chris hani development agency

our people our heritage our future

Chris Hani Development Agency (SOC) Limited

(Registration number 2012/033437/30)

ANNUAL PERFORMANCE REPORT

(Against Predetermined Objectives)

for the period

2019-2020

Chris Hani Development Agency (SOC) Limited
(Registration number 2012/033437/30)
Annual Performance Report for the year ended 30 June 2020
Directors' Responsibilities and Approval

30 October 2020

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate performance records and are responsible for the content and integrity of the annual performance report (APR) and related supporting portfolio of evidence (POE) towards realised pre-determined objectives.

Therefore:

- It is the responsibility of the directors to ensure that the annual performance report fairly represents the performance against predetermined objectives of the entity as at the end of the financial year

- The directors acknowledge that they are ultimately responsible for the system of internal control and reporting established by the entity and place considerable importance on maintaining a strong control environment that supports the realisation of predetermined objectives, and supports adequate, accurate and reliable reporting on predetermined objectives

- The directors have reviewed the entity's annual performance report (APR) for the year starting 1 July 2019 to 30 June 2020 and, in the light of this review, approve the submission of the attached report, with the additional submission of the approved supporting portfolio of evidence (POE) as a means of verification of reported achievements for the period

- The annual performance report information has been set out on the following pages, and was approved by the directors in a meeting held on the 19 October 2020 and were thus signed on their behalf by:

Mr. Zolile Duze

Chief Executive Officer

30 October 2020

Adv. Andile Mini

Chairperson of the Board

30 October 2020

Ezibeleni Waste Buy-back and Sorting Facility

Table of Contents

1. Introduction: 4
2. Summary Organizational Performance – Annual for 2019-2020: 4
3. Summary on Key Successes – Annual for 2019-2020: 9
4. Summary on Areas of Non-Performance – Annual for 2019-2020: 17
5. Summary Progress on Resolving Areas of Non-Performance – 2018-2019: 27
6. Concluding Remarks 35

1. Introduction:

The agency's strategic objectives are aligned to the parent municipality's IDP objectives. These have been secured in a Service Level Agreement (SLA) between the agency and the CHDM for the year 2019-2020, and have served the basis of structuring the agency's Annual Performance Plan (APP) for the year.

These overarching strategic objectives, or programmes are:

1) ***To develop a proficient and viable organization***
2) ***To develop viable and sustainable rural economies***
3) ***To facilitate investment promotion, SMME development and job creation***
4) ***To facilitate development of sector-specific scarce skills***
5) ***To develop strong stakeholder and community partnerships***

The annual performance report will provide an assessment of the agency's performance in the period starting 1 July 2019 to 30 June 2020, against these identified strategic programmes, and reflect in depth on areas of non-performance.

2. Summary Organizational Performance – Annual for 2019-2020:

The agency's assessed performance for the period 1 July 2019 to 30 June 2020, is as follows:

Achieved:	***71%***	*(100% or greater completion of planned outputs due by end June 2020)*
Partially achieved:	***10%***	*(76 – 99% completion of planned outputs due by end June2020)*
Not achieved:	***19%***	*(less than 75% completion of planned outputs due by end June 2020)*

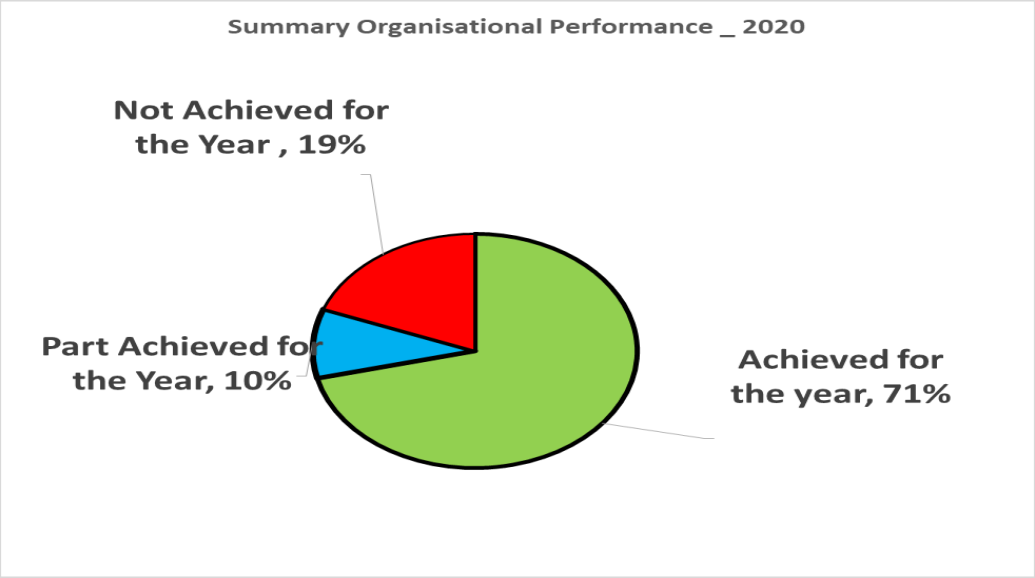

Figure 1 _ Organisation Performance Summary _ 2019-2020

This is comparable to the 72% performance reported at the end of 2018-2019, where 31/43 targets were achieved by end June 2019.

In compiling the performance figures, the organizational performance was reviewed against the individual performance by programme, across each of the 5 key programmes in 2019-2020. The performance by programme can be summarized as follows:

1) ***To develop a proficient and viable organization***
2) ***To develop viable and sustainable rural economies***
3) ***To facilitate investment promotion, SMME development and job creation***
4) ***To facilitate development of sector-specific scarce skills***
5) ***To develop strong stakeholder and community engagement for public accountability***

Summary Performance _ Annual Targets _ YTD 2019-2020						71%
CUMULATIVE PERFORMANCE _ 01/07/2019 - 30/06/2020 AGAINST ANNUAL TARGETS						
Strategic Programme	Targets Due for the Year	Achieved for the year 100% or >	Part Achieved for the Year 75% - 99.9%	Not Achieved for the Year 75% or <	Achieved in Excess / Above Required Performance Metric >100%	
PROG_1: TO DEVELOP A PROFICIENT AND VIABLE ORGANISATION	20	13	5	2	6	46%
PROG_2: TO DEVELOP VIABLE AND SUSTAINABLE RURAL ECONOMIES	16	12	0	4	5	42%
PROG_3: TO FACILITATE INVESTMENT PROMOTION AND SMME DEVELOPMENT	13	9	1	3	2	22%
PROG_ 4: TO FACILITATE DEVELOPMENT OF SECTOR-SPECIFIC SCARCE SKILLS	9	9	0	0	2	22%
TO DEVELOP STRONG STAKEHOLDER AND COMMUNITY ENGAGEMENT FOR PUBLIC ACCOUNTABILITY	15	9	1	5	2	22%
Total:	**73**	**52**	**7**	**14**		
	100%	**71%**	**10%**	**19%**	**17**	**33%**
		81%				

Figure 2 _ Detailed Organisation Performance by Strategic Programme _ 2019-2020

The detail above has been summarized below:

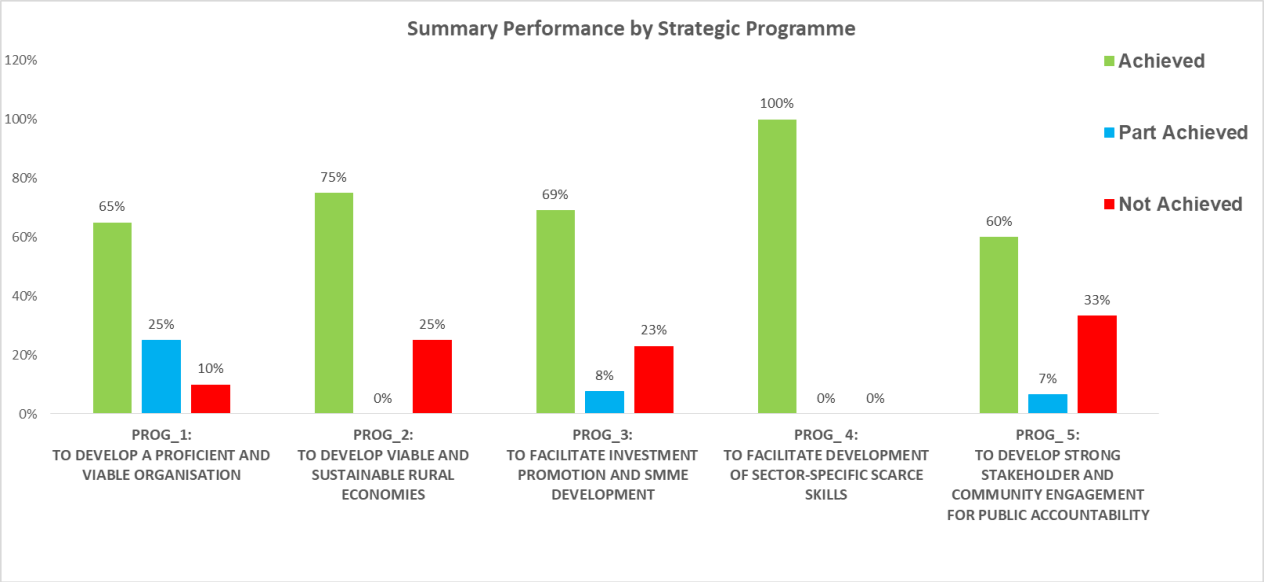

Figure 3 _ Comparative Organisation Performance by Strategic Programme _ 2019-2020

The charts above indicate the status of key output deliverables at 30 June 2020. A detailed look at these figures is explained below:

- A total of 52 deliverables of the 73 (71%) identified for the year have been achieved to within 100% or above of the annual target. **Of the number of targets achieved, a total of 17 of the 52 (33%) have been achieved above the required performance metric (achieved above target).**

- A total of 7 deliverables of the 73 (10%) identified for the year have been partially achieved to within 76-99.99% of the annual target. **On a holistic level, there was positive movement on 81% of the annual performance objectives by the end of June 2020, although some targets were not achieved in full.**

- In closing, a total of 14 deliverables of the 73 (19%) identified for the year have been not achieved, as they have fallen within 0-75% of the annual target.

These performance figures were achieved with the agency spending 87% of its approved budget, and utilizing 99.67% of actual received budgeted-for funds, as follows:

Financial Performance Summary _ 2020							
Source	**Original Budget 2019**	**Revised Budget 2020**	**Year To Date Movement**	**Budget Available**	**% Spent**	**Funds Received**	
Project Expenditure	**21 639 270.00**	**49 920 783.00**	**40 177 405.33**	**9 743 377.67**	80%	Budgeted	
Operational Expenditure	**26 639 817**	**27 876 249**	**27 247 121**	**629 128**	98%	**- 76 554 333**	
Programmes	*1 624 000.00*	*316 649.20*	*315 612.00*	*1 037.20*	100%	Received	
General Expenses	*6 802 172.46*	*8 646 378.53*	*8 775 126.44*	*- 128 747.91*	101%	**- 67 644 950**	
Repairs and Maintainance	*120 187.57*	*467 667.47*	*512 814.54*	*- 45 147.07*	110%	% Received Funds to Budget	
Depreciation or Amortisation	*1 710 720.00*	*1 100 000.86*	*1 520 799.15*	*- 420 798.29*	138%		
Asset Finance Reserve	*58 400.00*	*147 800.00*	*216 210.64*	*- 68 410.64*	146%		
Employee Related Costs	*16 324 336.84*	*17 197 753.15*	*15 906 558.57*	*1 291 194.58*	92%		
Total Expenditure	**48 279 086.86**	**77 797 032.21**	**67 424 526.67**	**10 372 505.54**	**87%**	**88%**	-99.67%

Figure 4 _ Summary Financial Information _ 2019-2020

However, it is worth noting that one of the key challenges for the year remains the non-receipt or late receipt of external funds, in which case, 2019-2020 saw the agency receiving only 88% of its expected budget from third parties. A key enabler was the utilization of unspent grants / rollover funds from prior year.

The next part of the report will indicate in detail areas of key achievement, and areas of non-achievement for 2019-2020, within each of the programmes' key areas of focus.

(Pomegranate Fruit Pilot – Mitford Farms)

3. Summary on Key Successes – Annual for 2019-2020:

The key areas of notable performance leading to the results in the summary table above have been tabled below for easy reference.

For noting, key achievements for the year have been summarized below:

PROG 1: TO DEVELOP A PROFICIENT AND VIABLE ORGANISATION		
Sub-Programme	**Objective**	**Actual Deliverables / Successes Realised**
Corporate Governance	Governance and Oversight Structures	☺ A new board was appointed in December 2019, and a new mandate issued by the shareholder for the CHDA operations ☺ The CHDA board and sub-committees were effective during the year in carrying out their fiduciary duties, and the required minimum number of engagement sessions were held for the year ☺ The CHDA established an ICT steering committee, and it was functional in terms on ensuring that the agency was provided with uninterrupted ICT service delivery during the period. As a result, there were no reported incidences of cyber-crime, data losses, or similar risk events, and the agency managed to implement on 98% of the approved ICT plan for the year
	Strategy and Business Planning	☺ The CHDA mandate was revised in December 2019, and the changes considered in the annual strategic planning event ☺ The annual strategy review was conducted, and 5-year strategy developed, despite the challenges brought on by the Covid19 pandemic at the end of March 2020. As a result, the strategy review session was conducted virtually, but new strategy developed and approved by end June 2020
	Corporate Finance, SCM and Compliance	☺ The agency has improved its ability to get ready for the AG, and submitted its AFS and APR in time and a clean audit outcome was realized for 2018-2019
	ICT Governance	☺ The CHDA ICT steering committee was functional in terms on ensuring that the agency was provided with uninterrupted ICT service delivery during the period. As a result, there were no reported incidences of cyber-crime, data losses, or similar risk events, and the agency managed to implement on 98% of the approved ICT plan for the year

Financial Viability	Agency Function and Own Revenue Generation	☺ 2 agency function concept documents were developed during the year, and 1 was approved for implementation by CHDA ☺ 6 new contracts were signed during the year for appointment of CHDA as implementing partner, and 5 agency function contracts were being implemented during the year, with CHDA being the chosen implementer for ECDRDAR, CHDM, DEDEAT, DEA and the IDC on various development initiatives. A notable achievement with completion of 2/3 buyback centers under the DEA waste programme, after initial approval of the programme in 2014-2015
	Fundraising to Support Development Programmes	☺ The agency improved significantly in its focus on fundraising in 2019-2020. Of a total target of 11 funding applications were developed and submitted to third parties in 2018-2019, and in 2019-2020, the agency was able to submit 24 funding applications for various development programmes linked to agribusiness, skills development and SMME/co-op/enterprise development
Risk Management	Risk Management and Identification	☺ The annual risk assessment was conducted and risk-based audit plan developed ☺ The agency managed to effectively establish and implement internal process of assessing risk, and monitoring of identified risk action plans/ countermeasures and reported on risk management throughout the year ☺ The agency was able to conduct its annual policy review workshop with staff and the board, as well as held a risk, fraud, corruption and whistleblowing awareness workshop for staff and management in its efforts to improve management of risk in the organisation
PROG 2:TO DEVELOP VIABLE AND SUSTAINABLE RURAL ECONOMIES		
Sub-Programme	**Objective**	**Actual Deliverables / Successes Realised**
Emerging Farmer Mechanisation Support	Operationalisation of the QMC	☺ The Qamata mechanization center was operational during the year. A total of R2.02 million was generated by the center from operations, over 3441 hectares of land. A total of 334 emerging farmer were supported on the mechanization services rollout, towards commercializing their farming activities
Irrigation Scheme Revitalisation	Operationalisation of Bilatye Piggery	☺ The piggery was finally populated with 400 animals, and a launch event held in 2018-2019. In 2019-2020, the CHDA in partnership with DRDLR populated the facility with an additional 200 animals. The co-operative has also commenced selling their produce to local abbattoirs

	Small – scheme Development Initiatives	☺ The CHDA has focused on the larger 4 schemes since inception. However, in 2019-2020, the CHDA took a stance that the smaller irrigation schemes also require development support and assistance. As a result, a status qu report was developed on the small irrigation schemes in the Chris Hani district, which would help identify land pockets, current agricultural activities, as well as future potential for LED activities. The was followed by the partnership being implemented with the CHCDC, where a land-mapping exercise was undertaken, as well as social facilitation to assist the emerging farmers and co-operatives based within the small irrigation schemes
	Baseline Study on Land Ownership	☺ The CHDA has been working with farmers in Qamata and Ncora for a number of years, but social instability and land issues have affected development initiatives at these schemes. In 2019-2020, the CHDA embarked on a report identifying individual land owners in Qamata and Ncora respectively as a basis of informing future agricultural initiatives in these areas
Livestock and Animal Health	Artificial Insemination to Improve Quality of Beef in Elliot Farmers	☺ The insemination programme was implemented again in 2019-2020, with 472 over 250 planned animals being inseminated. However, due to Covid19 pandemic, the related pregnancy diagnostics could not be conducted to determine the conception rate in the inseminated animal population
	Vaccination Programme to Support Livestock Expansion in Emerging Farmers	☺ A total of 1022107 small stock animals were vaccinated in 2019-2020 in a partnership between CHDM, CHDA and Talitha Pharma
Fruit Cluster and Grain Crop Development	Technical Support for Fruit Cluster Development Programmes	☺ The CHDA was able to provide ongoing technical support and monitoring to the pomegranate site in Mitford, the winegrape vineyard in Shiloh, and the apple production pilot in Gubenxa Valley ☺ There were 2 successful harvests at Shiloh and Mitford in 2019-2020
	Technical Support for Agro-processing Development Programmes	☺ The CHDA identified the potential for grain farming in the Ngcobo area, and to commercialise the existing milling facility, embarked on developing a concept and feasibility study for the Ngcobo feed-mill initiative. The reports were developed and finalized by end June 2020

PROG 3: TO FACILITATE INVESTMENT PROMOTION AND SMME DEVELOPMENT AND JOB CREATION		
Sub-Programme	**Objective**	**Actual Deliverables / Successes Realised**
Investment Promotion	Facilitation of Operationalisation of the Komani / Queenindustria Industrial Park	☺ The CHDA submitted an application for the industrial park in Komani, which was subsequently approved for R45m, towards upgrades and renovations in prior period, and in 2019-2020, CHDA was able to coordinate the required stakeholder engagements leading towards implementation on site. The CHDA made an application to the Enoch Mgijima LM to be awarded operator license to run the park, and this was approved via council resolution during the 2019-2020 period ☺ The CHDA also held various ongoing engagement sessions with tenants to promote the industrial park, towards assisting with operationalization and commercial activity within the industrial park
Emerging Enterprise Development	SMME Development	☺ The CHDA intends to be instrumental in enterprise development going forward, and developed a framework to guide SMME development initiatives in 2019-2020. This framework looks ate ensuring sustainability of small enterprises, and how the various systemic processes can be adjusted to ensure that small business owners receive the support they need to grow sustainable business that can contribute to job creation, access funding for growth, as well as contribute to the local economy ☺ The CHDA also developed a database of local / district SMME's to keep track of small enterprises and sector participation in the Chris Hani district ☺ The CHDA also disbursed R2.5m in funding from the CHDM Mayors SMME Fund to qualifying approved small enterprises. This funding was in the form of goods and services required by the enterprises to become operational, or grow ☺ The CHDA also signed 2 post-funding mentorship agreements with third parties to assist enterprises access mentorship support after they were funded
	Co-ops Development	☺ The CHDA identified a number of rural based agricultural co-operatives, and targeted that 5 would access or benefir from mechanization services support. A total of 10 co-ops were accessing mechanization services in the period 2019-2020

		☺ The CHDA also provides assistance to emerging enterprises in commercializing their activities. As a result, 6 offtake agreements were facilitated and signed to assist agricultural co-operatives sell their harvested maize in the formal market to the tune of over R600 000 ☺ 3 training events were also facilitated with technical partners and third parties for agricultural co-operatives based in the district to help formalise their business operations
Work Opportunity Facilitation and Job Creation	Facilitation of Job and Work Opportunities for CHD Locals	☺ The CHDA was able to recruit up to 200 CHD locals in its various programmes during the year, resulting in job creation and work opportunities for locals as well as an income opportunity for these families. The CHDA hopes to continue with job creation efforts going forward in its various LED initiatives
PROG 4:TO FACILITATE DEVELOPMENT OF SECTOR-SPECIFIC SCARCE SKILLS		
Sub-Programme	**Objective**	**Actual Deliverables / Successes Realised**
Multi-targetted Skills Development Initiatives	Bursary Assistance	☺ The agency has continued to deliver on the implementation of the CHDM Mayor's bursary fund in 2019-2020. A total of 24 students were supported during the year, with 10 students graduating in May 2020. This helps improve the district's skills profile ☺ An additional 6 students participated in a CETA funded bursary programme for engineering studies
	Career Seminar Events	☺ The agency delivered on its target of hosting 9/8 planned career seminars, targeted at both learners and educators in the period 2019-2020. This programme is to equip young people in school to make informed subject choices, and select applicable tertiary study options that can help in developing scarce skills in the district, and increase their chances of becoming employable
	Learnership and Internship programme Facilitation	☺ The CHDA hosted an internship with the Services SETA, where 25 youth were placed with various employers in the period 2019-2020. A number of these interns were absorbed into the CHDA internship, and 1 subsequently gained permanent employment by end June 2020 ☺ The CHDA also made an application to the HWSETA, and this was approved, allowing 3 young people from the district to be placed in internship opportunities in Department of Health, Social Development and Inxuba Yethemba LM

		☺ The CHDA also secured an internship programme with the CETA for youth in Inxuba Yethemba, as well as an apprenticeship programme for 30 young people funded by CETA, based in Ngcobo LM ☺ A skills development framework was also developed to identify scarce and critical skills, and formalise how the agency implemented skills development programmes to assist with LED
GOAL5:TO DEVELOP STRONG STAKEHOLDER AND COMMUNITY PARTNERSHIP		
Sub-Programme	**Objective**	**Actual Deliverables / Successes Realised**
Partnership Management	Development Partnerships and Synergies	☺ The CHDA entered into various partnerships with third parties, and these were implemented and monitored during 2019-2020. ☺ Notable achievements were the partnership assessments conducted on projects located within irrigation schemes, funded by IDC, DEDEAT, CHDM, and well as the National Council for Geosciences focusing on coal mining exploration opportunities in the Chris Hani district ☺ A partnership selection framework was also developed in 2019-2020 to help the CHDA in identifying and recruiting, as well as managing technical partnerships to increase value from these partnerships on LED projects
External Communications and PR	Agency Communications Plan and Annual Report	☺ The annual report was developed and issued on time

(Bilatye Piggery Placement and Operationalisation)

4. Summary on Areas of Non-Performance – Annual for 2019-2020:

The key areas of non-performance leading to the results in the summary table above have been tabled below for easy reference.

The table indicates areas of non-performance, underlying issues, and progress to remedial action and anticipated level of confidence in target being achieved in the new financial year.

<table>
<tr><th colspan="6">PROG 1: TO DEVELOP A PROFICIENT AND VIABLE ORGANISATION</th></tr>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td rowspan="2">Financial Viability</td><td rowspan="2">Own Revenue Generation</td><td>IDC / Andanathi operational plan on Bilatye Scheme infrastructure upgrade not fully implemented in line with SLA</td><td>Covid 19 lockdown period delayed the final construction of the shed / office building and installation of office equipment</td><td>Engage supplier and implementing partner on arrangements for final delivery of materials to site, and monitor construction progress after lockdown restrictions are eased

Responsible: Z Duze; M Mayekiso
Date: 31 December 2020</td><td>Yes</td></tr>
<tr><td>DEDEAT / CHCDC operational plan on logic packhouse construction not fully implemented in line with SLA</td><td>Covid 19 lockdown period delayed the construction works due to material delays to site

Budgetary challenges due to private partner not raising 50% of construction costs</td><td>Engage supplier and technical partner on arrangements for construction completion onsite, and monitor progress after lockdown restrictions are eased. The CHDA also plans to make a separate funding application to IDC and DEDEAT to raise R15m (remaining 50%) required budget

Responsible: Z Duze; S Jobela
Date: 31 December 2020</td><td>Yes</td></tr>
</table>

<table>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td rowspan="2">Financial Viability</td><td rowspan="2">Own Revenue Generation</td><td>CHDM/ CHCDC operational plan on Small Scheme social facilitation, institutional arrangements and land mapping not fully implemented in line with SLA</td><td>Covid 19 lockdown period delayed the required stakeholder engagement activities with identified co-operatives, and only land mapping exercise completed</td><td>Arrange alternative stakeholder engagement methods to finalise social facilitation and institutional arrangements
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>Z Duze; S Jobela</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td>DEA construction and handover of buyback waste centers not finalised</td><td>Budget shortfall has resulted in construction delays, as a result, 1/3 centers not completed (Ezibeleni) by end June 2020</td><td>Claim the guarantee amount from contractor insurance and issue tender for completion of construction works
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>N Nyukwana</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td>Risk Management</td><td>Risk Identification and Management</td><td>The approved internal audit plan not fully implemented, with 10/12 audits completed by end June 2020</td><td>Covid 19 office shutdown affected completion of scheduled audits in the last quarter

No movement on audit plan despite acting appointment during extended sick leave of Fin/Admin Manager in quarter 2/3</td><td>Alternate methods to audit off-site required to catch up on outstanding audits
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>F Tiso; Internal Audit</td><td>30 October 2020</td></tr></table></td><td>Yes</td></tr>
</table>

<table>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td>Performance Management</td><td>Organization and Staff Performance Management</td><td>The targeted 80% organizational performance score was not achieved (71% of targets achieved)</td><td>Covid 19 and budget constraints affected realization of targets relating to funding from third parties, as well as relying on stakeholder engagement</td><td>Improve performance monitoring and tracking outside of quarterly performance reporting to ensure that planned annual target score is better monitored in future. This includes finalization of resource appointment for performance management and monitoring, as well as monitoring 2019-2020 targets not achieved and reporting on status at midyear of 2020-2021

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>Z Duze</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td>Internal Competencies, Learning and Growth</td><td>Strategic HRM</td><td>The targeted 95% implementation of HRM action plan was not achieved (77% of activities achieved)</td><td>Covid 19 and budget constraints / Treasury regulation erlating to cost-containment affected realization of targets relating to events and staff activities, and by external service providers

No movement on some elements of plan despite acting appointment during extended sick leave of Fin/Admin Manager in quarter 2/3</td><td>Appoint service provider for staff satisfaction survey after lockdown restrictions are eased, and find alternate methods of funding planned staff events relating to teambuilding, etc

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>FTiso</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
</table>

<table>
<tr><th colspan="6">PROG 2:TO DEVELOP VIABLE AND SUSTAINABLE RURAL ECONOMIES</th></tr>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td rowspan="2">Irrigation Scheme Revitalisation</td><td>Commercialisation of Winery at Shiloh</td><td>The planned feasibility report on wine tourism for the Shiloh area was not developed</td><td rowspan="2">No movement by project manager on item during the year</td><td rowspan="2">Improve monitoring and reporting procedures for project staff as well as performance monitoring on individual targets
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>M Mayekiso</td><td>31 December 2020</td></tr></table></td><td rowspan="2">Yes</td></tr>
<tr><td>Expansion of dairy Activities at Shiloh and Ncora</td><td>The planned concept documents for dairy expansion at both schemes were not developed</td></tr>
<tr><td>Livestock and Animal Health</td><td>Artificial Insemination to Improve Quality of Beef Farmers in Elliot</td><td>The planned pregnancy diagnostic exercise was not conducted after the insemination process to confirm conception rates in animal population</td><td>Covid 19 affected ability for technical partner and project manager to conduct diagnostics testing</td><td>Find alternative methods of confirming pregnancies from farmers, as too late to conduct pregnancy diagnosis on animals
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>M Mayekiso</td><td>31 October 2020</td></tr></table></td><td>Yes</td></tr>
</table>

<table>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td>Fruit Cluster Development</td><td>Technical support for fruit cluster development</td><td>The planned concept documents for new fruit cluster initiatives were not developed</td><td>No movement by project manager on item during the year

Delays in filling vacant position of Fruit Specialist and absence of relevant partnerships</td><td>Approve organogram allowing for appointment of Fruit Specialist as well as finalise appointment of applicable technical partners on fruit projects

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>M Mayekiso</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td colspan="6">PROG 3: TO FACILITATE INVESTMENT PROMOTION AND SMME DEVELOPMENT AND JOB CREATION</td></tr>
<tr><td rowspan="2">Investment Promotion</td><td>Facilitation of Operationalisation of Komani Industrial Park / Queenindustria Industrial Park</td><td>1 / 4 planned project stakeholder engagement sessions was not held</td><td>Covid 19 lockdown period affected the planned engagement session to be held for quarter 3</td><td>Extension to be sourced for completion of upgrade project with funder, and re-schedule of project status update meeting when possible

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>N Nyukwana</td><td>30 September 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td>Promotion of CHD as Preferred Investment Destination</td><td>2/5 planned investor events were not held</td><td>Covid 19 lockdown period affected the planned engagement session to be held for quarter 3 and 4</td><td>Reschedule the planned events and hold them at later date, and identify alternate means of hosting events (e.g virtually)

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>N Nyukwana</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
</table>

<table>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td>Emerging Enterprise Support</td><td>SMME Development</td><td>The required level of funding to be disbursed of CHDM funds for SMME;s was not achieved</td><td>CHDA disburses based on approvals granted by the CHDM, and value of approvals fell below the budgeted amount</td><td>None possible – will await funding instructions from parent municipality and record unpaid funds as unspent grants / liability
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>N Nyukwana</td><td>n/a</td></tr></table></td><td>Yes</td></tr>
<tr><td></td><td>Co-ops Support</td><td>The planned offtakes for waste co-ops were not signed by end June 2020</td><td>Co-ops have signed intent, but delays in approval and signing of SLA with EMLM to allow CHDA to operate buy-back facilities affected timeous engagement of co-ops on waste collection activities</td><td>Follow up with EMLM on operationalization agreements for waste buy back and sorting facilities after construction completion of main Ezibeleni center
<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>N Nyukwana</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td colspan="6">PROG 4:TO FACILITATE DEVELOPMENT OF SECTOR-SPECIFIC SCARCE SKILLS</td></tr>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td colspan="6">n/a

All targets achieved in programme</td></tr>
</table>

<table>
<tr><th colspan="6">GOAL5:TO DEVELOP STRONG STAKEHOLDER AND COMMUNITY PARTNERSHIP</th></tr>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td rowspan="3">Stakeholder Engagement</td><td>District Development Stakeholder Engagement</td><td>3 / 12 planned irrigation scheme engagement sessions were not attended</td><td>Covid 19 pandemic did not allow large groups / stakeholder engagement activities in last quarter</td><td>None possible, as engagement sessions dependent on third parties. CHDA will continue to attend
Responsible: M Mayekiso
Date: n/a</td><td>Yes</td></tr>
<tr><td>Skills Development Stakeholder Engagement</td><td>1 / 2 planned PSDF events were not attended</td><td>Covid 19 pandemic did not allow large groups / stakeholder engagement activities in last quarter</td><td>None possible, as engagement sessions dependent on third parties. CHDA will continue to attend
Responsible: N Nyukwana
Date: n/a</td><td>Yes</td></tr>
<tr><td>Irrigation Scheme Stakeholder Engagement</td><td>4 / 12 planned irrigation scheme consultation events not held</td><td>The project manager did not hold the required number of events in quarter 1 and 2 due to social issues in schemes</td><td>None possible, but CHDA will continue to coordinate future engagement sessions
Responsible: M Mayekiso
Date: n/a</td><td>Yes</td></tr>
</table>

<table>
<tr><th>Sub-programme</th><th>Objective</th><th>Area of Non-Performance</th><th>Reason</th><th>Action and Detailed Counter – Measures Going Forward</th><th>C/fwd. to 2020-2021</th></tr>
<tr><td>Stakeholder Engagement</td><td>Suppliers Day Stakeholder Engagement</td><td>1 planned suppliers day event not held</td><td>Covid 19 pandemic did not allow large groups / stakeholder engagement activities in last quarter</td><td>Alternative date to be set, and alternative methods to engage with suppliers to be identified to hold session
Alternate event to be held on safety awareness during Covid for CHDA catering suppliers

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>S SIngeni</td><td>30 September 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td>Partnership Management</td><td>Working partnerships for fruit cluster initiatives</td><td>No working partnership assessed for pomegranate fruit initiative in quarters 3 and 4</td><td>The technical partnership with Pomec was terminated, and alternate partner not appointed during the period for review purposes</td><td>Alternate partner appointment to be fast-tracked

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>M Mayekiso</td><td>30 September 2020</td></tr></table></td><td>Yes</td></tr>
<tr><td></td><td>Beneficiation framework development</td><td>The planned beneficiation strategy / framework was not developed</td><td>Item not finalised pending the adoption of new agency strategy based on new mandate by shareholder</td><td>Defer item to 2020-2021 risk action plan for development as additional control measure towards effective rollout of LED projects and prioritisation of beneficiaries and geographical areas by sector focus as identified in revised CHREDS strategy

<table><tr><th>Responsible:</th><th>Date:</th></tr><tr><td>Z Duze</td><td>31 December 2020</td></tr></table></td><td>Yes</td></tr>
</table>

(Wine Grapes at Shiloh)

5. Summary Progress on Resolving Areas of Non-Performance – 2018-2019:

The key areas of non-performance carried forward from prior year have been tabled below, **and progress on remedial actions implemented this 2019-2020 period indicated.**

PROG 1: TO DEVELOP A PROFICIENT AND VIABLE ORGANISATION							
Sub-programme	**Objective**	**Area of Non-Performance**	**Reason**	**Action Required**	**Detailed Counter – Measures Going Forward**	**C/fwd. to 2019-2020**	**Status at End June 2020**
Corporate Governance	Governance and Oversight Structures	ICT steering committee not met required sittings	2 sittings held in line with TOR's, but second sitting without a quorum	Ensure all future sittings convene with the required number **Responsible:** F Tiso	The agency may need to revise the TOR's and reduce the number in the committee, to comprise of fewer members, making a quorum easier to achieve	Yes	**Resolved**
	ICT Governance	Implementation of ICT action plan below planned target	The ICT governance has improved in general, but significant findings were identified in the ICT review by internal audit, relating to network security and patch management protocols, which resulted in only 87% of the plan being implemented, realising only 92% of annual target	Items identified in the ICT vulnerability report have been developed into an action plan, which was already being implemented at the end of June 2020 **Responsible:** FM Tiso	The items not resolved by end June 2020 have been included in the ICT strategy / action plan for 2019-2020, and will form part of ICT reporting on a quarterly basis	Yes	**Resolved**

Sub-programme	Objective	Area of Non-Performance	Reason	Action Required	Detailed Counter – Measures Going Forward	C/fwd. to 2019-2020	Status at End June 2020
Financial Viability	Own Revenue Generation	ECDRDAR and DEA operational plans not fully implemented in line with SLA	Non-alignment of operational plans with SLA and business plans, as well as poor reporting and monitoring on PMU projects	Improve project planning, reporting and monitoring processes **Responsible:** M Mayekiso N Nyukwana	A request for extension on the DEA project has been submitted, with an application to adjust business plan outputs, but awaiting response from the funder	Yes	**Partial Resolved** ECDRDAR business plans completed business plans completed DEA buyback centres not completed due to budget shortfalls (2/3 construction sites completed and handed over)
Performance Management	Organisational and Staff Performance Management	The targeted 75% organizational performance score was not achieved	Areas initially identified as achieved revised to partial or non-achievement by end June 2020	Improve performance monitoring and tracking outside of quarterly performance reporting **Responsible:** FM Tiso HOD's		No	n/a

Sub-programme	Objective	Area of Non-Performance	Reason	Action Required	Detailed Counter – Measures Going Forward	C/fwd. to 2019-2020	Status at End June 2020
Internal Competencies, Learning and Growth	Strategic HRM	The approved HRM action plan was not fully implemented	The agency closed at above the set vacancy rate of 10%, due to delays in finalizing appointments from resignations, and additional positions in approved organogram. Also, planned staff training and contractual arrangements for employee wellness with parent body not finalized on time	Improve planning, reporting and monitoring processes on approved action plans **Responsible:** FM Tiso	The items not resolved by end June 2020 have been included in the HRM strategy / action plan for 2019-2020, and will form part of ICT reporting on a quarterly basis The HRM action plan has become a standing agenda item in the HRR committee per quarter, and will now be included as a standing item in the MANCO meetings to assist in tracking of performance against set operational sub-plans by management staff	Yes	**Partial Resolved** Vacancy rate and appointments finalized The wellness shared services agreement with parent municipality still not finalized

PROG 2:TO DEVELOP VIABLE AND SUSTAINABLE RURAL ECONOMIES							
Sub-programme	**Objective**	**Area of Non-Performance**	**Reason**	**Action Required**	**Detailed Counter – Measures Going Forward**	**C/fwd. to 2019-2020**	**Status at End June 2020**
Irrigation Scheme Revitalisation	Operationalisation of the QMC	The approved QMC action plan was not fully implemented	Key activities in the operational plan were not finalized due to delays in recruitment of staff, Telkom infrastructure installation and poor reporting	Improve project planning, reporting and monitoring processes **Responsible:** S Jobela M Mayekiso	The items not resolved by end June 2020 have been included in the QMC operational action plan for 2019-2020	Yes	**Resolved**
Fruit Cluster Development	Technical support for fruit cluster development	Required site visits and monitoring not effected in support of project	Site visits and monitoring report not effected on the Gubenxa Valley project in Qtr3	Improve project planning, reporting and monitoring processes **Responsible:** A Jamari M Mayekiso	A fruit specialist has been approved on the organogram, and all fruit projects will be transferred to them for planning, monitoring and overall control	No	**Resolved**

PROG 3: TO FACILITATE INVESTMENT PROMOTION AND SMME DEVELOPMENT AND JOB CREATION							
Sub-programme	**Objective**	**Area of Non-Performance**	**Reason**	**Action Required**	**Detailed Counter – Measures Going Forward**	**C/fwd. to 2019-2020**	**Status at End June 2020**
Investment Promotion	Promotion of CHD as Preferred Investment Destination	Investor event not held	There was a vacancy in the Special Projects portfolio throughout the third quarter, and all dates set in Qtr4 had to be re-scheduled due to non-availability of key people	Improve event planning and coordination activities, to allow for events to be sufficiently publicized, and ensure availability of key stakeholders in advance **Responsible:** N Nyukwana	The CHDA has planned an itinerary of events for marketing the CHD in its 2019-2020 APP, to help boost the various sectors identified as economic drivers for the area	Yes	**Resolved**
SMME Development	Emerging Enterprise Support	Post-funding support for funded SMME's not effected in line with needs	There was a vacancy in the Special Projects portfolio throughout the third quarter, and no key dedicated person responsible for liasing with funded SMME's	Improve project planning, reporting and monitoring processes **Responsible:** N Nyukwana	The CHDA has also recruited interns to assist the PM special projects with Investment Promotion and SMME development activities respectively	Yes	**Resolved**

		analysis conducted					
PROG 4:TO FACILITATE DEVELOPMENT OF SECTOR-SPECIFIC SCARCE SKILLS							
Sub-programme	**Objective**	**Area of Non-Performance**	**Reason**	**Action Required**	**Detailed Counter – Measures Going Forward**	**C/fwd. to 2019-2020**	**Status at End June 2020**
Multi - Targeted Skills development Initiatives	Technical Skills Accreditation	Required number of registered artisans not produced	2 of 6 candidates dropped out of programme reducing number of successful candidate to 6. However, of the 6, a total of 4 received certification	Improve selection procedures on beneficiary or participant groups to ensure high success rate in skills programmes **Responsible:** N Nyukwana	The CHDA has engaged the 2 candidates who failed the test, and is assisting them in getting ready to re-test in 2019-2020	Yes	**Resolved**

		The apprenticeship had not commenced by end June and participants not active	The late adoption of the SLA resulted in 30 candidates being recruited onto programme, but programme not active until 15 July 2020	Improve selection procedures on beneficiary or participant groups to ensure high success rate in skills programmes **Responsible:** N Nyukwana	None possible	Yes	**Resolved**
GOAL5:TO DEVELOP STRONG STAKEHOLDER AND COMMUNITY PARTNERSHIP							
Sub-programme	**Objective**	**Area of Non-Performance**	**Reason**	**Action Required**	**Detailed Counter – Measures Going Forward**	**C/fwd. to 2019-2020**	**Status at End June 2020**
Partnership Management	Development Partnerships and Synergies	The HumKoop Section1b partnership was not reviewed in Qtr3	Poor reporting and oversight on projects	Improve project planning, reporting and monitoring processes **Responsible:** M Mayekiso	The CHDA must develop project implementation and reporting guidelines, as well as partnership selection and management framework to guide such going forward	Yes	**Not Resolved** **The partnership on hold due to social issues in Qamata**

6. Concluding Remarks

The key areas of non-performance up to the end of June 2020 are due to areas within the CHDA's area of control, and outside of its control:

Non-Performance Issues Within Agency's Area of Direct Control	
1) Improvement in own fund-raising for programmes	Agency to consider: - Building internal skills associated with programme conceptualization, feasibility analysis, business planning and funding applications to help reduce reliance on handed-over projects, and non-receipt of promised funds. This will help build a solid project pipeline, as well as create project autonomy, and alternative sources of programme implementation funds
2) Investment in skills and capacity of implementing resources	Agency to invest more in: - Attracting and recruiting the right candidates with the right set of skills, which are needed for building distinct competencies and build organizational strengths - Training and development for implementation staff, to ensure that those who drive programmes are well-equipped with technical, financial and project-management capabilities
3) Improvement in monitoring processes	Agency to consider: - Allocating the responsibility of a strategic manager / performance officer or senior operations to a single individual on a full-time basis to ensure that programme and performance planning, monitoring and management of programme risks is managed daily and prioritized, so performance can be championed within the agency - Design improved methods of reporting by project implementers, linked to pre-approved key performance indicators on programmes. This function has to be driven and monitored by a key resource in the agency, so all reporting is not only reactive, but linked to solutions and counter-measures, and monitoring of high – importance / high – impact areas that could result in poor performance - Investment in advanced monitoring and evaluation training for those involved in project implementation

	- Investment in a monitoring and evaluation baseline study to identify benchmarks for performance planning, and performance review. This will help motivate a business case for the agency, and highlight key achievements
4) Improvement in partner selection and evaluation	Agency needs to: - Create a formal method of selecting partners for development projects, so as to enter in meaningful MOU's and SLA's, given CHDA's disappointments from third parties in the past. - All partnerships must be based on distinctive competencies the agency does not have access to, so all partnerships are mutually beneficial, and reduce the likelihood of non-performance on both parties - A formal method of vetting partners, and monitoring their performance under the terms of the MOU are necessary, so un-beneficial partnerships are cancelled timeously to mitigate associate strategic risk from non-performance
5) Improvement in project Planning, Implementation Management, Reporting and Evaluation Processes	Agency needs to: - Develop a standard framework based on approved project management methodologies, such as PMBOK, on which to base project planning, implementation, reporting and monitoring processes
6) Improvement in disaster management and business continuity processes	The Covid19 pandemic outbreak affected a number of activities, and had there been a comprehensive disaster management and business continuity strategy in place, negative impact on some performance targets and indicators could have been reduced or prevented. Since this, the agency has committed to improving ICT capacity and infrastructure to allow for virtual means of stakeholder engagement, as well as allowing staff to work remotely

Non-Performance Issues Outside of Agency's Area of Direct Control
1) Default on MOU terms by third parties, or non-performance by technical partners
2) Non-receipt of approved funding for programme implementation
3) Social issues in irrigation schemes, which affect how well the agency is able to fulfil its mandate in these areas
4) Covid19 pandemic outbreak affected realization of targets in the last quarter

A detailed performance report for the year is attached as

ANNEXURE A: Detailed Annual Performance report _ 2019-2020

ANNEXURE A _ DETAILED PERFORMANCE REPORT _ 2019-2020