



STRATEGIC PLAN 2020-25

Innovative and
Inventive Solutions





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PLAN 2020 - 2025**

FOREWORD BY THE MEC FOR RURAL DEVELOPMENT AND AGRARIAN REFORM

Foreword by the MEC for Rural Development and Agrarian Reform



As most citizens of the Eastern Cape live in rural spaces, the Eastern Cape rural economy is of critical importance to ensure that the benefits of sustainable socio-economic development accrue to our people.

Poverty and low levels of socio-economic development in rural areas, therefore, emphasises 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 in turn 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 for 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, which 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 previously 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 living 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.

Accordingly, 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. In support, 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.

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.

A handwritten signature in black ink, appearing to read 'Nomakhosazana Meth'.

Hon MEC Nomakhosazana Meth:
MEC for Rural Development and Agrarian Reform

UMNQOPHISO BY THE ACCOUNTING AUTHORITY

A commitment by the Chairperson of the ECRDA Board

As the Accounting Authority of the Eastern Cape Rural Development Agency (ECRDA), the ECRDA Board is committed to establishing sustainable socio-economic rural communities in the Eastern Cape, in accordance with the strategic direction provided by the Executive Authority.

In accordance with these imperatives, the ECRDA Board has provided strategic direction to the management of the ECRDA to formulate a strategy that would register and leverage strategic and systemic socio-economic impact within the integrated rural development space of the Eastern Cape Province.

The result is this Strategic Plan, which at its core strives to build inclusive rural communities and industries, embedded in entrepreneurship and innovation, with the aim of creating wealth and advancing transformative resource distribution.

The above-mentioned will be achieved through, amongst others, the forging of sustainable partnerships with the private sector and community actors to increase rural production, innovation, and a diversification of the rural economy. Increased production in turn will lay the foundation for establishing sustainable long-term partnerships with local, inter-provincial and international trading partners that will create new markets and opportunities for rural communities.

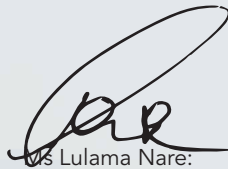
In support of these partnerships, the ECRDA will implement a range of interventions aimed at enhancing the capacity and capabilities of rural communities to execute socio-economic interventions in a participatory, empowering and sustainable manner. This includes interventions and innovations aimed at the development and diversification of a range of high-value products including cannabis and hemp, eco-tourism, game farming, as well as the wool and mohair value chains.

Through the creation of an enabling environment, the interventions of the ECRDA will leverage its RED Hub networks to drive effective and efficient implementation within the broader rural development context. Implementation will be enhanced through a range of research and innovation interventions aimed at increasing diversification and the competitive and comparative advantages of rural areas as a driver of sustainable socio-economic development. Simultaneously research and innovation interventions will also allow for accurate evidence-based decision-making and impact reporting in accordance with governance requirements.

Cumulatively, it is envisaged that the implementation of the full range of strategic interventions reflected in this Strategy, will

register and leverage strategic and systemic socio-economic impact within the integrated rural development space of the Eastern Cape Province, in alignment with the stated policy and strategic imperatives as articulated by the Executive Authority.

Accordingly, the Board of the ECRDA endorses this Strategic Plan and commits itself to support its implementation.



Ms Lulama Nare:
ECRDA Board Chairperson



CHIEF EXECUTIVE OFFICER'S COMMITMENT

The ECRDA's vision is to advance the creation of an inclusive and sustainable rural economy. To this effect the organisation's mission is to connect "abanegalelo" – all who can lend a hand towards the realisation of this mission in a manner that will lead to sustainable and shared prosperity in the rural Eastern Cape. The ultimate purpose is to fundamentally alter the rural human condition of powerlessness, alienation and marginalisation, to one which gives expression to increased human worth and improved material and economic benefits.

The role of the ECRDA is therefore to provide the appropriate form of agency that will deepen and strengthen the nexus between human development, economic opportunities and rights, and supporting institutional capabilities, which should in turn enable us to register and leverage a strategic and systemic socio-economic impact within the integrated rural development space of the Eastern Cape Province.

Key to this strategic imperative is the recognition of the trans-disciplinary and trans-sectoral nature of rural development and therefore, a commensurate sensitivity on our part to the systemic importance of interventions driven in the cause of rural development.

The strategic focus of the ECRDA over the next planning period, in line with our policy mandate, will be on the consolidation of our existing portfolio of work, whilst adding new elements that are in line with strategic priorities for development as redefined or sharpened by the evolving macro and meso strategic frameworks of the Republic and Province of the Eastern Cape.

Underpinning this strategic refocus is the capacitation of the ECRDA with functional skills to execute quality programme and project design, development and implementation management, as well as the mobilisation of enabling institutional networks, partnerships, investment and funding to advance implementation. The impact of these interventions will be augmented through the application of innovation, research and the appropriate application of technology.

Our ability to register and leverage socio-economic impact will be further enhanced by empowering beneficiaries with financial resources, capacity and/or enabling infrastructure, interventions whose impact we will measure systematically and report on to our key stakeholders and partners throughout the term of this Strategy.

The formulation of this strategy has drawn on the collective inputs, knowledge and wisdom of the Executive Authority, the ECRDA Board, the Department of Rural Development and Agrarian Reform (DRDAR), the staff of the ECRDA and our stakeholders, all whom we would like to acknowledge and thank for their constructive contributions. As an organisation the ECRDA is committed to the effective and efficient implementation of this strategic plan.



Mr nhlanganiso dladla:
CEO of ECRDA



OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Eastern Cape Rural Development Agency (ECRDA) under the guidance of the Board of the ECRDA, in consultation with the Department Rural Development and Agrarian Reform (DRDAR)
- Takes into account all the relevant policies, legislation and other mandates for which the Eastern Cape Rural Development Agency (ECRDA) is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the Eastern Cape Rural Development Agency (ECRDA) will endeavour to achieve over the period 2020-2025.

Ms Janine Baxter
Chief Financial Officer

Signature: _____



Mr nhlanganiso dladla
Chief Executive Officer

Signature: _____



Ms Lulama Nare
ECRDA Board Chairperson

Signature: _____



Approved by:
Hon MEC Nomakhosazana Meth
MEC for Rural Development and Agrarian Reform

Signature: _____





The constitutional mandate of the Eastern Cape Rural Development Agency (ECRDA) emanates from six (6) Sections of the Constitution of the Republic of South Africa (108 of 1998).

These sections include:

- Section 24(a): Maintaining an environment that is not harmful to health and well-being.
- Section 24(b): Ensuring sustainable development and use of natural resources while promoting justifiable economic and social development.
- Section 25(4)(a): Commitment to land reform and ensuring equitable access to natural resources.
- Section 27(b and c): Upholding the right to sufficient food and water.
- Section 195: upholding the basic values and principles governing public administration.
- Schedule 4 (Part A): Confirming the provincial competency pertaining to the administration of forests, regional planning and development, agriculture and rural development.

2. LEGISLATIVE AND 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).

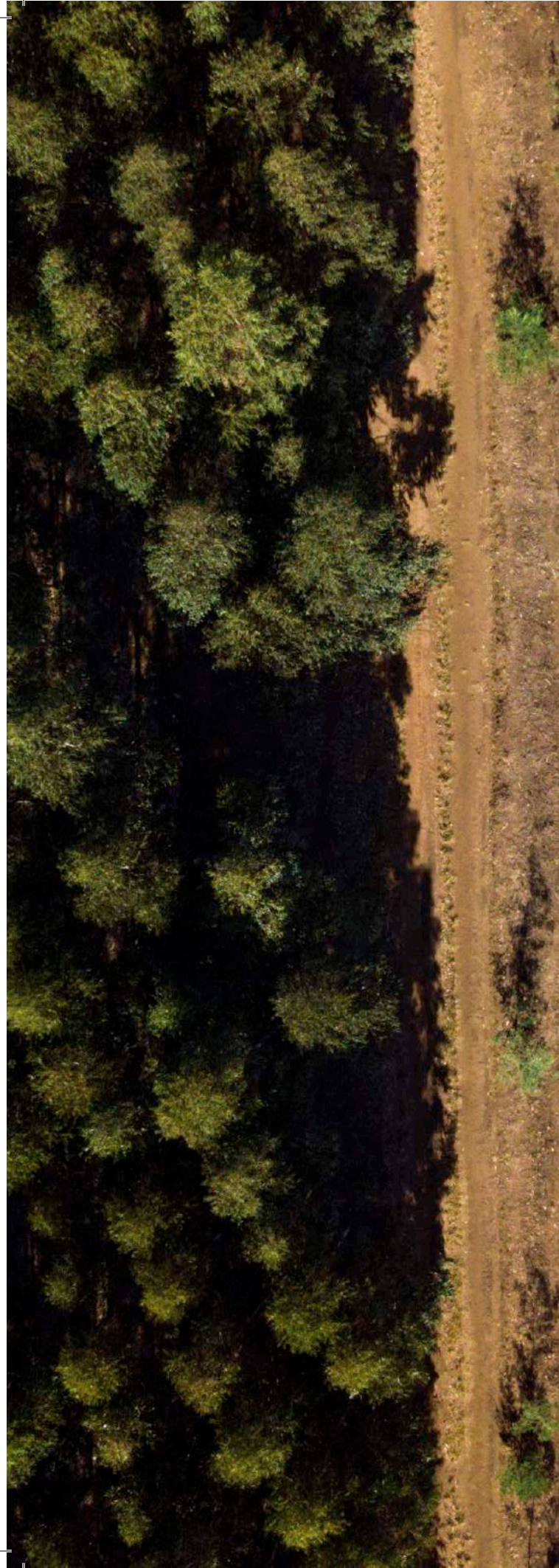
The ECRDA was established through the Eastern Cape Rural Finance Corporation Amendment Act, (1 of 2012), and the resulting merger of the Eastern Cape Rural Finance Corporation (ECRFC) and Asgi-SA-Eastern Cape (Pty) Ltd into the Eastern Cape Rural Development Agency (ECRDA).

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
- Fertilizers, 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 (NSDP).

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

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 importance for rural development, such as the Co-operative Governance and Traditional Affairs department and its importance for integrated development planning, and the Department of Trade, Industry and Competition for its importance on the industrialisation of the rural economy. and
- Strategic Plans by the Department of Rural Development and Agrarian Reform of the Eastern Cape Province covering the relevant MTSF period.
- As 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 Sills Development Forum Draft Regulations

Legislative Mandate	
<ol style="list-style-type: none"> 1. Mobilising financial resources and providing financial and supportive services. 2. Promoting and encouraging private sector investment in 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 programs of land reform 6. Project managing rural development interventions 7. Promoting applied research and innovative technologies for rural development 8. Planning, facilitating, Monitoring and Evaluation rural development high impact projects 9. Facilitating private sector participation and investment in rural development 	
Problem Statement as identified by the Board	Impact Statement
The ECRDA is challenged to register and leverage socio-economic impact within the integrated rural development space of the Eastern Cape Province	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	
<ol style="list-style-type: none"> 1. Increased Socio-economic impact 2. Increased levels of Resource mobilisation 	
Strategic Outputs	
<ol style="list-style-type: none"> 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 	





5. VISION

Uqoqosho lwamaphadle oluzinzileyo, oluquka uwonke-wonke
(An inclusive and sustainable rural economy)

6. MISSION

“Connecting abanegalelo to catalyse the prosperity of the rural Eastern Cape”

7. VALUES

The values that underpin the vision and mission of ECRDA include:

- **Transparency:** We will be clear and open in our actions and promote inclusive and accountable participation by all stakeholders.
- **Excellence:** We will build a competent, capable organisation best equipped to deliver quality services in all interventions and assignments within our mandate for rural development.
- **Honesty and integrity:** We will be professional, respectful, fair and consistent in our dealings and deliver decisions focused on ethical outcomes.
- **Innovation:** We will be creative and push the boundaries of technology to be relevant and responsive to the development needs of rural communities.
- **Commitment to empowerment:** We will prioritise the upliftment of communities we serve, as well as the capacitation of staff and connected development agents to drive excellence.
- **Ubuntu:** We will demonstrate our commitment to shared humanity and solidarity in the pursuit of common goals for development.

.....

“Amaphandle” is the colloquial term for ‘rural’. Critically interrogated, the term can denote the ‘peripheral’, ‘neglected’, ‘phandle’ transliterally referring to ‘outside’. We appropriate it here in its colloquial usage, perhaps to keep its relevance to referring to ‘rural’ until its (‘rural’) marginalisation and ‘backwardness’ is rendered obsolete

8. SITUATIONAL ANALYSIS

The situational analysis which informed the development of the ECRDA Strategy, consists of an external and internal environmental analysis, which will be individually discussed below.

8.1. External Environment Analysis

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

This is illustrated in the map below, which points to the fact 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 with high development potential. (See map entitled: 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 existing strategic integrated catalytic programmes and projects need to be consolidated and expanded, while there should be concerted efforts 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. A key example would be unlocking 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 more specifically 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 result is an Expanded Unemployment Rate (EUR) of 48,3%, which was achieved during the first quarter of 2019 in the Eastern Cape. 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).

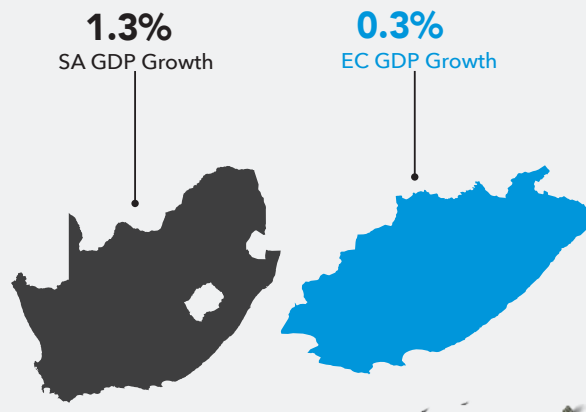
The state of social vulnerability in the rural communities in the Eastern Cape is illustrated in the map entitled “Social Vulnerabilities”. In this regard it is important to note that most vulnerable communities in the Eastern Cape are in the rural areas. Additionally, the map demonstrates that a substantial number of rural vulnerable people are under the age of fourteen.

EC Employment Quarter 1, 2019



A substantial number of rural vulnerable people are under the age of fourteen.

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.

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 under-development and increase the social-economic security of rural households.

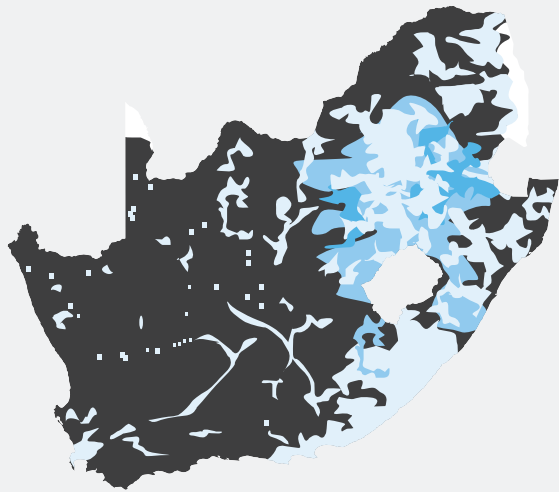
It is also important to note that under-development and social vulnerabilities in the rural areas of the Eastern Cape is further ex-

acerbated by the isolation of rural areas from inter-regional trade routes and corridors. (See map entitled Inter-regional spatial development priorities).

In this regard, the NSDP 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 community are marginalised and their access to economic opportunities and well-being 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.

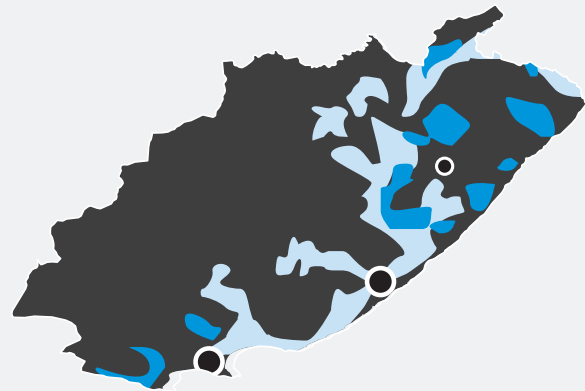
Agriculture as significant contributor to local economies and employment



GVA from Agriculture (2016)

- 1 - 20%
- 21 - 40%
- 41 - 60%
- 61 - 100%

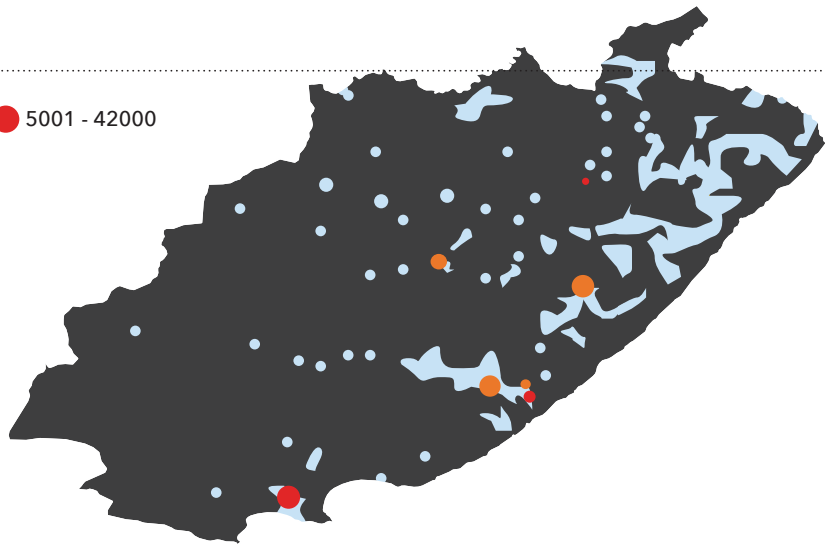
EC Agricultural land significance for national food security



- High Potential
- High Value Production
- Cities

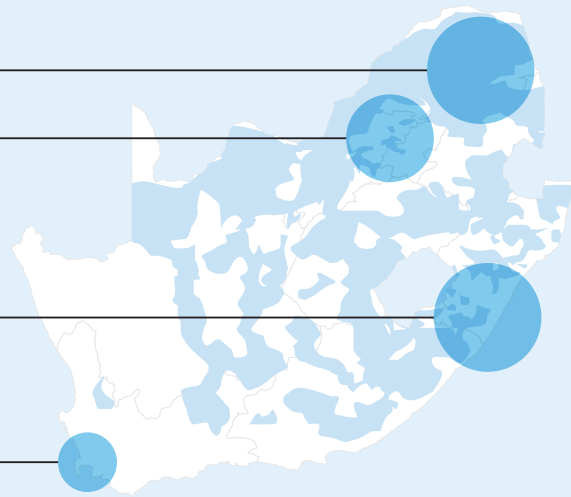
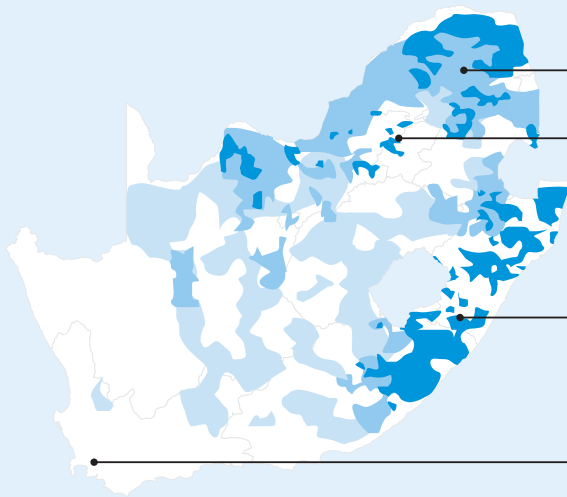
EC Poor Households (2011)

- 251 - 1000
- 1001 - 5000
- 5001 - 42000



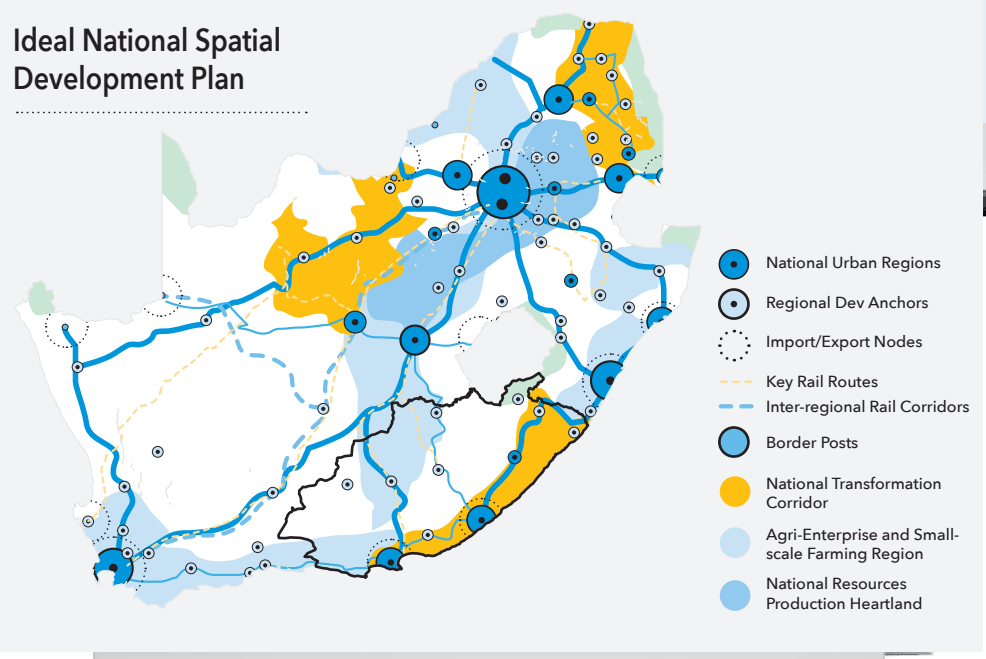
Social vulnerability (2016) - including poverty, female headed house-holds, unemployment

0 - 14 years distribution



○ Low ● Medium ● High

Ideal National Spatial Development Plan



Inter-regional spatial development priorities



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 NSDP identifies the rural areas of the Eastern Cape as an area of national spatial development importance.

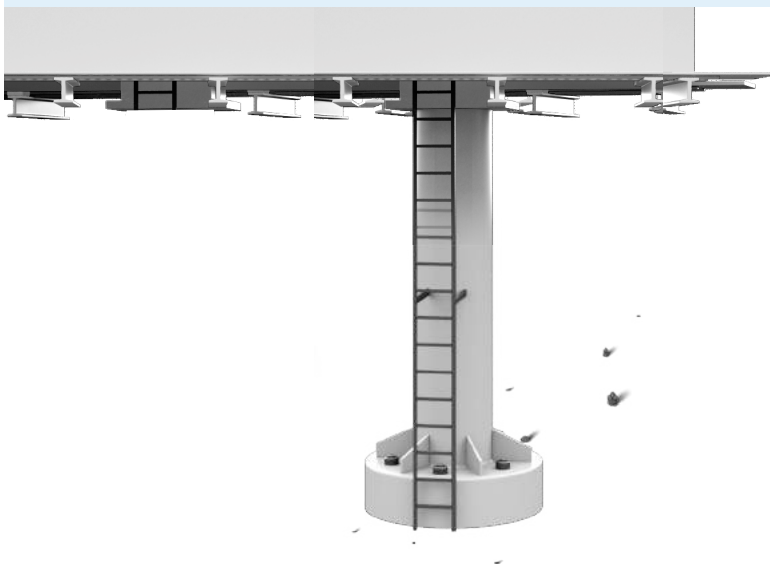
In this regard the rural areas of the Eastern Cape, particularly those to the north-east of the province are classified as areas of high eco-resource production value, particularly regarding the provision of surface water. (See map entitled: Ideal National Spatial Development Pattern).

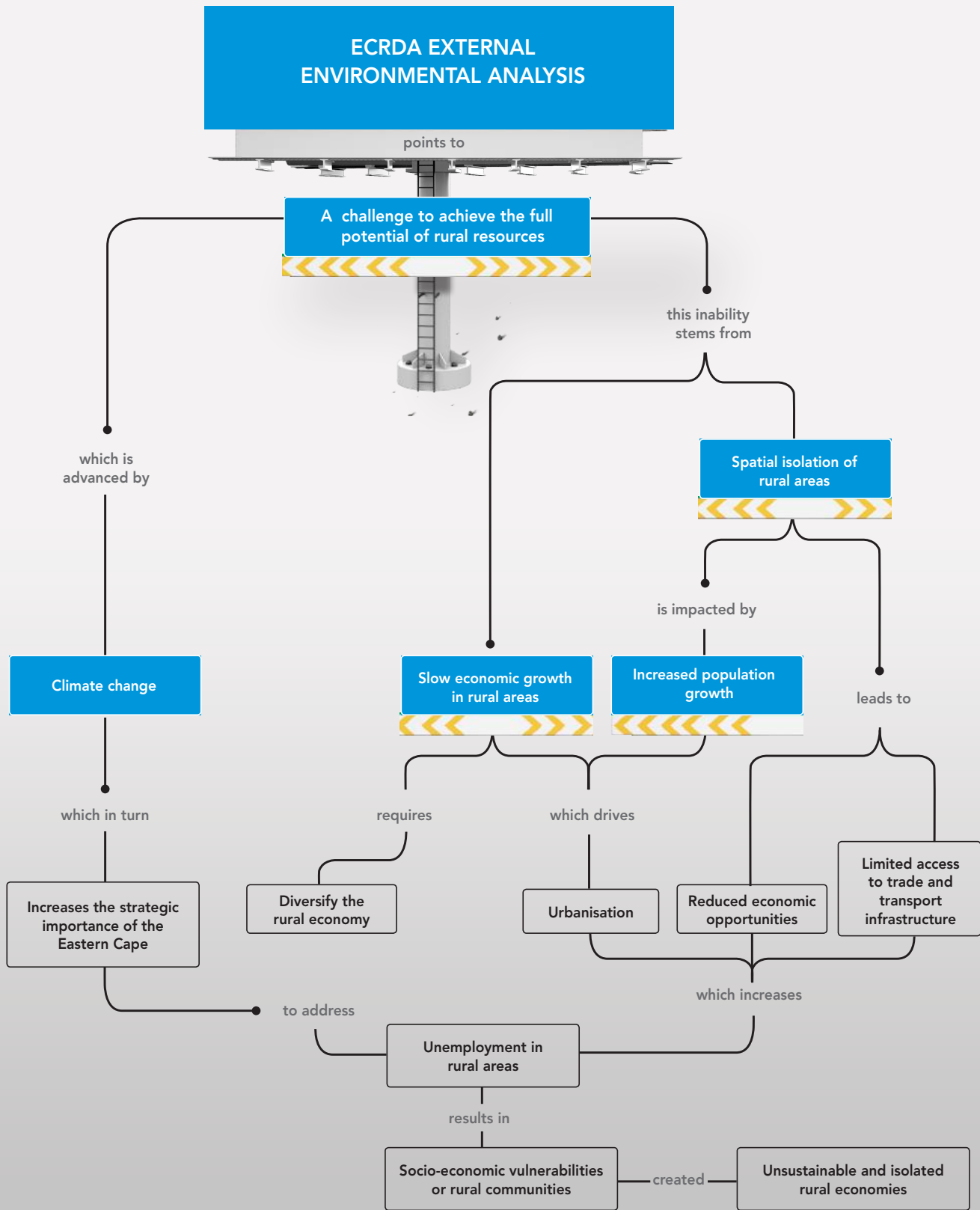
Additionally, large portions of the rural Eastern Cape are classified as being of agro-enterprise and small-scale farming resource importance.

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 in turn 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.

The external environmental analysis of the ECRDA is summarised in the diagram on the next page.





8.2. Internal Environment Analysis

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 impacts on the ability of the ECRDA to address an ever-increasing need for rural services.

Internal inefficiencies are not only hampered by reduction in available resources. They are also hampered by an organisational misalignment. In this regard the historical focus by the ECRDA on agricultural development, has resulted in a situation where the functional structure of the entity has not been customised to meet the unique multi-dimensional needs pertaining to rural development. To meet the emerging and multi-dimensional demands of a rural development focused approach, the functional and organisational structure of the ECRDA needs to be realigned, as it not currently customised to reflect the implementation and organisational requirements of rural development.

It is significant in this regard to also note that the current structure is highly centralised. However, the community-centred nature of participatory, empowering and sustainable rural development demands a more decentralised organisational design to ensure that services are provided closer to beneficiaries. This increases response times and ensures high levels of customisation in implementation design, which in turn address the unique characteristics and needs of individual rural communities. It is therefore clear that a decentralised delivery system and supporting organisational structure and capacity will be required to ensure the optimal achievement of the rural development mandate.

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 new skills profile and enabling structure to deploy the new skills-set is required.

The new requirement to fund and support investment in rural development as opposed to agriculture, might also require a redesign of the funding instruments only available to the ECRDA. The emerging need to consider alternative means of ownership, securing and holding investment resources, is to some degree inhibited by the current 3C status of the ECRDA in terms of the PFMA. Accordingly, as the need for new funding modalities are being realised the need to alter the status of the ECRDA to be more reflective of a 3D PFMA entity could exponentially increase the impact and relevance of the ECRDA and its ability to provide appropriate funding instruments.

It is also clear from engagements with the ECRDA Board, that the past strategic mandate of the ECRDA has not been fully implemented, nor being reflected in its past strategic intent. In this regard, of

the nine policy mandate areas summarised in the diagram below; seven (7) were contained in the 2014 Strategy; one (1) "private sector investment" was not contained, whilst one (1) human resources and development of financial infrastructure was only partially addressed in the 2014 Strategy.

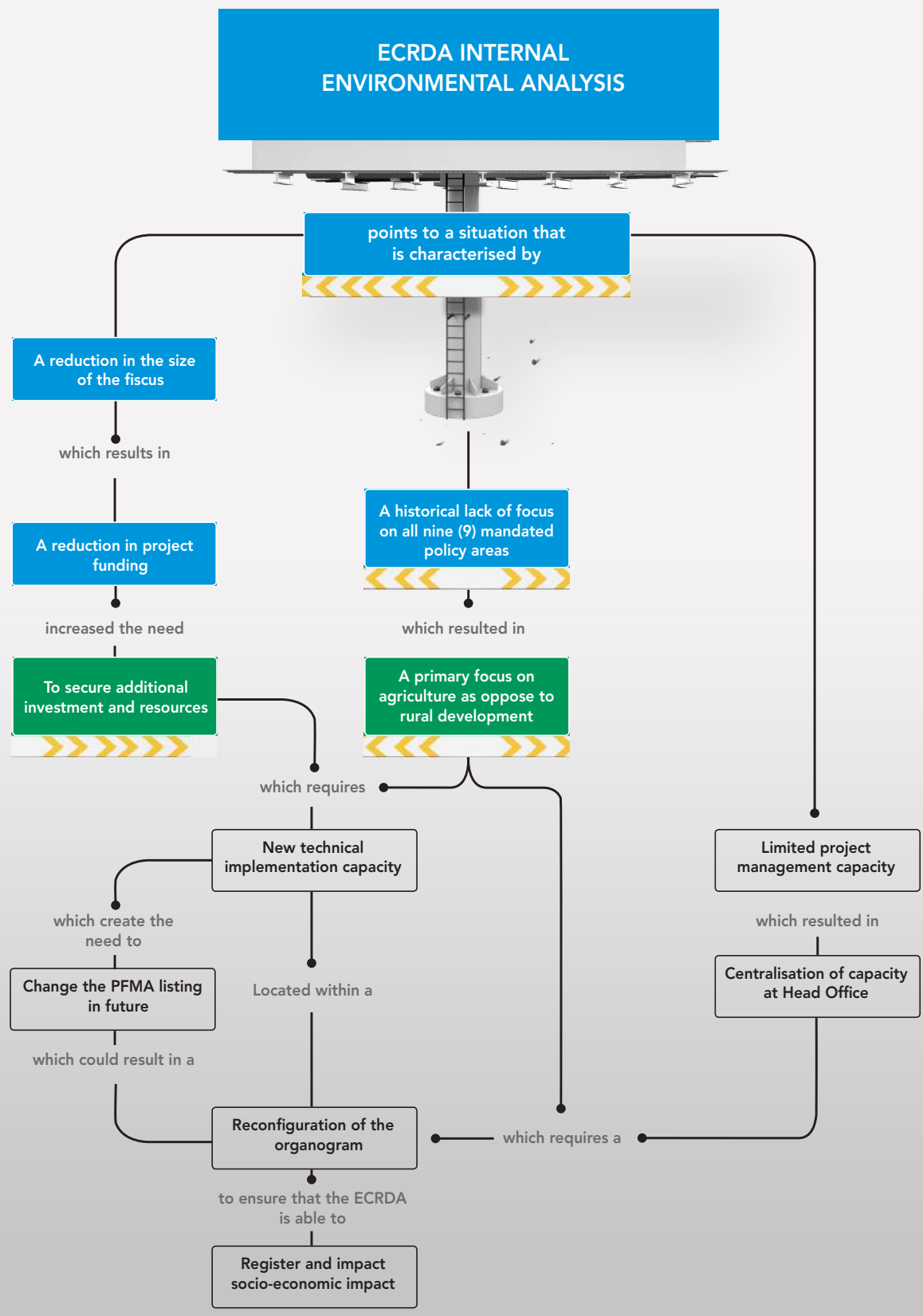
This created a strategic misalignment, which negatively impacted on the ability of the ECRDA to achieve its objectives, and thus advance the requirement to restructure the ECRDA accordingly.

2014 Mandate versus Strategy

Achieved ✓ Not Achieved ✗

- ✗ Private Sector Investment (Economic growth)
- ✗ Human Resources & Development
- ✓ Government Development Tasks
- ✓ Research & Innovative Technologies
- ✓ Project Management
- ✓ Implement Rural Development
- ✓ Inteegrated Rural Development, Land Reform and Agrarian Programmes
- ✓ Participation: Private Sector & Communities

In conclusion the ECRDA is therefore challenged to redesign 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 also requires a reorientation towards a community-based decentralised structure that would be able to accommodate new ownership, funding and investment modalities required to drive rural development in the Eastern Cape Province.



8.3. Problem Statement

An in-depth review of past performance, detailed in a diagnostic report, as well as engagements with staff, executive management and the ECRDA Board, resulted in the following summary SWOT analysis .

	Strengths	Weaknesses
INTERNAL	<ul style="list-style-type: none"> Experience in the rural development space. Concessions interest rates available Leadership commitment to change Geographic foot print and accessibility of the ECRDA offices Good corporate governance and administration Programmes, products that provides alternative solution to diversified clientele Established relationships with communities 	<ul style="list-style-type: none"> Values not aligned to organisational culture Process flow delays loan approval Weak monitoring and evaluation Stringent Credit Policy Misalignment of structure to strategy Technologically behind Inappropriate debt collection strategy and delegation Controls not properly managed Weak internal systems and processes
	Opportunities	Threats
EXTERNAL	<ul style="list-style-type: none"> The broad rural development mandate Provide training and phased handling mentorship Relaunch/refocus in poverty alleviation programmes Explore partnerships with the established agricultural sector Strengthen relationships with stakeholders Target Youth Development Consider untapped markets Partner/assist other entities to create strong facilitation among departments Monitor and facilitate bigger projects for other departments Funding and continuous support from the government Entrepreneurial development 	<ul style="list-style-type: none"> Competition Shrinking fiscus: decreasing budget External interference Changing Regulatory environment Rationalisation of public entities Changes in the national credit act Climate change Rural Finance Servicing Old People vs youth Duplication of work with other entities Lost opportunities by small business clients Misaligned outcomes between government and its entities Misplaced opportunities

Against the foregoing, the ECRDA Board formulated the following problem statement as encapsulating the core challenge facing the ECRDA:

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

The above problem statement in turn led to the following impact statement that guided the formulation of the strategy:

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

Underpinning the formulation of an appropriate strategic response to realise the impact statement, is a set of guiding design principles.

8.4. Strategic Design Principles

A range of strategic design principles were considered during the drafting of the strategy. These will be discussed next.

8.4.1. Confronting and Reconfiguring the Human Condition

Any efforts to create resilient and sustainable communities must take cognisance of the nature and structural legacy of underdevelopment and deprivation inherited from colonialism and apartheid, which resulted in dispossession of land and property, the disruption of families and social institutions. This resulted in the undermining of opportunities for the majority of the population, the disruption of an organic indigenous logic for innovation, the denial of the right to self-definition and determination, and the systematic destruction of self-worth that persists across generations and whose effects are felt today.

The cumulative effects are manifest in amongst others by two factors that feed into each other to form a vicious cycle that worsens the condition of the dispossessed and poor majority.

The first is a psycho-social, cultural and spiritual alienation as well as identity crisis that is the inevitable consequence of dispossession and disempowerment; a loss of knowledge of self, as well as loss of the means to generate and ensure self-sustenance.

The second is material poverty and deprivation that deepens the condition of powerlessness and alienation.

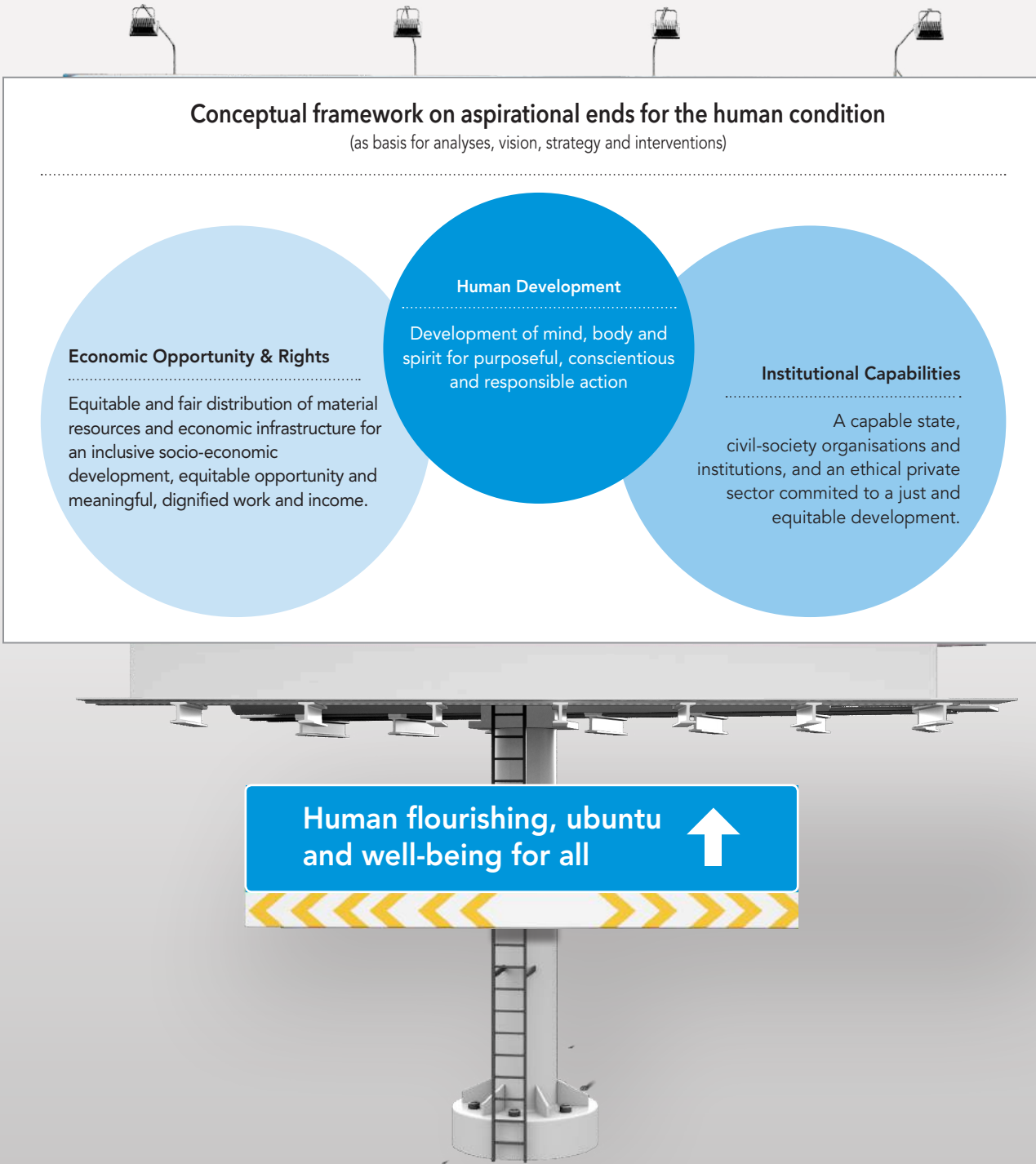
These two factors constitute the core challenge to restoring our human condition, as we confront these impediments to a dignified human existence’.

Addressing the human condition; is underpinned by three interrelated aims which provide the guiding pillars framing the formulation of the ECRDA's strategic response. These are:

- The ability to improve human capabilities and worth.
- Improvement of material and economic circumstances of the rural poor.

- Developing appropriate forms of agency to build and strengthen institutional capabilities that would address these two challenges

The interrelated nature of these pillars is illustrated in the following diagram and further underpinned by the considerations that follow:



8.4.2. Understanding of context

The current and future opportunities presented in the PDP (and by extension in the strategic plans of development agents) are rooted in the province's historical context. The economic structures and social relations that this plan responds to have deep roots, and these must be properly understood to develop realistic proposals for the province.

8.4.3. Social justice

To intensify the quest for social justice by a capable state, a responsible private sector, and a citizenry aware of its role and responsibilities in building a working, sustainable and accountable democracy.

Social justice should be paramount in the equal treatment of citizens across gender and class, as it should also underpin the redress of historical injustice.

8.4.4. Spatial equity and justice

The PDP strives, and so should agencies like the ECRDA, for spatially equitable development, with a serious commitment to confronting and addressing the colonial and apartheid structural features of the Eastern Cape that disadvantage the rural and underdeveloped parts of the province.

The main premise of spatial justice is to reverse the historical policies of segregation and ghettoisation, reverse the unfair allocation of public resources between areas, and ensure that the needs of the poor are addressed first rather than last.

8.4.5. Intergenerational equity

There are two critical aspects to this principle. The first is providing all citizens, especially the young, with equal chances and the resources to prevent inequalities being passed down to future generations.

The second aspect concerns respecting the idiom that "eli lizwe silibolekiwe" – the belief that we have been lent this earth and must leave it in good shape for generations to come.

This means we should consciously protect the natural environment in all respects, leaving subsequent generations with a valuable endowment. Sustainable patterns of consumption and methods of production that cause minimal harm to the natural environment should be supported.

Fundamental to sustainable development is also recognising the interdependence of economic, social and environmental systems, and how policy decisions affect each system. Policy, spatial and investment decisions must be approached in a manner that supports and promotes this principle.



8.4.6. People-centred development

The primary purpose of development is to address the well-being of citizens. This principle aims to promote a culture of service and respect for citizens by capable development practitioners and public servants. This will encourage healthier relations between the state, development practitioners and citizens, improving our ability to realise development outcomes.

The notion of the state being the only developmental actor can be debilitating for future growth and should be avoided at all costs. As such, it is important to restore and encourage the notion of social agency – enabling people to become agents of their own development, while also building institutional capabilities.

It is important to note that people centred development constitutes the core of both rural development and agrarian reform.

In this regard rural development is designed to improve the economic and social life of the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas.

Accordingly, the ECRDA strategy for rural development recognises:

- Firstly, the need to transition people out of low productivity agriculture and related activities into high yielding socio-economic activities, within an appreciation of the people as the motive and driving force of such development
- Secondly, the need to develop and propagate the utilisation of innovative approaches and technologies to ensure the optimal and sustainable utilisation of limited available resources.
- Thirdly, a proper appreciation of the assets and capabilities. The rural areas have labour, land and at least some capital which, if mobilized, could reduce poverty and improve the quality of life. This implies fuller development of human and material resources, construction of infrastructure, introduction of new production technologies, and the creation of appropriately people-centred types of institutions and organizations.

8.4.7. Land and Agrarian Reform

Post-apartheid South Africa continues to grapple, and must grapple with establishing lasting solutions to the land question to correct a continuing marginalisation, inequality, and deepening social trauma.

While most of post-colonial Africa have partly addressed land redistribution, but continues to struggle to strike an equitably redistributive and sustainable agrarian reform process, and manifest the traits of a people beholden to former masters and a global political economy that hobbles economic and cultural freedoms, post-apartheid South Africa still has to effectively address the starting point – land redistribution.

Aligned to this of course should be a design around and efficient agrarian reform process that covers not only a wide redistribution of land, but also the provision of infrastructure, services and, sometimes, a whole related bouquet of other redistributive and demo-

cratic reforms, material and soft, inclusive of the empowerment of poor communities to alter the class structure of rural society.

8.4.8. Keeping the public good public

Public resources should always benefit the public. The state needs to guard against a “privatisation reflex” at the expense of building capabilities for greater public benefit. Government must prioritise the common interest above personal gain.

8.4.9. Distributed agency and shared agenda-setting

Positioning developmental agency, resources and decision-making beyond the sole preserve of government is critical to the success of a people-centred development process. A broadly subscribed agenda for development builds trust between key social partners, especially the state and sections of civil society, and improves co-operation and coordination between government structures – in other words, effective intergovernmental relations.

The long-term development of the province needs to be approached through a process that will clarify what the shared agenda for development should be, provide for a collective determination of strategy, and negotiate and assign responsibility for the successful implementation of the PDP through multi-agency partnerships. These effective partnerships should create conditions for the emergence of a strong and independent civil society committed to the development of the province.

8.4.10. Integrated coordination and efficiencies

The weak central coordination mechanisms of government must be addressed by institutionalising long-term planning and ensuring a plan-led development. A less hierarchical approach to interdepartmental coordination will enhance implementation. Most importantly, integration must take place at the point of delivery, and not only at the level of head-office management.

8.4.11. Resourcing the development project

The PDP (and derivative plans such as the ECRDA’s Strategy) should inform provincial budget priorities and must be adequately resourced.

This plan locates priority projects within national priorities to better focus the spending of budgets from national departments and state-owned entities within the province. The province will also ensure that a range of instruments for regional development are used to leverage additional funding for the plan. Resources (financial, human and technical) should, however, also be drawn from outside the state, and the commitment of the private sector in this regard will be important.

8.4.12. Systemic perspective

The nature and character of rural development is complex, integrated and multi-dimensional. It requires a systemic perspective and understanding; to ensure the development of context relevant and customised interventions which, among others, draw on and extend local knowledge systems. Accordingly, the ECRDA's systemic approach is guided by interlinked and mutually reinforcing principles or process drivers, from ideation through to informed critical practice, as well as underpinning organisation and tools.

This in the first instance therefore requires that research and innovation processes be guided by the principles of Participatory Action Research (PAR), which draws on local knowledge systems, experience and expressions of the rural reality. This ensures the production of research outputs and innovations which not only explain realities from a beneficiary perspective, but also allows for the development of practical high-impact solutions that are context relevant and enhance project impacts.

Accordingly, this requires competent internal research capabilities and networks that can enhance the ability of the ECRDA to transform local knowledge systems and data into actionable business intelligence to inform decision-making.

Secondly, the systemic approach suggests a necessary appreciation and understanding of cause and effect among and across elements of linked systems, processes and outcomes, especially as a means to the design of initiatives and interventions that can make for the development of self-sustaining ecosystems – in natural environments, in regenerative production processes and value-chains, in self-reliant community enterprise, in rules and regulatory frameworks both macro and micro, and so forth.

Against the foregoing then, is the imperative of advancing the empowerment and self-reliance of communities through, among others, the provision of customised and targeted funding and investment mechanisms. These mechanisms must lay the foundation for promoting project and investment promotion which unlocks and directs resources to advance rural development. This requires a commitment towards active beneficiary participation and empowerment for self-representation, which ultimately should produce community owned co-operative institutions or appropriate resourcing mechanisms that reflect the realities of rural beneficiaries.

The establishment of these community-orientated funding and investment instruments, which is based on a systemic understanding of rural areas, in turn underpin the third and final principle which pertains to the development of catalytic high-impact interventions that are inclusive and integrative of value-chains and participant beneficiaries and/or drivers. Cyclically, experiential learning through the implementation of catalytic high-impact programmes in turn re-enforces research and knowledge generation, which creates a feedback loop that informs research and innovation as well as resourcing, and thus, a re-looping, self-reinforcing integrated system.

Based on the foregoing design principles, the following ECRDA Theory of Change was formulated.

Step 1: Against the ECRDA mandate, Consolidate the existing portfolio whilst establishing a new portfolio that will reflect all nine (9) policy mandate areas of the ECRDA.

Step 2: Capacitate the ECRDA with functional skills and capacity for quality programme and project design, development and implementation management, as well as the mobilisation of investment and funding to advance implementation.

Step 3: Create an enabling environment to increase implementation success by empowering beneficiaries with financial resources, capacity and/or enabling infrastructure.

Step 4: Accelerate project portfolio implementation across the nine (9) mandated impact areas through the application of capacitated implementation teams and systems, supported by innovation, research and the appropriate application of technology to increase impact.

Step 5: Conduct Impact Assessments to increase shareholder, stakeholder, investor and donor confidence in the ECRDA as a high-impact entity within the rural development space. At the same time, apply impact data to reconfigure and realign operations to increase effectiveness and efficiency.

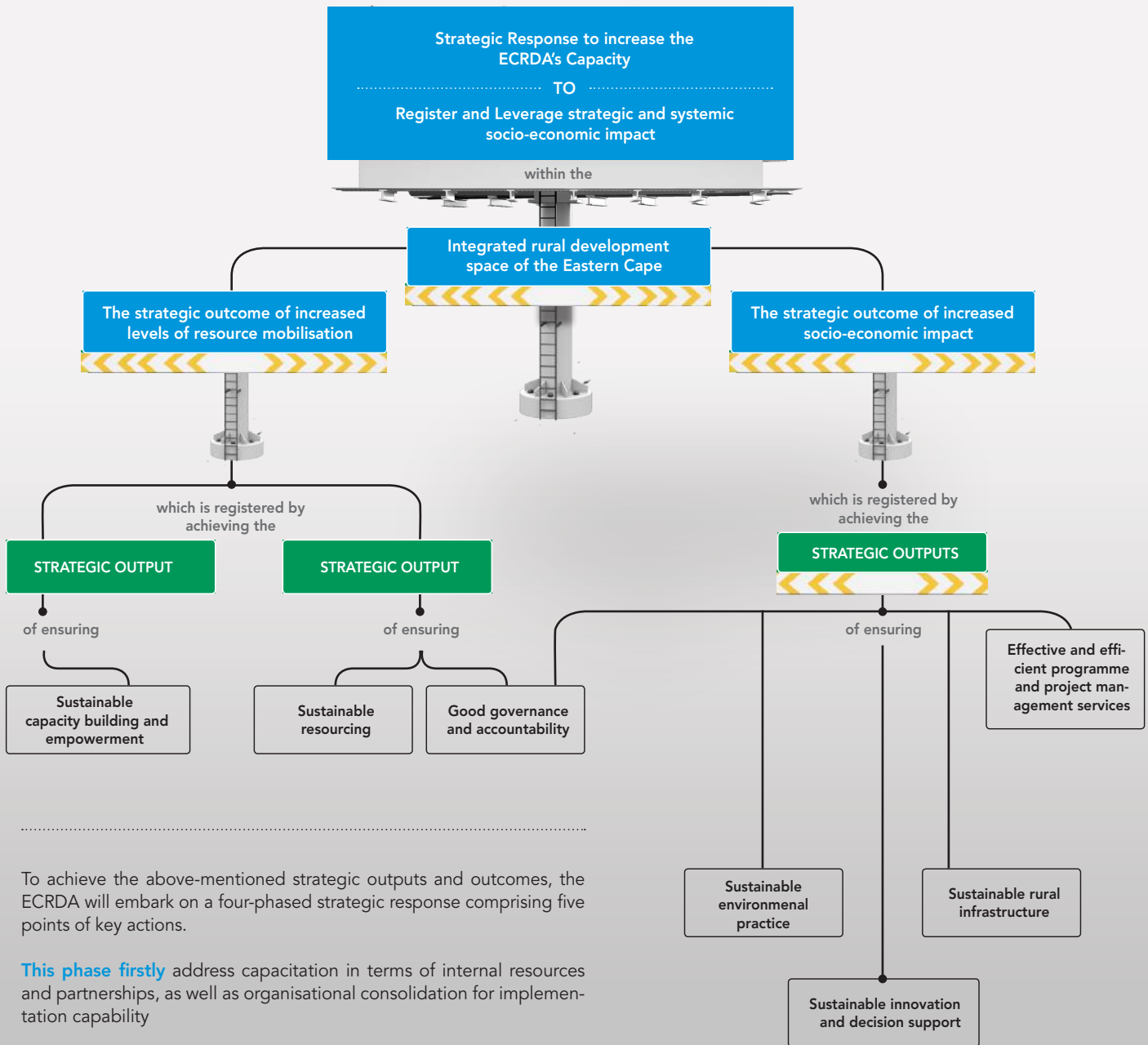
8.4.13. Commitment to transparent and accountable corporate governance.

As a public entity that makes use of public funding to achieve its mandate and objectives, the organisation is fully committed to the principles of accountability and good governance.

From a legislative perspective the organisation is bound by the requirements and regulations of the Public Finance Management Act. Accordingly, the entity is committed to accountability at organisational -, board -, shareholder and legislative levels.

Additionally, the ECRDA is committed to aligning its actions and operations with the best practices as embodied in the King IV Report. Accordingly, the ECRDA recognises its responsibility towards integrated governance and reporting towards its shareholder, its staff and the communities which it serves.





To achieve the above-mentioned strategic outputs and outcomes, the ECRDA will embark on a four-phased strategic response comprising five points of key actions.

This phase firstly address capacitation in terms of internal resources and partnerships, as well as organisational consolidation for implementation capability

Secondly, this phase is concerned with external enablers to underpin successful implementation, in terms of an enabling environment for funding, capacity of implementing agents and beneficiaries, as well as infrastructure.

The third phase focuses on portfolio implementation, while the fourth focusses on quantifying impacts and reporting such impacts.

STRATEGIC MAP

01 ORGANISATIONAL CONSOLIDATION



CONSOLIDATE EXISTING PORTFOLIO

DEVELOP NEW PROJECT PORTFOLIO

The first strategic phase will focus on organisational consolidation.

As part of consolidating the existing portfolio, the organogram will be reconfigured to ensure effective and efficient implementation and alignment with the mandate of ECRDA.

A portfolio review of existing projects will be undertaken. This will inform a preliminary concept design which will drive the establishment of relevant supporting platforms, which in turn will insure an optimal and balanced alignment across a range of new rural development interventions and initiatives.

Finally, the feasibility of changing the PFMA listing from 3C to 3D will be reviewed and the performance of the organisation monitored to determine the most appropriate and compliant course of action as per the ECRDA's operational and resourcing requirements.

02 CAPACITATION



ATTRACT INVESTMENT & RESOURCES

ECRDA IMPLEMENTATION CAPACITY

ENABLING ENVIRONMENT

The second strategic phase will focus on organisational capacitation as well as an enabling environment, 2 and 3 below.

The first element of the second phase will consist of two (2) components. The first will focus on the attraction of investment and resources. This will be achieved through the establishment of strategic partnerships, trade and investment attraction initiatives, platforms and mechanisms.

The second component will focus on enhancing the implementation capacity of the ECRDA. In this regard, innovative decision-support platforms will be established to guide evidence-based decision-making.

Evidence-based decision-making will in turn be enhanced through increased project management capacity and capacity building of staff, and focused research and innovation interventions, which will be guided by a Research Agenda.

The second element of the second phase will create an enabling environment within rural communities so that they can optimally benefit from ECRDA interventions.

This will be achieved by providing three (3) types of support mechanisms. This first being the funding to rural communities and projects. The purpose of which is to serve as a catalyst for sustainable, participatory and empowered socio-economic development.

The second, will focus on exponentially increasing the capacity of beneficiaries to sustain and expand their operations. This will be done through targeted and customised training, skills development initiatives and capacity building interventions.

Thirdly, the establishment of an enabling environment for sustainable development will be created through the provision of relevant and appropriate infrastructure and related support and maintenance services.

03 PROJECT PORTFOLIO IMPLEMENTATION



AGRO-PROCESSING & AQUACULTURE

PRODUCT DEVELOPMENT & INFRASTRUCTURE

SPECIAL PROJECT (MAGWA)

The third phase will see the effective and efficient implementation of the full ECRDA programme and project portfolio.

In this regard, implementation will take place across the domains of agro-processing, aquaculture, product development and infrastructure, as well as special high-impact and high-profile interventions.

04 IMPACT ASSESMENT

QUANTIFY SOCIAL
ECONOMIC IMPACTS



The fourth and final phase will see the implementation of a range of impact assessments.

The purpose of these impact assessments is to quantify and communicate the impacts registered to investors, shareholders, the Board, the Auditor-General and all relevant stakeholders and interested and affected parties.

The value of providing high-quality impact data that will demonstrate the impact of operations and the utility of the ECRDA. This will assist in increasing stakeholder and investor confidence in the ECRDA, which in turn will increase the ECRDA's ability to attract more investments and resources.

9.1. Strategic Leverage

The successful execution of the ECRDA strategy will be exponentially increased by making use of the following strategic leverages:

- The ECRDA is the only provincial public entity with an express mandate and dedicated focus on driving and facilitating rural development in the Eastern Cape province. This provides it with a competitive position to identify, access and secure required public-sector resources and funding to be applied in the rural areas of the Eastern Cape.
- The current legislation regulating the ECRDA provides it with a range of legal instruments that it could leverage to secure additional resources and investments.
- The ECRDA is located within a very deep and highly functional socio-economic network which can be used to access investment opportunities and/or institutional support to advance the achievement of its mandate.

9.2. ECRDA Portfolio

The ECRDA implementation portfolio consist of three (3) budget programmes, which as a collective drive the achievement of strategic outcomes and outputs. These include:

- Programme 1: Administration
- Programme 2: Catalytic High-Impact Projects
- Programme 3: Finance for Rural Development

9.2.1. Ilima Labantu as Point of Reference

It is important also to note that the implementation portfolio of the ECRDA is informed and underpinned by the 2009 Ilima Labantu imperatives, re-articulated along a linked three-tiered continuum in the Provincial Development Plan (PDP 2014). These principally include:

- **Home-based and community production practice, resources and support systems**, aimed at enhancing agricultural and food security capacity to drive the creation of meaningful work and sustainable livelihoods.
- **Small and medium size entrepreneurial agriculture and related industry**, which aims to drive sustainable entrepreneurship and job creation within the agriculture and related rural industrial development space.
- **Large-scale agro-industrial enterprises**, which aims to exponentially advance economic growth, job creation and rural industrialisation.

The ECRDA's mandate requires it to primarily focus on the small and medium entrepreneurial agriculture and related industry domain of the Ilima Labantu imperatives, as reflected in the following schema from the PDP, whilst establishing and maintaining co-enabling linkages with the other two domains (micro and large-scale):

ILIMA LABANTU agri-entrepreneurial & rural industry imperatives, organisation and implications across scale

	Homestead and community-based production (for food security, local trade and services & income)
Objective	<ul style="list-style-type: none"> • Capabilities for an agriculture for food security, meaningful work and sustainable dignified livelihoods; capabilities for other rural industry
R&D, Knowledge & Innovation	<ul style="list-style-type: none"> • State-supported R&D, and civic science for sustainable methods and technology • Contextual social philosophy and practice of ilima
Infrastructure	<ul style="list-style-type: none"> • Infrastructure for primary production ,information and market access; enabled and supported by state • Common access to irrigation, 1st level processing and preservation infrastructure
Human & Institutional capabilities	<ul style="list-style-type: none"> • Community-initiated, state-supported capacity building and systems development, mediated and supported by public education and training institutions and others; resourced through state instruments (SETAs ,NSF)
Finance	<ul style="list-style-type: none"> • Grant incentives at entry level; Grant's & loans at more secure levels (of organization, skills, etc.) • Own-directed financial institutions (CFIs, etc)
Markets	<ul style="list-style-type: none"> • Social and local markets • State procurement markets- NSNP, etc • Mediated entry into private sector markets
Integration & Coordination	Community-managed by capacitated communities and community organizations, with support from local development agents

- Progress from food security, multi-commodity and
- State and institutional support, financial and technical,

From a strategic and operational perspective this requires the implementation portfolio of the ECRDA to be embedded in sound research and development (R&D) practice which not only drive innovation but also informs and maintains business systems and processes.

A related purpose is to advance infrastructure investment support that would result in beneficiation and value-addition through regional agro-processing hubs and other value-adding infrastructure even at sub-regional levels.

Ensuring sustainability is enhanced through the provision of capacity-building, education and training, whose aim is to enhance the capacity of beneficiaries to make informed project implementation decisions that will impact positively on current and future generations.

Closely associated with capacity building is the commitment towards ensuring sustainable funding and investment. As such the ECRDA's

implementation portfolio is underpinned by the requirement to secure investment and provide seed-funding and support for emerging beneficiaries and innovative concepts. Accordingly, the ECRDA also serves as a mechanism to increase the confidence of financial markets to support rural development initiatives and innovations.

Finally, the implementation portfolio is underpinned by the requirement of advancing group-owned enterprises and cooperatives, though leveraging and coordinating support.



Small and medium size entrepreneurial agriculture and related industry	Large-scale agro-industrial Predominantly private-led, with collaboration by R&D institutions enterprise
<ul style="list-style-type: none"> Sustainable entrepreneurship, decent jobs in agriculture and related enterprise Light rural industrialisation 	<ul style="list-style-type: none"> Significant contribution to economy, jobs, income and rural industrialisation
<ul style="list-style-type: none"> State and private R&D, sustainable methods and technology Relevant business theory and systems, including cooperate enterprise 	<ul style="list-style-type: none"> Predominantly private-led, with collaboration by R&D institution
<ul style="list-style-type: none"> Infrastructure investment support by state and some private investment Beneficiation and value-add through regional agro-processing and other rural industry hubs 	<ul style="list-style-type: none"> Infrastructure investment mainly by private sector, with targeted subsidies for strategic industrialisation
<ul style="list-style-type: none"> Capacity-building by public education and training institutions and other systems development own-driven plus state supported 	<ul style="list-style-type: none"> Own capacity-building and systems development; with some support by public institutions
<ul style="list-style-type: none"> DFIs and private sector financial institutions Proof-of-concept funding to secure financial market confidence for expansion 	<ul style="list-style-type: none"> Predominantly private financial sector funding; plus international finance entitie
<ul style="list-style-type: none"> Private sector markets (including export) and state markets, with bias towards group-owned enterprise and co-operatives 	<ul style="list-style-type: none"> Private sector markets, and public sector participation for cooperatives
<ul style="list-style-type: none"> Local level support by Local institutional agents Provincial level integrated planning and coordination through ECRDA 	<ul style="list-style-type: none"> Own Coordination mechanisms; direct engagements with state mediated through own structures

light value-add, to commodity specialization and large scale agro-industrialisation progress from heavy to less as people and enterprises develop and grow along continuum

9.2.2. Programmes and Organisation

In keeping with the Ilima Labantu imperatives, **Programme 1 (Administration)** is supported by three sub-programmes. They include:

- **Office of the CEO**, which provides oversight, governance and strategic direction
- **Office of the CFO**, which provides financial oversight and management
- **Corporate Services**, which provides human resource and infrastructure support.

Programme 2 (Catalytic High-Impact Projects) is supported by five (5) sub-programmes, which include:

- Research and Innovation, which supports evidence-based decision-making and increases the viability of interventions.
- Project Packaging, which provides support towards the mobilisation of investment and/or additional resource.
- Project Implementation, which should ensure the effective and efficient implementation of all the project portfolio as set out below.
- Project Technical Support, which provides specialised services and capacity building to projects and beneficiaries.
- Project Monitoring and Evaluation, which produces accurate and reliable data for oversight, tracking and project consolidation purposes.

It is important to note the Project Implementation sub-programme consist of a portfolio of projects which include:

- **Magwa Tea and Eco-Tourism**, which seeks to consolidate the productivity as well as improve the marketability and profitability of the Tea Estates in Magwa and Majola with diversity into other high-value commodities appropriate for the region, plus build Magwa as a major eco-tourism attraction to be anchored around the Magwa Falls.
- **Diversified Rural Enterprise Development (RED) Hubs**. The aim is to consolidate and diversify the RED Hubs that are presently focused on maize production and milling; the intention is to realise their greater and varied potential for a range of commodities and services in advancing agro-industrialisation across the rural regions of the Eastern Cape
- **Forestry**, which aims to increase the productivity of state plantations and facilitate community-owned and operated enterprises in the forestry value-chain.
- **Aquaculture**, which seeks to ensure the sustainable beneficiation of the Eastern Cape Ocean's Economy for aquaculture, together with appropriate inland opportunities to exploit in aquaculture and aquaponics.

The Project Implementation Portfolio is augmented by the requirement to implement projects for external stakeholders.

Programme 3 (Finance for Rural Development) is supported by three (3) sub-programme, which include:

- **Rural Finance**, providing loan funding to small-scale farmers and Small and Medium Enterprises (SMMEs).
- **Risk Assist**, providing beneficiaries with training and resources to leverage and secure funding from commercial and other development finance institutions.
- **Co-operative Banking**, which aims to draw upon the assets of, and encourage community groups and entities to establish co-owned community-based banking services. This opens and/or enhances opportunities for wealth-creation and wealth-holding beyond the conventional dominance by big exclusive financial institutions.

A key strategic imperative in ensuring the effective and efficient operation of the ECRDA is the realignment of the organisational configuration. The strategic and operational re-alignment of the organisational structure will be guided by the following principles:

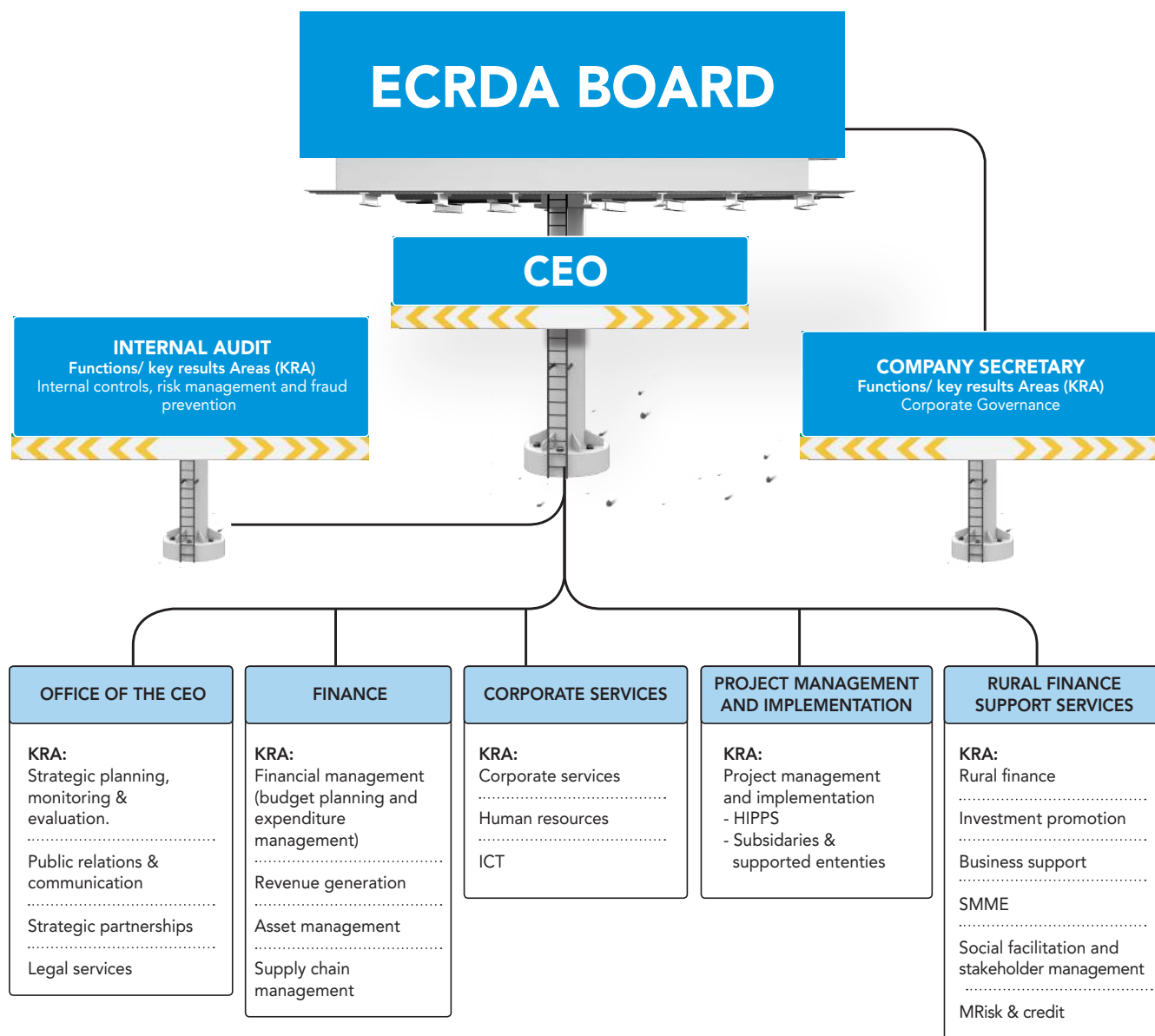
- To ensure the optimal strategic and operational alignment, and to ensure the most efficient and effective use of resources, the organisational reconfiguration will be guided by the principle that form follows function.
- Re-designing and capacitating the structure of the central offices, in support of regional offices to ensure localised, speedy and customised service offerings.
- Reconfigure Regional Offices to be more client-centric, whilst serving as centres of regional technical capacity and implementation excellence.
- The recapacitating and reconfiguring of the full staff complement; with an emphasis being placed on developing regional capacity across the full rural development spectrum.
- Operations will be tracked, monitored and evaluated through an evidence-based Performance Management Protocol.

It is also intended that the reconfiguration of the organisation structure should result in a significant functional devolution of responsibilities to the regions. This will exponentially increase the responsiveness and the ability of the organisation to develop customised responses to rural development needs.

In addition, both the reconfiguration and capacitation process will be enhanced by the establishment of enabling smart management platforms and systems. This will result in an increased ability to manage information systems and innovative service delivery orientated applications. The establishment of these platforms and systems will drive the effective and efficient execution of the portfolio of functions.

The diagram on the next page illustrates the 2013 – 2019 approved functional structure, it should however be noted as stated above that the ECRDA would have to embark on a participatory process to re-align functional structure and reconfigure the organisational organogram to ensure the effective and efficient implementation of the 2020 – 2025 Strategy and the associated annual performance plans. It envisaged as stated in the Annual Operational Plan that this process will be completed by September 2020.





9.3. Strategic Constraints

The following issues could constrain the successful execution of the ECRDA strategy:

- Further shrinkage of the fiscus**, imposing a greater responsibility and urgency to leverage budget allocation with complementary resources.
- Continued low levels of economic growth** due to a number of structural factors both local and global, which imposes further limitations and challenges particularly for emerging enterprise to grow. Encouraging innovative projects and solutions becomes more important in such an economic climate.
- High levels of unemployment** – The ECRDA remains committed to pursuing the facilitation of entrepreneurship that creates jobs, and our impact in this regard will be continuously measured.
- Limiting mandate as per the PFMA listing** – The ECRDA aims to work towards addressing the impediment imposed by our Schedule 3C status in the medium term.
- Limited project management implementation capacity** - The Strategy places emphasis on the consolidation of our organisational capability and improvement of efficiencies in project management, among others.
- Inability to unblock and/or attract investment and funding** – There will be a new concerted effort to address this hitherto neglected aspect of our mandate, and this in part will be manifest in of tasks assigned to redefined functions in our reconfigured organogram.





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.



10.1. Measuring the Impact

Impact statement

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

Outcome	Outcome Indicator	Baseline	Five-year target
Increased levels of resource mobilisation	Combined value of investment, research and/ or technical support secured in addition to allocated budget	Zero (0)	R200million
Increased socio-economic impact	Percentage (%) completed projects within the portfolio with approved socio-economic impact reports	Zero (0)	100%

11. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PLANNING PERIOD

11.1. Contribution towards the achievement of the NDP and provincial priorities

The planned performance of the ECRDA is guided by the com-

mitment towards realising the UN Sustainable Development goals (SDG's) and the African 2063 Development Agenda. Furthermore, the ECRDA strategy 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 goals and priorities 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.

UN Sustainable Development Goals (SDG's)	African 2063 Development Agenda	NDP Priorities	PDP Goals	ECRDA OUTCOMES	ECRDA OUTPUTS
<ul style="list-style-type: none"> • No poverty • Zero hunger • Good health and wellbeing • Decent work and economic growth • Industry, Innovation and Infrastructure 	<ul style="list-style-type: none"> • High standard of living, quality of life and wellbeing of all citizens • Healthy and well-nourished citizens • World class infrastructure criss-cross Africa • Transformed Economies 	<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"> • Clean water and sanitation • Affordable and clean energy 	<ul style="list-style-type: none"> • Environmentally sustainable and climate resilient economies and communities 	<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"> • Quality Education • Gender equality 	<ul style="list-style-type: none"> • Well Educated citizens and skills revolution underpinned by science, innovation and technology • Full Gender equality in all spheres of life 	<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"> • Building capacity for sustainability • Sustainable innovation and decision-support
<ul style="list-style-type: none"> • No Poverty 	<ul style="list-style-type: none"> • High standard of living, quality of life and wellbeing of all citizens 	<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

11.2. The rationale for the choice of the outcome indicators relevant to the respective outcomes.

The rationale underpinning each of the outcome indicators will be discussed separately in the section below.

11.2.1. Increased levels of resource mobilisation

The rationale for selecting “Combined value of investment, research and/or technical support secured in addition to allocated budget” indicator is based on the premise that external resources and investment can only be secured once investor and/or donor confidence has been attained.

Investor and donor confidence are attained when the ECRDA is able to demonstrate effective and efficient implementation supported by accurate and transparent governance mechanisms. In other words, donors and investors are more likely to contribute towards the ECRDA if the ECRDA can demonstrate the ability to implement and govern resource allocations.

Accordingly securing high volumes of external resources serves as an indication of effective and efficient project packaging, investor management, implementation, governance and accountability.

Furthermore, the relevant indicator complies with the SMART principles as contained in the Guidelines for the Implementation of the Revised Framework for Strategic and Annual Performance Plans, as illustrated in the following table:

Smart principles	Reason for compliance with smart principles
Specific	The indicator is specific in that it defines the type, form and source of resources secured.
Measurable	The indicator is quantitatively defined as a Rand value which can be measured.
Achievable	The indicator is achievable as it is related to a reporting function that is performed on a quarterly and annual basis.
Relevant	It is extremely relevant as it serves as a confirmation of the ability to secure resources which triangulates with the ability to meet operating requirements in an effective, efficient and compliant manner.
Time-bound	The indicator is measured on a quarterly and annual basis.

11.2.2. Increased socio-economic impact

The rationale for selecting “percentage (%) completed projects within the portfolio with approved socio-economic impact reports” indicator is based on two reasons.

The first pertains to the fact that the indicator measures the ability of the organisation to complete and administratively close projects. This demonstrates effective and efficient project management practice.

Secondly it serves as an indicator of the degree to which the ECRDA can quantify the socio-economic impact of its project interventions, which is a key component of its strategy. By being able to produce socio-economic impact reports, the ECRDA can quantify its impact and as such use its impact data to demonstrate its ability to implement project successfully. This in turn will enhance shareholder, stakeholder and investor confidence in the ECRDA resulting in an increased ability to attract more resources as per its mandate.

Furthermore, the relevant indicator complies with the SMART principles as contained in the Guidelines for the Implementation of the Revised Framework for Strategic and Annual Performance Plans, as illustrated in the table below:

Smart principles	Reason for compliance with smart principles
Specific	The indicator is specific as it defines the measurement as being a percentage (%) of completed projects.
Measurable	The indicator is quantitatively measured, as performance is calculated as a number which is measurable.
Achievable	The indicator is achievable as it is related to a reporting and project management function that is performed on a monthly, quarterly and annual basis.
Relevant	The mandate and relevant legislative imperatives require that performance must be measured in an accurate and quantifiable manner.
Time-bound	The indicator is measured on a quarterly and annual basis.



11.3. Explanation of enablers to achieve the five-year targets.

To achieve the output of increased levels of resource mobilisation, the following enablers will be utilised:

- Streamlining the organisation design and business processes to increase efficiencies and thus reduce operating costs; whilst monitoring compliance levels
- Quantify impacts to provide accurate reports to the shareholder, funders and beneficiaries, thus increasing the attractiveness of the ECRDA as a funding destination
- The effective and efficient management of an investor pipeline
- Project packaging to improve investment and implementation levels
- Provision of rural financing and Co-operative Banking services so that beneficiaries could use it as leverage with commercial banks and funders
- Quantity impacts to provide accurate reports to the shareholder and funders, thus increasing the attractiveness of the ECRDA as a funding destination

To achieve the output of increased socio-economic impact, the following enablers will be utilised:

- Streamlining the organisation design and business processes to increase efficiencies and thus reduce operating costs; whilst monitoring compliance levels
- The effective and efficient management of an investor pipeline
- Increased research and innovation capacity.

11.4. Explaining the outcomes contribution to the achievement of the impact.

The stated strategic outcomes will jointly and individually contribute towards increasing the ability of the ECRDA to register and leverage strategic and systemic socio-economic impact within the integrated rural development space of the Eastern Cape Province

Increased levels of resource mobilisation drives the ability to exponentially increase impact by securing additional resources required to build resilient integrated rural economic networks. The degree to which external investment and resource allocation increases; advances the sustainability of interventions, whilst exponentially registering and increasing impact.

Secondly, increased socio-economic impact, provides the means to quantify impact so that it can be communicated to the shareholder, interested and effective parties and beneficiaries. This essentially increase accountability and active participation, but also provides an ability for the ECRDA to leverage more implementation resources, as it can demonstrate its ability to produce high levels of impact. Essentially creating a space where impact reporting is used to leverage additional resources and register increase socio-economic impact.

12. KEY RISKS

Outcome	Key Risk	Risk Mitigation
Increased levels of resource mobilisation	<ul style="list-style-type: none"> • 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
Increased socio-economic impact	<ul style="list-style-type: none"> • 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.

13. PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand)
Not applicable	Not applicable	Not applicable	Not applicable

14. INFRASTRUCTURE PROJECTS

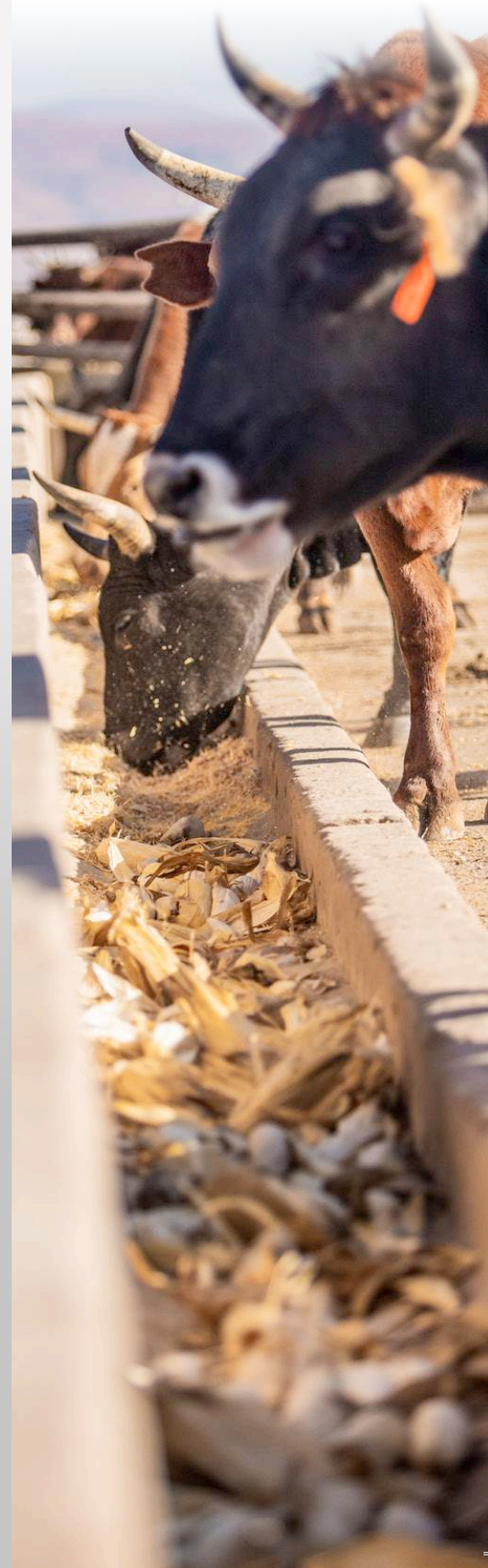
No	Project name	Programme	Project Description	Outputs	Project Start date	Project completion date	Total estimated cost	Current year expenditure
1	Diversified RED Hubs	CHIPS	Tshabo	1000sq Tshabo Pack house with ablution facilities	1 April 2020	31 March 2021	R7 050 000.00	R7.05m





Indicator Title	Increased levels of resource mobilisation
Definition	Measures the Rand value of additional resources mobilised outside of the allocated budget.
Source of data	Income Statements and/or Signed Contracts and/or Service Level Agreements, and or written confirmation of Rand values by providers of goods, services and/or resources.
Method of Calculation / Assessment	Numerical calculation of the Rand value of investments/ grand funding and/or technical or any other additional project support secured outside of the allocated budget of the ECRDA.
Assumptions	Rand value of additional support can be quantified and/or confirmed.
Disaggregation of Beneficiaries (where applicable)	50% of mobilised project resources will be allocated to projects that impact women, youth and people living with disabilities in the rural areas of the Eastern Cape Province.
Spatial Transformation (where applicable)	Rural areas of the Eastern Cape Province
Reporting Cycle	Annually
Desired performance	Higher performance against the target is desirable
Indicator Responsibility	Chief Executive Officer

Indicator Title	Increased socio-economic impact
Definition	Measures the percentage of completed projects across the portfolio that have issued socio-economic impact reports to quantify the socio-economic impact of interventions.
Source of data	Project management reporting systems and/ or Management Performance Dashboard and/ or individual Performance Management Portfolio of Evidence files of project managers and/ or impact assessments.
Method of Calculation / Assessment	Calculation of the percentage of approved Socio-economic Impact Assessment Reports against the total number of projects in the portfolio.
Assumptions	Project management reporting system is functional and a standardised method for measuring socio-economic impact is in place.
Disaggregation of Beneficiaries (where applicable)	The Impact Assessment Reports will quantify the disaggregation of beneficiaries in accordance with the requirement that 50% of beneficiaries should be women, youth and/ or people living with disabilities.
Spatial Transformation (where applicable)	Rural areas of the Eastern Cape Province
Reporting Cycle	Quarterly and Annually
Desired performance	Higher performance against the performance is desirable
Indicator Responsibility	Chief Executive Officer









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