



# **UMGUNGUNDLOVU ECONOMIC DEVELOPMENT AGENCY**

## **ANNUAL REPORT**

**FINANCIAL YEAR 2019/20**

**TABLE OF CONTENTS**

- 1. FOREWORD BY CEO ..... 2
- 2. OVERVIEW OF THE AGENCY..... 3
  - 2.1. UMGUNGUNDLOVU DISTRICT MUNICIPALITY ..... 3
  - 2.2. UMGUNGUNDLOVU ECONOMIC DEVELOPMENT AGENCY ..... 3
- 3. DEPARTMENTAL REPORT ..... 5
  - 3.1. PROJECT DEVELOPMENT & INVESTMENT ..... 5
  - 3.3. HUMAN RESOURCES ..... 12
- 4. DIRECTOR'S REPORT AND GOVERNANCE..... 15
  - 1.1 TABLE OF CONTENT .....20

## **1. FOREWORD BY CEO**

UMgungundlovu Economic Development Agency (UMEDA) is the Economic Development Agency for the UMgungundlovu District Municipality with its mandate “to implement and promote the economic development policies of the UMgungundlovu District Municipality in the areas of economic production, investment and trade”. This includes fast-tracking the implementation of strategic and catalytic local economic development projects within the District.

Critical management staff appointments were made with staff often having to multi-task in various capacities and deliverables. New sectors and high impact projects were identified and these projects will form the cornerstone of the key strategic projects for the Agency as from next financial year. These sectors are as follows:

- Tourism,
- Agriculture
- ICT
- Manufacturing.

Agriculture Sector was one of the strategic focus for the Agency in order to deliver on the mandate and ensuring the farmers are sustainable through RASET Programme managed by the Agency.

The grant funding from KZN COGTA has contributed a lot in ensuring the RASET Programme take off at the planning and implementation stage where more than 42 Farmers benefited through Training and Mentorship, Seedlings and Fertilizers supply, and the markets (Public & Private). Further funding will be sourced through KZN COGTA, hoping that during next financial year the approvals will be secured and next phases of the RASET will be implemented.

One of the highlights during the financial year under review, the Agency secured the infrastructure funding for the N3 Corridor Development through the KZN EDTEA, to be developed at Mkhambathini Municipality, the Agency managed to fully implement the MSCOA system hoping it will result into improved Audit outcome for 2020/21 financial year.

The new Board and Management should review the current corporate strategy to re-align it with the uMgungundlovu Growth and Development Strategy 2020, this coupled with revision of vision, mission, business model and strategic objectives in order for the Management to start implementing the new direction of the Agency as from July 2021.

I would like to take this opportunity to express a word of gratitude to the Board of Directors of the Agency, for their dedication with which they guided the entity. Without their guidance, UMEDA would not have performed as it did in the year under review. I would also like to thank Agency’s most important assets – the staff. You showed your commitment and dedication even under the most difficult and uncertain of circumstances of COVID 19 pandemic

**Gcina Mazibuko**

**Acting CEO**

## **2. OVERVIEW OF THE AGENCY**

### **2.1. UMGUNGUNDLOVU DISTRICT MUNICIPALITY**

The uMgungundlovu District Municipality is the second largest municipality in KwaZulu-Natal, and includes the capital city of the province, Pietermaritzburg. The district has a rich and complex natural environment with numerous resources, including traditional farmland communities, informal rural settlements and upmarket urban areas. An efficient network of roads and railways links the rural areas with urban centres with the N3 national road offering substantial opportunity for development.

### **2.2. UMGUNGUNDLOVU ECONOMIC DEVELOPMENT AGENCY**

UMgungundlovu Economic Development Agency (UMEDA) was established so as to promote and implement economic development within the parent municipality's area of jurisdiction based on the parent municipality's integrated development plan and policies pertaining to this objective thereby unlocking the economic potential of the UMgungundlovu District area. With focus being on the economic, social and environmental development. The Agency is 100% owned by the UMgungundlovu District Municipality with regards to its shareholding status.

#### **Mandate**

UMEDA is a Municipality Agency established to promote investment and implement economic development initiatives within the Municipality's area of jurisdiction based on the Municipality's integrated development plan and policies pertaining to this objective, thereby unlocking the economic potential of the District focusing on investment promotion, economic development, and social development.

#### **Vision**

To be a dynamic Agency which acts as a catalyst for inclusive economic growth and development thereby making uMgungundlovu District the investment destination of choice.

#### **Mission**

- To identify, facilitate and implement strategic projects which transform the District both economically and spatially
- To become a self-sufficient and sustainable entities.

#### **Values**

- Transparency
- Integrity
- Innovation
- Inclusivity
- Consultative
- Teamwork
- Partnership

#### **UMEDA Priorities**

UMEDA is pursuing the following priorities and all the strategic objectives are linked to these priorities.

- To contribute to the economic development and growth within the Midlands Region
- To build a sustainable and compliant Agency that strives for business and service delivery excellence

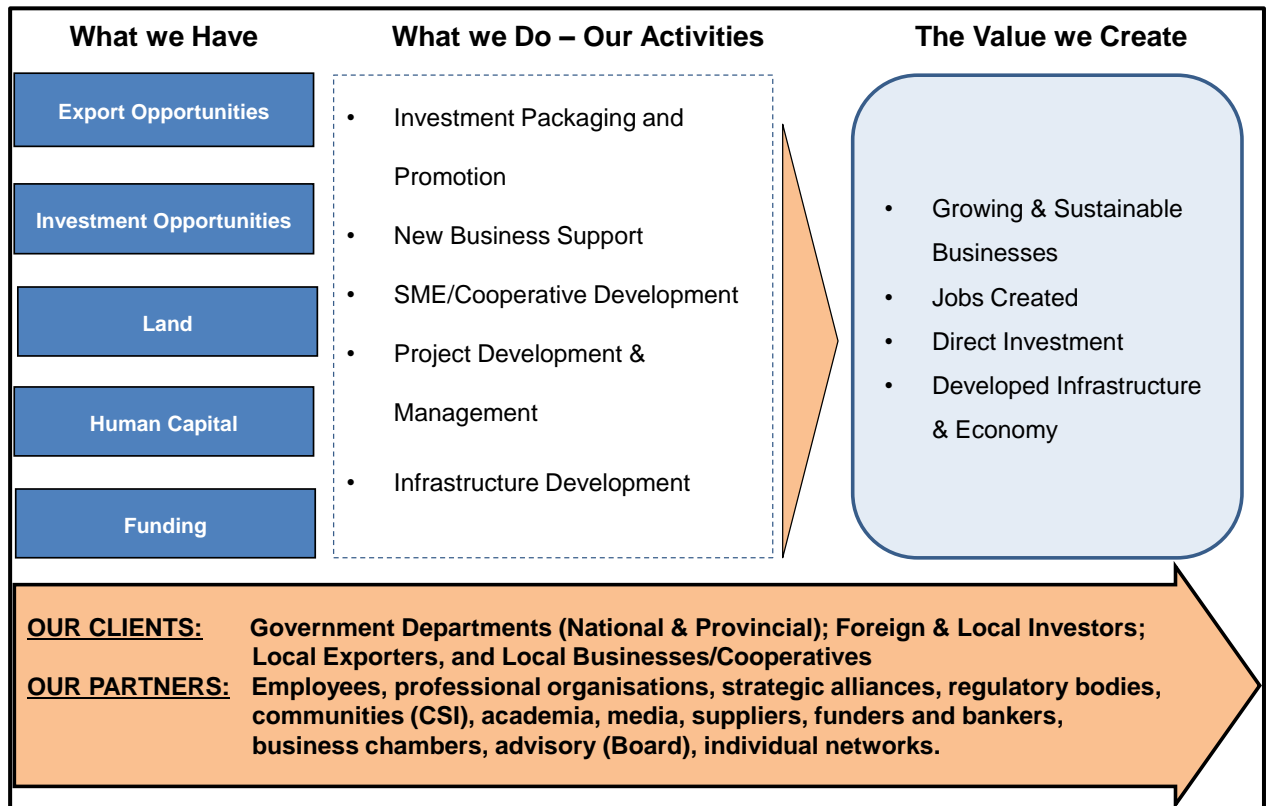
## Strategic Objectives

- Ensure compliance principles to all applicable regulatory requirements and Strategic Objectives
- Achieve financial compliance with regulatory requirements
- To build an efficient and productive administration
- Increase facilitated direct investments.
- Deliver and Optimize Economic Infrastructure Projects
- Package, Develop & promote investment opportunities for selected sectors.

## UMEDA Service Offering

- Investment Promotion.
- Business Support.
- SME/ Cooperative Development.
- Export Promotion.
- Community & Social Development.
- Project Development & Management.
- Infrastructure Development

## UMEDA Business Model



### 3. DEPARTMENTAL REPORT

To achieve its mandate, UMEDA is structured into three departments:

- Office of the CEO
- Project Development & Investment
- Finance
- Human Resources

#### 3.1. PROJECT DEVELOPMENT & INVESTMENT

The mandate of Project Development Department is conceptualise, develop and manage projects, both investment and infrastructure projects. The investment projects are packaged, facilitated, and promoted within UMgungundlovu District Municipality. The funding of the projects came from different funders such as UMDM and KZN COGTA.

The portfolio of projects that UMEDA is facilitating are mainly green-fields thus requires significant developmental interventions before actual commitments could be committed by investors. The department is committed to convert pipeline projects into committed projects in the next financial year. A number of leads are currently been screened and negotiated with prospective investors.

UMEDA is focusing on four sectors to promote investment opportunities in the District, namely:

- Tourism & Infrastructure
- Agriculture
- IT
- Manufacturing.

#### Investment Promotion and Marketing

UMEDA uses platforms such as inbound and outbound trade and investment missions as one of the effective tools for promoting investment opportunities in the District.

- **Inbound**

No inbound missions were facilitated during 2019/20

- **Outbound**

No outbound missions were facilitated during 2019/20

- **Conferences/Forum/Workshops/Seminar**

To create awareness of Agency's services and programs and promote the District as a business and investment destination, the Agency participated in the following conferences/forums/workshops/seminars during 2019/20:

<b>Date</b>	<b>Type</b>	<b>Name</b>	<b>Host</b>	<b>Venue</b>	<b>Staff Member</b>
22 August 2019	Workshop	Farmers Workshop	UMEDA	Pietermaritzburg	- Gcina Mazibuko - Nhlakanipho Nyawose - Langa Mthembu (Consultant) - Samkelisiwe Gasela
14 September 2019	MOU Signing	Signing of MOU between UMEDA and Mothosi Holdings	UMEDA	Pietermaritzburg	- Gcina Mazibuko - Nhlakanipho Mzimela - Kholeka Gumede
28 October 2019	Workshop	Workshopping Zululand Development Agency	UMEDA	Pietermaritzburg	- All UMEDA Staff Members
19 November 2019	MOU Signing	Signing of MOU between UMEDA and One Mobile Plus	UMEDA	Pietermaritzburg	- Gcina Mazibuko - Nhlakanipho Mzimela
20 December 2019	SLA Signing	Signing of SLA between UMEDA and EDTEA			- Zethu Qunta - Indhera Goberdhan
28 February 2020	Workshop	Tourism Strategy Workshop	UMEDA	Pietermaritzburg	- Gcina Mazibuko - Nhlakanipho Mzimela - Kholeka Gumede - James Martin

## **MEDIA AND ADVERTISEMENT**

No Advertorial / Editorial / Press Release were issued to media by the Agency during this period, the Agency only placed one advertisement for jobs (HR) during 2019/20.

i. Infrastructure Projects

No.	Project Name	Description	Funder	Project Site	Project Value	Status
1.	N3 Corridor	<p>The facilitation of the establishment a new town that is planned in a manner that optimises global best practice in terms of smart technologies, spatial planning, green building technologies, green waste water treatment, public transport planning and collective ownership.</p> <p>The recently adopted SDF allows for 800Ha of land to be developed for mixed use, light industry, residential and commercial.</p> <p>The Agency, as the champion of this new town development, will project manage a team of experts to produce an “Investor Ready” blueprint for the Towns establishment.</p>	KZN EDTEA	Camperdown (Mkhambathini Municipality)	R1 750 000.00 (for the Development of the Project Master Plan)	<ul style="list-style-type: none"> <li>• Terms of References were developed.</li> <li>• Project Steering Committee (PSC) was set up.</li> <li>• Held two PSC meetings.</li> <li>• To appoint Service Provider to develop the Master Plan for the Project during</li> </ul>
2	RASET Programme	<p>The National School Nutrition Programme (NSNP) is a government intervention programme aimed at enhancing the education experience of needy learners. The KwaZulu-Natal Executives (Cabinet) took a decision of using the NSNP as the vehicle of ensuring that local communities, through cooperatives being involved in the local economy as suppliers and service providers to the NSNP.</p> <p>This decision is based on the successful model that has been implemented at iLembe District by enterprise iLembe Development Agency. Agricultural cooperatives and community gardens are the focal area of promoting inclusive local economy and also of developing local supplier. One of the key mandates of the economic development, including uMgungundlovu Economic Development Agency</p>	KZN COGTA	uMgungundlovu District Municipality (All 7 Local Municipalities)	R2 640 817.00	<ul style="list-style-type: none"> <li>• RASET PSC meeting are held every month to report on the status of RASET programme.</li> <li>• RASET PSC is formed by the following stake holders: KZN COGTA, DARD, 7 Local Muniplaities, KZN EDTEA and KZN Treasury.</li> <li>• UMEDA has 48 emerging farmers on their database which were sourced through KZN DARD and 7 local Municipality to</li> </ul>



		<p>(UMEDA), is to ensure that the programme is implemented successfully in their district. The NSNP will be providing local cooperatives opportunities to access the market through the supply of fresh produce to all schools in uMgungundlovu District.</p>				<p>participate on NSNP programme.</p> <ul style="list-style-type: none"> <li>• All schools and Farmers were GIS mapped.</li> <li>• Vegetables seedlings were given to farmers as support: Spinach, Cabbages.</li> <li>• 2 Agri-hubs were identified and developed at Richmond LM and Mshwathi LM. 1 container cold-room was installed at Mkhambathini LM.</li> <li>• Training and Mentorship were conducted in all 7 local Municipalities to emerging farmers.</li> <li>• UMEDA started to supply KZN DSD with fresh produced vegetable for CNDC and SRD through SAFSDA as from 01 July 2019.</li> </ul>
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## 1. THE N3 CORRIDOR

The N3 corridor is South Africa's busiest long-distance highway and is registered as the National Strategic Infrastructure Project - SIP 2, with the intention of strengthening the logistics and transport corridors between the major industrial hubs in the country.

The Durban–Gauteng corridor, by far the most important economic corridor in the country, is expecting massive increases in freight volumes. It is estimated that within 20 years, the amount of freight will double from the current 4 200 daily. This will reflect an increase of 152% in tons transported, from 762 tons p.a. in 2011 to 1.93 billion tons in 2041. The resultant congestion and unreliability, has negative implications.

Beyond the freight volumes, tourists travelling from Gauteng to Durban, constitute 49% of the number of visitors to the city, this translates into 700 000 visitors a year, most of whom drive through the N3 Corridor of our District.

The need for expansion of industrial, commercial and retail space outside of the Ethekewini Metro is evident from the congestion and lack of serviced, flat and accessible land within the Metro.

The stage is set for a corridor development on the scale of Midrand in Gauteng. This development spans the local Municipalities of Mpofana, uMngeni, Msunduzi, Mkhambathini as well as Ethekewini, and is presented as one development with two complimentary nodes.

Despite the substantial building of new houses, and the commendable extension of basic services to them, during the past two decades, we have not succeeded in breaking the colonial and apartheid mould of our urban areas. Fortunately, an opportunity to plan and build a new South African town, presents itself in the Cato Ridge-Camperdown area.

The Agency is driving the establishment of the New Town : “eThubeni” , meaning “the place of Opportunity”, has already begun with major investments underway. The intention is to expedite the numerous planning and environmental considerations and so unlock, on a wholesale basis, the entire 800 ha for development.

## UMEDA RASET PROGRAMME

Radical Agrarian Socio-Economic Transformation (RASET) is a programme for Previously Disadvantaged Individuals (PDI) to participate in the production, processing and distribution of food within the food value chains. The RASET programme proposes to implement a multi-pronged strategy to build an effective agro food system for KwaZulu-Natal that provides food security and a better life for all.

Project Steering Committee held meetings in different Local Municipalities. RASET status reports were presented to COGTA, 7 Local Municipalities, KZN EDTEA and KZN Treasury. Monthly reports were presented to RASET PSC and UMEDA Projects Department. Sites visits have been conducted to identify farmers and Co-operative which are registered, also checking the existing crops that have been planted by the farmer. Cabbages and Spinach have been distributed to the emerging farmers as a support, that are within the Districts of Umgungundlovu.

UMEDA was originally funded with R3 000 000 to implement RASET programme by KZN COGTA. In the financial year of 2019-2020 the rollover of R2 640 817.00 was approved by COGTA based on the revised business plan and the Budget.

Three old buildings from 3 local municipalities which were not in used by the municipalities were identified. These buildings are converted to Agri-hubs, where farmers are going to bring their produced and be packed to be ready for market. Mkondeni Fresh Produce at Msunduzi LM is one the Agri-hubs which is fully resourced and also which is operating.

An old building at Mshwathi LM was identified and it was also developed. A cold-room storage was installed, 45 Pallets, 1 Pallets jack and the office furniture were bought for the Agri-hub. At Richmond LM a retail market was divided into two where the other half was going to be used as an Agri-hub. The partition wall was built, cold-room storage was repaired. The Agri-hub was resourced with Office Furniture, 1 pallets jack and 45 pallets. A container cold-room storage and wooden cabin at Mkhambathini LM was installed.

## MARKET

### 1. South African Food Security Development Agency (SAFSDA)

UMEDA had engagements with KZN Department of Social Development to supply fruits and vegetables through the NPO called South African Food Service Development Agency (SAFSDA). UMEDA did site visit on SAFSDA warehouse. The supplying of fruits and vegetables started on the 01<sup>st</sup> July 2019. Vegetables were sourced from emerging farmers. The supplying of vegetables was done every Monday-Wednesday-Friday. The supplying of fruits and vegetable was suspended due to non- payment from SAFSDA.



## 2. PCK Distributors

UMEDA started to supply PCK Distributors with fruits and vegetables on the 01<sup>st</sup> October 2019. PCK Distributors is supplying 23 hospital with vegetables around KZN. Vegetables were sourced from emerging farmers. The supplying of fruits and vegetable was suspended due to non- payment from PCK Distributors,



## 3. Agricultural House

UMEDA had engagement with Agri-house in December 2019 where UMEDA was going source vegetables from emerging farmers that are within uMgungundlovu District and supply Agri-house. Supply of vegetables to Agri-house started on the 22<sup>nd</sup> January 2020 and also was suspended in February 2020 due to non-payment of Agri-house.



### 3.3. HUMAN RESOURCES

The Human Resource Department's mandate is to establish and develop a solid employee base through the recruitment and retention of a highly competent, skilled and committed employee base.

In pursuit of its mandate the department developed a range of Human Resource Policies and Procedures, the Agency recruited eight (8) personnel (Permanent and Contract) to enhance organisation's capacity.

The organogram for the Agency was approved by the Board to align with the implementation of the Business Plan and SDBIP for 2019/20. The organogram for 2019/20 is attached below.

#### Recruitment

The following appointments were made during 2019/20 financial year, as approved by the board.

Employee	Position	Gender	Contract or Permanent or Secondment	Date
Gcina Mazibuko	General Manager: Project Development & Investments	Male	Five Year Contract	September 2019
Dr Zethu Qunta	Acting CEO	Female	Contract	November 2019
James Martin	Project Manager	Male	Contract	February 2020
Adv. Indhera Goberdhan	Acting Company Secretary	Female	Contract	August 2019
Nonkululeko Khumalo	SCM Officer	Female	Permanent	October 2019
Nhlakanipho Mzimela	IT Officer	Male	Permanent	August 2019
Samkelisiwe Gasela	Administration Officer	Female	Permanent	December 2018
Samukelisiwe Ngwane	Intern-Reception	Female	One Year Contract	September 2019
Nkanyiso Mkhize	Intern-Finance	Male	One Year Contract	September 2019
Nosipho Phungula	Intern-Agriculture	Female	One Year Contract	September 2019

#### Resignation and Termination

The following resignations or terminations were recorded during 2019/20 financial year

Employee	Position	Gender	Reason for Resignation /Termination	Termination or Resignation Date
Nomfundo Hlophe	Acting Company Secretary	Female	Secondment Terminated	July 2019
Nomusa Nkumane	Manager: Finance	Female	Resigned	September 2019
Samukelisiwe Gasela	Administration Officer: Projects	Female	Resigned	February 2020

## Human Resource Policies

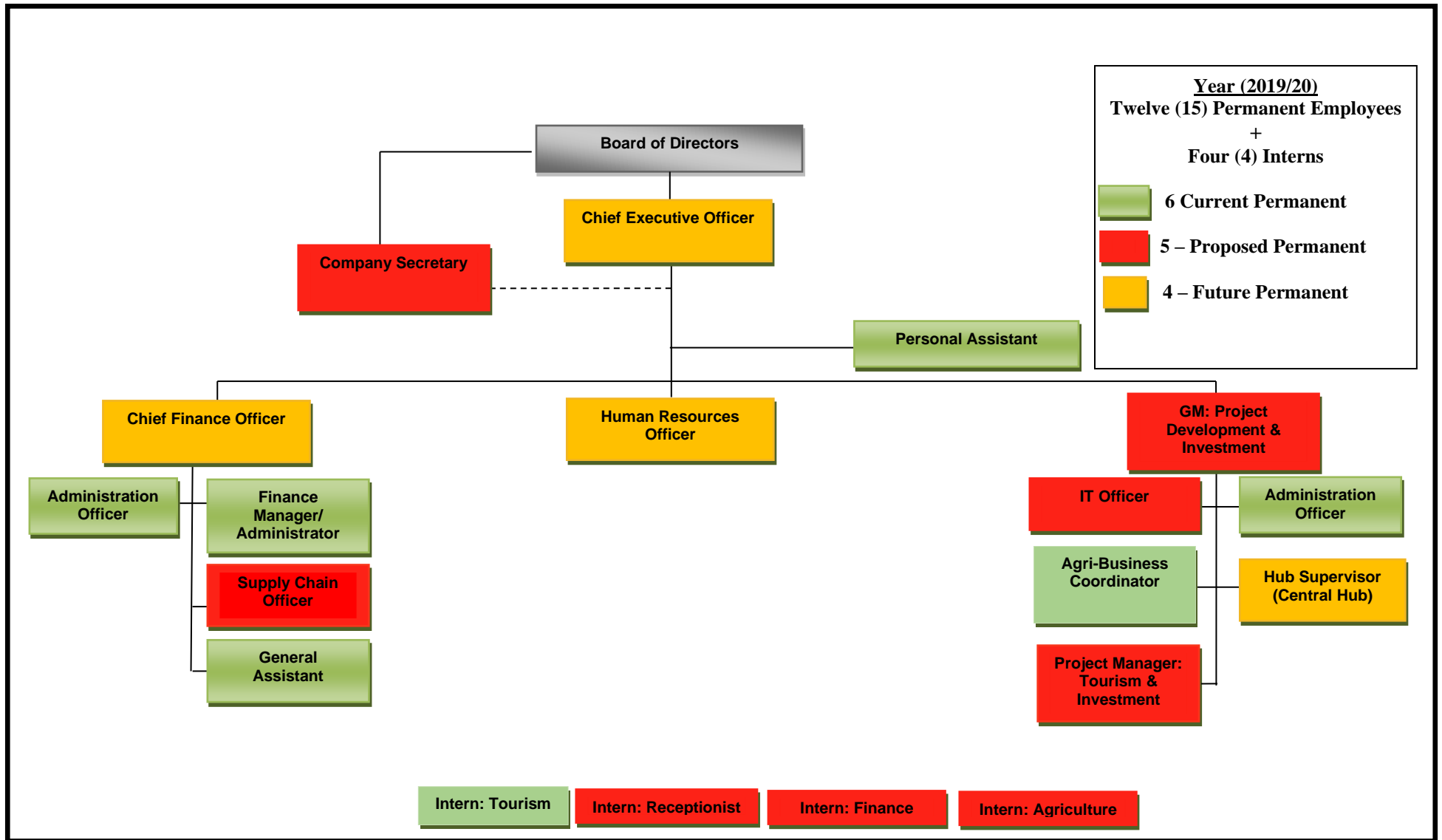
All UMEDA policies and procedures are developed by the Management and approved by the Board. During 2019/20 financial year, no policies were approved by the Board.

## Skills Development and Training

The following trainings were attended by the Agency staff members during 2019/20 financial year:

<b>Date</b>	<b>Type</b>	<b>Name</b>	<b>Host</b>	<b>Venue</b>	<b>Staff Member</b>
04 July 2019	Training	Inventory Module Training	CCG Systems	UMEDA Small Boardroom	All UMEDA Staff
01 – 02 August 2019	Training	Risk Management Training	KZN Provincial Treasury	UMEDA Small Boardroom	All UMEDA Staff
14 – 15 October 2019	Training	First Aid Training	Global Learning Services	Global Learning Services Training Centre	Nhlakanipho Nyawose Zama Kuhlase
13 November 2019	Training	Supply Chain Management Training	KZN Provincial Treasury	UMEDA Small Boardroom	All UMEDA Staff

ORGANIZATIONAL STRUCTURE - YEAR – 2019/20



#### 4. DIRECTOR'S REPORT AND GOVERNANCE

##### i. Corporate Governance Statement

The Board of Directors of UMEDA endorse the King IV Report (Code of Corporate Practices and Conduct). The directors are satisfied that the company has in all material respects complied with the provisions of the King IV Report and all the other legislation that is applicable to the organisation.

##### ii. Board of Directors

UMEDA has a unitary board structure comprising of non-executive directors. Directors are appointed by the Entity's sole shareholder the uMgungundlovu District Municipality (UMDM). The board is chaired by a non-executive Chairperson Mr Comfort Ngidi and meets at least quarterly to review performance of the Agency.

An induction programme has been put in place to ensure that newly appointed directors are familiarised with the operations, business environment, their fiduciary duties and responsibilities and the board's expectations.

The directors have full unrestricted access to management and all company information.

**Membership/Attendance at Board and Board Committee Meetings – 2019/20**

Directors	Board	Finance & Risk Committee	Project Development & Investment Committee	Corporate Services Committee	Audit Committee
<b>No. of Meetings Held</b>					
Mr C Ngidi	15			2	
Mrs Z Sokhela	16	2	2		
Dr Z Qunta	8	4	2	2	
Adv I Goberdhan	1	2			
Dr M Ngidi	15	3	3		
Mr R Haswel	7		2		
Mr V Mcobothi	10		1	1	
Mr S D Gabela					2
Ms S Sushila					2
Ms N Mtshali					1
<b>Ex-Officio</b>					
Gcina Mazibuko (ACEO)	4	2	2	2	
Dr Zethu Qunta (ACEO)	4		1		1
Adv. I Goberdhan (Acting Company Secretary)	14	2			

The board of directors adopted a Board Charter that encapsulates the Corporate Governance Protocol in the Public Sector. The Board Charter sets out the specific responsibilities to be discharged by the board members individually and collectively.



### iii. Board Committees

For the reporting period the following Committees had been established and were operational;

- Finance and Risk Committee;
- Corporate Services Committee;
- Project Development & Investment Committee;
- Audit Committee (Shared Service)

### iv. Finance & Risk Committee

The committee comprised of three (3) Non-Executive Directors as standing members plus the Chief Executive Officer as an ex-officio. The Chairperson of the Committee is Dr Z Qunta. The Manager: Finance has a standing invitation for Finance & Risk Committee meetings.

In terms of its mandate by the Board, the Committee oversees the following areas:

- Ensure compliance with the Entity's financial procedures and review the content thereof periodically.
- Review in line with the Entity's financial reporting procedures:
  - ❖ Annual budget
  - ❖ Quarterly performance against budget
  - ❖ Specific projects performance
- Ensure that the accounting and financial management function is resourced adequately.
- Review and evaluate the financial reports of UMEDA.
- Review plans, policies and practices as required for the effective management of UMEDA's financial resources, including measures to ensure proper revenue collection, efficient management of working capital, safeguarding of assets, prevention of irregular expenditure, fruitless and wasteful expenditure, and implementation of fraud prevention policies and procedures.
- Monitor and review risk management of UMEDA's financial resources and assets including the maintenance and updating of the asset register.
- Ensure compliance with all legal requirements in the financial management of UMEDA, in particular with reference to the Municipal Finance Management Act 2003(Act No.56 of 2003).
- Ensure that an efficient system of banking and cash management is in place.
- Review and recommend to the Board any changes to financial plans, policies, procedures and practices.
- Oversee development and implementation of guidelines for capital expenditure.

### v. Corporate Services Committee

The committee comprised of three Non-Executive Directors as standing members plus the Chief Executive Officer as an ex-officio. The Chairperson of the Committee is Adv I Goberdhan.

In terms of its mandate by the Board, the Committee oversees the following areas:

- Annually review and approve corporate goals and objectives relevant to the Chief Executive Officer (CEO), evaluate the Chief Executive Officer's performance in relation to the set goals and objectives, determine the CEO's remuneration on the basis of the aforementioned evaluation;

- Annually review and approve remuneration (including annual base salary, incentive bonuses and other benefits) for the CEO;
- Review the Human Resources policies and procedures to ensure full compliance with labour legislation and other relevant laws and make recommendations to the Board;
- Oversee the development and implementation of a succession plan for the Chief Executive Officer and the executive management positions including the annual review of the succession plan;
- Review and monitor the effective management of risks specific to human resources and succession;
- Conduct interviews for the positions of senior management in accordance with delegated authority;
- Recommend to the Board the appointment of employees for senior management positions within the Board;
- Review and oversee implementation of performance appraisal systems and policies;
- Recommend to the Board any changes in respect of Pension and Medical Aid policies and other employee benefits;
- Review and endorse major changes in the organizational structure and recommend to the Board for approval;
- To recommend performance bonuses and salary increases to the Board
- Annually review the basis of calculation of the Board members remuneration and make recommendations to the board for submission to the responsible Mayor; and
- Annually review on the basis of adequate calculations remuneration of senior management and staff to ensure that it is reasonable.
- Review the IT policies and procedures to ensure full compliance with labour legislation and other relevant laws and make recommendations to the Board;
- Review and monitor the effective management of IT risks;
- Review and oversee strategic direction of projects and organisational IT systems and policies;
- Recommend to the Board any changes in respect of IT strategy and policies.

#### **vi. Project Development & Investment Committee**

The Board mandated the Committee to oversee project development, investment promotion and oversee the implementation of the projects of the Agency. This Committee consisted of five Non Executive members and the Chief Executive Officer. The Chairperson of the Committee is Dr Mqobi Ngidi. The GM: Project Development & Investment has a standing invitation for Project Development & Investment Committee meetings.

The Terms of Reference of the Project Development & Investment Committee are:

- Advice on strategic projects and / or high impact projects in UMEDA
- Guide the UMEDA Management around key strategic issues to achieve UMEDA goals.
- Support the UMEDA Management in key project development initiatives in all agreed sectors.
- Oversee the effective implementation of high impact projects and key investment / trade opportunities in all sectors

#### **vii. Audit Committee**

The Audit Committee is a shared service with uMgungundlovu District Municipality, the Committee was appointed by uMgungundlovu District Municipality and the Directors are paid direct by District. Its mandate is to oversee the audit of the Agency. This Committee consisted of three Non-Executive members (Mr S D Gabela; Ms S Sushila; and Ms N

Mtshali), Internal Audit and the Manager: Finance. The Chairperson of the Committee is Mr S D Gabela. The Manager: Finance has a standing invitation for Audit Committee meetings.

The Terms of Reference for the Committee are:

- Review of external and internal audit, internal control and governance processes
- Review of assurance activities of service providers such as internal and external audit
- Reliability and integrity of financial and operational information
- Monitoring compliance to the Regulatory Framework applicable to the organization, with special emphasis on the Municipal Finance Management Act (MFMA) and Systems Act
- Safeguarding of assets

The Entity managed to develop and implemented a formal audit plan in order to subscribe to the highest audit standards during the financial year 2019/20.

**viii. Senior Management Remuneration**

<b>Senior Management</b>	<b>Basic Salary</b>	<b>Acting Allowances</b>	<b>Cell phone Allowance</b>	<b>Total</b>
Acting Chief Executive Officer - Mr Gcina Mazibuko	R0.00	R251 110.40	R0.0	<b>R251 110.40</b>
General Manager: Project Development & Investment Mr Gcina Mazibuko	R531 250.00	R0.0	R17 100.00	<b>R548 350.00</b>
Acting Chief Executive Officer – Dr Zethu Qunta	R0.00	R429 275.25	R0.00	<b>R429 275.25</b>
<b>TOTAL</b>	<b>R531 250.00</b>	<b>R680 385.65</b>	<b>R17 100.00</b>	<b>R1 228 735.65</b>

**ix. Company Secretarial Function**

The function of the company secretary is provided by the Acting Company Secretary in terms of providing the administrative support and guidance to the board in matters relating to governance, legislative and regulatory requirements. The directors have unrestricted access to the services.



**UMEDA**  
UMGUNGUNDOVU  
ECONOMIC DEVELOPMENT AGENCY

**2019/20**

# **Annual Performance Report**

1.1 TABLE OF CONTENT

1) PURPOSE .....	3
2) LEGISLATIVE REQUIREMENT .....	3
3) SDBIP REPORTING AND MONITORING .....	3
4) ACTUAL PERFORMANCE PER DEPARTMENT FOR FIRST QUARTER.....	4
5) IMPROVING ORGANISAIONAL PERFORMANCE MANAGEMENT SYSTEM.....	5
6) ANNEXURE A: ANNUAL PERFORMANCE REPORT ON THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR 2019/20 FINANCIAL YEAR.....	6-8

## 1. PURPOSE

The purpose of this report is to inform the Board on the progress made with the implementation of the Key Performance indicators (KPI's) in the realization of objectives as determined in the entity's Service Delivery and Budget Implementation Plan and Multi-Year Business Plan.

This report is an analysis of the Annual performance data received from all departments of UMEDA. The data is based on departmental Service Delivery and Implementation Plans (SDBIP) that are linked to the performance agreements of Heads of Departments.

The data analysis is conducted for each departmental performance indicator (KPI) using the assessment methodology described below. It is to be noted that this report summary has been developed for the purposes of reporting annual performance actual against set targets which covers period 01 July 2019 to 30 June 2020.

## 2. LEGISLATIVE REQUIREMENTS

This report is a requirement in terms of section 52 (d) of the Municipal Finance Management Act 56 of 2003, which states that the Mayor must within 30 days of the end of quarter, submit a report to Council on the implementation of the budget and financial state of affairs of the Municipality.

## 3. SDBIP REPORTING AND MONITORING

The performance of the Municipal Entity is evaluated by means of the Service Delivery Budget and Implementation Plan (SDBIP). The SDBIP is a plan that converts the Multi-Year Business Plan and Budget into measurable criteria; it further implements annual strategies and objectives of the municipal entity.

The SDBIP of UMEDA consists of departmental performance plans and reports to the board the actual performance of the municipal entity on a quarterly basis. The SDBIP measures the achievement of performance indicators that have been determined to align with the municipal entity budget and Multi-Year for the financial year under review in this case the 2019/20 financial year.

The performance reporting on the SDBIP is done to the Board and the parent municipality on a quarterly basis, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis. The revised SDBIP must be approved by Board following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget.

This non-financial part of the report is based on the revised organizational SDBIP for 2019/2020 and comprises of the following;

- a) Summary of the overall performance of the Municipal Entity in terms of the Entity's Key Performance Areas (KPAs) namely;
  - **Good Governance**
  - **Institutional Development and Transformation**
  - **Sound Financial Viability and Management**
  - **Local Economic Development**
- b) Departmental performance per KPI for the quarter under review

The overall assessment of actual performance against set targets for key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology;

Colour	Category	Explanations
Light Blue	KPI exceptionally well met/ achieved	Actual vs targets is more than 100% achieved
Green	KPI met / or Achieved	Actual vs target is 100% achieved
Yellow	KPI not fully met/ or Partially Achieved	Actual vs target not 100% achieved, but above 50% achieved
Red	KPI not met / or Achieved	Actual vs target not met/ or below 50% achieved
Grey	KPI Not applicable to the period under review	No targets set for the period under review
Dark Blue	KPI not reported on	No reporting provided for the quarter

#### 4. ACTUAL DEPARTMENTAL PERFORMANCE FOR THE PERIOD UNDER REVIEW

The table below indicates annual performance of each department per KPI as reflected in the organizational SDBIP. Details on reasons for deviations and measures for improvement are on the SDBIP reporting template. Therefore, this report must be read in conjunction with the SDBIPs.

It is to be noted that moving forward all unreported targets and KPIs missing evidence (POE) will be treated as not achieved and indicator will be reported as not met.

#### 5. IMPROVING PERFORMANCE MANAGEMENT SYSTEM

In order to improve on performance planning, implementation, measurement and reporting, the Agency needs to consider the following actions;

- Reduce the number of KPI's in the organizational SDBIP. This will allow the agency the opportunity to focus on strategic issues.
- Develop operational plans for monitoring and reporting operational programs;
- Consider implementing electronic performance management system; and
- Urgently consider improving capacity within the PMS office

#### ANNEXURE - 2019/2020 ANNUAL SDBIP PERFORMANCE REPORT REFLECTED HEREUNDER

## 2019/2020 ANNUAL PERFORMANCE REPORT – OFFICE OF THE CEO

KPA	Dept. Code	Strategic Objective	Performance Measure	Project Name	Budget	Baseline	Backlog	Annual Target 2019-2020	Q1		Q2		Q3		Q4		KPI Achievement Status	2019/2020		Achieved/ Partially achieved/ Not achieved	Reasons for variance	Measures taken to improve performance
									Target	Actual	Target	Actual	Target	Actual	Target	Actual		Annual targets	Actual achievement			
GOOD GOVERNANCE	CEO01	Ensure compliance to all applicable regulatory requirements and Strategic Objectives	Number of risks identified & mitigated	Identified and documented risks through the risk management process in the risk register	R000	N/A	N/A	61 risks identified and mitigated by the 30 June 2020	5 risks identified and mitigated by the 30 Sept 2019	3 of risks identified and mitigated by 30 Sept 2019	12 risks identified and mitigated by the 31 Dec 2019	2 of risks identified and mitigated by the 31 Dec 2019	9 risks identified and mitigated by the 31 Mar 2020	7 risks identified and mitigated by 31 Mar 2020  (Some risks could not be mitigated due to offices being closed due to general lockdown)	35 risks identified and mitigated by the 30th of June 2020	0 risks identified and mitigated by the 30th of June 2020  No risks were identified and mitigated due to offices being closed due to general lockdown	Q1: Target Partially Met	61 risks identified and mitigated by the 30th June 2020	12 risks were identified and mitigated by the 30th June 2020  (This KPI was modified during Mid-Term Review - where it was changed from percentage to number as percentage was not measurable).	Not Achieved	Q1: Not met due to capacity constraints	Q1: The agency will consider filling critical positions in the coming financial year
															Q2: Target Not Met	Q2: Not met due to capacity constraints	Q2: The agency will consider filling critical positions in the coming financial year					
															Q3: Target Partially Met	Q3: Some risks could not be mitigated due to offices being closed due to general lockdown	Q3 & Q4: All risks that remain unmitigated will be deferred to the next financial year					
																			Q4: risks could not be mitigated due to offices being closed due to general lockdown	(Most of Risks identified are on-going risks that will be mitigated by 30 June 2020)		
		Approved policies and systems	Approved policies/systems submitted to the Board.	N/A	N/A	02 HR Policies and 02 Finance Approved Policies / Systems by the Board by the 30 June 2020	1 x HR Policy/ System prepared and submitted to UMEDA Board for approval by the 30th of Sept 2019	0 x HR Policy/ System prepared and submitted to UMEDA Board for approval by the 30th of Sept 2019	1 x Finance Policy/ System prepared and submitted to UMEDA Board for approval by the 31 Dec 2019	0 x Finance Policy/ System prepared and submitted to UMEDA Board for approval by the 31 Dec 2019	N/A	N/A	N/A	N/A	N/A	N/A	Q1: Not achieved	02 HR Policies and 02 Finance Approved Policies/ Systems by the Board by the 30 June 2020  (This KPI was removed during Mid-Term Review due to capacity constraints)	Not Achieved	Q1 & Q2: No HR/ Finance policies were presented to the Board due to capacity constraints	Q1 & Q2 New/ Reviewed HR policies will be presented next financial year	
																Q2: Not achieved				Q3 & Q4: None required	Q3 & Q4: None required	
																	Q3 and Q4: Target Not applicable (This KPI was removed during Mid-Term Review)					
		Approved quarterly reports	Recommended quarterly reports submitted to Board at the end of	N/A	N/A	4 x Quarterly PMS reports submitted to the Board and Council by the	1 x Quarterly PMS reports submitted to the Board and Council by the	1 x Quarterly PMS reports submitted to the Board and Council by the	1 x Quarterly PMS reports submitted to the Board and Council by the 31 Dec 2019	1 x Quarterly PMS reports submitted to the Board and Council by the 31 Dec 2019	1 x Quarterly PMS reports submitted to the Board and Council by the 31 Mar 2020	0 x Quarterly PMS reports submitted to the Board and Council by the 31 Mar 2020	1 x Quarterly PMS reports submitted to the Board and Council by the 30th of June 2020	0 x Quarterly PMS reports submitted to the Board and Council by the 30th of June 2020			Q1: Target Met	4 x Quarterly PMS reports submitted to the Board and Council by the 30th of June 2020	2 x Quarterly reports submitted to the Board and Council by the 30th of June 2020	Partially Achieved	Q1 & Q2: None required	Q1 & Q2: None required
																						Q3 & Q4: Not submitted on time due to Covid-19
																	Q2: Target Met					
																	Q3: Target Not Met					









		ng and investm ent Promoti on events attende d	ng the District to potentia l investor s	0 0 0 0			Investm ent Promoti on events attende d by the 31 of Mar 2020	Investm ent Promoti on events attende d by the 30th Sept 2019	a Marath on and KZN Internat ional Investm ent Confere nce Exhibiti on 2019) attende d by 30th Sept 2019	Investment Promotion events attende d by UMEDA by 31 Dec 2019	Exhibition) attende d by 31 Dec 2019	Investment Promotion events attende d by the 31st of Mar 2020	Festival) attende d by 31 Mar 2020	Investment Promotion events attende d by the 30th June 2020	Investment Promotion events attende d by the 30th June 2020 (Due to lockdown, events were banned)	Q2: Target Met Q3: Target Met Q4: Target Not Met	Promotion events attende d by the 31 of Mar 2020	partnere d events attende d by the 31 of Mar 2020  (Nelson Mandela Marath on, KZN Internat ional Investm ent Confere nce Exhibiti on 2019, KZN Export Week Exhibiti on, Msunduzi Art Festival)		Q2: N/A Q3: N/A Q4: Due to lockdown, events were banned	Q2: N/A Q3: N/A Q4: Events will be attanened through virtual platforms
INV01		Amount of goods sourced from black suppliers	Bulk supplier support	R 4 5 0 0 0	N/A	N/A	R1.8 Million of goods sourced from black suppliers by the 30th of June 2020	R450 000 of goods sourced from black suppliers by the 30th of Septem ber 2019	R105.4 36.52 goods sourced from black suppliers by the 30th of Sept 2019	R450 000 of goods sourced from black suppliers by the 31st of December 2019	R99 187 goods sourced form black suppliers by the 31st of Dec 2019	N/A	N/A	N/A	N/A	Q1: Target Not Met Q2: Target Not Met Q3: Target not applicable Target was rmeoved during mid-term adjustment Q4: Target not applicable (Target was rmeoved during mid-term adjustment)	R1.8 Million of goods sourced from black suppliers by the 30th of June 2020	R204 623.52 goods sourced from black suppliers by the 30th of June 2020	Not Achieved	Q1: The supply to the market was suspended due to non payment from the buyers Q2: The supply to the market was suspended due to non payment from the buyers Q3: N/A Q4: N/A	Q1: Cash payment system will be introduced by the Agency as from next financial year Q2: Cash payment system will be introduced by the Agency as from next financial year Q3: N/A Q4: N/A
INV01	Deliver and Optimize Economic Projects	Number of crop farmers supported by UMEDA	Black crop farmers support	R 4 5 0 0 0	N/A	N/A	30 x crop farmers support ed by the 30th of June 2020	8 x Black crop farmers support ed with training, mentor ship, seedlin gs and technic al advice by the 30th of Sept 2019	16 x black crop farmers support ed with training, mentor ship, seedlin gs and technic al advice by 30 Sept 2019	8 x black crop farmers supported with training, mentorship , seedlings and technical advice by the 31st of Dec 2019	18 x black crop farmers supported with training, mentorship , seedlings and technical advice by 31 Dec 2019	8 x black crop farmers supported with training, mentorship , seedlings and technical advice by the 31st of March 2020	10 x black crop farmers supported with training, mentorship , seedlings and technical advice by 31 Mar 2020	6 x black crop farmers supported with training, mentorship , seedlings and technical advice by the 30th of June 2020	22 x black crop farmers supported and facilitated training, mentorship , seedlings and technical advice by 30 June 2020	Q1: Target Exceptionally Met Q2: Target Exceptionally Met Q3: Target Exceptionally Met Q4: Target Exceptionally Met	30 x crop farmers supported by the 30th of June 2020	66 x crop farmers supported with training, mentorship, seedlings and technical advice by 30 June 2020	Exceptionally Achieved	N/A	N/A
INV01		Number of Agri-hubs develop ed	Successf ul RASET progra mme	R 1 0 0 0	1	N/A	3 x Agri-hubs develop ed by the	1 x Agri-hubs develop ed by the	1x Agri-hub develop ed in Mshwathi (New	1 x Agri-hubs developed by the 31st of	1x Agri-hub develop ed in Richmond (CBD) by	1 x Agri-hubs develop ed by the 31st of March 2020	1x Agri-hub develop ed in Mkhambat hini	N/A	N/A	Q1: Target Met Q2: Target Met	3 x Agri-hubs develop ed by the 30th of June 2020	3 x Agri-hubs were develop ed in Mshwathi, Richmond and Mkhambathini by	Achieved	N/A	N/A

				0 0 0			30th of June 2020	30th of September 2019	Hannover) by 30 Sept 2019	December 2019	31 Dec 2019		Municipality by 31 March 2020			the 30th of June 2020			
INV01	Number of signed SLA/MOU with Strategic Partners	Collaboration on economic opportunities and initiatives	N / A	N/A	N/A	04 signed SLA/MOU with Strategic Partners by the 30th of June 2020	1 x signed SLA/MOU with Strategic Partners by the 30th of September 2019	2 x signed SLA/MOU with Strategic Partners by the 30th of September 2019  (Mothosi Holdings & UMDM)	1 x signed SLA/MOU with Strategic Partners by the 31st of December 2019	1 x signed SLA/MOU with Strategic Partners by the 31st of December 2019  (One Mobile Plus)	1 x signed SLA/MOU with Strategic Partners by the 31st of March 2020	1 x signed SLA/MOU with Strategic Partners by the 31st of March 2020  (EDTEA)	1 x signed SLA/MOU with Strategic Partners by the 30th of June 2020	0 x signed SLA/MOU with Strategic Partners by the 30th of June 2020	04 signed SLA/MOU with Strategic Partners by the 30th of June 2020	04 signed SLA/MOU with Strategic Partners by the 30th of June 2020 (Mothosi Holdings, UMDM; One Mobile Plus and EDTEA)	Achieved	Q1, Q2, & Q3: None required	Q1, Q2 & Q3: None required
																		Q1: Target Exceptional Met Q2: Target met Q3: Target met Q4: Target not met	Q4: No SLA/MOU was signed because of COVID outbreak/General lockdown

