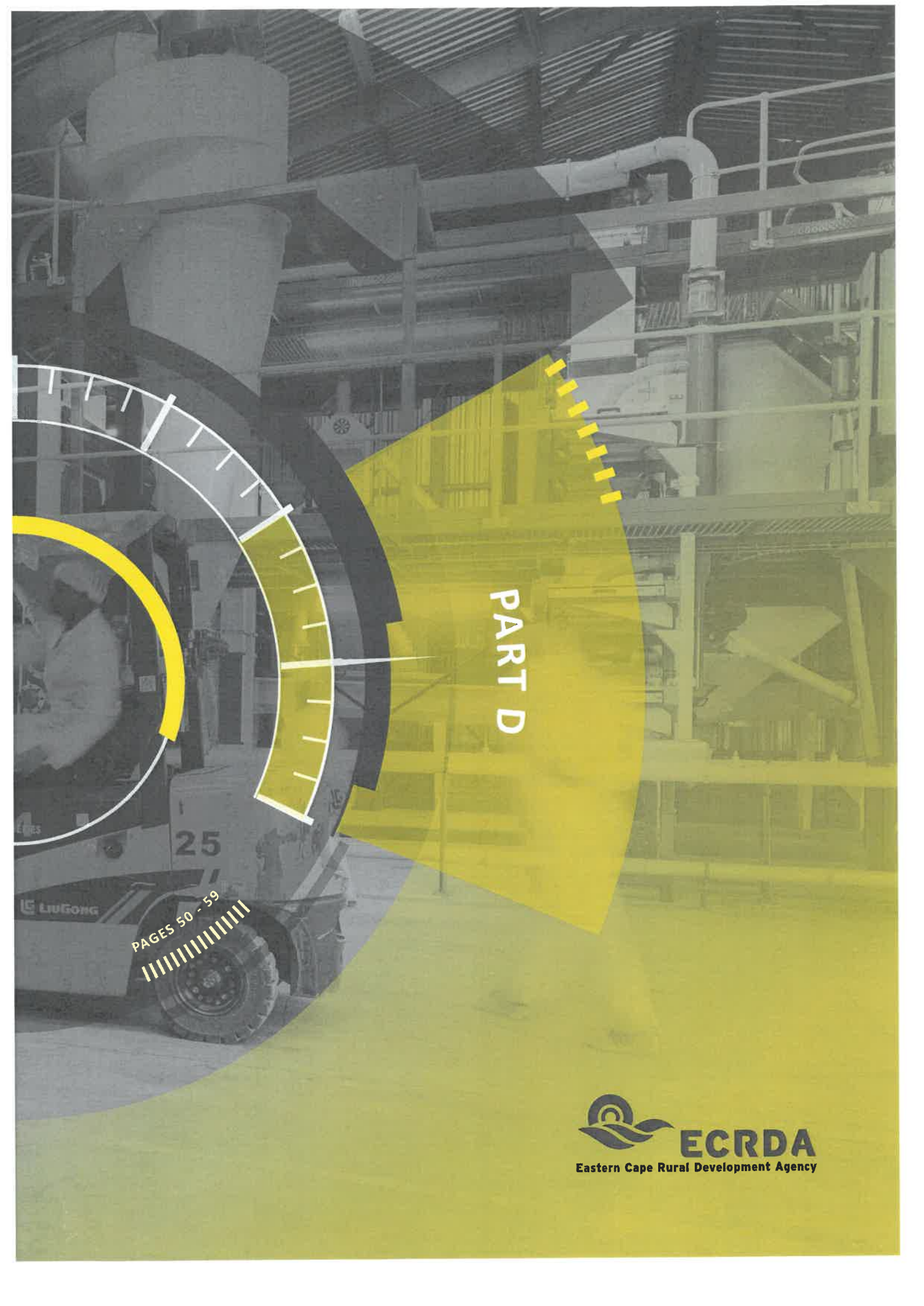
NO	PROJECT NAME	PROGRAMME	PROJECT DESCRIPTION	OUTPUTS	PROJECT START DATE	PROJECT COMPLETION DATE	TOTAL ESTIMATED COST	CURRENT YEAR EXPENDITURE
1	Diversified RED Hubs: Flora	CHIPS	Irrigation system for the remaining 15ha	Sustainable Infrastructure	1 April 2021	31 March 2022	3 000 000	3 000 000
2	Diversified RED Hubs: Flora	CHIPS	Fencing of 3.8km (second site)	Sustainable Infrastructure	1 April 2021	31 March 2022	600 000	600 000
3	Mechanisation	CHIPS	Site construction - Elundini	Sustainable Infrastructure	1 April 2021	31 March 2022	2 500 000	2 500 000
4	RED Hub Aggregation Centres	CHIPS	Infrastructure development at various aggregation centres	Sustainable Infrastructure	1 April 2021	31 March 2022	1 000 000	1 000 000
5	Aquaculture	CHIPS	Construction of the Marine Tilapia Incubator quarantine facility at Mbhashe	Sustainable Infrastructure	1 April 2021	31 March 2022	3 000 000	3 000 000

PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS	PURPOSE	OUTPUTS	CURRENT VALUE OF AGREEMENT	END DATE OF AGREEMENT
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

TECHNICAL INDICATOR DESCRIPTIONS





PART D

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TECHNICAL INDICATOR DESCRIPTIONS

INDICATOR TITLE	1. NUMBER OF UNQUALIFIED FINANCIAL AND PERFORMANCE AUDIT OUTCOMES.
Definition	<p>The purpose of the indicator is to measure the status of financial and performance management audit outcomes as depicted in an Annual Report</p> <p>Performance is measured by quantifying the number of unqualified annual audit opinions issued by the Auditor-General</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability</p>
Source of Data	Auditor-General Audit Report
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance will be quantified by counting the number of unqualified annual audit reports issued by the Auditor-General</p>
Means of Verification	Audited Annual Report inclusive of audited AFS
Assumptions	Annual Audits are completed within stated time frames and regulatory requirements
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	No less than one (1) unqualified audit opinion is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	2. % OF STRATEGIC RISK MITIGATED.
Definition	This indicator measures the percentage of strategic risks, that are contained in the Strategic Risk Register, that have been mitigated
Source of Data	Risk Register
Method of Calculation / Assessment	<p>Performance is assessed qualitatively</p> <p>Performance will be quantified by calculating the number of completed risk task contained in the Strategic Risk Register as a percentage of the total assigned risk task contained in the Strategic Risk Register</p>
Means of Verification	CEO approved Strategic Risk Register
Assumptions	Assigned risk tasked are tracked and supporting evidence is being collected and recorded on a monthly and quarterly basis
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	60% or higher
Indicator Responsibility	Chief Executive Officer (CEO)



INDICATOR TITLE	3. % OF BOARD RESOLUTIONS IMPLEMENTED.
Definition	This indicator measures the efficiency by which board decisions are implemented by management This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Board Resolutions Tracking Register
Method of Calculation / Assessment	Performance is quantified by calculating the number of board resolution due for implementation within a specific timeframe against resolutions actually implemented in that period as a percentage
Means of Verification	Board Resolution Tracking Register: resolution status column supporting evidence of implemented resolutions
Assumptions	Resolution are specific and timebound and shared with management for implementation
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	100% compliance with target
Indicator Responsibility	Company Secretary

INDICATOR TITLE	4. NUMBER OF GOVERNANCE FRAMEWORKS DEVELOPED AND SUBMITTED TO SUBSIDIARY FOR CONSIDERATION.
Definition	The indicator measures the effectiveness of developing governance frameworks This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Governance Framework
Method of Calculation / Assessment	Performance is calculated quantitatively A corporate governance framework is described as framework of rules and practices by which the ECRDA ensures accountability, fairness, and transparency in its dealing with all stakeholders, shareholders, investors, donors, customers, management and employees
Means of Verification	Draft framework and email where submitted to subsidiary
Assumptions	The Corporate Governance Framework complies with all relevant regulatory and legislative requirements Technical capacity exists to develop and/or review the corporate governance framework
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	Performance equal to target is desired
Indicator Responsibility	Company Secretary

INDICATOR TITLE	5. % OF AUDIT ACTION PLAN ACTIONS IMPLEMENTED.
Definition	The indicator measures the effectiveness of implementing the Audit Action Plan also known as the Audit Improvement plan This indicator contributes towards the measurement of the strategic output of good governance and accountability
Source of Data	Audit Action Plan/Audit Improvement Plan
Method of Calculation / Assessment	Performance is assessed quantitatively. Performance will be quantified by calculating the percentage of tasks completed as a percentage of the total number of tasks for the year under review in the Audit Action Plan
Means of Verification	CFO approved Audit Action Plan Report
Assumptions	Tasks can be completed in the period under review Portfolio of evidence secured to support tasks undertaken
Disaggregation	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	Performance exceeding target is desired
Indicator Responsibility	Chief Financial Officer (CFO)

INDICATOR TITLE	6. % OF CONCLUDED EMPLOYEE PERFORMANCE ASSESSMENTS COMPLETED PER YEAR.
Definition	This indicator measures the degree to which employee performance is being assessed Performance assessments are concluded when all relevant parties have signed-off the performance assessment This indicator contributes towards the measurement of the strategic output pertaining to sustainable capacity building and empowerment
Source of Data	Individual Performance Assessments
Method of Calculation / Assessment	Performance is assessed in a quantitative manner Performance is calculated as a percentage of all performance assessments being concluded as a percentage of the total staff component that requires performance assessments
Means of Verification	Q1: 100% of Staff formally assessed on prior years performance (April) Q2: 100% of Staff monitored in line with organisational performance tracking Q3: 100% of Staff informally assessed on current year performance progress Q4: 100% of Staff monitored in line with organisational performance tracking
Assumptions	All performance agreements are in place All executives and line managers have in their performance agreement the management of performance management with a target of 100% completion of assessments Performance assessments are done within required timeframes Performance assessments are approved by all relevant parties
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	Performance equal to 100% is desired
Indicator Responsibility	Corporate Services Executive (CSE)



INDICATOR TITLE	7. % OF HUMAN CAPITAL PLAN OUTPUTS PRODUCED.
Definition	<p>This indicator measures the effectiveness of interventions aimed at increasing the human capital levels of the ECRDA</p> <p>The indicator measures the % of completed outputs which have been listed in the Human Capital Plan</p> <p>Outputs are considered completed when they have been reviewed and approved in accordance with an approved Product Description</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable capacity building and empowerment</p>
Source of Data	Approved Human Capital Plan Human Capital Plan Progress Reports
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance is measured as a percentage of outputs that have been completed as a percentage of all outputs defined in the Human Capital Plan</p>
Means of Verification	CSE approved Human Capital Plan Progress Reports with supporting evidence
Assumptions	<p>All outputs have been logged in a register</p> <p>All outputs have an approved Product Description</p> <p>The completion of all outputs is administratively recorded and closed</p> <p>Portfolio of Evidence (POE) is maintained as proof of output completion</p>
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	100% compliance with target is desired
Indicator Responsibility	Corporate Services Executive (CSE)

INDICATOR TITLE	8. NUMBER OF APPROVED RESEARCH AGENDAS.
Definition	<p>This indicator measures the ability of the ECRDA to define and consolidate its research and innovation needs and requirements</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable innovation and decision-support</p>
Source of Data	CEO approved Research Agenda
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance will be quantified by counting the number of Research Agenda approved by the CEO</p>
Means of Verification	CEO approved Research Agenda
Assumptions	ECRDA can define and/or articulate its research and innovation needs
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Annual
Desired Performance	No less than one (1) Research Agenda is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	9. NUMBER OF RESEARCH REPORTS PRODUCED BASED ON THE RESEARCH AGENDA.
Definition	<p>The purpose of the indicator is to measure the effectiveness of research processes</p> <p>The indicator measures the number of research reports being produced to inform decision-support and implementation effectiveness</p> <p>Research Report is a report detailing research findings based on a research agenda item as contained in the CEO approved Research Agenda</p> <p>A research report must contain a clear problem statement, description of the research methodology employed, findings, conclusions and recommendations</p>
Source of Data	Research Reports
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance is measured as a count of the number of research reports produced</p>
Means of Verification	<p>Research Reports</p> <p>Evidence of submission to CEO</p>
Assumptions	<p>Research reports are based on research items contained in the approved Research Agenda</p> <p>Research conforms to accepted research methodology</p>
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	No less than 100% of performance is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	10. RAND VALUE OF ADDITIONAL FUNDING AND/OR SUPPORT SECURED.
Definition	<p>This indicator measures the value of funding and/or any other form of technical support secured for external resources outside of the approved budget of the ECRDA</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable resourcing</p>
Source of Data	Signed Service Level Agreements and/or contracts and/or letters of award
Method of Calculation / Assessment	<p>Performance is assessed quantitative</p> <p>Performance will be quantified by calculating the value of funding and/or the value of technical assistance and/or moveable and immovable assets that have been provided to the ECRDA outside of its allocated budget from DRDAR</p> <p>The value of technical support and/or equipment or any other type of support can be confirmed in writing by the entity providing such support. This value will be used to quantify the value of support and or equipment provided</p> <p>If the value of the support is quantified in another currency, then the value of the contribution will be calculated based on the Rand value of the relevant currency on the day that the Service Level Agreement or contract was signed</p>
Means of Verification	Signed Service Level Agreements and/or contracts and/or letters of award
Assumptions	The Rand value of funding and/or any other form of technical support secured for external resources outside of the approved budget of the ECRDA can be quantified and confirmed
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	Performance exceeding the target is desired
Indicator Responsibility	Chief Executive Officer (CEO)



INDICATOR TITLE	11. % OF NON-AGRICULTURAL PROJECTS WITHIN THE ECRDA PORTFOLIO.
Definition	<p>This indicator measures the non-agricultural projects in the project portfolio as well as rural finance portfolio</p> <p>This includes both projects being implemented by the ECRDA as well as projects implemented externally with loan funding from ECRDA</p> <p>This indicator contributes towards the measurement of effective and efficient project management services</p>
Source of Data	Portfolio Register & Loans
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>Percentage of projects in the project portfolio that is defined as rural development as a percentage of the total project portfolio</p>
Means of Verification	COO approved Project register Progress Assessment Report indicating % Final Assessment Report indicating %
Assumptions	Projects can be classified as Non-Agricultural or Agricultural in accordance with the approved Framework Project portfolio register is in place Project data is correctly captured and classified
Disaggregation	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Exceeding 15% of Non-Agricultural is desirable
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	12. % OF SCHEDULED RURAL INFRASTRUCTURE PROJECTS COMPLETED.
Definition	<p>This indicator measures the effectiveness of establishing catalytic and enabling rural infrastructure</p> <p>The indicator measures the % of completed rural infrastructure projects that have been scheduled for completion during the period under review</p> <p>For a rural infrastructure project to be considered complete a completion certificate must be issued by an appropriately qualified built-environment professional</p> <p>Additionally, a close-out report would have to be presented as proof that the project has been closed administratively</p> <p>If delays are experienced, only duly authorised extensions of deadlines by the CEO would be considered in recalculating and setting new deadlines</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable infrastructure</p>
Source of Data	Progress Reports, and completion certification
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>Performance is measured as a percentage of completed rural infrastructure project, as measured against the total number of infrastructure projects being implemented and/or being active during the review period</p>
Means of Verification	Approved completion certification and Close-out Report
Assumptions	Relevant built-environment professional has been duly authorised to issue completion certification
Disaggregation	Close-out reports are generated and approved by the duly authorised official
Spatial Transformation	Women, youth and people living with disabilities must collectively constitute at least 50% of the jobs created
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Completion levels higher than scheduled completions is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	13. % OF ECRDA PROJECTS WITH REGENERATIVE RURAL DEVELOPMENT PRACTICES IMPLEMENTED.
Definition	<p>This indicator measures the levels of integrating sustainable environmental practice into project initiatives</p> <p>The indicator measures the % of rural development projects which can demonstrate the application of regenerative practices</p> <p>Regenerative practices refer to any system, method process and/or technology that ensures the optimal and sustainable use of resources. This requires that resource use should not deplete the source base but ensure that it is replenished after and/or during use</p> <p>The use of renewable resources is regenerative for the purposes of measuring this indicator</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable environmental practice</p>
Source of Data	Project register Approved Framework to define regenerative practices
Method of Calculation / Assessment	Performance is assessed quantitatively Performance is measured as a percentage of projects that can demonstrate the use of regenerative practices, as measured against the total number of projects in the ECRDA Project Portfolio
Means of Verification	Project Assessment Reports
Assumptions	A complete list of projects is maintained in a Project Log and/or dashboard Framework to define regenerative practices is available
Disaggregation	Women, youth and people living with disability must constitute 50% of beneficiaries of projects being implemented
Spatial Transformation	Spatially implementation is focussed on the rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Performance higher than stated target is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	14. NUMBER OF DIRECT JOBS CREATED (FULL TIME EQUIVALENT).
Definition	<p>Denotes the number of new permanent jobs (Full Time Equivalent) expected to be created because of projects being implemented by the ECRDA</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to effective and efficient programme and project management services</p>
Source of Data	Attendance Registers with hours logged/Service providers invoices with hours logged
Method of Calculation / Assessment	Performance is assessed quantitatively A count of approved permanent jobs created by individual projects during the project cycle Full Time Equivalent refers to the hours a beneficiary, and/or service provider is contracted to work On an annual basis, a Full Time Equivalent is 2 080 hours, which is calculated as: 8 hours per day x 5 workdays per week x 52 weeks per year = 2 080 hours per year Every 2 080 hours worked/contracted by a project participant, beneficiary and/or service provider will be considered as one (1) permanent job
Means of Verification	Attendance Registers with hours logged/Service providers invoices with hours logged
Assumptions	The data collected at project level is accurate and that appropriate time- and record-keeping systems are being produced for each project
Disaggregation	50% of Full Time Equivalent must constitute of women, youth and/or people living with disabilities
Spatial Transformation	Rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Higher performance against the performance is desired
Indicator Responsibility	Executive: Integrated Programme Management



INDICATOR TITLE	15. % OF DIRECT JOBS CREATED FOR WOMEN, YOUTH AND PEOPLE WITH DISABILITIES.
Definition	Denotes the number of new permanent jobs (Full Time Equivalent) that is expected to be created because of projects being implemented by the ECRDA as it pertains to women, youth and people with disabilities This indicator contributes towards the measurement of the strategic output pertaining to effective and efficient programme and project management services
Source of Data	Attendance Registers with hours logged/Service providers invoices with hours logged
Method of Calculation / Assessment	Performance is assessed quantitatively A count of approved permanent jobs created by individual projects during the project cycle Full Time Equivalent refers to the hours a beneficiary, and/or service provider is contracted to work On an annual basis, a Full Time Equivalent is 2 080 hours, which is calculated as: 8 hours per day x 5 workdays per week x 52 weeks per year = 2 080 hours per year Every 2 080 hours worked/contracted by a project participant, beneficiary and/or service provider will be considered as one (1) permanent job
Means of Verification	Attendance Registers with hours logged/Service providers invoices with hours logged
Assumptions	The data collected at project level is accurate and appropriate time- and record keeping systems are in place
Disaggregation	50% of Full Time Equivalent must constitute of women, youth and/or people living with disabilities
Spatial Transformation	Rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Higher performance against the performance is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	16. NUMBER OF PROJECT VIABILITY REVIEWS COMPLETED.
Definition	The indicator measures the financial and project viability of projects across the portfolio For a project to be considered viable it has to prove that it is able to achieve the intended outputs and outcomes as contained in its business case and/or project implementation plan This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Project Viability Assessment Reports
Method of Calculation / Assessment	Performance is calculated quantitatively Performance is calculated as a number of portfolio viability reviews completed
Means of Verification	Q2: Viability assessment report Q3: E mail confirmation from Company Secretary that project viability report was discussed at board with agenda attached Q4: Viability Assessment report (to be tabled in the following year Q1 board meeting for discussion)
Assumptions	Project viability data is accurate and available Business Case and/or Plans exist for each project Board approved criteria for measuring project and or programme viability is in place
Disaggregation	Not applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Annual
Desired Performance	100% achievement of target is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	17. REVIEW ANNUAL OPERATIONAL PLAN (AOP) IMPLEMENTATION PERCENTAGE AND REPORT TO THE BOARD.
Definition	The indicator measures the number of memo's submitted to the Board on the implementation of milestones at the level of the Annual Operational Plan The quarterly review of implementation percentage of the AOP will assist the Board to have insight into progress of implementation
Source of Data	Dashboard
Method of Calculation / Assessment	Performance is calculated quantitatively Performance is calculated by counting the number of memo's submitted to the board on the percentage of AOP milestones implemented
Means of Verification	Board memo depicting AOP performance as a percentage
Assumptions	AOP milestones are being tracked and can be quantified
Disaggregation	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	100% achievement of target is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	18. % OF LOANS APPROVED AND DISBURSED AS PER THE RURAL FINANCE STANDARD OPERATING PROCEDURES
Definition	The indicator measures the percentage of loans that are approved and disbursed aligned with SOP's to advance sustainable resourcing in rural development funding This indicator contributes towards the measurement of the strategic output pertaining to increasing levels of resource mobilisation
Source of Data	Reports on loans approved and disbursed with payment requisitions Number of loans approved and disbursed as per SOP to be obtained on the Loan process flow assessment tool Total number of loans approved and disbursed to be obtained through system generated reports on disbursements
Method of Calculation / Assessment	Performance is calculated quantitatively Number of loans approved and disbursed as per SOP/Total number of loans approved and disbursed as a percentage
Means of Verification	Executive approved Rural Finance approval and disbursements Reports with supporting evidence
Assumptions	Standard Operating Procedures for loan disbursement is in place Loan process flow assessment tool in place There were loan applications Loans were approved and disbursed
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	100%
Indicator Responsibility	Executive responsible for Regions



INDICATOR TITLE	19. % OF CATEGORY A LOANS WITHIN THE LOAN PORTFOLIO.
Definition	The indicator measures the percentage of loans that are defined as Category A loans, in accordance with the criteria stated in the approved Credit Policy This indicator contributes towards the measurement of the strategic output pertaining to increasing levels of resource mobilisation
Source of Data	Automated Loan System Age Analysis Approved Credit Policy
Method of Calculation / Assessment	Performance is calculated quantitatively. Number of Category A loans as a percentage of total loans of the ECRDA loans Portfolio
Means of Verification	Automated Loan System Age Analysis
Assumptions	Loan system active Data on the loans system is current and correct
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	80%
Indicator Responsibility	Executive responsible for Regions

ACRONYMS

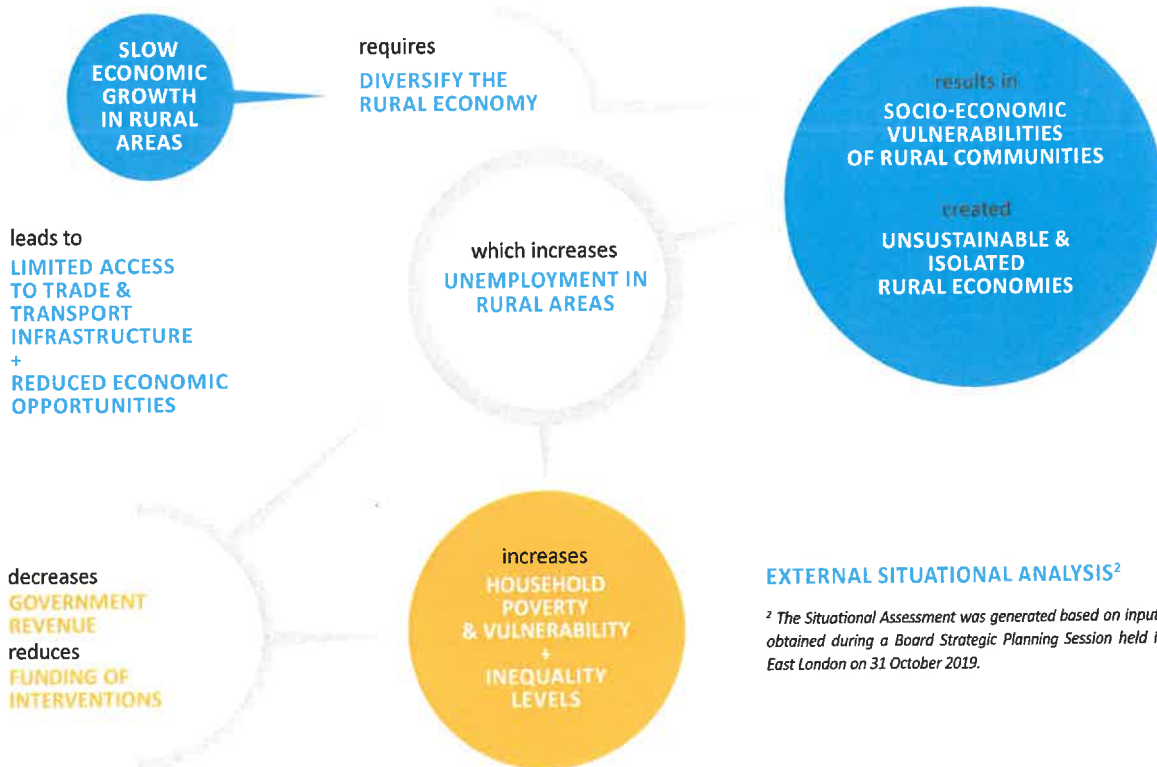
AETS	Provincial Agricultural Economic Transformation Strategy
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
ARDA	Agrarian Research and Development Agency
CHIP	Catalytic High Impact Programme
EUR	Expanded Unemployment Rate
DRDAR	Department of Rural Development and Agrarian Reform
ECDC	Eastern Cape Development Corporation
ECRDA	Eastern Cape Rural Development Agency
ECRFC	Eastern Cape Rural Finance Corporation
GDP	Gross Domestic Product
GVA	Gross Value Added
IPAP	Industrial Policy Action Plan
ICT	Information and Communications Technology
ISRDS	Integrated Sustainable Rural Development Strategy
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NSDF	Draft National Spatial Development Framework
PDP	Provincial Development Plan
PEDS	Provincial Economic Development Strategy
PIDS	Provincial Industrial Development Strategy
PFMA	Public Finance Management Act
R&D	Research & Development
RED Hub	Rural Enterprise Development Hub
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats
UN	United Nations





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IMPACT OF COVID-19¹

4 UNPD predicts that the Gross Domestic Product (GDP) will drastically fall due to Covid-19 and may not recover till 2024. As a result, government revenue could fall by 3.5% in the optimistic scenario and by 5.1% in the pessimistic scenario in 2020.

Unemployment is projected to increase by between 47 082 to 80 712 in 2020.

This is attributable to the depressed economy as well as government expenditure growing at the same rate as before the COVID-19 pandemic

5 The UNDP stated that as the agricultural sector was designated as an essential sector, it has an exponential comparative and competitive advantage to recover faster and experience fewer negative impacts than other sectors.

6 Consumer prices could fall drastically due to suppressed aggregate demand in the economy.

IMPLICATION(S) FOR THE ECRDA

- The ability to secure funding from the fiscus will be greatly reduced. This would require that the ECRDA develop alternative funding and revenue sources to fund catalytic interventions.
- Interventions would have to be catalytic in nature and focus on accelerating GDP growth whilst at the same time increasing employment.
- The ECRDA would have to refocus some of its operation towards a more commercial orientation. This will require a balance between providing public goods and ensuring commercial profitability.
- Structure and operations of the ECRDA would have to be adapted to accommodate a commercial orientation with the aim of increasing financial self-sustainability and drastically increasing efficiencies and cost reductions.
- The ECRDA would have to increase its capacity to identify and package feasible interventions to fast-track recovery. This would require the establishment of a sustainable funding pipeline and investment attraction capacity.
- This would also require the development of an accurate baseline to track progress and demonstrate success, which in turn will increase the attractiveness of the ECRDA as an investment partner and implementing Agency.
- The unprecedented supply and demand failure brought about by the Covid-19 pandemic requires the ECRDA to develop interventions to address both the demand and supply-side components of the rural economy.
- The decline in consumer prices could further reduce the financial viability of rural enterprises. This could negatively impact the success rate of ECRDA interventions and the ability of clients to make loans repayments. The ECRDA would therefore need to develop innovative mechanisms to mitigate the simulations supply and demand-side failure.



3.2 INTERNAL ENVIRONMENT

The internal strategic and operating environment facing ECRDA is significantly impacted by the reduction in the fiscus, which has reduced the Agency’s ability to secure sufficient implementation funding to fully address and realise the national strategic importance and potential of the rural areas of the Eastern Cape.

In this regard, a reduction in the fiscus translates directly into an inability to secure technical expertise, operational and implementation resources required to address development challenges in the rural areas of the Eastern Cape. This situation is further compounded by the fact that as economic growth slows and rural development needs increase, the demand for rural services increases. However, the reduction in the fiscus does not appear to have kept track with the increase in demand for services, essentially creating a situation where limited resources negatively impact on the ability of the ECRDA to address an ever-increasing need for rural services.

The refocussing of the ECRDA towards rural development would require a reorientation of the skills and capabilities required to implement multi-dimensional rural development interventions. In this regard, the need for high-impact technical programme and project management capacity to drive implementation, monitor and report on progress and impacts achieved has fundamentally shifted from the one-dimensional focus on agriculture. Accordingly, a reconfigured skills profile and enabling structure to deploy the new skills-set is required.

The new requirement to fund and support investment in rural development might also require a redesign of the funding instruments available to the ECRDA. The emerging

need to consider alternative means of ownership, securing and holding investment resources, requires the ECRDA to create a balance within its portfolio between implementing projects for purely public good versus commercially viable projects which generate additional revenue to sustain and/or support operations.

In conclusion, the ECRDA is currently completing the scheduled redesign of its organisational structure and capacity profile to align with the emerging need to implement multi-dimensional rural development interventions. The multi-dimensional nature of rural development has orientated the ECRDA towards a community-based decentralised structure that would accommodate new ownership, funding and investment modalities required to drive rural development in the Eastern Cape.

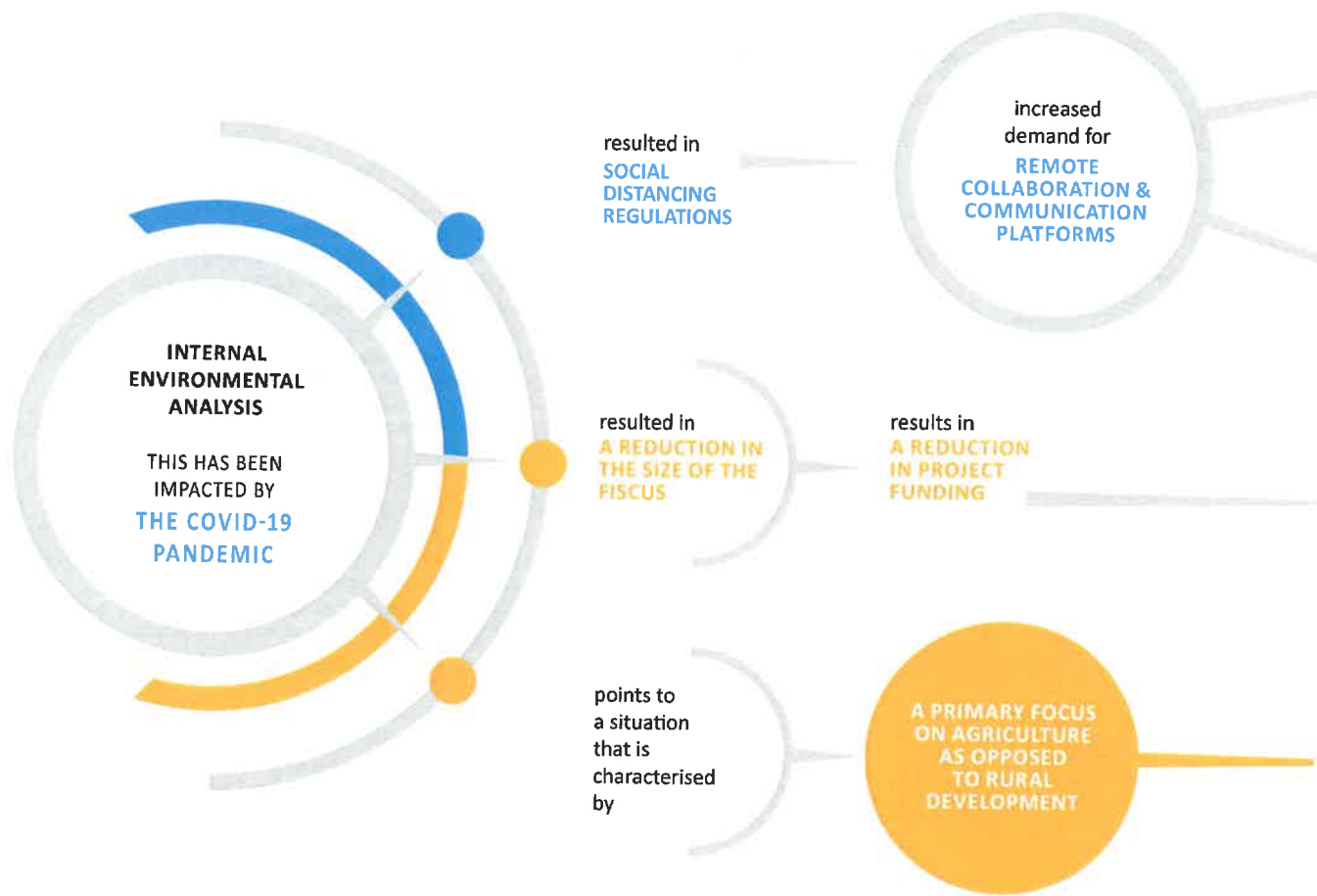
IMPACT OF COVID-19 PANDEMIC ON THE INTERNAL SITUATIONAL ASSESSMENT

In addition to the above-mentioned, the internal operating environment of the ECRDA has, like organisations across the globe, been massively impacted by the Covid-19 pandemic. The general impacts emanating from the pandemic and its implications on the internal operations of the ECRDA are summarised in the table below.



#	IMPACT OF COVID-19 ²	IMPLICATION(S) FOR THE ECRDA
1	Mandatory social distancing measures implemented in accordance with the disaster management legal and regulatory framework.	<ul style="list-style-type: none"> Impact on the ability of ECRDA to fully utilise its office and operational spaces due to social distancing regulations. Increase in demand for remote operating and virtual communication platforms by staff, clients and stakeholders of the ECRDA. Decrease in the ability of the ECRDA to engage with communities and stakeholders through direct engagement sessions.
2	Increased need for the ECRDA to operate remotely and use web-based communication and collaboration platforms.	<ul style="list-style-type: none"> Decrease in the need for office space. Increase in demand for mobile service delivery platforms. Increase in demand to develop new policies, procedures and systems to accommodate remote working environments and collaboration within the ECRDA. Increase in the need to accommodate ECRDA staff that cannot operate remotely in safe and healthy office and operational spaces. Increase in the demand for, governance and performance tracking policies, systems and processes compliant with the requirements of remote operations.
3	Increased demand for remote collaboration and communication platforms, tools and technologies.	<ul style="list-style-type: none"> Increase in the demand for ICT systems and technology in accordance with remote collaboration user requirements. Increase in the demand for ICT services being provided by the ECRDA. Increase in the demand for network security as new access gateways have been created by remote collaboration platforms. Increase in the need to develop new policies and procedures to regulate confidentiality within a remote operating environment.
4	Demand for space utilisation has decreased.	<ul style="list-style-type: none"> Increase in demand to reconfigure ECRDA office space to match the decline in demand. Increase in sanitation and health requirements has impacted ECRDA budgets and the utilisation of space. A need has arisen to reduce the immovable asset portfolio of the ECRDA to match the increased demand for remote operations. Increase in demand for mobile service points as ECRDA office space utilisation decreases.
5	Remote operations and collaboration have fundamentally impacted the process of engagement between ECRDA management and organised labour as direct face-to-face engagements have been severely restricted.	<ul style="list-style-type: none"> Existing agreements must be adopted to accommodate remote collaboration and engagements. Accessible engagement platforms must be made available to all ECRDA staff.
6	Reduction in ability to conduct community-based and face-to-face training and capacity building.	<ul style="list-style-type: none"> Demand for accessible virtual training and capacity building platforms has exponentially increased. Internal ICT systems must be customised to address new remote collaboration and engagement requirements.
7	Face-to-face stakeholder engagements have been hampered due to lack of access to remote collaboration and communication platforms.	<ul style="list-style-type: none"> The ECRDA needs to bridge the technological gap and facilitate access to remote collaboration and communication platforms to stakeholders.
8	Reduced the ability to disburse and recover loan finance due to inability to directly engage with rural stakeholders has.	<ul style="list-style-type: none"> The ECRDA needs to bridge innovation and technological gaps and facilitate access to remote collaboration and communication platforms to clients.

² United Nations, 2020. Covid-19 in South Africa: Socio-economic Impact Assessment. United Nations Development Programme (UNDP) and the National Department of Cooperative Governance. South Africa.



increased demand for
ICT SERVICES & TECHNOLOGIES
+
NEW POLICIES, PROCEDURES
& SYSTEMS

decreased demand
for
SPACE
UTILISATION

increases the
need
TO SECURE
ADDITIONAL
INVESTMENT &
RESOURCES

to facilitate
OPERATIONS
+
STAKEHOLDER
ENGAGEMENTS

requires
NEW TECHNICAL
IMPLEMENTATION
CAPACITY
creates the need
to
CHANGE THE PFMA
LISTING IN FUTURE

to ensure that the
ECRDA is able to
REGISTER & IMPACT
SOCIO-ECONOMIC
IMPACT

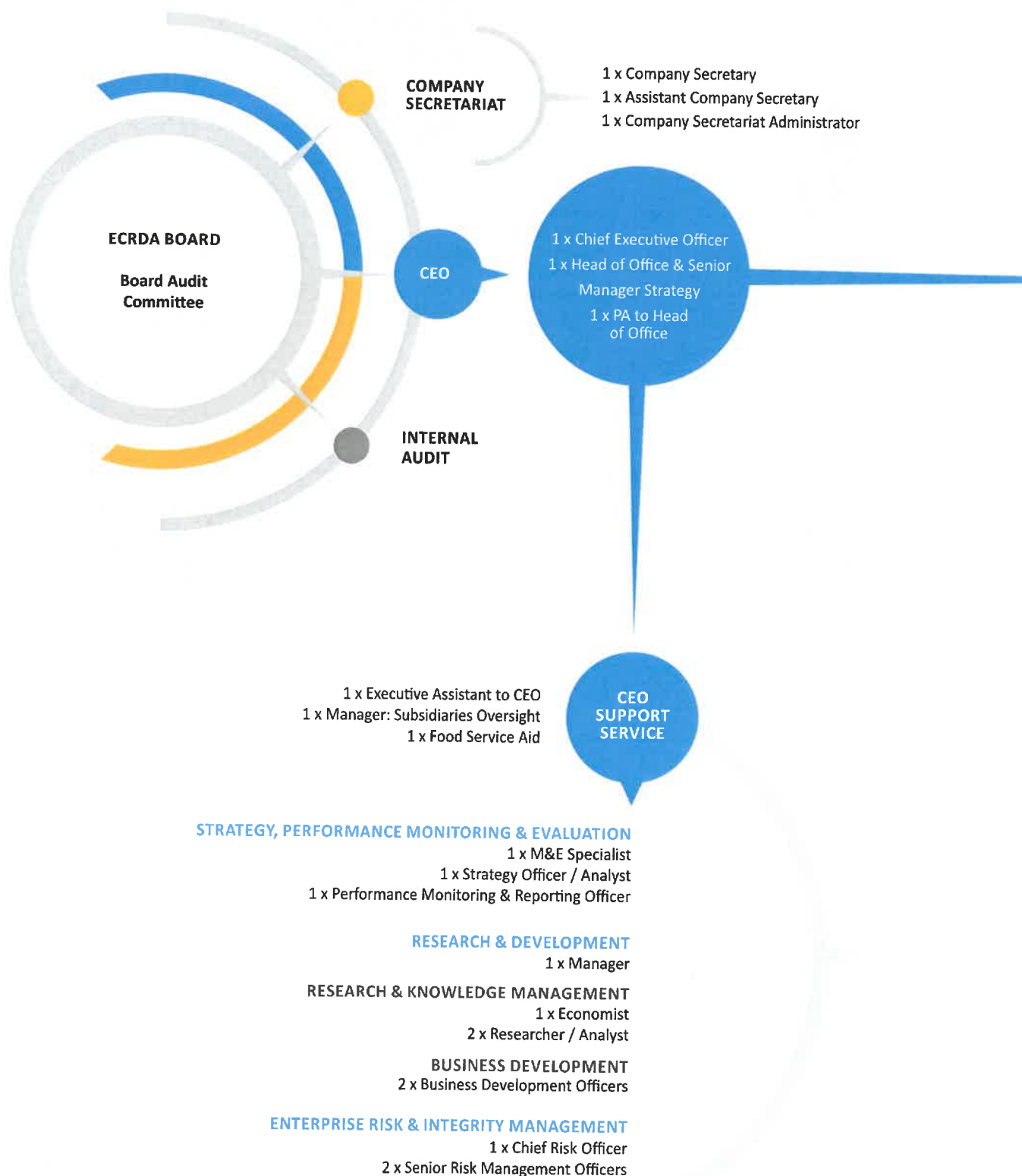
LIMITED PROJECT
MANAGEMENT CAPACITY
resulted in
CENTRALISATION OF CAPACITY
AT HEAD OFFICE

INTERNAL SITUATIONAL ANALYSIS⁴

⁴ The Situational Assessment was generated based on the inputs obtained during a Board Strategic Planning Session that was held in East London on 31 October 2019.



3.3. APPROVED ORGANISATIONAL STRUCTURE





DIVISIONS



MEASURING OUR PERFORMANCE



PART C

PAGES 32 - 47

MEASURING OUR PERFORMANCE

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

For the ECRDA to ensure the achievement of its strategic imperatives, it needs to produce two (2) strategic outcomes. This section defines how the ECRDA intends to measure, manage and achieve its strategic outcomes.

IMPACT STATEMENT

Register and leverage socio-economic strategic and systemic impact within the integrated rural development space of the Eastern Cape Province.

MEASURING OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Increased levels of resource mobilisation	Combined value of investment, revenue and/or technical support secured in addition to allocated budget	Zero (0)	R1Billion
Increased socio-economic impact	Percentage (%) completed projects within the portfolio with approved socio-economic impact reports	Zero (0)	100%



04 PROGRAMME 01

PURPOSE

This programme provides oversight, governance and strategic direction across the full spectrum of strategic and operational interventions. In this regard the Office of the CEO is tasked with ensuring overall strategic alignment, governance and oversight.

The Office of the CFO provides financial oversight and financial management services to the full complement of the ECRDA.

The creation of an enabling environment is the responsibility of the Corporate Services component which provides human resource support services as well as ensuring access to enabling infrastructure.

4.1. SUB-PROGRAMME: OFFICE OF THE CEO

SCOPE	SUB-PROGRAMME PURPOSE
Company Secretariat	<ul style="list-style-type: none"> Ensuring compliance with Corporate Governance.
Economic Intelligence, Planning, M&E	<ul style="list-style-type: none"> Research, Strategic Analyses and Planning: leveraging research and knowledge institutions; Knowledge management: Developmental Dialoguing and Information dissemination; (Document management, Compliance with Promotion of Access to Information Act and Protection of Personal Information Act); Monitoring and Evaluation: Reporting and Accountability (statutory and developmental); Monitoring and evaluating the implementation of the corporate strategy; Maintain an unqualified financial and performance Audit with no compliance findings; Support for Admin and Strategic Relations; Quarterly reports (APP).
Audit & Risk	<ul style="list-style-type: none"> Ensuring establishment and consistent application of sound internal controls to safeguard the assets of the ECRDA, facilitating internal audits with positive outcomes; Integrated Risk Management: Facilitating risk assessments, monitoring implementation of mitigating actions.
Stakeholder Relations	<ul style="list-style-type: none"> Build sustainable relations with key stakeholders (International, National, Provincial and local government; business; Traditional authorities; other state-owned entities).

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Good governance and accountability	Number of unqualified financial and performance audit outcomes	1	1	1	1	1	1	1
Increased Socio-Economic Impact	Good governance and Accountability	% of Strategic Risk Mitigated	New	New	New	60%	60%	60%	60%
Increased Socio-Economic Impact	Good governance and Accountability	% of Board resolutions implemented	New	New	New	100%	100%	100%	100%
Increased Socio-Economic Impact	Good governance and Accountability	Number of governance framework developed and submitted to subsidiaries for consideration	New	New	1	1	1	1	1

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
1. Number of unqualified financial and performance audit outcomes	1	n/a	1	n/a	n/a
2. % of Strategic Risk Mitigated	60%	60% of the quarter	60% of the quarter	60% of the quarter	60%
3. % of Board resolutions implemented	100%	100% of the quarter	100% of the quarter	100% of the quarter	100%
4. Number of governance framework developed and submitted to subsidiaries for consideration	1	1	n/a	n/a	n/a



4.2. SUB-PROGRAMME: OFFICE OF THE CFO

SCOPE	SUB-PROGRAMME PURPOSE
Finance	<ul style="list-style-type: none"> • Management Accounting • Financial Accounting: Revenue and Expenditure • Audit Management
Supply Chain Management	<ul style="list-style-type: none"> • Supplier management • Ensuring compliance with Supply Chain Management legal framework and other relevant legislation
Asset Management	<ul style="list-style-type: none"> • ECRDA Fixed Assets Management
Compliance Reporting and OCFO M&E	<ul style="list-style-type: none"> • Monthly and Quarterly Compliance Reports (Financial) • Mid-Year (Financial) & MTEC Reports • POE for all reports analysed, archived & tested • BU support for variances

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased socio-economic impact	Good governance and accountability	% of Audit Action plan actions implemented	New	100%	80%	80%	100%	100%	100%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
5. % of Audit Action Plan ³ actions implemented	80%	n/a	n/a	n/a	80%



³ Audit Action Plan also known as Audit Improvement Plan

4.3. SUB-PROGRAMME: CORPORATE SERVICES

SCOPE	SUB-PROGRAMME FUNCTIONS
Human Resource Services	<ul style="list-style-type: none"> Management of HR operations and HR services to ensure sound employment, maintenance, remuneration, records and exit of staff
Human Capacity Development	<ul style="list-style-type: none"> Management of human capital and development
Legal Services	<ul style="list-style-type: none"> Ensuring legislative compliance, drafting and vetting of legal documents and litigation management
Information and Communication Technology	<ul style="list-style-type: none"> Provision and maintenance of efficient ICT systems, governance and controls
Communications	<ul style="list-style-type: none"> Manage communications strategy and protocols internally and externally Brand visibility and corporate marketing of the ECRDA
Facility Management	<ul style="list-style-type: none"> Provision and maintenance of clean, decent and technologically advanced facilities conducive to a good working environment

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable capacity building and empowerment	% of concluded employee performance assessments completed	New	New	New	100%	100%	100%	100%
Increased levels of resource mobilisation	Sustainable capacity building and empowerment	% of human capital plan outputs produced	New	New	100%	100%	100%	100%	100%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
6. % of concluded employee performance assessments completed	100%	100% of staff	100% of staff	100% of staff	100% of staff
7. % of human capital plan outputs produced	100%	100% of the quarter	100% of the quarter	100% of the quarter	100%



05 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR ADMINISTRATION

This programme advances the achievement of both the stated strategic outcomes. The outcome pertaining to Increased Socio-Economic Impact is achieved through providing good governance and accountability interventions which emphasise the quantification of impacts and leverage registered within rural areas of the Eastern Cape.

Good governance and accountability in turn lays the foundation for the achievement of the stated outcome of increased levels of resource mobilisation. In this regard good governance and accountability practice is used to secure additional investment and resource allocation. The

attractiveness of the ECRDA as an investment and resource destination is further enhanced through the provision of a wide range of sustainable capacity building and empowerment initiatives.

The programme enhances the implementation capability of the organisation to increase socio-economic impact. This is achieved through guiding the development of innovative solutions and technologies in accordance with an approved research agenda.

06 RESOURCE CONSIDERATIONS

Allocation to ECRDA for the 2020/21 MTEF

Transactional Advisory Services: R5.2m

ECRDA will be doing the consolidation of eligibility criteria for prioritisation of support to entrepreneurs as well as aggressive publicisation of the TAS facility and invitation to entrepreneurs. The Agency will roll out transactional advisory support for businesses and entrepreneurs to address distressed businesses, greenfield innovative enterprises with impact potential on economic priorities of the rural economy, and provide support for the attraction of investment to grow provincial enterprises.

RED Hubs: R11.2m

Aggregation Centres – The Agency will continue to identify suitable prospective private and independent companies willing to forge hands with the RED Hubs co-operatives. Private entities such as Pro Grain (Mqanduli & Mbizana), Brimack (for Ibuyambo) and Afgri and Amadlelo (for Ncora) will continue to be engaged.

Tshabo RED Hub – Work on expanding the operations for this flora industry-based RED Hub will continue. The project holds attractive prospects for this lucrative commodity for the export market. Bluecut Flora has been identified as the private partner.

Mechanisation Centres: R7.9m

Establish mechanisation centres as per DRDAR directive, against careful calculations of sustainability of mechanisation centres.

The Agency will lobby for funding to operationalise the Elundini and KSD Mechanisation Centres aligned to business cases agreed between DRDAR and ECRDA, as well as secure operator partners.

Elundini Wool Hub & Mohair (unfunded)

The appointment of a private partner for the Elundini Wool Hub will expedite the process of operationalising the Wool Hub Centre in the implementation of other activities that will benefit the farmers. The Agency will continue to facilitate the participation of foreign partners from Norway and other countries who will empower mohair farmers in developing the 'green' Karoo mohair centre with the aim of enabling the farmers to get premium prices for their commodities.

Cannabis Development Industry: R4.5m

The Cannabis TAT Panel, together with the Interim Cannabis Coordinator will continue to work with the Agency to develop a provincial cannabis business case and strategy framework

aimed at attracting private investors to the Province. Farmer capacitation on the cannabis production and industry value chain will continue to be done through various learning channels.

Remodelled Rural Finance Implemented: R4.3m

The Agency will focus on the roll-out of the revamped Rural Finance products, which will be linked to the funding facility being proposed by DRDAR as part of blended finance once it becomes operational.

Bio-fuel & Renewable Energy (unfunded)

The Agency will continue to pursue synergies with other partners. The implementation of the MoA between ECRDA and Stellenbosch University on alternative energy will be undertaken; engagement with Inxuba Yethemba Local Municipality with regards to revisiting the Cradock Biofuels Project is ongoing, and the engagement with the Central Energy Fund (CEF) will continue. Key priority areas have been identified for consideration once a private partner is brought on board.

Forestry: R1.9m

The Agency will continue to support and, where possible, expand on the forestry operations; resource mobilisation will be pursued to enhance participation within the value-chain. A request for additional funding, based on a sound business case for each community forestry project, will be submitted.

Marine Tilapia Industry: R9m

The Agency will commence with the project implementation for site identification and construction of the incubator facility. The ECRDA's PMU is expected to project manage on behalf of the state partnership.

Magwa-Majola: R41,8m

The Agency will continue with the effort of attracting private investors to partner in the development of the estate in high-value cash crops; implementation of the Magwa-Majola Master Plan, which incorporates the agro-tourism component. The target has been set at 1100 tonnes of tea to the market.

Additional Projects such as the Yellow Fleet (R7m) and EPWP will be implemented as directed by the Department to maximise community benefits.



EXPENDITURE ESTIMATES

Table: 2020/21 Budget and MTEF Estimates

	2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	
	AUDITED OUTCOME	ACTUAL OUTCOME	MAIN BUDGET (APPROVED)	ADJUSTED BUDGET (APPROVED)	REVISED ESTIMATE	MEDIUM-TERM ESTIMATES			
R thousand									
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Sale of goods and services other than capital assets	27 601	17 145	20 205	12 369	12 369	12 369	13 108	13 585	14 236
Entity revenue other than sales	2 329	2 187	2 594	2 733	1 552	1 552	2 268	2 458	2 478
Transfers received	236 335	270 928	290 579	245 854	256 454	256 454	230 399	204 853	213 569
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	6 627	3 240	6 173	3 408	3 408	3 408	3 681	3 743	3 923
Other non-tax revenue	-	-	-	667	-	-	699	733	768
Total revenue before deposits into the PRF	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Less Deposits into the Provincial Revenue Fund	-	-	-	-	-	-	-	-	-
Total revenue	272 892	293 500	319 551	265 031	273 783	273 783	250 155	225 373	234 974
Expenses									
Current expense	190 547	184 928	191 952	204 672	213 424	213 424	201 519	187 995	198 859
Compensation of employees	81 692	93 407	98 023	106 297	106 297	106 297	111 713	119 172	112 000
Goods and services	108 838	91 503	93 899	98 352	107 104	107 104	89 782	68 798	86 833
Interest on rent and land	17	18	30	23	23	23	24	25	26
Transfers and subsidies	56 559	89 453	108 936	47 263	47 263	47 263	41 853	28 115	28 115
Payment for capital assets	2 890	4 463	5 414	7 586	7 586	7 586	2 444	4 685	4 000
Payment for financial assets	22 896	5 892	5 130	5 510	5 510	5 510	4 339	4 578	4 000
Total expenses	272 892	284 736	311 432	265 031	273 783	273 783	250 155	225 373	234 974
Surplus / (Deficit)	-	8 764	8 119	(0)	0	0	(0)	(0)	0

07 PROGRAMME 2: CATALYTIC HIGH IMPACT PROGRAMMES (CHIPS)

PURPOSE

Programme 2 constitutes the core implementation and impact generation capability of the ECRDA. In this regard it utilises evidence-based decision making to inform project packaging and implementation. Additionally, it provides specialised technical support and capacity building to both projects and beneficiaries. It also serves in an oversight capacity by providing effective and efficient monitoring and evaluation services.

7.1. SUB-PROGRAMME: RESEARCH AND INNOVATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/2021	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Sustainable innovation and decision support	Number of approved research agenda	New	New	1	1	1	1	1
Increased Socio-Economic Impact	Sustainable innovation and decision support	Number of research reports produced based on the research agenda	New	New	4	4	4	4	4

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
8 Number of approved research agendas	1	1	n/a	n/a	n/a
9 Number of research reports produced based on the research agenda	4	n/a	1	2	1

7.2. SUB-PROGRAMME: PROJECT PACKAGING

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable resourcing	Rand value of additional funding and or support secured	New	New	R13,087,000	R100m	R100m	R100m	R100m

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
10 Rand value of additional funding and or support secured	R100m	n/a	n/a	n/a	R100m



7.3. SUB-PROGRAMME: PROJECT IMPLEMENTATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Effective and efficient programme and project management services	% of non-agricultural projects within the ECRDA portfolio	New	New	10%	20%	30%	40%	50%
Increased Socio-Economic Impact	Sustainable rural infrastructure	% of scheduled rural infrastructure projects completed	New	New	60%	70%	70%	70%	70%
Increased Socio-Economic Impact	Sustainable environmental practice	% of ECRDA projects with regenerative rural development practices implemented	New	New	10%	15%	20%	25%	30%
Increased Socio-Economic Impact	Effective and efficient programme and project management services	Number of direct jobs created (Full Time Equivalent)	New	New	200	350	350	450	500
Increased Socio-Economic Impact	Effective and efficient programme and project management services	% of direct jobs created for women, youth and people with disabilities	New	New	50%	50%	50%	50%	50%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
11 % of non-agricultural projects within the ECRDA portfolio	15%	n/a	10% cumulative	n/a	15% cumulative
12 % of scheduled rural infrastructure projects completed	70%	n/a	50% cumulative	60% cumulative	70% cumulative
13 % of ECRDA projects with regenerative rural development practices implemented	15%	n/a	10% cumulative	n/a	15% cumulative
14 Number of direct jobs created (Full Time Equivalent)	350	80 cumulative	200 cumulative	300 cumulative	350 cumulative
15 % of direct jobs created for women, youth and people with disabilities	50%	50%	50%	50%	50%

7.4. SUB-PROGRAMME: PROJECT MONITORING & EVALUATION

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased Socio-Economic Impact	Good governance and accountability	Number of project viability reviews completed.	New	New	2	2	2	2	2
Increased Socio-Economic Impact	Good governance and accountability	Review Annual Operational Plan (AOP) implementation percentage and report to the Board	New	New	New	4	4	4	4
OUTPUT INDICATORS		ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			
16	Number of project viability reviews completed.	2	n/a	1	n/a	1			
17	Review Annual Operational Plan (AOP) implementation percentage and report to the Board	4	1	1	1	1			



08 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR CHIPS

Programme 2 supports the achievement of both strategic outcomes. In this regard it drives the achievement of increased levels of increased impact through the development and deployment of innovations to advance rural development. The development of innovation and project implementation is enhanced through the production of relevant research products.

The outcome of increased impact is further enhanced through the provision of sustainable rural infrastructure which is supported by sustainable environmental practice as well as effective and efficient programme and project management services. The demand for capacity to ensure the efficient and effective implementation of interventions is provided through a wide range of capacity building and empowerment interventions.

Effective and efficient implementation cannot take place unless adequate resources have been secured and applied. This requires an incremental increase in levels of resource mobilisation. This is achieved through the packaging of bankable/fundable projects in accordance with donor or investor specifications.

Efforts to increase the levels of resource mobilisation is further augmented through the provision of high impact capacity building and empowerment interventions.

Closely associated with the ability to increase levels of resource mobilisation is the ability to provide accurate impact reporting. Accordingly, this programme, through a range of governance and accountability measures, ensures both the quantification and reporting of impact and performance. This in turn increases the credibility of the ECRDA as a recipient of resources, investment and funding.



MAGWA TEA
PLANTATION

09 PROGRAMME 3: FINANCE FOR RURAL DEVELOPMENT

PURPOSE

Programme 3 is tasked with the provision of high impact sustainable financial services and products to rural clients. This includes loan funding; empowering clients to leverage and secure commercial funding whilst also providing community-based banking services.

9.1. SUB-PROGRAMME: RURAL FINANCE

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2018/19	2019/20	2020/2021	2021/2022	2022/23	2023/24	2024/25
Increased levels of resource mobilisation	Sustainable resourcing	% of loans approved and disbursed as per the rural finance Standard Operating Procedures	New	New	New	100%	100%	100%	100%
Increased levels of resource mobilisation	Sustainable resourcing	% of Category A loans within the loan portfolio ⁴	New	New	New	80%	80%	80%	80%

OUTPUT INDICATORS	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
18 % of loans approved and disbursed as per the rural finance Standard Operating Procedures ⁵	100%	100%	100%	100%	100%
19 % of Category A loans within the loan portfolio	80%	80%	80%	80%	80%

⁴ Loan grading as per the Credit Policy: 30 Days = Category A.

⁵ SOP to be submitted Q1 to enable measuring.



10 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD FOR DEVELOPMENT SUPPORT

For rural communities and stakeholders to achieve sustainable socio-economic development they need to be able to identify, secure, apply and report on the use of financial resources. The devastating impact of the apartheid and colonial legacy, which is characteristic of the rural areas in the Eastern Cape, has deprived communities and beneficiaries of the ability to access sustainable development funding and resourcing.

In order to address this dual legacy, the ECRDA empowers beneficiaries and communities through the provision of a wide range of financial products.

11 ECRDA KEY RISKS

OUTCOME	KEY RISK	RISK MITIGATION
1 Increased levels of resource mobilisation	Low levels of investor and/or donor confidence in the ECRDA	<ul style="list-style-type: none"> Develop dedicated capacity to manage the investor/donor pipeline Provide accurate impact and progress reports Develop capacity to package projects and project proposals
2 Increased impact reporting	Limited internal capacity to develop accurate impact reports	<ul style="list-style-type: none"> Develop an approved socio-economic impact methodology Train internal socio-economic impact capacity If required secure external socio-economic impact assessment capacity



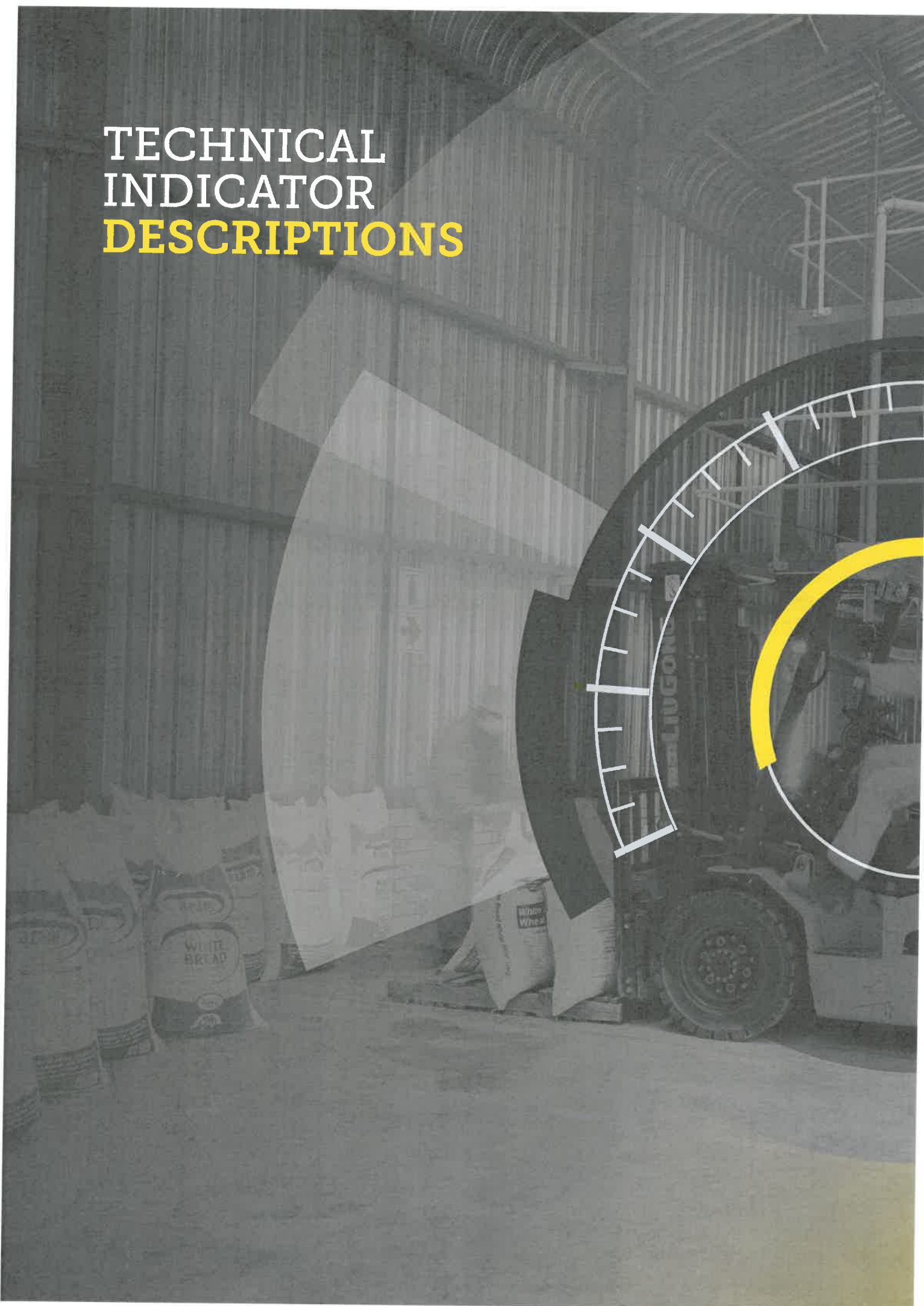
ECRDA INFRASTRUCTURE PROJECTS (DEPENDENCY: FUNDING FOR PROJECTS)

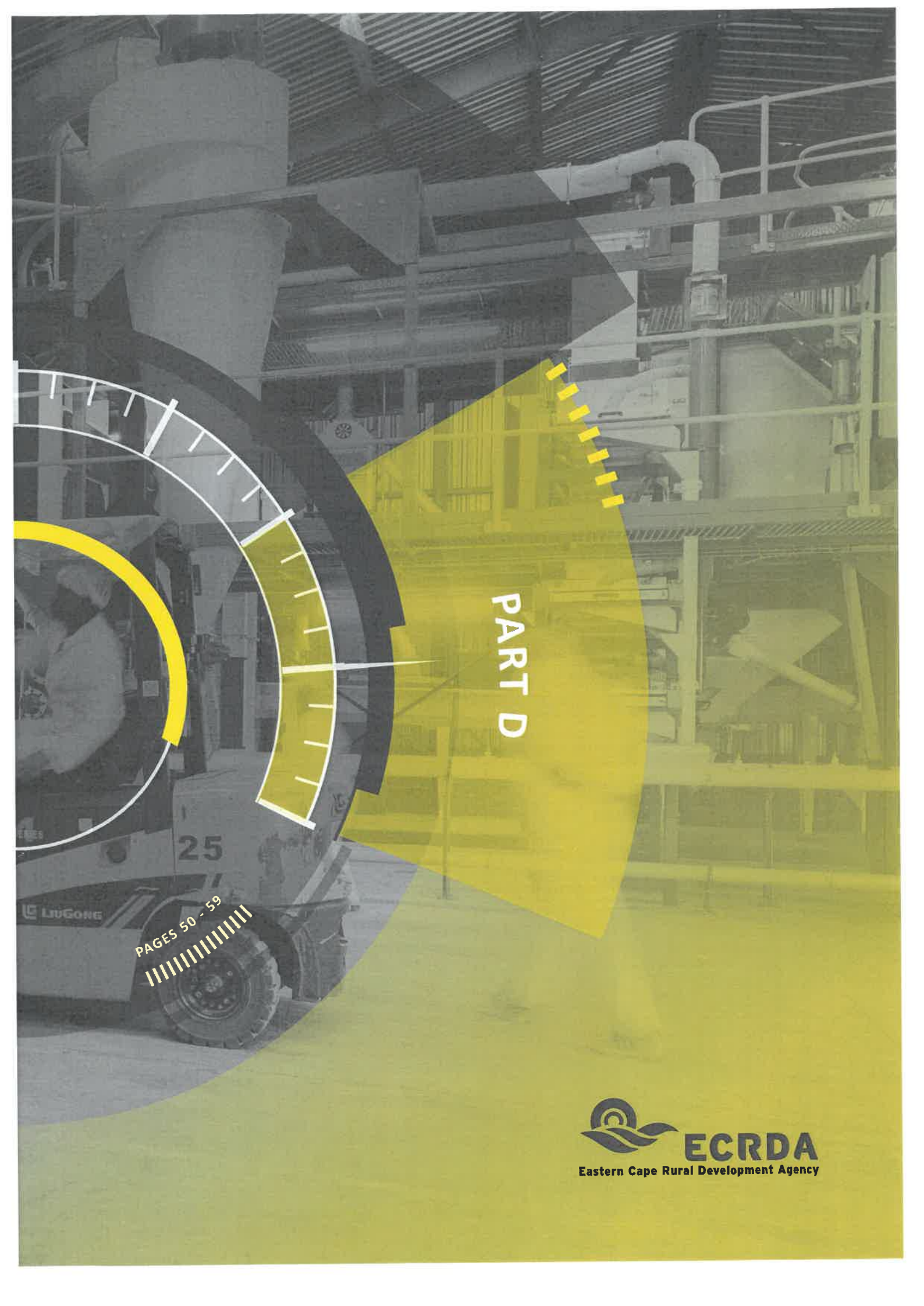
NO	PROJECT NAME	PROGRAMME	PROJECT DESCRIPTION	OUTPUTS	PROJECT START DATE	PROJECT COMPLETION DATE	TOTAL ESTIMATED COST	CURRENT YEAR EXPENDITURE
1	Diversified RED Hubs: Flora	CHIPS	Irrigation system for the remaining 15ha	Sustainable Infrastructure	1 April 2021	31 March 2022	3 000 000	3 000 000
2	Diversified RED Hubs: Flora	CHIPS	Fencing of 3.8km (second site)	Sustainable Infrastructure	1 April 2021	31 March 2022	600 000	600 000
3	Mechanisation	CHIPS	Site construction - Elundini	Sustainable Infrastructure	1 April 2021	31 March 2022	2 500 000	2 500 000
4	RED Hub Aggregation Centres	CHIPS	Infrastructure development at various aggregation centres	Sustainable Infrastructure	1 April 2021	31 March 2022	1 000 000	1 000 000
5	Aquaculture	CHIPS	Construction of the Marine Tilapia Incubator quarantine facility at Mbhashe	Sustainable Infrastructure	1 April 2021	31 March 2022	3 000 000	3 000 000

PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS	PURPOSE	OUTPUTS	CURRENT VALUE OF AGREEMENT	END DATE OF AGREEMENT
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

TECHNICAL INDICATOR DESCRIPTIONS





PART D

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TECHNICAL INDICATOR DESCRIPTIONS

INDICATOR TITLE	1. NUMBER OF UNQUALIFIED FINANCIAL AND PERFORMANCE AUDIT OUTCOMES.
Definition	The purpose of the indicator is to measure the status of financial and performance management audit outcomes as depicted in an Annual Report Performance is measured by quantifying the number of unqualified annual audit opinions issued by the Auditor-General This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Auditor-General Audit Report
Method of Calculation / Assessment	Performance is assessed in a quantitative manner Performance will be quantified by counting the number of unqualified annual audit reports issued by the Auditor-General
Means of Verification	Audited Annual Report inclusive of audited AFS
Assumptions	Annual Audits are completed within stated time frames and regulatory requirements
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	No less than one (1) unqualified audit opinion is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	2. % OF STRATEGIC RISK MITIGATED.
Definition	This indicator measures the percentage of strategic risks, that are contained in the Strategic Risk Register, that have been mitigated
Source of Data	Risk Register
Method of Calculation / Assessment	Performance is assessed qualitatively Performance will be quantified by calculating the number of completed risk task contained in the Strategic Risk Register as a percentage of the total assigned risk task contained in the Strategic Risk Register
Means of Verification	CEO approved Strategic Risk Register
Assumptions	Assigned risk tasked are tracked and supporting evidence is being collected and recorded on a monthly and quarterly basis
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	60% or higher
Indicator Responsibility	Chief Executive Officer (CEO)



INDICATOR TITLE	3. % OF BOARD RESOLUTIONS IMPLEMENTED.
Definition	This indicator measures the efficiency by which board decisions are implemented by management This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Board Resolutions Tracking Register
Method of Calculation / Assessment	Performance is quantified by calculating the number of board resolution due for implementation within a specific timeframe against resolutions actually implemented in that period as a percentage
Means of Verification	Board Resolution Tracking Register: resolution status column supporting evidence of implemented resolutions
Assumptions	Resolution are specific and timebound and shared with management for implementation
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	100% compliance with target
Indicator Responsibility	Company Secretary

INDICATOR TITLE	4. NUMBER OF GOVERNANCE FRAMEWORKS DEVELOPED AND SUBMITTED TO SUBSIDIARY FOR CONSIDERATION.
Definition	The indicator measures the effectiveness of developing governance frameworks This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Governance Framework
Method of Calculation / Assessment	Performance is calculated quantitatively A corporate governance framework is described as framework of rules and practices by which the ECRDA ensures accountability, fairness, and transparency in its dealing with all stakeholders, shareholders, investors, donors, customers, management and employees
Means of Verification	Draft framework and email where submitted to subsidiary
Assumptions	The Corporate Governance Framework complies with all relevant regulatory and legislative requirements Technical capacity exists to develop and/or review the corporate governance framework
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	Performance equal to target is desired
Indicator Responsibility	Company Secretary

INDICATOR TITLE	5. % OF AUDIT ACTION PLAN ACTIONS IMPLEMENTED.
Definition	The indicator measures the effectiveness of implementing the Audit Action Plan also known as the Audit Improvement plan This indicator contributes towards the measurement of the strategic output of good governance and accountability
Source of Data	Audit Action Plan/Audit Improvement Plan
Method of Calculation / Assessment	Performance is assessed quantitatively. Performance will be quantified by calculating the percentage of tasks completed as a percentage of the total number of tasks for the year under review in the Audit Action Plan
Means of Verification	CFO approved Audit Action Plan Report
Assumptions	Tasks can be completed in the period under review Portfolio of evidence secured to support tasks undertaken
Disaggregation	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	Performance exceeding target is desired
Indicator Responsibility	Chief Financial Officer (CFO)

INDICATOR TITLE	6. % OF CONCLUDED EMPLOYEE PERFORMANCE ASSESSMENTS COMPLETED PER YEAR.
Definition	This indicator measures the degree to which employee performance is being assessed Performance assessments are concluded when all relevant parties have signed-off the performance assessment This indicator contributes towards the measurement of the strategic output pertaining to sustainable capacity building and empowerment
Source of Data	Individual Performance Assessments
Method of Calculation / Assessment	Performance is assessed in a quantitative manner Performance is calculated as a percentage of all performance assessments being concluded as a percentage of the total staff component that requires performance assessments
Means of Verification	Q1: 100% of Staff formally assessed on prior years performance (April) Q2: 100% of Staff monitored in line with organisational performance tracking Q3: 100% of Staff informally assessed on current year performance progress Q4: 100% of Staff monitored in line with organisational performance tracking
Assumptions	All performance agreements are in place All executives and line managers have in their performance agreement the management of performance management with a target of 100% completion of assessments Performance assessments are done within required timeframes Performance assessments are approved by all relevant parties
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly /Annual
Desired Performance	Performance equal to 100% is desired
Indicator Responsibility	Corporate Services Executive (CSE)



INDICATOR TITLE	7. % OF HUMAN CAPITAL PLAN OUTPUTS PRODUCED.
Definition	<p>This indicator measures the effectiveness of interventions aimed at increasing the human capital levels of the ECRDA</p> <p>The indicator measures the % of completed outputs which have been listed in the Human Capital Plan</p> <p>Outputs are considered completed when they have been reviewed and approved in accordance with an approved Product Description</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable capacity building and empowerment</p>
Source of Data	Approved Human Capital Plan Human Capital Plan Progress Reports
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance is measured as a percentage of outputs that have been completed as a percentage of all outputs defined in the Human Capital Plan</p>
Means of Verification	CSE approved Human Capital Plan Progress Reports with supporting evidence
Assumptions	<p>All outputs have been logged in a register</p> <p>All outputs have an approved Product Description</p> <p>The completion of all outputs is administratively recorded and closed</p> <p>Portfolio of Evidence (POE) is maintained as proof of output completion</p>
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	100% compliance with target is desired
Indicator Responsibility	Corporate Services Executive (CSE)

INDICATOR TITLE	8. NUMBER OF APPROVED RESEARCH AGENDAS.
Definition	<p>This indicator measures the ability of the ECRDA to define and consolidate its research and innovation needs and requirements</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable innovation and decision-support</p>
Source of Data	CEO approved Research Agenda
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance will be quantified by counting the number of Research Agenda approved by the CEO</p>
Means of Verification	CEO approved Research Agenda
Assumptions	ECRDA can define and/or articulate its research and innovation needs
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Annual
Desired Performance	No less than one (1) Research Agenda is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	9. NUMBER OF RESEARCH REPORTS PRODUCED BASED ON THE RESEARCH AGENDA.
Definition	<p>The purpose of the indicator is to measure the effectiveness of research processes</p> <p>The indicator measures the number of research reports being produced to inform decision-support and implementation effectiveness</p> <p>Research Report is a report detailing research findings based on a research agenda item as contained in the CEO approved Research Agenda</p> <p>A research report must contain a clear problem statement, description of the research methodology employed, findings, conclusions and recommendations</p>
Source of Data	Research Reports
Method of Calculation / Assessment	<p>Performance is assessed in a quantitative manner</p> <p>Performance is measured as a count of the number of research reports produced</p>
Means of Verification	<p>Research Reports</p> <p>Evidence of submission to CEO</p>
Assumptions	<p>Research reports are based on research items contained in the approved Research Agenda</p> <p>Research conforms to accepted research methodology</p>
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	No less than 100% of performance is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	10. RAND VALUE OF ADDITIONAL FUNDING AND/OR SUPPORT SECURED.
Definition	<p>This indicator measures the value of funding and/or any other form of technical support secured for external resources outside of the approved budget of the ECRDA</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable resourcing</p>
Source of Data	Signed Service Level Agreements and/or contracts and/or letters of award
Method of Calculation / Assessment	<p>Performance is assessed quantitative</p> <p>Performance will be quantified by calculating the value of funding and/or the value of technical assistance and/or moveable and immovable assets that have been provided to the ECRDA outside of its allocated budget from DRDAR</p> <p>The value of technical support and/or equipment or any other type of support can be confirmed in writing by the entity providing such support. This value will be used to quantify the value of support and or equipment provided</p> <p>If the value of the support is quantified in another currency, then the value of the contribution will be calculated based on the Rand value of the relevant currency on the day that the Service Level Agreement or contract was signed</p>
Means of Verification	Signed Service Level Agreements and/or contracts and/or letters of award
Assumptions	The Rand value of funding and/or any other form of technical support secured for external resources outside of the approved budget of the ECRDA can be quantified and confirmed
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Annual
Desired Performance	Performance exceeding the target is desired
Indicator Responsibility	Chief Executive Officer (CEO)



INDICATOR TITLE	11. % OF NON-AGRICULTURAL PROJECTS WITHIN THE ECRDA PORTFOLIO.
Definition	<p>This indicator measures the non-agricultural projects in the project portfolio as well as rural finance portfolio</p> <p>This includes both projects being implemented by the ECRDA as well as projects implemented externally with loan funding from ECRDA</p> <p>This indicator contributes towards the measurement of effective and efficient project management services</p>
Source of Data	Portfolio Register & Loans
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>Percentage of projects in the project portfolio that is defined as rural development as a percentage of the total project portfolio</p>
Means of Verification	COO approved Project register Progress Assessment Report indicating % Final Assessment Report indicating %
Assumptions	<p>Projects can be classified as Non-Agricultural or Agricultural in accordance with the approved Framework</p> <p>Project portfolio register is in place</p> <p>Project data is correctly captured and classified</p>
Disaggregation	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Exceeding 15% of Non-Agricultural is desirable
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	12. % OF SCHEDULED RURAL INFRASTRUCTURE PROJECTS COMPLETED.
Definition	<p>This indicator measures the effectiveness of establishing catalytic and enabling rural infrastructure</p> <p>The indicator measures the % of completed rural infrastructure projects that have been scheduled for completion during the period under review</p> <p>For a rural infrastructure project to be considered complete a completion certificate must be issued by an appropriately qualified built-environment professional</p> <p>Additionally, a close-out report would have to be presented as proof that the project has been closed administratively</p> <p>If delays are experienced, only duly authorised extensions of deadlines by the CEO would be considered in recalculating and setting new deadlines</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable infrastructure</p>
Source of Data	Progress Reports, and completion certification
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>Performance is measured as a percentage of completed rural infrastructure project, as measured against the total number of infrastructure projects being implemented and/or being active during the review period</p>
Means of Verification	Approved completion certification and Close-out Report
Assumptions	<p>Relevant built-environment professional has been duly authorised to issue completion certification</p> <p>Close-out reports are generated and approved by the duly authorised official</p>
Disaggregation	Women, youth and people living with disabilities must collectively constitute at least 50% of the jobs created
Spatial Transformation	Spatial location of projects will be in the rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Completion levels higher than scheduled completions is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	13. % OF ECRDA PROJECTS WITH REGENERATIVE RURAL DEVELOPMENT PRACTICES IMPLEMENTED.
Definition	<p>This indicator measures the levels of integrating sustainable environmental practice into project initiatives</p> <p>The indicator measures the % of rural development projects which can demonstrate the application of regenerative practices</p> <p>Regenerative practices refer to any system, method process and/or technology that ensures the optimal and sustainable use of resources. This requires that resource use should not deplete the source base but ensure that it is replenished after and/or during use</p> <p>The use of renewable resources is regenerative for the purposes of measuring this indicator</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to sustainable environmental practice</p>
Source of Data	<p>Project register</p> <p>Approved Framework to define regenerative practices</p>
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>Performance is measured as a percentage of projects that can demonstrate the use of regenerative practices, as measured against the total number of projects in the ECRDA Project Portfolio</p>
Means of Verification	Project Assessment Reports
Assumptions	<p>A complete list of projects is maintained in a Project Log and/or dashboard</p> <p>Framework to define regenerative practices is available</p>
Disaggregation	Women, youth and people living with disability must constitute 50% of beneficiaries of projects being implemented
Spatial Transformation	Spatially implementation is focussed on the rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Performance higher than stated target is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	14. NUMBER OF DIRECT JOBS CREATED (FULL TIME EQUIVALENT).
Definition	<p>Denotes the number of new permanent jobs (Full Time Equivalent) expected to be created because of projects being implemented by the ECRDA</p> <p>This indicator contributes towards the measurement of the strategic output pertaining to effective and efficient programme and project management services</p>
Source of Data	Attendance Registers with hours logged/Service providers invoices with hours logged
Method of Calculation / Assessment	<p>Performance is assessed quantitatively</p> <p>A count of approved permanent jobs created by individual projects during the project cycle</p> <p>Full Time Equivalent refers to the hours a beneficiary, and/or service provider is contracted to work</p> <p>On an annual basis, a Full Time Equivalent is 2 080 hours, which is calculated as: 8 hours per day x 5 workdays per week x 52 weeks per year = 2 080 hours per year</p> <p>Every 2 080 hours worked/contracted by a project participant, beneficiary and/or service provider will be considered as one (1) permanent job</p>
Means of Verification	Attendance Registers with hours logged/Service providers invoices with hours logged
Assumptions	The data collected at project level is accurate and that appropriate time- and record-keeping systems are being produced for each project
Disaggregation	50% of Full Time Equivalent must constitute of women, youth and/or people living with disabilities
Spatial Transformation	Rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Higher performance against the performance is desired
Indicator Responsibility	Executive: Integrated Programme Management



INDICATOR TITLE	15. % OF DIRECT JOBS CREATED FOR WOMEN, YOUTH AND PEOPLE WITH DISABILITIES.
Definition	Denotes the number of new permanent jobs (Full Time Equivalent) that is expected to be created because of projects being implemented by the ECRDA as it pertains to women, youth and people with disabilities This indicator contributes towards the measurement of the strategic output pertaining to effective and efficient programme and project management services
Source of Data	Attendance Registers with hours logged/Service providers invoices with hours logged
Method of Calculation / Assessment	Performance is assessed quantitatively A count of approved permanent jobs created by individual projects during the project cycle Full Time Equivalent refers to the hours a beneficiary, and/or service provider is contracted to work On an annual basis, a Full Time Equivalent is 2 080 hours, which is calculated as: 8 hours per day x 5 workdays per week x 52 weeks per year = 2 080 hours per year Every 2 080 hours worked/contracted by a project participant, beneficiary and/or service provider will be considered as one (1) permanent job
Means of Verification	Attendance Registers with hours logged/Service providers invoices with hours logged
Assumptions	The data collected at project level is accurate and appropriate time- and record keeping systems are in place
Disaggregation	50% of Full Time Equivalent must constitute of women, youth and/or people living with disabilities
Spatial Transformation	Rural areas of the Eastern Cape
Calculation Type	Cumulative: Year End
Reporting Cycle	Quarterly/Annual
Desired Performance	Higher performance against the performance is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	16. NUMBER OF PROJECT VIABILITY REVIEWS COMPLETED.
Definition	The indicator measures the financial and project viability of projects across the portfolio For a project to be considered viable it has to prove that it is able to achieve the intended outputs and outcomes as contained in its business case and/or project implementation plan This indicator contributes towards the measurement of the strategic output pertaining to good governance and accountability
Source of Data	Project Viability Assessment Reports
Method of Calculation / Assessment	Performance is calculated quantitatively Performance is calculated as a number of portfolio viability reviews completed
Means of Verification	Q2: Viability assessment report Q3: E mail confirmation from Company Secretary that project viability report was discussed at board with agenda attached Q4: Viability Assessment report (to be tabled in the following year Q1 board meeting for discussion)
Assumptions	Project viability data is accurate and available Business Case and/or Plans exist for each project Board approved criteria for measuring project and or programme viability is in place
Disaggregation	Not applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Annual
Desired Performance	100% achievement of target is desired
Indicator Responsibility	Executive: Integrated Programme Management

INDICATOR TITLE	17. REVIEW ANNUAL OPERATIONAL PLAN (AOP) IMPLEMENTATION PERCENTAGE AND REPORT TO THE BOARD.
Definition	The indicator measures the number of memo's submitted to the Board on the implementation of milestones at the level of the Annual Operational Plan The quarterly review of implementation percentage of the AOP will assist the Board to have insight into progress of implementation
Source of Data	Dashboard
Method of Calculation / Assessment	Performance is calculated quantitatively Performance is calculated by counting the number of memo's submitted to the board on the percentage of AOP milestones implemented
Means of Verification	Board memo depicting AOP performance as a percentage
Assumptions	AOP milestones are being tracked and can be quantified
Disaggregation	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative: Year to date
Reporting Cycle	Quarterly/Annual
Desired Performance	100% achievement of target is desired
Indicator Responsibility	Chief Executive Officer (CEO)

INDICATOR TITLE	18. % OF LOANS APPROVED AND DISBURSED AS PER THE RURAL FINANCE STANDARD OPERATING PROCEDURES
Definition	The indicator measures the percentage of loans that are approved and disbursed aligned with SOP's to advance sustainable resourcing in rural development funding This indicator contributes towards the measurement of the strategic output pertaining to increasing levels of resource mobilisation
Source of Data	Reports on loans approved and disbursed with payment requisitions Number of loans approved and disbursed as per SOP to be obtained on the Loan process flow assessment tool Total number of loans approved and disbursed to be obtained through system generated reports on disbursements
Method of Calculation / Assessment	Performance is calculated quantitatively Number of loans approved and disbursed as per SOP/Total number of loans approved and disbursed as a percentage
Means of Verification	Executive approved Rural Finance approval and disbursements Reports with supporting evidence
Assumptions	Standard Operating Procedures for loan disbursement is in place Loan process flow assessment tool in place There were loan applications Loans were approved and disbursed
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	100%
Indicator Responsibility	Executive responsible for Regions



INDICATOR TITLE	19. % OF CATEGORY A LOANS WITHIN THE LOAN PORTFOLIO.
Definition	The indicator measures the percentage of loans that are defined as Category A loans, in accordance with the criteria stated in the approved Credit Policy This indicator contributes towards the measurement of the strategic output pertaining to increasing levels of resource mobilisation
Source of Data	Automated Loan System Age Analysis Approved Credit Policy
Method of Calculation / Assessment	Performance is calculated quantitatively. Number of Category A loans as a percentage of total loans of the ECRDA loans Portfolio
Means of Verification	Automated Loan System Age Analysis
Assumptions	Loan system active Data on the loans system is current and correct
Disaggregation	Not applicable
Spatial Transformation	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	80%
Indicator Responsibility	Executive responsible for Regions

ACRONYMS

AETS	Provincial Agricultural Economic Transformation Strategy
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
ARDA	Agrarian Research and Development Agency
CHIP	Catalytic High Impact Programme
EUR	Expanded Unemployment Rate
DRDAR	Department of Rural Development and Agrarian Reform
ECDC	Eastern Cape Development Corporation
ECRDA	Eastern Cape Rural Development Agency
ECRFC	Eastern Cape Rural Finance Corporation
GDP	Gross Domestic Product
GVA	Gross Value Added
IPAP	Industrial Policy Action Plan
ICT	Information and Communications Technology
ISRDS	Integrated Sustainable Rural Development Strategy
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NSDF	Draft National Spatial Development Framework
PDP	Provincial Development Plan
PEDS	Provincial Economic Development Strategy
PIDS	Provincial Industrial Development Strategy
PFMA	Public Finance Management Act
R&D	Research & Development
RED Hub	Rural Enterprise Development Hub
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats
UN	United Nations





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