



A MUNICIPAL ENTITY OF



**ALFRED NZO**  
DISTRICT MUNICIPALITY



# ANDA CORPORATE PLAN 2015 - 2020

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## ABBREVIATIONS

- ABDS= Area Based Development Strategy**
- AIDS = Acquired immunodeficiency syndrome**
- ANC = African National Congress**
- ANDA = Alfred Nzo Development Agency**
- ANDM = Alfred Nzo District Municipality**
- ARC = Agricultural Research Council**
- CEO = Chief Executive Officer**
- DBSA = Development Bank of Southern Africa**
- DIRCO = Department of International Relations and Co-operation**
- DTI = Department of Trade and Industry**
- ECDC = Eastern Cape Development Corporation**
- ECRDA = East Coast Research and Discovery Association**
- ECRDA = Eastern Cape Rural Development Agency**
- ECSECC= Eastern Cape Socio-Economic Consultative Council**
- EXCO = Executive Committee**
- GDS = Growth and Development Strategy**
- HIV = Human immunodeficiency virus**
- ICMS = Integrated Consulting Management Services CC.**
- IDC = Industrial Development Corporation**
- IDP = Integrated Development Plan**
- IDT = Independent Development Trust**
- IPAP = Industrial Policy Action Plan**
- LED = Local Economic Development**
- MEC = Member of the Executive Council**
- MTEF = Medium Term Expenditure Framework**
- NDP = National Development Plan**
- NGP = National Growth Plan**

**PGDP = Provincial Growth Development Plan**

**SEDA = Small Enterprise Development Agency**

**SOEs = State Owned Enterprises**

**ALFRED NZO DEVELOPMENT AGENCY 2015/16 ANNUAL PERFORMANCE PLAN  
AND FIVE YEAR PLAN SUBMITTED TO THE ALFRED NZO DISTRICT MUNICIPALITY**

**SIGNED**

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**Mr Sakhumzi Diko**  
Chairperson of the Board

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**Ingonyama: Madzikane II Diko**  
Chief Executive Officer

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**Mr Lita Bam**  
Chief Financial Officer

## 1. Foreword by the Chairperson of the Board

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As the Chairperson of the Alfred Nzo Development Agency (ANDA), I am pleased on behalf of the Board and Management of ANDA to present to the Executive Mayor and the Council of the Alfred Nzo District Municipality (ANDM) as well as all the important stakeholders the ANDA five (5) year strategic plan, the Medium Expenditure Term Framework (METF) plan as well as the Annual Performance Plan of the organization. These plans outline the activities and targets that the organization aims to achieve in the period 2014-2020 and the necessary budgetary requirements that will enable the organization to achieve the set targets.

In conforming with the mandate of the organization as defined in the shareholder agreement between the ANDM and ANDA, the Board is committed to working with management and the municipality to promote economic development initiatives that aim to better the district and to better the lives of its inhabitants. The Board is aware of the urgent burden of unemployment, poverty and income disparities that characterizes our society and the call for all to work towards closing income disparities and creating conditions that make it possible for people to take care of their lives. The 89% dependency ratio that characterizes the district is an antithesis to our newly found freedoms and the constitution of our land. It requires interventions that can make our people masters of their own destiny and a philosophy that will acknowledge that the inhabitants of the district are not a miscarriage of God's plan but rather a masterpiece of His creation.

The efforts of ANDA at facilitating economic development initiatives in the areas by attracting investments for the development of strategic infrastructure, promoting trade and enhancing the capabilities of business and co-operative enterprises in the districts will go a long way in creating employment for our citizens and improve their self worth as well as the economic vibrancy of the district.

It cannot be over-emphasized that the success of ANDA and as a result that of the district is inextricably linked with that of the local municipalities, development partners and a wide range of strategic value adding partners and State Owned Enterprises. The co-operation of ANDA with these institutions and the municipalities will be pivotal in achieving the ambitious targets that ANDA has set. Our role as the Board of ANDA in playing our oversight role cannot be overemphasized. It is in this context that we hope that the Council and the Executive Mayor will speedily assist us in appointing a full board by filling the vacant board positions with people who have the desire and skills to support management in the pursuit of the mandate and plans of the organization.

As a Board we are aware of the robust requirements that imposed on us by the Companies Act, no71 of 2008 as well as the dictates of the Municipal Finance Management Act no 32 of 2003 and are committed to at all times act in the interest of the organization above our own interests. Compliance with the law and keeping the Governance principles enunciated in the King 11 and 111 codes of ethics will be our priority. To this end, the Board will continue to provide oversight and leadership to the organization through its various committees, namely the Finance Committee, Audit and Risk Management Committee, the Recruitment and Human Resources Committee, the Investment Committee and other committees which may be established from time to time to provide oversight support to key areas of the organization's work. The establishment and functioning of these committees will be strengthened once the Council has appointed all of the board members that are necessary to support the operations of the organisation.

In the ensuing period, the ANDA is committed to achieving the appropriate balance between its various stakeholder groupings in the best interests of the organization and to be transparent and accountable by ensuring effective communication with its stakeholders. We believe that this is essential for building and maintaining our stakeholders' trust and confidence.

On behalf of the ANDA, I commit management and the ANDA into a compact between the Executive Mayor and Council based on this plan for the ensuing period.

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**Mr Sakhi Diko**

**Chairperson of the Board**



## 2. Chief Executive Officer Commitment

The review of the ANDA Strategic direction takes place at a time the global markets get off to a cautious start with stocks and oil falling in the wake of weak manufacturing reports from, in the main, one of the main giant economies, China and Euro Zone. This bloodbath has however been pronounced at a global scale.

The shrink in the major economies will always be felt by the emerging economies. To that extent, African Markets have not been spared from the rocky start of 2016 with the African Stocks down from Zimbabwe to Nigeria, Kenya, Zambia and South Africa respectively. South Africa's JSE was down approximately 3.05% at the end of January 2016. South African Economy is currently under pressure as the currency depreciates and interest rates rise up. Though it has recovered, the rand is said to have crashed to its record low of R18 to the dollar in February 2016. The situation is worsened by drought affecting not only South Africa but Sub-Saharan Africa as well. Alfred Nzo region is affected by both such, a shrink in the global, national economy and the drought.

However, Alfred Nzo Development Agency is not a doomsday commentator and therefore does not believe that the country, SA, will one day fall a free fall into anarchy and decay. The Agency shares same that the rand will strengthen back on and therefore its efforts and commitments to growing the economy of Alfred Nzo is still based on increasing, protecting and diversifying our funding base, providing innovative programs and services that meet our stakeholder expectations, strengthening our operating processes, systems and procedures and building capabilities and a learning environment that deliver ANDA value-added services.

The regional economic growth has been resilient before, during recession. The economy of the district is fairly small, contributing 0.4% of the South African Economy and 5% to the province's economy. In 1995 more than 34 000 people or 8.6% of the population had not received any schooling; this figure dropped to just under 26 000 or 5.1% of the population in 2013. This is lower than both the Eastern Cape which stands at 6.1% and South Africa as a whole, which stands at 5.5%. Nevertheless. In spite of this drop, we remain confident that during this time, the performance of the region will not collapse.

The refined strategy, still finds its resonance in the National Development Plan, Eastern Cape Growth and Development Plan, the Rural Development Strategy, the Industrial Development

Plan, the IDP and all other Development Plans of the District Municipality, Provincial and National Plans. This plan is informed by the need to develop Black Industrialists and guided by radical transformation as pronounced by the President of the Republic in the Governing Party's 104 January 8th Statement that this year is the year for advancing people's power. 2016 is the year to advance "People Power".

Challenges in the performance of the agency both in its core business and general operations have had to be looked into given the constraining circumstances. The operational model has had to be refined ahead of the expected economic down turn expected within the region and there is confidence that this will absorb the economic pressure and positively affect the lives of the Alfred Nzo people.

Out of the Turnaround Strategic Session, various innovations that are aimed at cost reduction and improving operational efficiencies have already being carried out. Reporting, compliance, performance and corporate governance are already showing signs of improvement. Our stakeholder management efforts have taken off on a positive start and we intend to improve on that even further.

The Operational Plan 2015/16 is an outcome of such a constructive reflection by the shareholder, the government sector, local municipality, the NGO sector and community representation of Alfred Nzo. Key areas that set the direction for the Agency as an outcome of the session include:

- ANDA to diversify its focus and also look into other sectors (Infrastructure, ICT, SMME, Tourism, Arts and Culture and sports).
- ANDA to align structure to respond to its mandate and direction.
- ANDA to mobilise more funding sources.
- ANDA to be self-sustaining agency.
- ANDA Projects to be self-sustaining as well.
- ANDA to focus on High Impact Projects – Mega Projects and that the structure should aligned as such.
- ANDA must ensure Institutional alignment and better coordination within the IGR.
- ANDA's Programmes must be aligned and rationalised.

The Agency remains committed to its primary focus around mobilising resources, for strategic investments in the district, strengthening partnership between national and international

partners and the district, strengthening the capacity of co-operatives and business enterprises through financial, non-financial and technical support.

We remain committed to co-operate with our partners, to listen to their requirements and to deliver services in the most cost effective and responsible manner. Good governance is our priority and therefore look forward to the guidance and support from our Board and from our shareholder.

The plan in itself constitute the bases for engagement with our partners and the community of Alfred Nzo. It further constitutes our formal invitation to our development partners to proactively approach the agency, share ideas, provide leads, open doors and invest in the region.

Our current successes and challenges are our source of strength as we take our mandate to another level. The unwavering and much needed support and guidance from the Municipality, Council and its leadership is much appreciated.

Alfred Nzo District is our District and our Future.

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**Ingonyama: Madzikane II Diko**

**Chief Executive Officer**

### **3. PART A: STRATEGIC OVERVIEW**

#### **3.1 The Mandate, Core Business and Products of ANDA**

The five year Corporate and Annual Performance Plan of Alfred Nzo Development Agency (ANDA) for the period 2015/16 and beyond is structured taking into consideration the dictates of the current socio political and economic environment operating in South Africa, the National Development Plan, the Province's Local Economic Development Strategy and the Integrated Development Plan of the Alfred Nzo District Municipality (ANDM) in particular. The expectations and the needs of stakeholders have also been taken into consideration as these will dictate the degree to which the organisation can achieve its stated objectives.

ANDM has issued a mandate and defined Core Business to its agency in its ANDM presentation at a Strategic Review Session held on the 14<sup>th</sup> January 2016.

##### **3.1.1 ANDA's Mandate**

The mandate of the Agency therefore is to:

- To act as the operational arm of the Municipality for the purposes of implementing economic, social and environmental policies and projects within ANDM;
- To develop the innovation and entrepreneurial potential and activity which supports and drives economic growth within ANDM;
- To leverage public support and private resources for development around opportunities which offer economic and development potential;
- To acquire, own and manage land and buildings necessary to enable it to achieve its stated aims and objectives;
- To negotiate, enter into and administer contracts in furtherance of its objectives;
- To commission, undertake or manage and monitor any programme that may be necessary to further the objectives of The Agency;
- To act as receiver, manager and/or coordinator/facilitator of technical assistance or development funding programmes provided to the Municipality by non-governmental or governmental institutions and private sector institutions;

- To acquire and exercise rights and duties, necessary for the furtherance of its objectives, and generally to perform such further functions as may be delegated or assigned to it by the Municipal Council from time to time.

### **3.1.2 ANDA's Core Business**

In line with its mandate, the Agency's Core Business is to therefore:

- Attract new business and promote investment in all sectors of the local economy;
- Promote business retention and renewal, focusing where appropriate on area-specific regeneration initiatives;
- Enhancing Inward Investment into the local economy;
- Enhance entrepreneurial skills, skill development and matching the skills of the local labour force with the local economic needs;
- Promoting and develop business efficiency and competitiveness;
- Undertake opportunity and market research on an on-going basis to identify opportunities that can be exploited to achieve local, social and economic development;
- Identify and facilitate the formation and implementation of public private sector partnerships and joint ventures in the implementation of relevant projects.
- Implement projects identified in the LED Strategy, IDP and in any other related strategies and plans;
- Investigate, source and apply appropriate financial resources for project implementation and effective service delivery;
- Promote stakeholder networking;
- Undertake investment brokerage and investment aftercare

### **3.1.3 Agency's Programmes:**

The outcomes of the Strategic Planning session has also seen rationalisation of the strategic programmes of the Agency from 8 to 5 for the next five year. There is confidence that if the turned around business of the Agency is focussed on this programmes, the mandate of the organisation will be achieved and economy of the region will be triggered. The programmes are:

- Trade, Investment, Promotion and facilitation,
- Resource Mobilisation and Stakeholder Management,
- Skills Development and Capacity building,
- Administration and Corporate Services,

- Financial and Risk Management

Consideration has also been given to the environmental context and its imperatives which are elucidated in the following paragraphs.

### **3.1.4 Product offering of the Agency:**

Informed by the outcomes of strategic its review session, the mandate and its core business, ANDA seeks to provide the following products:

- Grant Funding:

Grant Funding is provided for Projects, SMMEs to promote innovation and entrepreneurial potential that will drives economic growth within ANDM

- Grant with Equity:

Sustainability of ANDA's business also depends on the Agency being able to build its equity base from which capital will be raised.

- Loan Finance:

This product is developed to provide access to credit and provide for risk sharing products with strategic partners.

- Project Management Services/Municipal and Government Projects:

The Agency has capacity and will build capacity to implement small, medium and Mega projects.

- Skills Development and Capacity Building:

Skills Development and Capacity Building is important given the skills base within the Alfred Nzo.

- ANDA's Investments and Revenue Generation:

For sustainability of the Agency's business, the Agency will aggressively drive its involvement in investment and revenue generation initiatives.

## **3.2 Political imperatives**

The pursuit of economic development and the improvement of the quality of life of the citizenry are enshrined in the policy framework of the governing party, the African National Congress (ANC) with its pivotal message and the year 2016 is the year of advancing Peoples Power with

its intent of transferring the national wealth of the country to the people and the control of all other industry and trade to assist the wellbeing of the people. This policy framework undergirds all of the national, provincial and local government economic development initiatives.

Consequently various policy and planning documents such as the National Growth Path (NGP) which outlines the need to invest in infrastructure as a key for job creation across the economy, the National Development Plan (NDP) that implores the achievement of accelerated economic growth at 5% and the reduction of unemployment by 2030 to 6% as well as the creation of at least 11 million jobs in the next 20 years all but focus the work of ANDA in this direction. Other policy documents such as the Industrial Policy Action Plan (IPAP) and the Eastern Cape Provincial Growth & Development Plan (PGDP) support the need for infrastructure development.

In order for the ANDA to achieve its mission and objectives a critical ancillary factor in this regard has been a stable and consistent political leadership that has assisted the organisation to maintain its focus. Change in political leadership as the term of the current leadership is nearing its end is unlikely to affect the direction of the Agency as there is expectation for continuity and institutional memory in the political leadership.

The political decision underpinning the Transitional Facilitation Committee Process is another factor that ANDA is still to resolve. This process has had major implications on the capacity of ANDA implementation plans in so far as the transfer of assets and liabilities of the incorporated municipalities into the Alfred Nzo District Municipality are concerned and the prioritisation of strategic infrastructure initiatives that needs to be promoted.

Going forward the continuity of the current government and leadership and the existing policy framework will enhance continuity in the pursuit of the current ANDA mission.

### **3.3 Economic imperatives**

The economic environment of the district is a function of the overall environment that prevails in the country. The current economic environment and future projections indicate continuing pressures on world economies. Major economies such as the USA, China and Europe are shrinking . Given South Africa's and other emerging economies links to the global village, it is unlikely that the country will remain unaffected by global pressure, inflation, unemployment and job losses. The weakening of the rand continues to have inflationary pressures with repo rate lifting up to 6.75%. The rand has depreciated considerably while the impact of the worsening drought on the food prices is becoming increasingly evident.

Turmoil in the mining industry worth US\$3.5 trillion (Synergy Media Specialist 27/05/2013) which has traditionally been the back bone of the South African economy and the decline in the manufacturing sector by 10.4% in 2009 and hovering around that level in 2012 all contribute to a weakened economy. The implication of these factors to the district's economy is severe as remittances that were a function of the district as a sending labour market continue to decline.

In the past two years, the Development Policy Research Unit of the University of Cape Town reported that economic growth had slowed down substantially from a post recession high of 4,6 % per annum in 2011 Q1 to 3.2% in 2011Q4 and 2.7% in Q4, 2012 (Development Policy Unit, 2012). The World Bank warned that South Africa is vulnerable to both the slowing economies of Europe, as well as to a slowdown in China, which consumes many of its commodities.

At the provincial level, the district's contribution is very low with a declined 5% in 2014. The annual growth rate seems to have improved from the reported 8.1% from 1995-2009 to 8.5% growth rate in 2000 – 2013, but dropped in 2014 to 3.57% in 2013 with Government Services still being the largest contributor at 24.92%, Wholesale and Retail, Trade, Catering and Accommodation at 23.35%, Finance, Insurance, Real Estate and Business Services at 16.87%, Communication & personal services at 11.68%, Manufacturing at 8.98%, Construction at 3.69%, Agriculture, Forestry & Fishing at 2.3%, Electricity, Gas and Water at 0.56%, Mining and Quarrying at 0.17%, (ECSECC, 2014)

According to ECSECC the district has opportunities around Agriculture, mining and minerals, construction, manufacturing, Tourism and knowledge based services,

In Agriculture: The region has good potential based on Intensive horticulture, Ongeluksnek farms are suitable for deciduous fruits, Fertile valley floors, Protea flowers near Mount Ayliff, North Pondoland sugar, Organic farming, Goats and Forestry (5 000 existing, and a further 10 000 available).

In Mining and minerals: There is a large copper-nickel deposit still being prospected near Mt Ayliff. There are also aggregates and clays for the local building materials industry.

In Construction: There is potential based on New dams in the Mzimvubu basin, New N2, Eradication of social infrastructure backlogs and Small Towns Development.

Under Manufacturing Industry: There is potential around agro-processing, crafts and new-generation products.

In Tourism: There is high potential around mountain tourism (Southern Drakensberg), cultural tourism, Wild Coast Sun and Pondoland Coasts, Improved Access - New N2.



Under Knowledge-based services, there is potential around ICT, education and health, and agriculture-related

The imperatives outlined herein indicate the main challenges that ANDA will have to contend with in its attempts at mobilising funds for strategic infrastructure investment, the promotion of trade and its contribution to increasing the economic performance of the district municipality. At the same time it also presents the opportunities that exist which the agency must look into. Concerted efforts and strategic thinking will be paramount if the agency would achieve its mission.

### **3.4 Social imperatives**

The National Development Plan 2030 points out that whilst global integration has brought about sustained growth, it has also been marked by negative trends. It points out that the gap between the rich and the poor worsened globally from 0.44 in 1950 to .54 in 2000. This is projected to rise going forward. Urbanisation has accelerated even though there is also evidence of rural to rural migration. Almost 60% of South Africa's population is urbanised and is projected to reach 70% by 2030.

South Africa continues to be plagued by issues of unemployment, poverty and inequality and some degree of a lack of social cohesion and increasing service delivery protests. Employment levels constitute 13, 4 million in 2012 Q1 and unemployment is estimated at 6, 9 million people which is equivalent to 33.8% of the working population (Development Policy Unit, 2012). Black youth constitute 65% of the unemployment rate (NDP, 2030).

The burden of disease punctuated largely by HIV/AIDS has been a continuing menace in South Africa in the past two decades. The estimated prevalence rate at 10.6 % indicates that the total number of people living with HIV/AIDS is at the alarming figure of 5.4million in 2011 projected to rise to 7.3 million in 2030 (ASSA, 2011) impacting on the life expectancy of just over 60 years by 2030 for African women and 76 years for white women. African men will average 56 years while the life expectancy of white men will increase to 73 years by 2030.

### **3.5 Technological imperatives**

Rapid technological advancements and smart technologies are a feature of the world and of South Africa. These technological advancements have the advantage of reducing costs.

The Alfred Nzo District has not been a major beneficiary of the technological advancement that is growing in the country. The district has limited or no accesses to broad band networks and people have limited technological skills. According to the ANDM IDP report 2014/15, only 30% of the population had telephone and/or cellular phones in the district and the majority of the area had poor or no network coverage due to its mountainous topology.

The lack of network connectivity and broadband poses a real threat to the promotion of trade and business in general and limits the speed with which business enterprises can respond to opportunities open to them. It has the potential of restricting import and export trade to the district. This can directly impact on ANDA targets and will require innovation and skill to navigate. The promotion of appropriate technologies would act as an added advantage for ANDA efforts.

### **3.6 Environmental imperatives**

Aligned to the technological imperatives are global concerns and SDG goals on greening economies. The National Development Plan 2030 commits South Africa to reducing its dependency on carbon, natural resources and energy, while balancing this transition with its objectives of increasing employment and reducing inequality and poverty through adaptation and mitigation. Adaptation includes significant investments in new and adaptive technologies and rehabilitating and restoring natural ecosystems to improve resilience and mitigate climate change. The current drought that has frustrated the region is reflective of these climatic changes.

In this regard the ANDA has a major role to play in promoting and supporting these global and national initiatives in its messages and technologies and those of its beneficiaries as well as promoting recyclable technologies and discouraging unfriendly environmental practices.

According to the ANDM IDP report (2015/16), pressure from land transformation in many areas including the Alfred Nzo District is impacting negatively on the natural resource base of the province. Key biodiversity issues that impact the district include; the loss of habitat and the reduction of species diversity. Alfred Nzo has a 0-10% of endangered plant species and 10-20% vulnerable species coinciding with high population densities. The unauthorised excavation of land for mining of sand without following correct environmental procedures remains a concern for the environment. Land degradation and soil erosion are on the increase in the district.

The environmental landscape imperatives are a concern for ANDA in the promotion of the use of natural resources to create viable economic enterprises as caution would have to be taken

to balance same with environmental consciousness and balance as envisaged in the NDP. The use and promotion of alternative energy technologies is of particular focus for the ANDA.

### **3.7 Regulatory imperatives**

The ANDA is governed by a plethora of legislation and regulations that intends to support and strengthen its role in transforming society and the developmental state.

Such legislation and regulations cannot in themselves be a sufficient condition for public institutions such as the ANDA to deliver services. More than the provisions of the regulations and legislation, the promotion of a skilled and professional workforce and making ANDA an employer of choice will go a long way in respecting and giving service to the district.

As an institution of the District Municipality, the legislative and regulatory regime that governs ANDA includes; the Constitution of the Republic of South Africa (Act,108 of 1996) which mandates local government to promote social and economic development in areas of their jurisdiction; the White Paper on Local Government (March 1998) which advocates for the notion of a developmental government with economic development as playing a pivotal part of local government; the Municipal Systems Act, 2000(Act no.32 of 2000) which provides for the determination of municipalities and their structures and the Municipal Finance Management (Act,56 of 2003) which regulates accountabilities of Municipalities and prescribes for the establishment of municipal entities for which under is its creation. The Companies Act (Act, No.71 of 2008) under which the entity is registered governs the conduct and responsibility of its directors. These are further amplified by the dictates of the King 11 & 111 Codes of Conduct which require high standard of ethical conduct of the executive and non - executive directors of the company.

The VAT Act (Act, no.89 of 1991) provides for taxation in respect of goods and services and the importation of goods. This Act and its application to ANDA will pose a particular challenge in so far as the entity requirements are in this regard.

## **4. ANDA Internal operating environment**

An analysis of the internal operating environment of the ANDA indicates a number of strengths, weaknesses, opportunity and threats. However the agency has already moved to address its weaknesses.

#### **4.1 ANDA internal strengths**

The ANDA evinces a number of internal strengths that enable it to perform its functions. These include but are not limited to a committed and qualified staff and the appointment of staff on merit. Innovation and the taking of informed risks also characterises the organisation. The organisation has also improved its operating systems, the policy environment and has advanced technological systems and has an established board. ANDA remains committed to improve on its good governance, accountability and its disclaimer status from previous year.

#### **4.2 ANDA internal weaknesses**

In spite of its strengths, ANDA has demonstrated some weaknesses that compromise its organisational performance. These weaknesses are the fact that the board of the organisation still needs to be strengthened.

The capacity to attract appropriately skilled staff remains an area to look into. This is due to the fact that ANDA is located outside of the major metropolitan cities of the province. There are still some organisations' operating procedures that need to be standardised into operating manuals. The organisation must strengthen its capacity to monitor and evaluate the performance of its grantees account properly. The internal control environment at project implementation level also still needs some improvement.

The brand identity of ANDA and perceptions about the organisation by its stakeholders, while improving, can be better. The storing and circulation of information internally requires strengthening so that communication is fluent.

#### **4.3 ANDA external opportunities**

A number of opportunities given the strengths and the mandate of ANDA are possible in its operating environment. These include but are not limited to the fact that there is arable land that can be exploited to promote agricultural development for the benefit of the district economy. The coastal areas of the district have a potential for the promotion of Aqua and Mari-culture initiatives. The mountainous, scenic and pristine nature of the topology and the geography of the district have the potential for the promotion of tourism. Mega infrastructure projects such as Mzimvubu dam and the new N2 also present opportunities.

The geographic location and the close proximity of the district to one of the busiest harbours in the country is positive for easy reach to the harbour in terms of reducing transportation costs for export trade as well as for easy access by business enterprises in the district.

The relatively young population that constitutes the majority of the population in the district provides an opportunity for the promotion of young entrepreneurs and for job creation.

There is also a potential to grow connectivity for smart technologies as well as the installation of fibre optic cables which can improve internet and other connectivity to enhance business operations and efficiencies as well as linkages with other domestic and international trade in the district.

Other opportunities that exist in the district are the promotion of initiatives in respect of harvesting of water from fog and exploring alternative energy sources.

#### **4.4 ANDA external threats**

The operations of ANDA are constrained and/or threatened by a number of factors that operate in its authorising environment. Some of these threats are the kind of relations that exist between the Agency, its parent municipality and other local municipalities. Funding from the parent municipality access to funding resources remains a threat to the Agency.

Other threats that confront the performance of the Agency include the inadequacy of a skilled and qualified workforce in the district which results in the Agency having a high level of vacancies.

Another threat that confronts the Agency is the poor understanding by both the external and internal stakeholders of the role and nature of the business of the entity and the lack of an assessed risk profile of the institution so that the institution can have a robust framework that it can use to mitigate its risks.

#### **4.5 ANDA distinctive capabilities and core competencies**

Given the macro and micro environmental imperatives that are a feature of the ANDA, it is clear that for the organisation to perform at optimal and high efficiency levels that are designed at achieving its mission and value proposition, the organisation must ensure that it has the requisite competencies outlined in Table 1 rated on a scale 1 = 3 where 1 = not important, 2 = is important and 3 = is very important.

In this context the ANDA will continue to recruit, retain and seek appropriate skill levels that will match its desired competency profile in order that it can meet the challenges presented to

it for the ensuing MTEF period. Consequently the projected ANDA human resources plan for the period is indicated in Table 2 below.

**Table 1: ANDA Rated competency requirements**

COMPETENCIES	RATING
Project Management	3
Stakeholder Management	3
Financial Management Skills	3
Economic Planning and Research	2
Development orientation	2
Strategic Management	3
Networking and advocacy skills	3
Trade and investment skills	3
Governance and legislation	3
Local government knowledge	3
Risk Management	3
Attention to detail	2
Passion and commitment for economic development	3
Knowledge of business environment	3
Lateral thinking	3

## 5. ANDA Human Resources Management Plan

### Table 2 ANDA Human Resources Management Plan

Established posts		Positions filled				
Position	Number of positions	Year 1 2015/2016	Year 2 2016/17	Year 3 2017/18	Year 4 2018/19	Year 5 2019/20
Chief Executive Officer	1	1	1	1	1	1
Chief Financial Officer	1	1	1	1	1	1
Manager in the Office of the CEO	1	0	1	1	1	1
Executive Manager: Programs: Resource Mobilisation and Stakeholder Management	1	1	1	1	1	1
Company Secretary	1	Outsourced	Outsourced	Outsourced	Outsourced	Outsourced
Manager: Corporate Services and facilities management	1	1	1	1	1	1
Finance Manager	1	1	1	1	1	1
Supply Chain Manager	1	1	1	1	1	1
Projects Manager: Project Development and management	1	0	0	0	1	1
Information, Knowledge Management and Business Intelligence	1	0	0	0	0	1
Project Coordinators (Infrastructure, SMME, ICT, Tourism, Arts and Culture, Agriculture)	6	3	4	6	6	6
Economic Researcher	1	0	0	0	0	1
Procurement Officer	1	1	1	1	1	1
Asset Management Officer	1	1	1	1	1	1
Expenditure Officer	1	1	1	1	1	1
HR Officer	1	1	1	1	1	1



Communications, Marketing Officer	1	1	1	1	1	1
ICT and Information Systems Support Manager	1	0	0	1	1	1
Payroll Officer	1	0	1	1	1	1
Receptionist	1	1	1	1	1	1
Personal Assistant to the CEO	1	0	0	0	1	1
Mechanical Technicians	3	0	3	3	3	3
Admin Support Officer	1	1	1	1	1	1
Expenditure Officer	2	1	2	2	2	2
Procurement Officer	1	1	1	1	1	1
Internal Auditor and Risk	1	0	1	1	1	1
<b>Sub-total</b>	<b>34</b>	<b>14</b>	<b>26</b>	<b>29</b>	<b>31</b>	<b>34</b>

## 5.1 ANDA MTEF Personnel Budget Summary

### Personnel Budget 2015 /2016

#### PERSONNEL BUDGET

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>SENIOR MANAGEMENT</b>						
<b>Chief Executive Officer</b>	R 1 161 720,00	R 1 254 657,60	R 1 355 030,21	R 1 463 432,625	R 1 580 507,235	R 1 706 947,813
<b>Chief Financial Officer</b>	R 969 722,19	R 1 047 299,97	R 1 131 083,96	R 1 221 570,679	R 1 319 296,334	R 1 424 840,04
<b>Executive Man Programmes</b>	R 969 722,19	R 1 047 299,97	R 1 131 083,96	R 1 221 570,679	R 1 319 296,334	R 1 424 840,04
<b>Executive Man Corp Services</b>	R 969 722,19	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
	<b>R 4 070 886,57</b>	<b>R 3 349 257,53</b>	<b>R 3 617 198,13</b>	<b>R 3 906 573,98</b>	<b>R 4 219 099,90</b>	<b>R 4 556 627,89</b>

## MIDDLE LEVELMANAGEMENT

<b>Manager in the - CEO's Office</b>	R 0,00	R 0,00	R 740 384,36	R 799 615,11	R 863 584,32	R 932 671,06
<b>Supply Chain Manager</b>	R 634 760,25	R 685 541,07	R 740 384,36	R 799 615,10	R 863 584,31	R 932 671,05
<b>Projects - Manager Project Dev &amp; Man</b>	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 932 671,05
<b>Information - Knowledge Management &amp; Business Intelligence</b>	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 932 671,05
<b>ICT and Information Systems Support Manager</b>	R 0,00	R 0,00	R 0,00	R 799 615,11	R 863 584,32	R 932 671,06
<b>Finance Manager</b>	R 634 760,25	R 685 541,07	R 740 384,36	R 799 615,10	R 863 584,31	R 932 671,06
<b>Manager - Corp Services &amp; Facilities Management</b>	R 634 760,25	R 685 541,07	R 740 384,36	R 799 615,10	R 863 584,31	R 932 671,06
	<b>R 1 269 520,50</b>	<b>R 1 371 082,14</b>	<b>R 2 221 153,07</b>	<b>R 3 198 460,43</b>	<b>R 4 317 921,57</b>	<b>R 6 528 697,40</b>

## OFFICERS

<b>HR Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Payroll Officer</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 0,00	R 0,00	R 0,00	R 394 253,81	R 425 794,11	R 459 857,64
<b>Project Coordinator</b>	R 0,00	R 0,00	R 0,00	R 394 253,81	R 425 794,11	R 459 857,64
<b>Economic Researcher</b>	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 459 857,64
<b>Communication &amp; Marketing Officer</b>	R 0,00	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Asset Man Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Demand Officer</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Procurement Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64

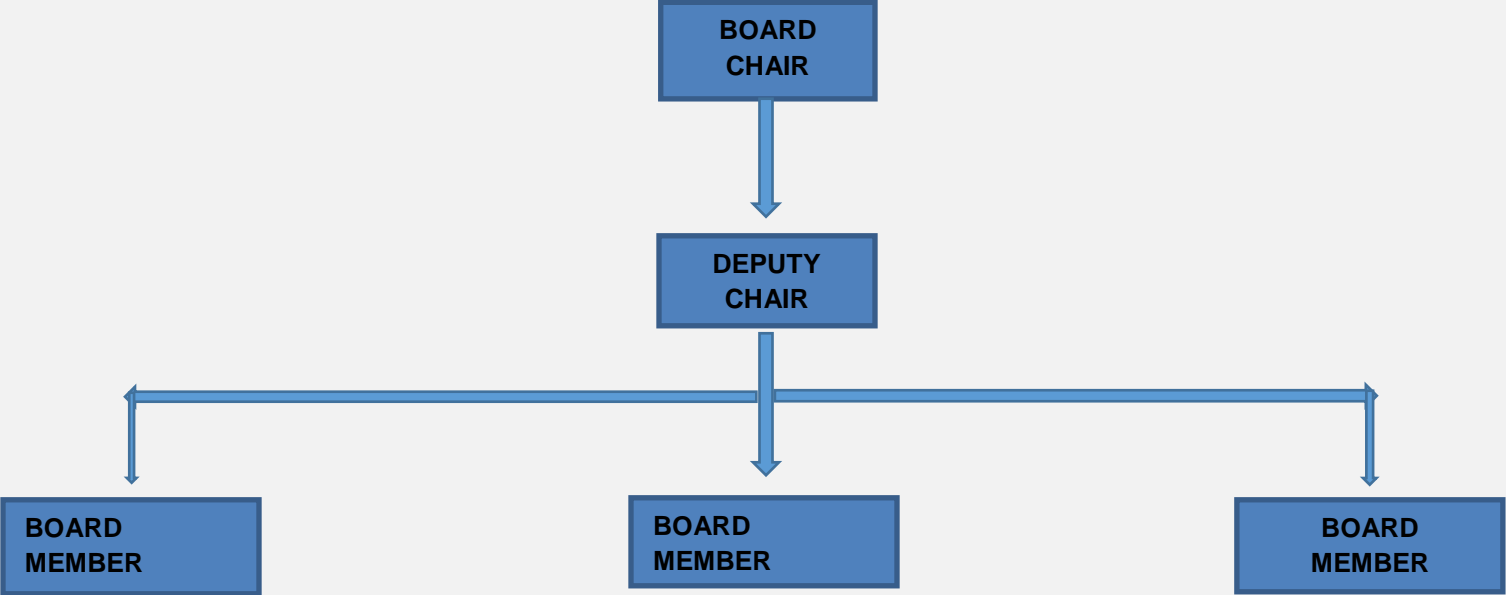
<b>Expenditure Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Expenditure Officer</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Internal Audit Officer</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Receptionist</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>ICT &amp; Information Systems Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Technician</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Technician</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>Technician</b>	R 0,00	R 0,00	R 365 049,82	R 394 253,81	R 425 794,11	R 459 857,64
<b>PA-CEO</b>	R 0,00	R 0,00	R 0,00	0	425 794,11	459 857,6388
<b>ICT Officer</b>	R 312 971,38	R 338 009,09	R 365 049,82	R 394 253,80	R 425 794,11	R 459 857,64
<b>Admin Support Officer</b>	R 0,00	R 338 009,09	R 331 514,69	R 358 035,87	R 386 678,73	R 417 613,03
	<b>R 3 129 713,80</b>	<b>R 4 056 109,08</b>	<b>R 7 267 461,25</b>	<b>R 8 637 365,77</b>	<b>R 9 754 149,14</b>	<b>R 10 994 338,71</b>

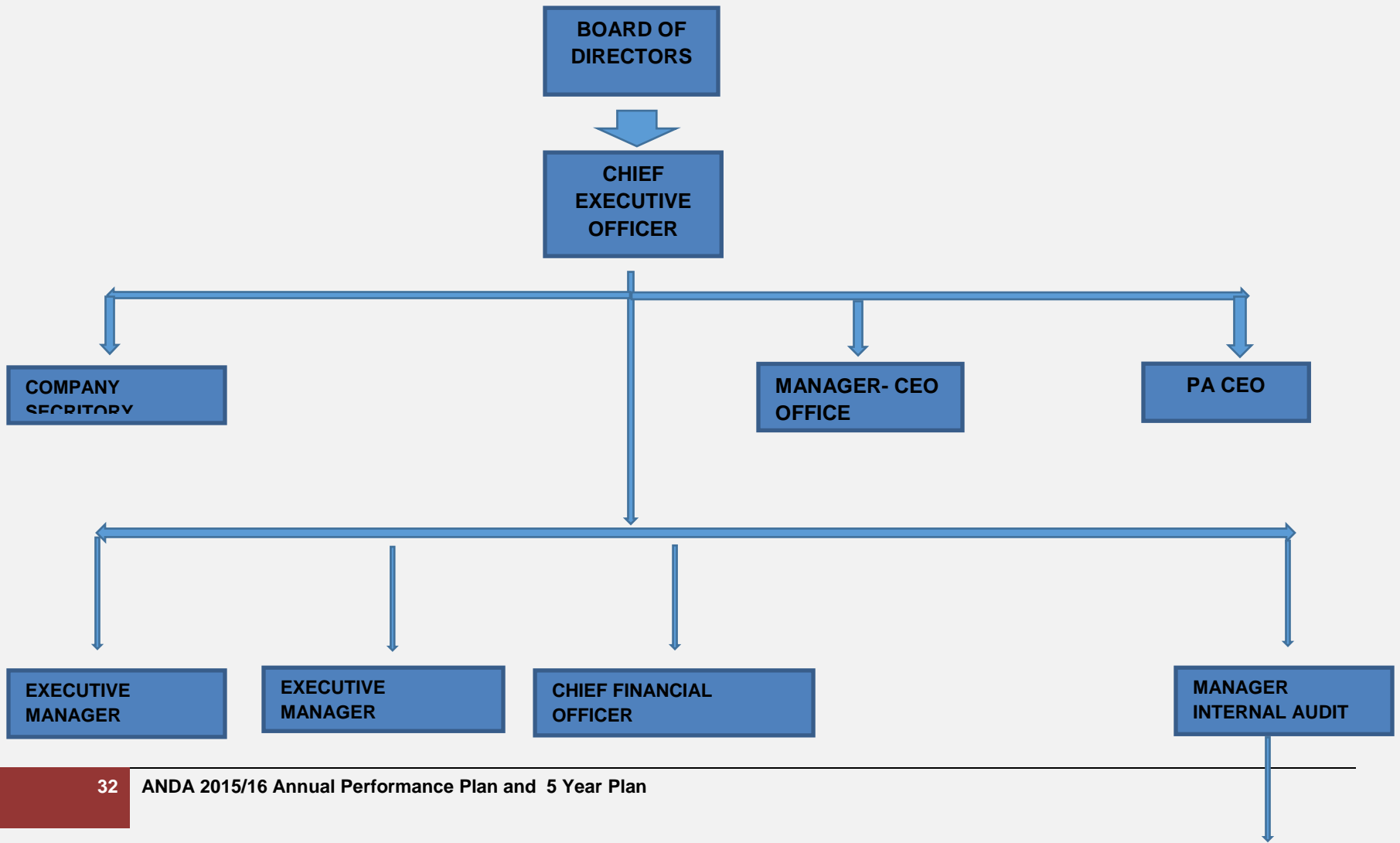
## INTERNS

<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 75 302,00	R 81 326,16	R 87 832,25	R 94 858,83	R 102 447,54	R 110 643,34
<b>Interns</b>	R 48 000,00	R 51 840,00	R 55 987,20	R 60 466,18	R 65 303,47	R 70 527,75
<b>In Service Training</b>	R 48 000,00	R 51 840,00	R 55 987,20	R 60 466,18	R 65 303,47	R 70 527,75
<b>In Service Training</b>	R 48 000,00	R 51 840,00	R 55 987,20	R 60 466,18	R 65 303,47	R 70 527,75
	<b>R 671 114,00</b>	<b>R 724 803,12</b>	<b>R 782 787,37</b>	<b>R 845 410,36</b>	<b>R 913 043,19</b>	<b>R 986 086,64</b>

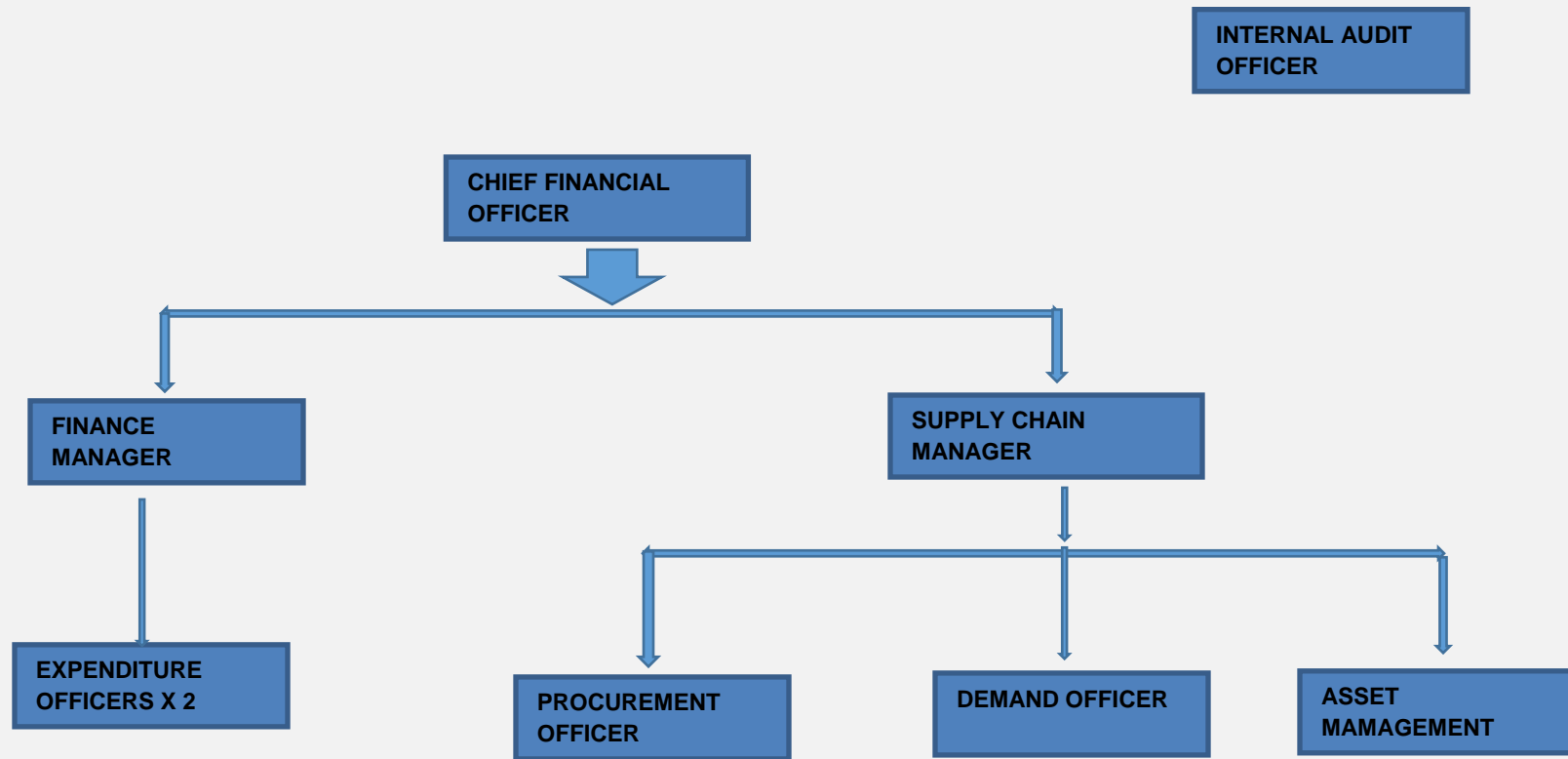
<b>OVERALL TOTAL</b>	<b>R 9 141 234,87</b>	<b>R 9 501 251,87</b>	<b>R 13 888 599,82</b>	<b>R 16 587 810,54</b>	<b>R 19 204 213,80</b>	<b>R 23 065 750,64</b>
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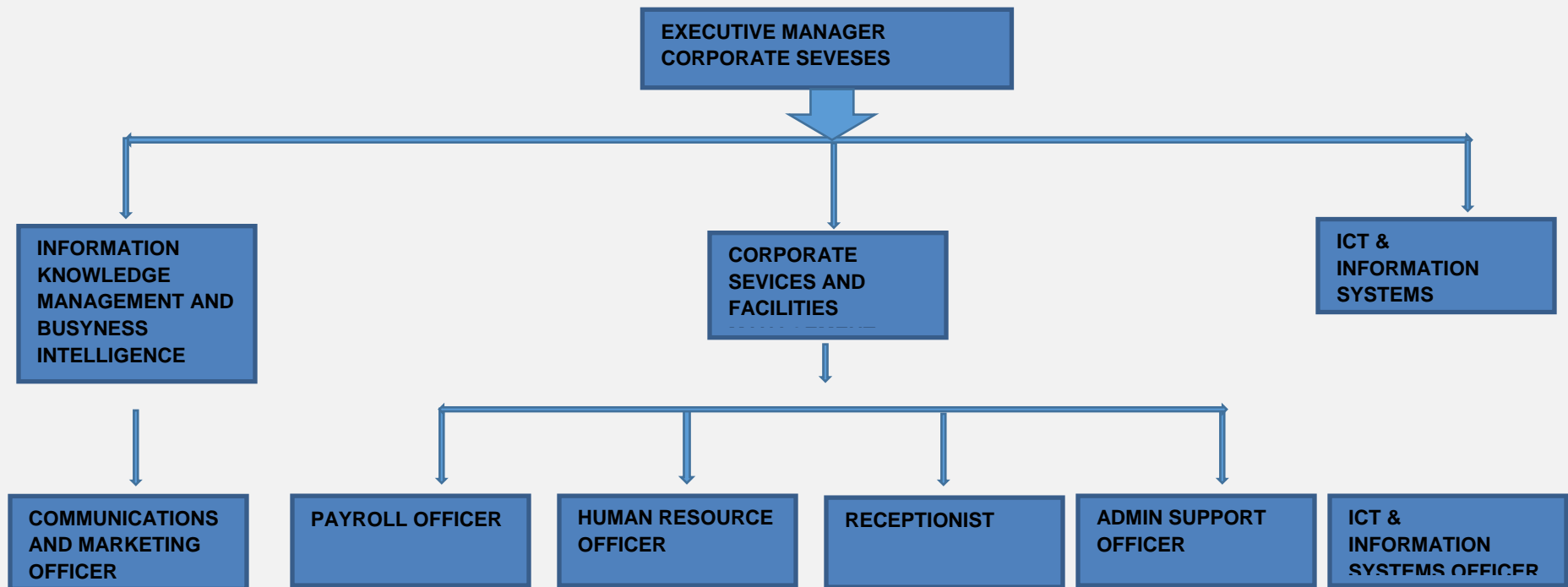
# ANDA Board of Directors

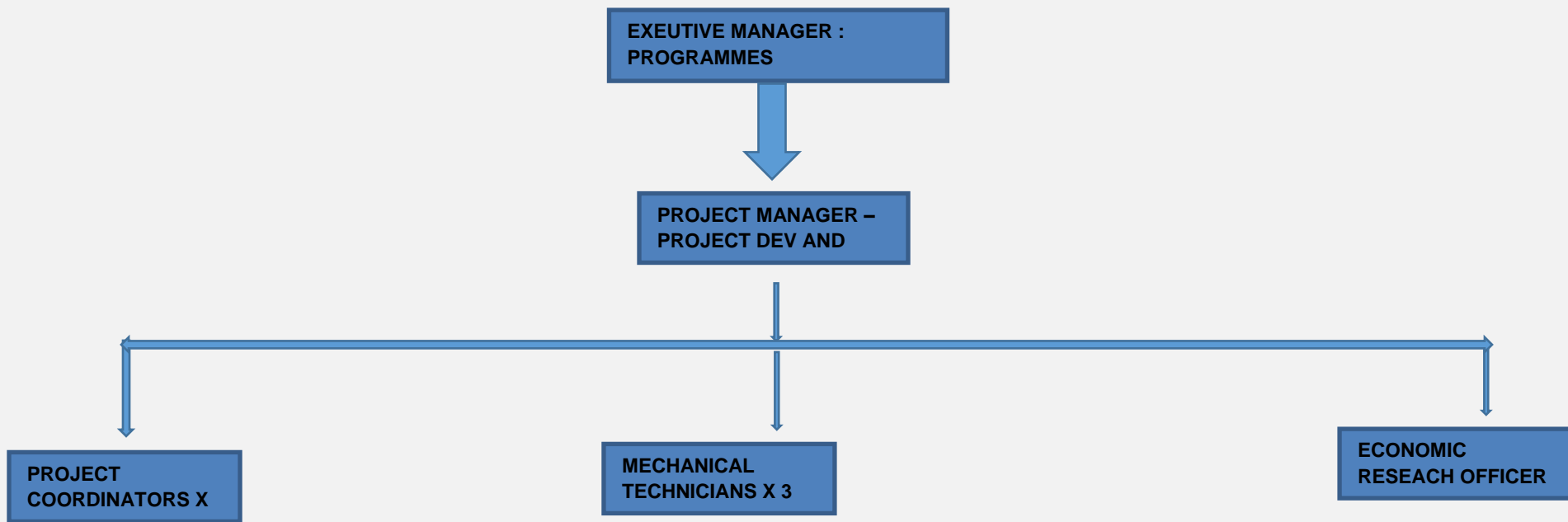












## 6. ANDA Governance

The ANDA is governed by a unitary Board of Directors who serves the organisation as Non-Executive Directors for a period of 3 years. The Chairperson and the Board of Directors are appointed by Council on recommendation of the Executive Mayor and are remunerated according to Municipality approved rates.

The Board of Directors are independent, impartial and have a separate role and authority from the Chief Executive Officer (CEO). The Board is responsible for organisational oversight whilst the CEO is responsible for the operations of the organisation including the supervision and management of staff.

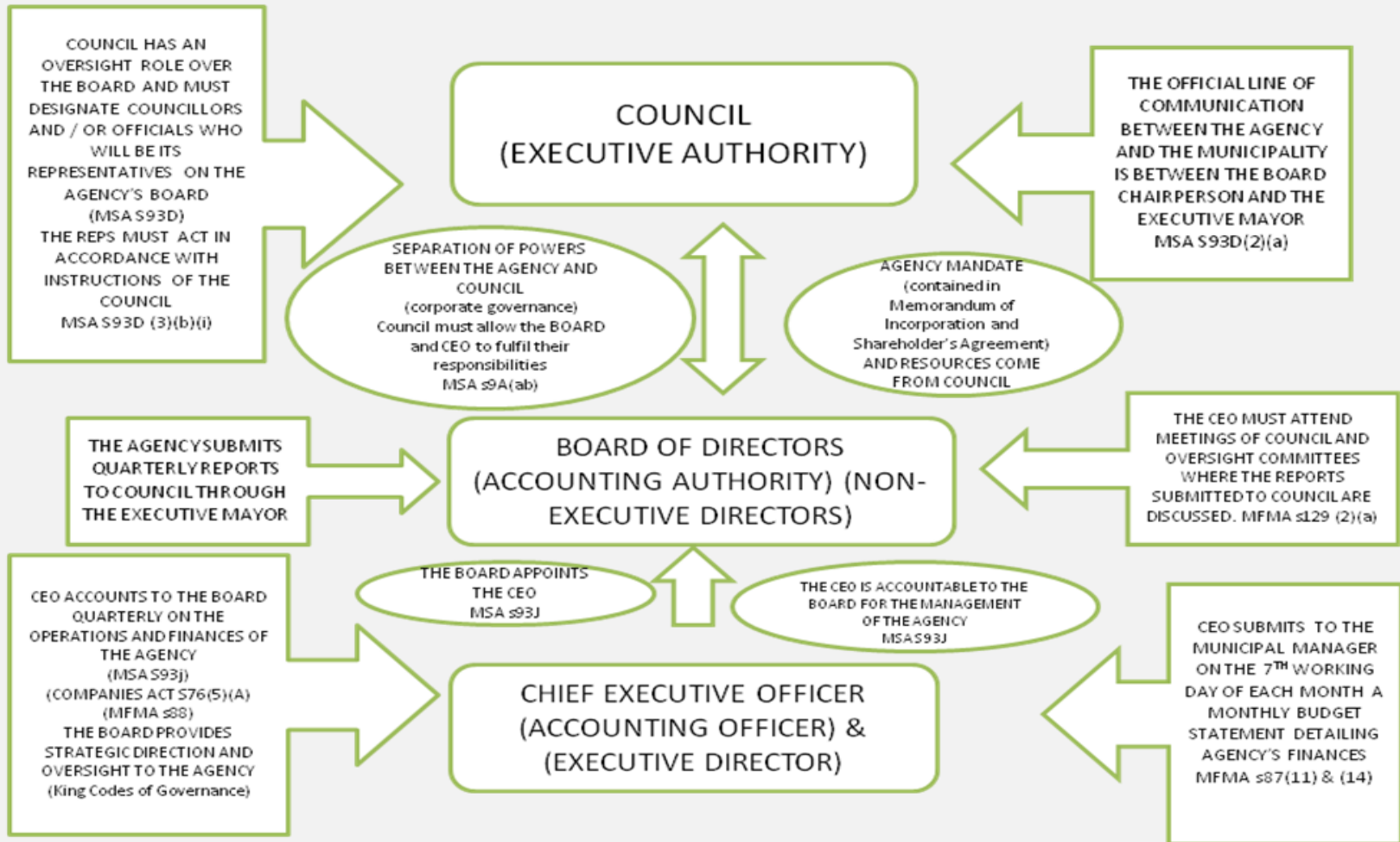
The Board is primarily responsible for amongst other things reviewing and setting policies of the organisation, approving and determining the organisational structure of the organisation, setting and approving the strategic direction of the organisation, appointing, supervising and appraising the CEO, approving annual business plans and budgets, stakeholder relationships and evaluating its own and the organisation's performance, reviewing and approving the Annual Financial Statements of the organisation as well as ensuring that the dictates of the Municipal Finance Management Act are observed. The Board is also encumbered to providing regular reports (quarterly) to the Executive Mayor and to Council about the operations of the organisation.

In order to exercise its role the Board has set up a number of Committees that help to oversee the work of the ANDA. These Committees are the Finance Audit & Risk Committee, the Trade and Investment, the Human Resources and Recruitment

Committee and other ad-hoc committees that it may establish from time to time to provide needed oversight to the functions of the organisation.

The constitution and membership of the committees are reflected in Table 3 overleaf. In the period 2014/2015, the Executive Mayor appointed an Interim Board. This went a long way in ensuring that the work of the Board and that of the organisation is well supported and that the Board is fully functional. The governance and reporting protocols of the ANDA are reflected in Table 4 in the following pages.

**Table 4: Reporting and Governance protocols**



## 7. Revision to legislative and other mandates

There are no expected legislative and mandate revisions save for the revision of the Service Level Agreement between the Agency and the District Municipality to reflect new priorities that reflect the role of the Agency in supporting the districts Local Economic Development Plan and the 5 year Integrated Development plan that the ANDM has committed itself to.

## 8. Overview of the 2015/2016 and METF estimations

### Expenditure Estimates

Program	Budget	Medium Term Expenditure Estimate			
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Available Budget</b>	<b>18 000 000</b>	<b>22 344 900.00</b>	<b>25 652 000.00</b>	<b>28 217 200.00</b>	<b>31 352 444.00</b>
Program 1 : Trade, investment promotion and facilitation	<b>7 100 115</b>	<b>9 052 900</b>	<b>11 460 000</b>	<b>11 713 000</b>	<b>13 014 444</b>
Program 2 : Resource mobilization and Stakeholder Management	<b>1 345 777,00</b>	<b>1 650 000,00</b>	<b>1 550 000,00</b>	<b>2 060 000,00</b>	<b>2 288 889,00</b>
Program 3 : Skills development and capacity building	1 555 241	2 230 000.00	3 230 000.00	5 032 200.00	5 591 333.00
Program 4 :Administration and Corporate Services	7 998 867	9 412 000	9 412 000.00	9412000.00	10457778.00
Program 5 :Financial and Risk Management	<b>2 149 292,00</b>	<b>2 529 000,00</b>	<b>2 779 000,00</b>	<b>2 779 000,00</b>	<b>3 087 556,00</b>
<b>Total</b>	<b>18 000 000</b>	<b>22 344 900.00</b>	<b>25 652 000.00</b>	<b>28 217 200.00</b>	<b>31 352 444.00</b>

## **9. PART B: PROGRAM AND SUB PROGRAM PLANS**

### **9.1 ANDA Strategy Map**

Based on the ANDA strategic intent and its strategy map presented in Appendix A, the performance levels for the period 2015/16 and beyond are hereunder articulated within the context of the four perspectives of the balance score card. The four perspectives are the financial, stakeholder, internal business processes and innovation, growth and development perspectives.

The use of the balanced score card assists the organisation to focus on adding value to the shareholder by develop clear measures for performance and cascading these downwards in the organisation in order that everyone in the organisation can work in a synergistic manner and work towards the same objective.

### **9.2 The Financial perspective**

The strategic objective for this perspective is to increase and diversify the funding base of ANDA whilst containing costs in order that ANDA can perform its mandate

This will be achieved by ensuring that legislated submissions to the District Municipality are submitted in time within the framework and protocols agreed.

The financial management systems of the ANDA will be upgraded to ensure that expenditure is kept within budget and that variations to actual budget are kept within the 5% range either way at the worst case scenario. All things being equal the ANDA plans to keep these variances within the 0% range either way.

### **9.3 The stakeholder perspective**

The strategic objective for this perspective is to develop programs and services that meet stakeholder expectations. In this regard 40% of business and cooperative enterprises will gain access to ANDA facilitated business information initiatives. Business and cooperative enterprise will grow by 10% and the target is at least 200 new business entrants will be active in the district by end of the five years. The volume of business transaction is expected to



grow by 20% from the baseline levels to be established in the current financial year owing to the business information sharing initiatives promoted by ANDA .

It is expected that at least 50 businesses from the district will export their products and at least 500 seasonal jobs would be created as a result of the promotion of trade in the district within the MTEF period.

Enterprises supported through ANDAs trade promotion initiatives will increase their production rate by 30% and cut their costs by 20% whilst increasing their turnover by 30%. At least 70% of all business entrants supported through ANDAs capacity building initiatives will survive the first 18 months of establishment.

Communication efforts to increase the brand value of the ANDA will be instituted in the reporting period by engaging media platforms and signing MOUs with 1 community radio.

ANDA plans through its resource mobilization initiatives to mobilize at least R100 million for strategic economic infrastructure projects, training, skills development programmes, agriculture, ICT, Sports and Arts programmes in the district.

At least 1000 jobs would be created as a result of the investment levels that would have been attracted to the district.

5 branding events, 10 articles in newspapers and 10 features on media stations are planned for this annual period. At least 100 online social media postings to targeted audiences are planned through its marketing, communications and stakeholder management program.

#### 4.3 The business process perspective

The strategic objective for the business process perspective is to strengthen ANDA processes, systems and procedures to build a self sustainable business. In this regard in the reporting period, ANDA will develop and update its operating systems and manuals, streamline its operating policies, develop knowledge management systems and institutionalize standardise its operating systems. A Human Resources Information

Management System (HRIMS) will be instituted in order to ensure that there is 100% accuracy of personnel data.

#### **9.4 The innovation, learning and growth perspective**

The strategic objective in respect of the innovation, learning and growth perspective is to build organizational competencies to deliver ANDA programs and services that deliver ANDA added-value programs and services. In this regard ANDA in the reporting period will continue to develop its human capital base so that it can deliver products and services that meet stakeholder expectations.

Consequently it is planned that 100% of the ANDA staff recruited will remain with the organisation. All ANDA jobs will be evaluated and graded. All vacancies will be filled within agreed turnaround times, all staff will sign their performance agreements and performance will be measured against targets in order to ensure that 100% of targets set are achieved. 2 staff persons in each department will be identified as succession candidates in line with the succession policy that will be developed in the reporting period. An Employment Equity Plan for the organisation will be developed in the reporting period in order to ensure that the organisation is reflective of the district demography.

In respect of human resource development it is planned that a Workplace Skills Plan will be in place and that training will be provided to meet all identified skills gaps. This will lead to improved performance levels and productivity in the organisation. A Wellness program will be pursued in order to ensure that staff is fully functioning in their allocated post.

## 10. Programs and sub program plans

### 10.1 Program 1: TRADE, INVESTMENT PROMOTION AND FACILITATION

**Programme purpose:** To expose business and cooperative enterprise to domestic and international markets and trade.

#### Strategic objective annual targets for 2015/2016

Strategic objective: Growth and strengthened business and co-operative enterprises in the district.	Estimated Performance	Medium-term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>KEY PERFORMANCE AREA</b>					
Agricultural grain hectares development	230	300h	400h	1500h	2000
Msukeni enterprise (restaurant, filling station, etc.)					
Goxe maize production (NBThe land is fixed at Goxe, we cannot increase hectars)	50h	50h	50h	50h	50h
Emfundisweni (B&B, Bakery, Lease land, skills training centre, shopping mall, IT centre, etc.)	120 (people trained)	160	200	250	300
Mbizana chicken abattoir (Fort Donald)	1 (facility maintained)	1	1	1	1

### Programme performance indicators for annual targets 2015/16

Program performance indicator	Estimated Performance	Medium term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Msukeni feasibility study conducted	0	0	1	1	1
Msukeni strategic business plan completed	0	0	1	1	1
Number of Goxe hectares cultivated and harvested for vegetable production	15h	20h	30h	35h	40h
Number of Goxe vegetable bags produced	10	20	30	40	50
Number of Goxe maize tons produced	1	1.50	2	3	3
Number of Goxe maize bags produced	25 (40kg)	30 (40kg)	50 (40kg)	75 (40kg)	75 (40kg)
Mfundisweni agreement developed and signed	1	1	1	1	1
Mfundisweni feasibility study conducted	0	1	1	1	1
Mbizana chicken abattoir (Fort Donald) feasibility study conducted	0	1	1	1	1
Mbizana chicken abattoir (Fort Donald) strategic business plan completed	0	1	1	1	1
ICT strategy development	0	0	1	1	1
Marketing Strategy and Plan (Revised)	0	0	1	1	1

### Quarterly targets for 2015/16

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1st	2 <sup>nd</sup>	3rd	4 <sup>th</sup>
Mfundisweni agreement developed and signed	Quarterly	1	0	0	1	0
Mfundisweni feasibility study conducted	Quarterly	0	0	0	0	0
Mbizana chicken abattoir (Fort Donald) feasibility study conducted	Quarterly	0	0	0	0	0
Mbizana chicken abattoir (Fort Donald) strategic business plan completed	Quarterly	0	0	0	0	0
ICT strategy development	Quarterly	0	0	0	0	0
Marketing Strategy and Plan (Revised and updated)	Quarterly	0	0	0	0	0
Saphukanduku Maize Production	Quarterly	1	0	1	0	0
Dangwana Cooperative	Quarterly	2	0	1	1	0

## Reconciling performance targets with the budget and MTEF

Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Agricultural grain hectares development	860 000,00	997 600,00	1 157 216,00	1 353 942,72	1 584 112,98
Msukeni enterprise (restaurant, filling station, etc.)	500 000,00	580 000,00	672 800,00	787 176,00	920 995,92
Goxe maize production	850 000,00	986 000,00	1 143 760,00	1 338 199,20	1 565 693,06
Emfundisweni (B&B, Bakery, Lease land, skills training centre, shopping mall, IT centre, etc.)	900 000,00	1 044 000,00	1 211 040,00	1 416 916,80	1 657 792,66
Mbizana chicken abattoir (Fort Donald)		986 000,00	1 143 760,00	-357 000,80	-417 690,94
Marketing Strategy and Plan (Revision)		1 032 400,00	1 197 584,00	1 401 173,28	1 639 372,74
Investment Promotion		1 280 000,00	1 484 800,00	1 737 216,00	2 032 542,72
Saphukanduku Maize Production					
<b>Total</b>	<b>3 110 000,00</b>	<b>9 052 000,00</b>	<b>11 460 000,00</b>	<b>11 713 000,00</b>	<b>13 014 444,00</b>

## 10.2 Program 2: RESOURCE MOBILISATION AND STAKEHOLDER MANAGEMENT

**Programme purpose: To ensure sustainability of the Agency's Business Model**

**Strategic objective annual targets for 2015/2016**

Strategic objective: Increased revenue base of the Agency	Estimated performance	Medium-term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>KEY PERFORMANCE AREA</b>					
Infrastructure development	0	1	2	3	3
Project and business packaging	8	14	16	16	16
Funding models and institutional mechanisms	0	1	1	1	1
Investment attractions	3	6	6	6	6

**Programme performance indicators for annual targets 2015/16**

Program performance indicator	Estimated Performance	Medium term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Number of strategic infrastructure initiatives	0	1	2	3	4
Rand value for strategic infrastructure investments generated	0	R10m	R15m	R15m	R 30m
Number of projects and businesses packaged	8	12	16	20	25
Number of investors attracted	3	6	6	6	7

### Quarterly targets for 2015/16

Performance indicator	Reporting period 2015/16	Annual target 2015/16	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Number of strategic infrastructure initiatives	Quarterly	0	0	0	0	1
Rand value for strategic infrastructure investments generated	Quarterly	0	0	0	0	0
Number of projects and businesses packaged	Quarterly	8	0	0	4	2
Number of investors attracted	Quarterly	3	0	0	2	1

### Reconciling performance targets with the budget and MTEF Expenditure estimates:

Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Infrastructure development	0	760500	889785	1041048	1218027
Project and business reporting	0	50000	60000	70000	70000
Funding models and institutional mechanisms	0	292500	342225	700403	698161
Investment attractions	0	65259	76353	89333	104520
<b>Total</b>	<b>0</b>	<b>1168259</b>	<b>1368963</b>	<b>1900784</b>	<b>2090708</b>



### 10.3 Program 3: SKILLS DEVELOPMENT AND CAPACITY BUILDING

**Program purpose:** To provide technical and non-financial support to businesses and SMMEs.

#### Strategic objective annual targets for 2015/2016

Strategic objective: To enhance the efficiency and productivity of business enterprises.	Medium-term targets			
	2015/2016	2016/2017	2017/2018	2019/2020
<b>KPA</b>				
Business and Technical skills training	45 people	45 people	45 people	45 people
Quality assurance	4	5	5	6

#### Programme performance indicators for annual targets 2015/16

Program performance indicator	Medium term targets			
	2015/2016	2016/2017	2017/2018	2019/2020
Reporting template for projects developed	1	1	1	1
Number of training opportunities for projects conducted (strategic business planning, management, governance, business, financial, technical etc)	12	16	20	22
Number of training partnerships conducted	4	8	18	20
Number of MoUs signed	4	4	4	5
Percentage reduction in costs of production as a result of ANDA interventions	15%	20%	20%	25%

Number of farmers in the district supported through livestock improvement programs	5500	6000	6500	7000
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### Quarterly targets for 2015/16

Performance indicator	Reporting period 2015/16	Annual target 2015/16	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Reporting template for projects developed	Quarterly	1	0	0	1	0
Number of training opportunities for projects conducted (strategic business planning, management, governance, business, financial, technical etc)	Quarterly	2	3	0	3	3
Number of training partnerships conducted	Quarterly	4	0	0	3	1
Number of MoUs signed	Quarterly	4	0	0	3	1
Percentage reduction in costs of reduction as a result of ANDA interventions	Quarterly	5%	0	0	1%	4%
Number of farmers in the district supported through livestock improvement programs	Quarterly	5500	1000	1000	2000	1500

## Reconciling performance targets with the budget and MTEF

Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Business and Technical skills training	0	50000	100000	100000	100000
Incubator programme	1200000	1200000	1200000	1000000	100000
Quality assurance	0	30000	30000	1032200	1148667
<b>Total</b>	<b>1200000</b>	<b>1280000</b>	<b>1330000</b>	<b>2132200</b>	<b>2248667</b>

## Programme performance indicators for annual targets 2015/16

Program performance indicator	Estimated Performance	Medium term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Rand value received by Msukeni from retail earnings (bead work, sewing and tomato)	R10 000	R20 000	R20 000	R50 000	R 100 000
Rand value received by Msukeni from retail earnings (hiring of conference facility)	R10 000	R20 000	R20 000	R50 000	R 150 000
Number of Saphukanduku bags produced	150	200	300	<b>400</b>	<b>500</b>
MoU signed with Mngcunube Development	1	1	1	1	1
Number of household gardens established for vegetable production	50	50	60	100	100
Number of farmers developed in agricultural livestock	200	250	500	600	800

Number of LM's at the ANDM/ANDA stand at the Tourism Indaba	4	4	4	4	5
Number of exhibition spaces at the indaba in May 2016	1	1	1	1	1
Umzimvubu Goats project	1	1	1	1	1

### Quarterly targets for 2015/16

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Rand value received by Msukeni from retail earnings (bead work, sewing and tomato)	Quarterly	R10.000	0	R 5000	R2500	R2500
Rand value received by Msukeni from retail earnings (hiring of conference facility)	Quarterly	R10 000	0	5000	R2500	R2500
MoU signed with Mngcunube Development	Quarterly	1	0	1	0	0
Number of household gardens established for vegetable production	Quarterly	20	0	5	10	5
Number of farmers developed in agricultural livestock	Quarterly	200	50	50	50	50
Number of LM's at the ANDM/ANDA stand at the Tourism Indaba	Quarterly	4	0	0	0	4
Number of exhibition spaces at the indaba in May 2016	Quarterly	1	0	0	0	1
Umzimvubu Goats project	Quarterly	1	0	0	1	1

**Reconciling performance targets with the budget and MTEF  
Expenditure estimates:**

<b>Expenditure</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Msukeni	50 000,00	50 000,00	100 000,00	250 000,00	251 250,00
Fruit vegetable and grain production hectares development	100 000,00	125 000,00	125 000,00	250 000,00	251 250,00
Household gardens development	50000	62 500,00	62 500,00	125 000,00	125 625,00
Agricultural livestock farmer development	150 000,00	187 500,00	187 500,00	375 000,00	376 875,00
Tourism exhibition platforms	55 000,00	68 750,00	68 750,00	137 500,00	138 187,50
Goats project – Umzimvubu	100 000,00	125 000,00	125 000,00	250 000,00	785 222,00
<b>TOTAL</b>	<b>505000,00</b>	<b>618750,00</b>	<b>618750,00</b>	<b>1387500,00</b>	<b>1928409,50</b>

**10.4 Program 4: ADMINISTRATION AND CORPORATE SERVICES**

**Programme purpose:** To ensure effective administration, communication, marketing and all corporate services.

**Strategic objective annual targets for 2015/2016**

<b>Strategic objective:</b> Organisational efficiency	<b>Estimated performance</b>	<b>Medium-term targets</b>			
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
<b>KPA</b>					
Human Resources Management	70%	80%	85%	95%	95%
Communication, marketing & branding strategy	1	1	1	1	1

Information communication Technology strategy and plan	1	1	1	1	1
Facilities Management	1	1	1	1	1
Knowledge Management & Business Intelligence	1	1	1	1	1
Administration	R1 198 950	R1 000 000	R1 500 000	R1 750 000	R2 000 000
Stakeholder Management	1	1	1	1	1

### Quarterly targets for 2015/16

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Percentage of vacancies filled within the agreed turnaround time	Quarterly	100%	100%	100%	100%	100%
Percentage compliance with HR policies and procedures	Quarterly	100%	100%	100%	100%	100%
Percentage alignment of remuneration and benefits to positions as a result of regular salary market surveys	Quarterly	100%	100%	100%	100%	100%
Percentage of accuracy and integrity of personnel information	Quarterly	100%	100%	100%	100%	100%
Percentage reduction in the number of Corporate Service Audit findings	Quarterly	100%	100%	100%	100%	100%
Percentage of personnel trained in the identified skills gap	Quarterly	100%	100%	100%	100%	100%
Percentage of positions filled as per the EE plan	Quarterly	100%	100%	100%	100%	100%
Number of branding events	Quarterly	1	0	0	1	0
Number of social media postings	Quarterly	100	0	0	50	50

## Reconciling performance targets with the budget and MTEF

### Expenditure estimates:

Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Human Resources Management	7 735 000.00	7 735 000,00	7 735 000,00	7 735 000,00	8 431 150,00
Communication, marketing & branding strategy	370 000.00	370 000,00	370 000,00	370 000,00	403 300,00
Information communication Technology	75 000.00	75 000,00	75 000,00	75 000,00	81 750,00
Knowledge Management & Business Intelligence	400 000.00	400 000,00	400 000,00	400 000,00	436 000,00
Administration	22 000.00	22 000,00	22 000,00	22 000,00	23 980,00
Stakeholder Management Satisfaction	10 000.00	10 000,00	10 000,00	10 000,00	10 900,00
<b>Total</b>	<b>9 412 000.00</b>	<b>9 412 000,00</b>	<b>9 412 000,00</b>	<b>9 412 000,00</b>	<b>10 457 778,00</b>

## 10.5 Program 5: Financial and Risk Management

**Programme purpose:** Sound Financial and Risk Management

**Strategic objective annual targets for 2015/2016**

Strategic objective: Enhanced governance and accountability standards of the ANDA	Estimated performance	Medium-term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>KEY PERFORMANCE AREAS</b>					
Risk management strategy and plan	1	1	1	1	1

<b>Strategic objective:</b> Enhanced governance and accountability standards of the ANDA	<b>Estimated performance</b>	<b>Medium-term targets</b>			
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Risk assessment completed	1	1	1	1	1
Divisional fraud prevention education events	4	4	4	4	4
Internal Audit completed	4	4	4	4	4
Combined assurance plan	1	1	1	1	1

#### Programme performance indicators for annual targets 2015/16

<b>Program performance indicator</b>	<b>Estimated Performance</b>	<b>Medium term targets</b>			
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Number of risks identified (only focused on top risks)	<5	<3	<2	<2	<2
Number of identified risks mitigated	5	3	2	2	2
Number of audit (AGSA) findings and recommendations addressed by management	30	20	10	8	7
Number of audit findings (AGSA) under review	40	30	20	15	14
Number of internal audit findings raised	20	10	5	4	2
Number of internal audit findings addressed	15	10	5	4	2
Number of fraud incidences identified and prevented	5	5	3	3	2



### Quarterly targets for 2015/16

Performance indicator	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Number of risks identified (only focused on top risks)	Annual	<10	<10	0	0	0
Number of identified risks mitigated	Quarterly	10	0	2	5	10
Number of audit (AGSA) findings and recommendations addressed by management	Quarterly	40	0	20	30	40
Number of audit findings (AGSA) under review	Quarterly	50	0	10	40	50
Number of internal audit findings raised	Quarterly	30	0	30	30	30
Number of internal audit findings addressed	Quarterly	10	0	10	10	10
Number of fraud incidences identified and prevented	Quarterly	0	0	0	0	0

**Reconciling performance targets with the budget and MTEF  
Expenditure estimates: Internal Audit & Risk.**

Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Risk Management	120 000	126 000	128 520	131 090	233 712
Fraud prevention	45 000	47 250	48 195	49 159	203 118
Audit (AGSA)	55 000	57 750	58 905	60 083	61 285
Internal Audit	434 292	456 007	465 127	474 429	483 918
Combined Assurance Plan	50 000	52 500	252 970	258 029	263 190
Compliance	90 000	94 500	96 390	98 318	100 284
Policy Development & Review	18 000	18 900	19 278	19 664	20 057
Strategic Planning, Monitoring & Review	10 000	282 743	288 398	294 166	300 049
<b>TOTAL</b>	<b>972 292</b>	<b>1 293 150</b>	<b>1 518 433</b>	<b>1 548 801</b>	<b>1 832 753</b>

**Strategic objective annual targets for 2015/2016**

Strategic objective: Increase, protect and diversify ANDA funding base	Estimated performance	Medium-term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>KEY PERFORMANCE AREAS</b>					
Revenue	R 15 mill	R20 million	R 30 million	R 50million	R 80 million
Financial management	1	1	1	1	1
MFMA and Treasury Regulations Compliance	12	12	12	12	12
Audit	5	5	5	6	7
Supply Chain Management	4	4	4	6	8

**Programme performance indicators for annual targets 2015/16**

Program performance indicator	Estimated Performance	Medium term targets			
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Rand amount of transfers received	R 29,7 million	R 32,94 million	R 36,23 million	R 37million	R 38 million
Number of monthly MFMA s87(11) budget performance reports submitted to MM	12	12	12	12	12
Number of ANDA draft budget and draft adjustment budget submission made to the ANDM on time	2	2	2	2	2
% compliance to FM policies and operating Procedures manual checklist	100%	100%	100%	100%	100%
% compliance to MFMA and Treasury Regulations ANDA checklist	100%	100%	100%	100%	100%
% Reduction in the number of significant audit findings and emphasis of matter	80%	90%	95%	95%	95%
% compliance to MFMA on submission of AFS	100%	100%	100%	100%	100%
Type of Annual Audit outcome	Unqualified audit opinion	Clean Audit	Clean Audit	Clean Administration	Clean Administration
Percentage adherence to SCM policies and procedures ANDA checklist	100%	100%	100%	100%	100%
% compliance with SCM regulation 6 on submission of SCM report.	100%	100%	100%	100%	100%

Quarterly targets for 2015/16

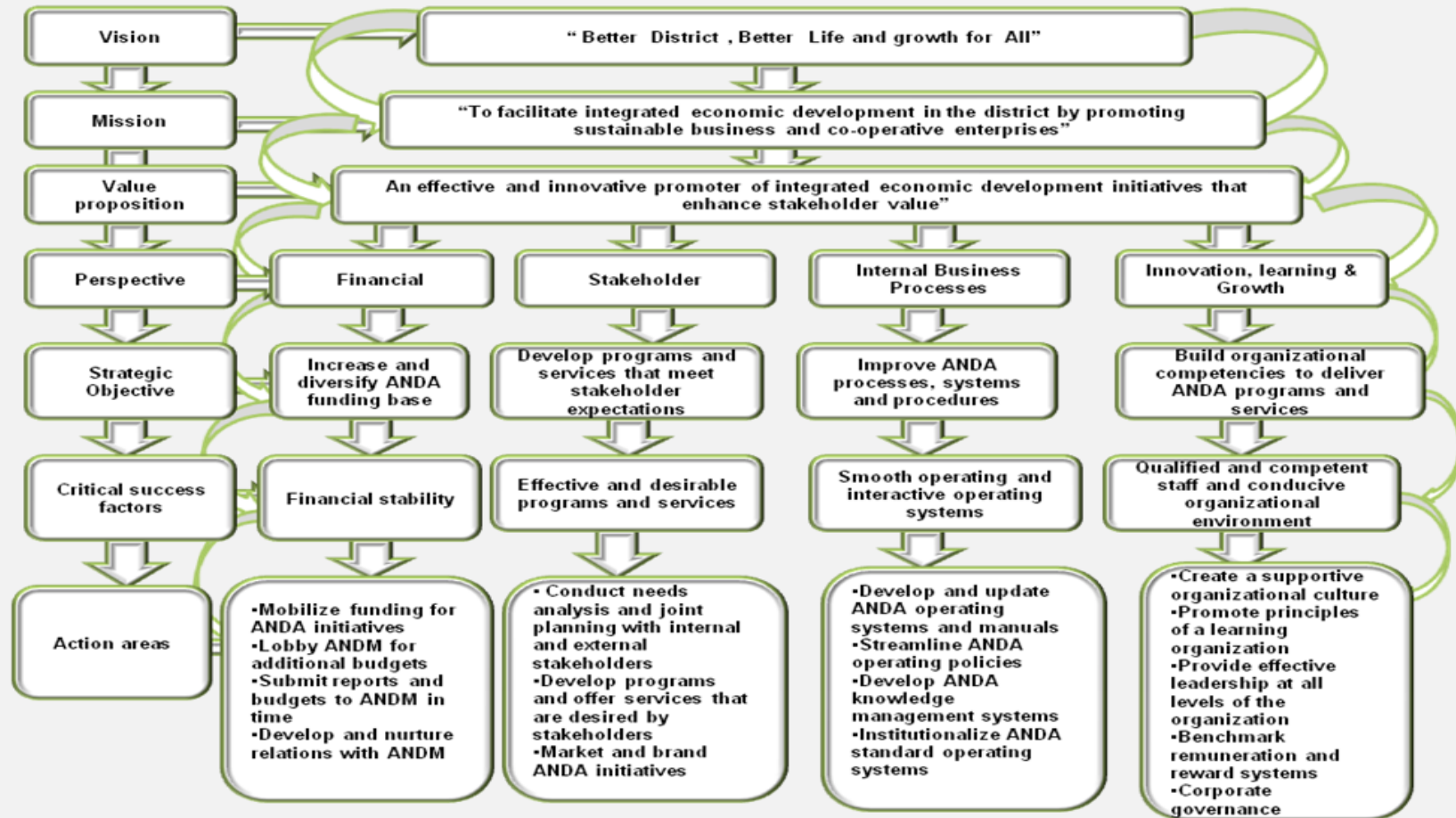
Performance indicator	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Rand amount of transfers received	Quarterly	R 27 million	R 6,75 million	R 6,75 million	R 6,75 million	R 6,75 million
Percentage variance of actual vs budget	Quarterly	<5%	<5%	<5%	<5%	<5%
Number of monthly MFMA s87(11) budget performance reports submitted to MM	Quarterly	12	3	3	3	3
Number of ANDA draft budget and draft adjustment budget submission made to the ANDM on time	Bi-Annually	2	n/a	n/a	2	n/a
% compliance to FM policies and operating Procedures manual checklist	Quarterly	100%	100%	100%	100%	100%
% Variance in asset register reconciliation inventory count	Quarterly	0%	0%	0%	0%	0%
% compliance to MFMA and Treasury Regulations ANDA checklist	Quarterly	100%	100%	100%	100%	100%
% Reduction in the number of significant audit findings and emphasis of matter	Quarterly	70%	20%	50%	60%	70%
% compliance to MFMA on submission of AFS	Annually	100%	100%	n/a	n/a	n/a
Type of Annual Audit outcome	Quarterly	Unqualified audit opinion	n/a	Unqualified audit opinion	n/a	n/a
Percentage adherence to SCM policies and procedures ANDA checklist	Quarterly	100%	100%	100%	100%	100%
% compliance with SCM regulation 6 on submission of SCM report.	Quarterly	100%	100%	100%	100%	100%

**Reconciling performance targets with the budget and MTEF**

**Expenditure Estimates:**

Expenditure	FINANCE				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Revenue	155 000	203 630	205 666	207 723	211 877
Financial management	550 000	555 500	561 055	566 666	577 999
MFMA and Treasury Regulations Compliance	48 100	48 581	49 067	49 557	50 549
Audit	45 000	45 450	45 905	46 364	47 291
	378 900	382 689	398 875	359 890	367 087
<b>Total</b>	<b>1 177 000</b>	<b>1 235 850</b>	<b>1 260 568</b>	<b>1 230 199</b>	<b>1 254 803</b>

## APPENDIX A: ANDA STRATEGY MAP



## The ANDA value proposition

“An effective and innovative promoter of integrated economic development initiatives that enhance stakeholder value”

### Service Offerings

- Business development information sharing
- Trade and investment promotion
- Capacity building for SMME's and Co-operatives
- Economic data research intelligence
- Sweating of the district economic development assets
- Partnership development
- Resource mobilisation for strategic infrastructure programs
- Promotion of tourism opportunities

### ANDA values

VALUE STATEMENT	MEANING
Innovation	We are creative, leaders of ideas and take informed risks to deliver value to our stakeholders, are efficient and service delivery oriented
Partnership	We value working with strategic partners to create stakeholder value addition
Integrity	We are transparent, honest, diligent, and accountable for the work that we do and are committed to operate in a responsive and ethical manner
Ubuntu	We put a human touch to our work, we are people development driven and respect the cultures of the people with whom we work and interact with

