



Corporate Plan


2019/2020

“Together we move the North West Province forward”

Statement by the Executive Authority

It is hereby certified that this Corporate plan:

- ✚ Was developed by the management of the North West Development Corporation SOC Ltd (NWDC) under the guidance of the Board of Directors;
- ✚ Was prepared in line with the current Shareholder's Compact of the NWDC Group; and
- ✚ Accurately reflects the performance targets which the NWDC Group will endeavour to achieve given the resources made available in the 2019/2020 budget.



Mr Thapelo Molatlhegi

Acting Chief Financial Officer



Mr Tshepo Phetla

Chief Executive Officer



Mr Dali Duma

Chairperson of the Board

APPROVED FOR SUBMISSION TO LEGISLATURE BY:

Mr Lufhuno Tshikovhi

Head of Department

Refer to the last page of the document for the official signature page bearing signatures of the HOD and MEC.

MEC Keneetswe Mosenogi

MEC for Economic Development, Environment and Tourism

Abbreviations & Acronyms

Acronym	Description	Acronym	Description
CEO	Chief Executive Officer	MDC	Maputo Development Corridor
CFO	Chief Financial Officer	MIDZ	Mafikeng Industrial Development Zone
COMESA	Common Market for Eastern and Southern Africa	MTSF	Medium Term Strategic Framework
CPI	Consumer Price Index	NEMA	National Environmental Management Act
EAC	East African Community	NWP	North West Province
EAP	Employment Assistance Programme	NWDC	North West Development Corporation
EE	Employment Equity	PFMA	Public Finance Management Act
EEA	Employment Equity Act	PSA	Public Servants Association of SA
FDI	Foreign Direct Investment	SEZ	Special Economic Zone
FTA	Foreign Trade Agreement	SME	Small Medium Enterprise(s)
GDP	Gross Domestic Product	SMME	Small Micro Medium Enterprise(s)
HDI	Human Development Index	SOC	State Owned Company
IBP	Index of Buying Power	SOE	State Owned Entity
IHS	Information Handling Services (Market Regional Explorer)	SWOT	Strengths, Weaknesses, Opportunities and Threats
IO	Information Officer		

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1. Overview of the NWDC Group

1.1 The Establishment of the North West Development Corporation

Table 1: *Establishment of the NWDC*

Name of the Public Entity	<ul style="list-style-type: none"> North West Development Corporation SOC Ltd
Establishment Date	<ul style="list-style-type: none"> 1999
Reasons for the establishment of the Public Entity	<ul style="list-style-type: none"> To plan, finance, coordinate, promote and carry out the economic development of the North West Province and its people in the fields industry, commerce, finance, mining, tourism enterprise-related activities and other business resulting in wealth and job creation while taking cognisance of aims and objectives of the Reconstruction and Development Programme of the Republic of South Africa
Information, Services or Goods provided	<ul style="list-style-type: none"> Property leasing Loans and bridging finance to SMMEs Trade and Investment facilitation Establishment of SEZ Project management of projects and services Publishing of the North West Economic Data Report

1.2 Legislation empowering the NWDC to perform its functions

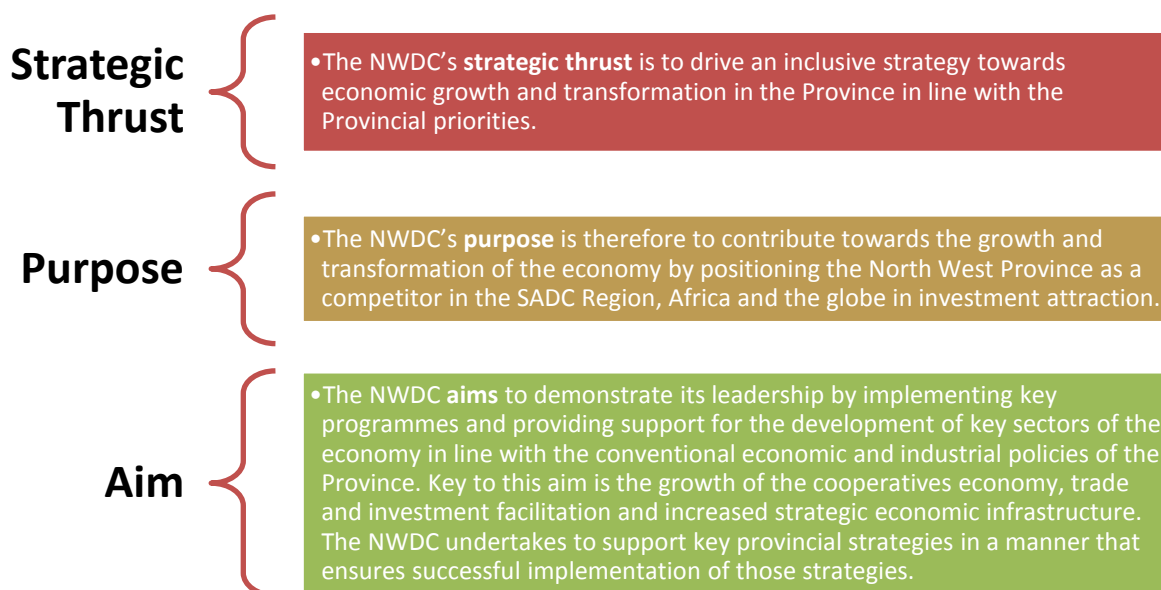
1999	Public Finance Management Act No. 1 of 1999 as amended. The NWDC is a schedule 3D Provincial Government Business Enterprise, entitled to make profit.
1995	NWDC's mandate is as per the North West Development Corporation Act No. 6 of 1995. NWDC is a Juristic person with limited liability and perpetual succession. The Corporation, for the purposes of the proper exercise and performance of its powers, functions and duties in terms of this Act shall be capable in law of suing and being sued, of purchasing or otherwise acquiring and holding and alienating movable and immovable property and acquiring real and other rights thereto or any interest therein, of entering into contracts and agreements and, generally, of doing and performing such other acts as bodies corporate by law and may do and perform, subject to provisions of this Act.
2008	Companies Act, No 71 of 2008

1.3 Stakeholders that the NWDC serve

Table 2: *NWDC Stakeholder servicing*

Name of Stakeholder	Short description of perceived or real Stakeholder needs	Economic Sector
Provincial & National Government Departments	NWDC compliance to policy and legislative mandates and road maps; Feedback on execution of the above, where applicable	Government
NWDC Clients Tenants, SMMEs, Cooperatives, Investors and Requestors of Information	Efficient and professional service from the NWDC	Various, as per sector clients are from
NWDC Suppliers	Professional and ethical business conduct. Right to be paid within a reasonable time frame for services/goods rendered	Various
North West University (and similar niche institutions)	Reciprocal relationship of cooperation on matters of mutual interest and mutual mandates, such as trade, innovation and research	Academia
Broad public of the North West Province	Awareness of and accessibility to the service offerings of the NWDC	All
Media	Right to be informed of key news events and matters of public interest pertaining to the NWDC's execution of its mandate	Media
Internal stakeholder: NWDC Staff Includes trade union representatives	Right to be informed and listened to pertaining to all topics relevant and pertinent to the effective execution of their duties. Need to feel respected and valued	Not applicable

2. Purpose



In alignment with the provincial strategy, the NWDC's strategic intervention focuses on high impact programmes for:



3. Vision

To be the cornerstone of promoting trade, attracting investment, and ensuring inclusive economic growth and transformation in the North West Province.

4. Mission

To contribute to the inclusive economic growth and transformation of the North West Province through:

- a) industrial development;
- b) commercial investment;
- c) property development and management;
- d) development of sustainable enterprises;
- e) trade and investment attraction; and
- f) programme management

5. Scanning the environment and building competencies

To be able to place the performance of the North West Province into perspective, it is necessary to consider the macro and micro economy from both a global and a South African perspective.

5.1 Swot Analysis

An analysis of the strategic objectives of the NWDC indicated the following Strengths, Weaknesses, Opportunities and Threats:

Table 3: *Strengths, Weaknesses, Opportunities and Threats (SWOT)*

Strengths:

Description	NWDC Response
The official economic development implementing arm of Government in the province	Advancement of economic development
Provincial footprint	Diverse service delivery
Brand recognition and acknowledgement	Enhance the brand to stakeholders

Weaknesses:

Description	NWDC Response
Maintenance backlog	Enforce revenue collection and property management policy
Poor performance	The struggling economy affected the performance of the NWDC in terms of collections, loan disbursements and attracting investment into the North West Province. The main sectors, agriculture and mining, have both been affected by low commodity prices and drought as well as policy uncertainties.
Insufficient funds	Absence of seed funds to leverage investments
Inability to access funding	Proactively look for and apply for funding

Opportunities:

Description	NWDC Response
The province has ample available resources including minerals, agriculture and wild life	Explore initiatives that will benefit the Province through beneficiation
Establishing SEZ	<ul style="list-style-type: none">• Access national incentives• Establishment of industrial parks
Investment into the Province	Structured stakeholder engagements leading towards increase in current investment levels (FDI) and attraction of new investments
Access to opportunities for enterprise on government spend	Enterprise development
Opportunities from the Presidential Stimulus package	Leverage into:

	<ul style="list-style-type: none"> • The R400bn SA infrastructure Fund to be located in the Office of the President • R50bn in reprioritised expenditure to be allocated to agriculture, rural areas and townships • 26 Township Industrial Parks to be revitalised • Radio spectrum to be allocated to reduce data costs • Over 1000 school sanitation projects to be completed
Opportunities from the Jobs Summit	<ul style="list-style-type: none"> • Ensure adequate consultation and planning around economic decisions and make sure that implementation systems are efficient and have enough resources • Investment promotion and upgrading industrial capacity: Target an investment rate of 25% of the GDP (source to be included) • Growth of the agriculture, mining, manufacturing and associated services sectors including: <ul style="list-style-type: none"> ◆ Economic sector-specific interventions; ◆ Small, medium and micro enterprises support; ◆ Education and skills; and ◆ Inclusive growth, transformation and inequality • Public and social programmes, labour market and anti-corruption • Holistic support for township and rural enterprise • Upgrading skills and education • Increased workplace equality • Infrastructure development: improving the quality affordability of South Africa's national and local infrastructure. Ensure the financial and operational sustainability of state-owned companies • More innovative, worker-friendly measures to assist firms facing challenges: strengthening the effectiveness and uptake of interventions to assist firms and industries which are already in distress • Mitigating the risks while taking maximum advantage of the opportunities associated with sustainable development, the 'just transition' and the 4th industrial revolution
Implement the enterprise development programmes from Shareholder	Implementation of the Shareholder Programmes

Threats:

Description	NWDC Response
The organisation's going concern status	<ul style="list-style-type: none">• Effective debt collection• Increase of revenue generation capacity
Poor reputational image	Improve customer relations and customer service
The reliance of the province on commodities creates vulnerability	Industrialisation/beneficiation
Golden Leopard Resorts SOC Ltd	Recommendation to transfer to the North West Parks Board

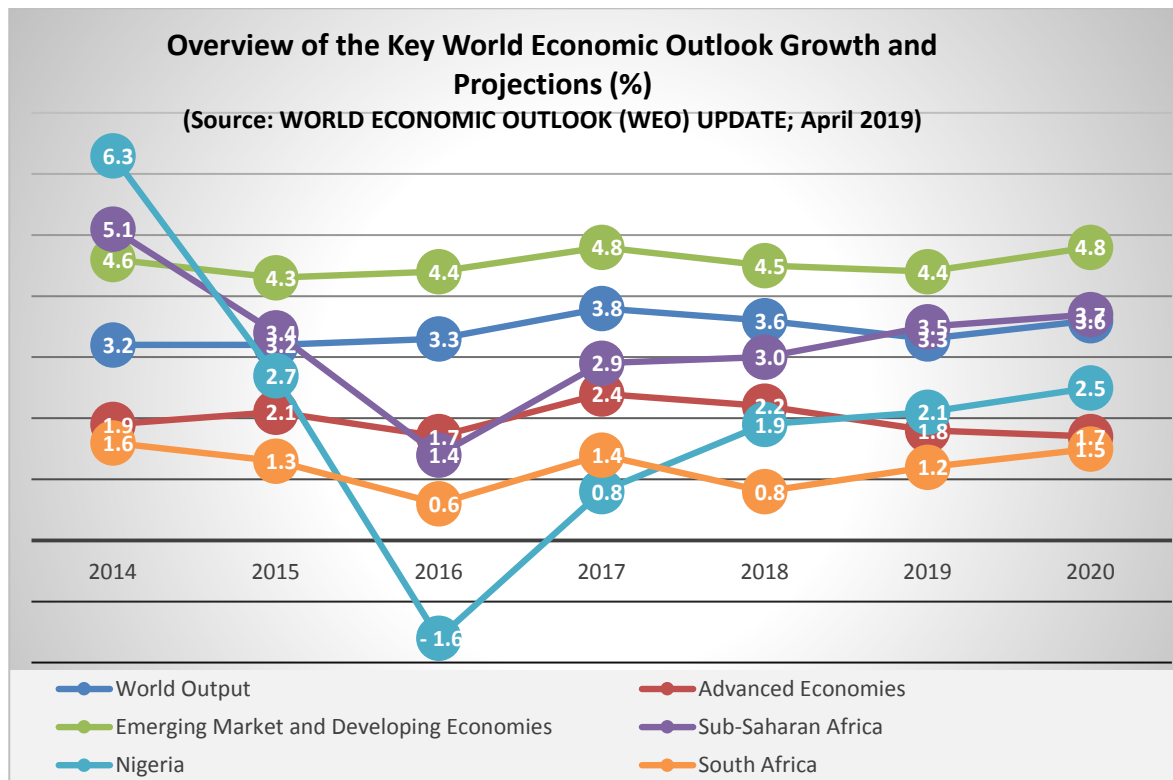
5.2 Economic Overview

5.2.1 The Global Economy – A Weakening Expansion (Source: WORLD ECONOMIC OUTLOOK (WEO) UPDATE; April 2019)

Global Growth is set to moderate in the near term, then pick up modestly. Global growth is projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020.

- South Africa's projected GDP growth rate for 2019 was set at 1.2%, with projected GDP expansion for 2020 at 1.5% slightly lower than what was recently published by the SA Reserve Bank at 1.3% GDP growth for 2019 and 1.8% for 2020. "The projected recovery reflects modestly reduced but continued policy uncertainty in the South African economy after the May 2019 elections," said the IMF. Beyond 2020 SA's growth would stabilise at around 1.75%, as structural bottlenecks continue to weigh on investment and productivity, and metal export prices are expected to remain subdued.
- Sub-Saharan Africa would average 3.4% in 2019.

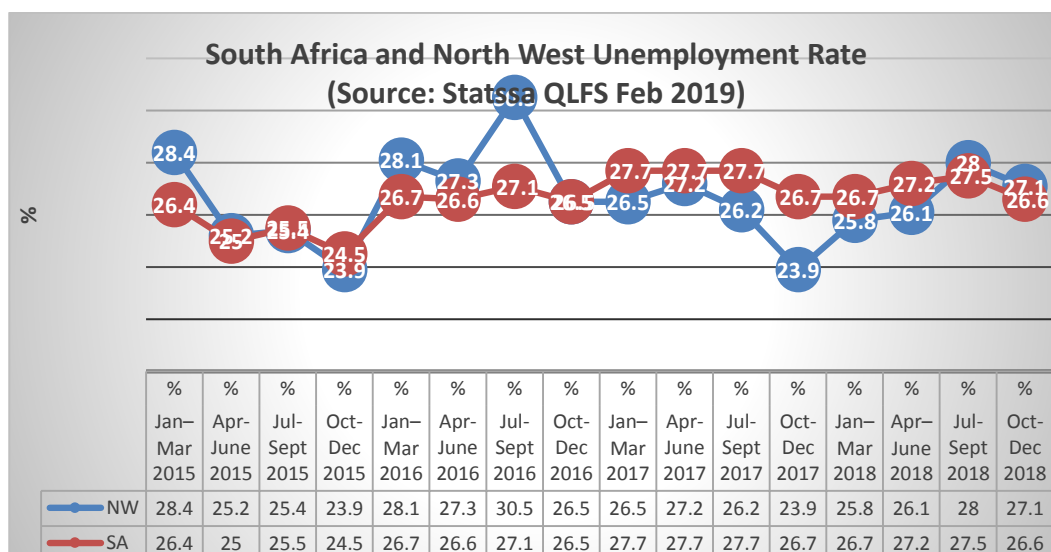
Table 4: *Overview of the Key World Economic Outlook Growth and Projections as per the World Economic Outlook Update April 2019*



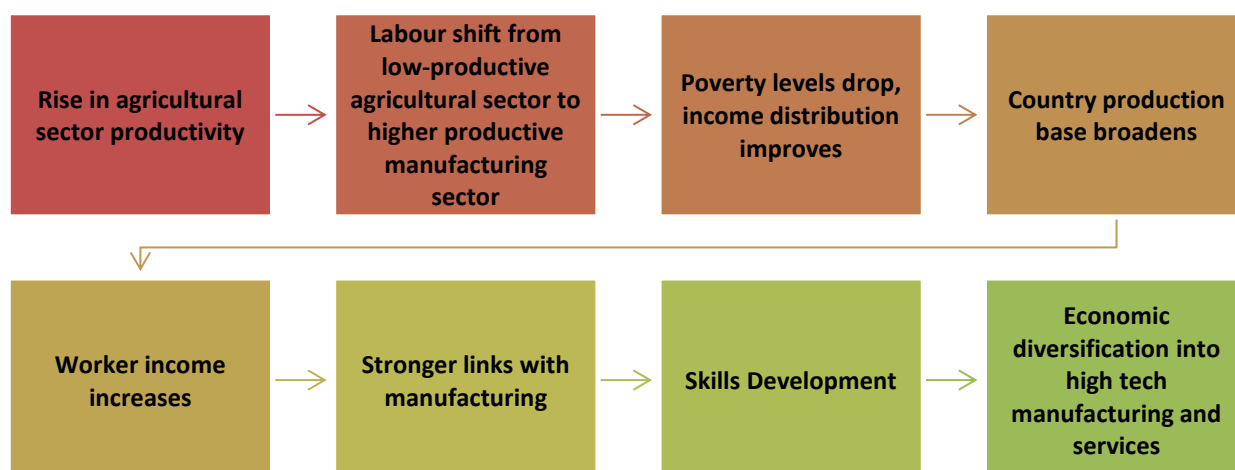
5.2.2 South African Economy

- The population of South Africa increased from 54 million in mid-2014 with 6.9% to 57.7 million in mid-2018. The population growth rate for 2017 to 2018 was 2.1%. When comparing the population growth rate with the GDP growth rate of South Africa as in the table above it is clear that the population is growing at a faster rate than the economy which will lower income per capita.
- Inflation Consumer Price Index (CPI) remains within the 3%-6% target of the Reserve Bank.

Table 5: *Unemployment rate for South Africa and the North West Province from April 2015 to (Source: Statssa Q2 2018)*



The following structural transformation in the economy is needed:



5.2.3 Overview of the North West Province economy

- The NW region covers approximately 104 882 square kilometers, comprising 8.6% of the national area. The NWP is not densely populated when compared to the national population density. The NWP houses approximately 3.9 million people, 6.8% of the country's total population of which nearly 44% are in the Bojanala District.
- The table below summarises the *key demographic and socio-economic characteristics* of the NWP and its four district municipalities in context of the South African picture as per the 2018 IHS Markit Regional eXplorer Indicators.

Table 6: *Key indicators South Africa, North West Province and District Municipalities (2018)*
(Source: IHS Markit; Regional eXplorer 1692 (2.6f) Apr 2019)

		South Africa	North West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
Region area km ²		1 221 246	104 882	18 333	28 114	43 764	14 671
	% Share of Region		8,6%	17,5%	26,8%	41,7%	14,0%
Demographic	Total population	57 356 056	3 901 651	1 731 005	910 137	495 421	765 087
	% Share of region		6,8%	44,4%	23,3%	12,7%	19,6%
Labour	EAP as % of total population, official definition	38,6%	32,9%	38,5%	26,1%	23,8%	34,2%
	Unemployment rate, official definition (%)	27,2%	28,4%	27,4%	26,7%	27,4%	32,9%
Income & Expenditure: Personal Income							
	Annual per capita income (Rand, current prices)	57 276	50 791	59 549	38 819	34 544	55 839

		South Africa	North West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
	Annual per household income (Rand, current prices)	201 630	171 230	186 260	142 721	126 850	192 749
Economic: Gross Domestic Product by Region (GDP-R)							
	Constant 2010 prices (R 1000) 2018	3 144 539 151	171 531 193	91 719 774	32 046 321	12 497 380	35 267 718
	% Share of SA	100,0%	5,5%	2,9%	1,0%	0,4%	1,1%
Tourism	Total Tourism Spend (R 1000, Current prices)	295 556 879	16 638 594	10 739 695	2 832 327	763 342	2 303 230
	Total Tourism spend as % of GDP (Current prices) (2017)	5,9%	5,6%	6,9%	5,2%	3,4%	3,4%
	Growth in Tourism (using bed nights) by origin 2017	3,6%	1,9%	3,1%	0,4%	-1,3%	1,7%
International Trade	Exports as % of GDP	25,6%	30,3%	55,1%	2,9%	3,2%	2,4%
	Total trade as % of GDP	50,7%	32,6%	57,4%	3,3%	5,1%	6,8%

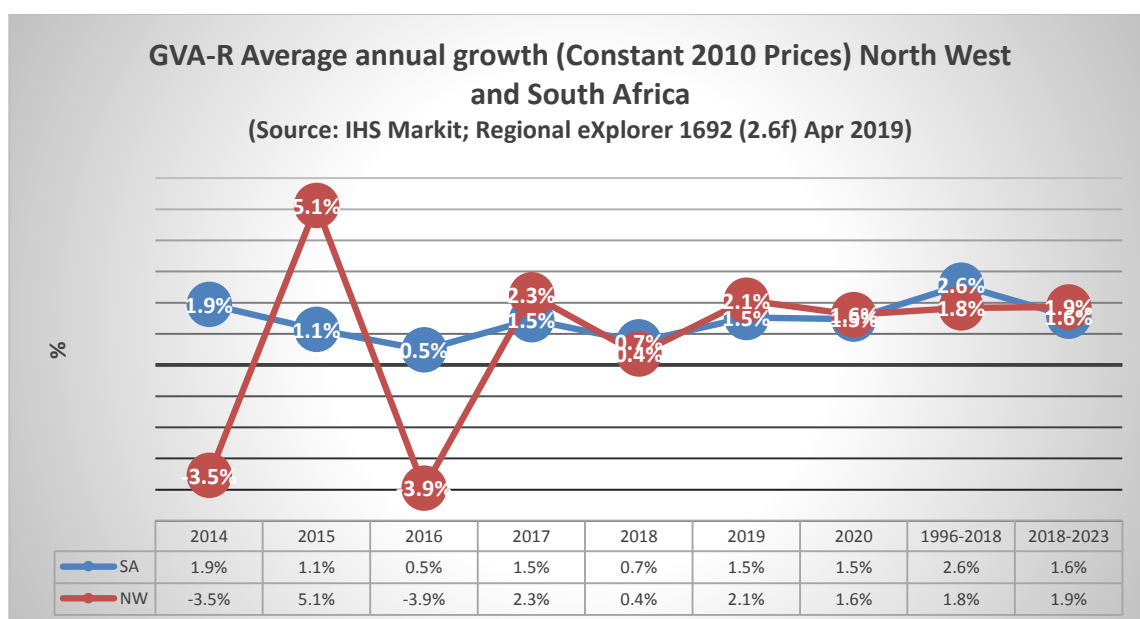
- c) The NW shows improvement in most of the developmental indicators (2009 used as baseline). Most notable is the improvement in the Human Development Index (HDI) currently at 0.62 up 0.52 in 2009. Concerning is the number and percentage of people living in poverty below the upper poverty line (Statssa defined), currently measured at 59.2% (59.1% in 2009) respectively. Improvements in all measures relating to schooling and education are also reported. The Index of Buying Power has also increased for the NW Province. IHS Markit Regional eXplorer's Index of Buying Power (IBP) indicates that 6% of the country's spending power is located in the NWP. Income levels in the NWP are below the national average (which is to be expected for the more rural areas in South Africa).
- d) The unemployment rate was slightly higher than that of the national average in 2018, while the percentage of people living in poverty is marginally higher than the national average. The NWP has a share of approximately 5.4% of national employment.

Table 7: North West Sector Contributions to GVA-R (Current Prices) and Employment in 2018
(Source: IHS Markit; Regional eXplorer 1692 (2.6f) May 2019)

		Sector Contribution to GVA-R Current Prices (2018)	Sector Contribution to Employment (2018)	Growth in GVA-R 2008-2018 %	Jobs created or lost from 2008 to 2018 %	Jobs created or lost from 2008 to 2018 number

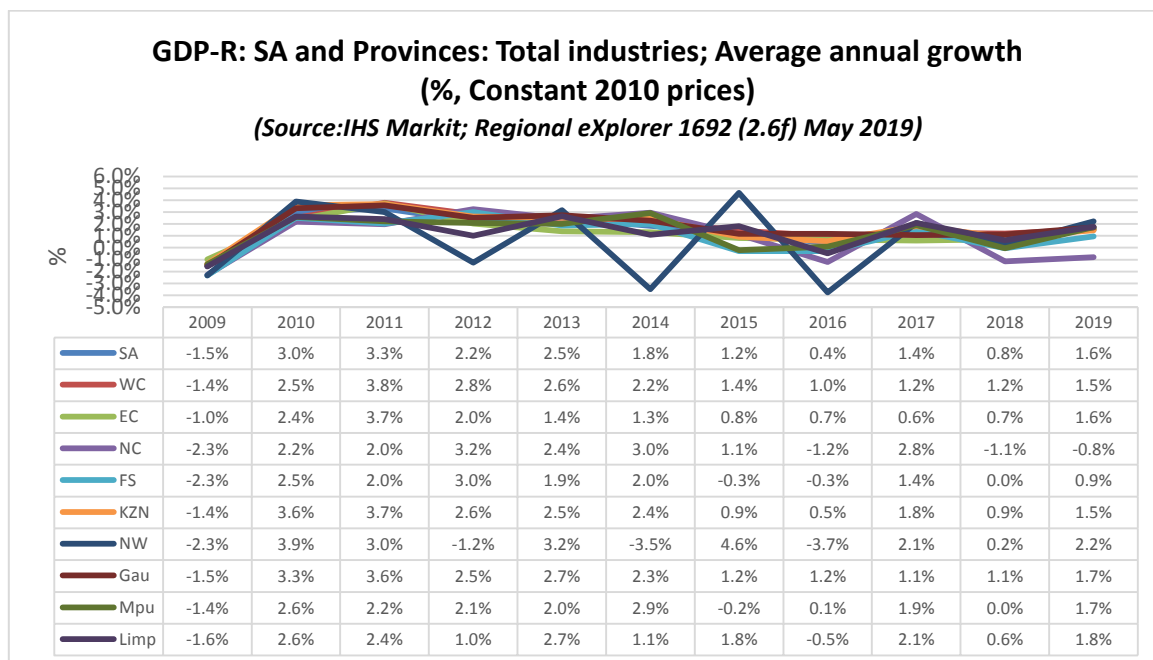
Primary Sector	Agriculture	2,8%	6,9%	77,6%	-1,0%	-531
	Mining	32,5%	17,7%	90,1%	-27,2%	-48 120
Secondary Sector	Manufacturing	5,1%	6,1%	73,3%	-12,0%	-7 325
	Electricity	3,9%	0,5%	425,2%	53,4%	1 352
	Construction	2,5%	5,9%	42,1%	55,5%	23 250
Tertiary Sector	Trade	11,6%	16,8%	118,0%	19,3%	28 985
	Transport	6,8%	1,8%	99,4%	28,0%	6 042
	Finance	13,6%	11,1%	123,2%	24,8%	18 319
	Community Services	21,6%	22,9%	129,2%	46,4%	62 657
	Household		10,1%		-11,8%	-9 843
TOTAL		R258bn	872 038	107,6%	9,4%	74 786
As % of National GDP		5,94%	5,40%			

- e) The 2018 Gini coefficient indicates that the level of equality is decreasing from 0.60 in 2009 to 0.62 in 2018 for the North West Province. This is a trend for South Africa and the District Municipalities as well.
- f) With regards to the economy, the Tress index provides insight into the level of concentration (or diversification) within an economic region. The North West economy is the second most concentrated provincial economy after the Eastern Cape and the Bojanala District has the highest concentrated economy due to the dominance of mining.
- g) The GVA-R Average annual growth (Constant 2010 Prices) for the North West Province compared to the National performance is very erratic.



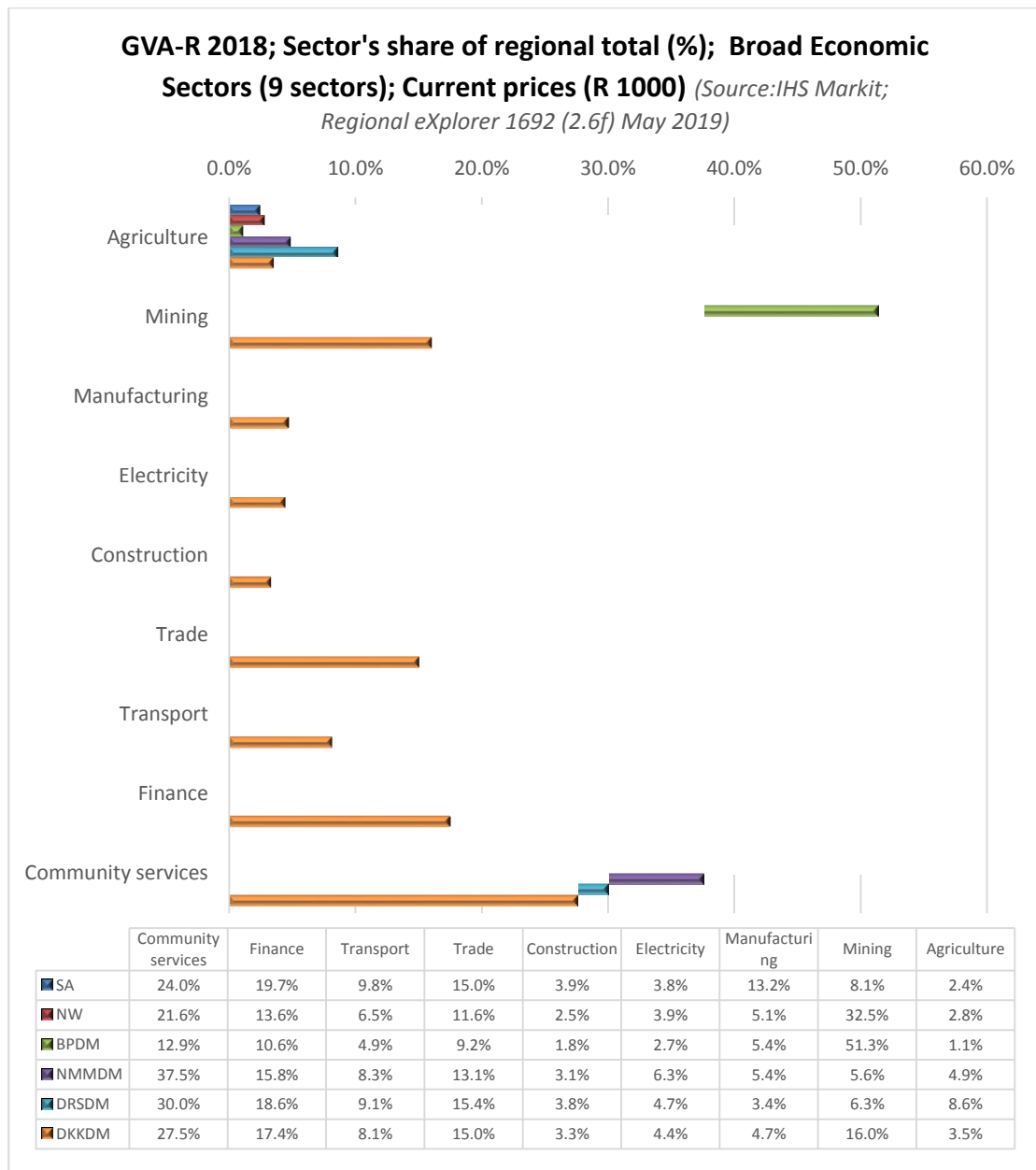
- h) In the graph that follows the average annual growth of the North West Province is compared to the national growth figures as well as all the other provinces. It becomes clear that the North West Province's growth is more volatile which can be attributed to the heavy reliance on mining.

Table 8: *Average Annual Growth South Africa, and Provinces*



- i) The provincial economy is structurally unbalanced with the primary and tertiary sectors contributing more towards GDP-R and growing faster than the secondary sector. The situation is further exacerbated by limited water and electricity supply, the poor state of infrastructure, shortage of skilled labourers and rigid regulatory and legislative policies. A provincial input-output analysis points to a situation of high economic leakages and a dislocation of supply and demand across a number of industries. This has resulted in input and output activities between industries not operating in tandem, 16 minimizing the competitiveness of the province.
- j) The graph below indicates the sector share contribution of the nine broad economic sectors to the economy of the NW Province. It should be noted that it is easier to implement a project related to sectors where the North West has a competitive advantage.

Table 9: *Sector share contribution of the nine (9) broad economic sectors to the economy of the North West Province*



Location Quotient

The Location quotient indicates the comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage by taking into account production and employment.

Table 10: Location quotients ≥ 1.1 (highlighted in blue) by broad economic sector in the NWP (2017) (Source: IHS Markit; Regional eXplorer 1692 (2.6f) May 2019)

Location Quotient 2017 (Source: IHS Markit; Regional eXplorer 1692 (2.6f) May 2019)									
	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community Services
NW	1,15	4,02	0,39	1,01	0,63	0,77	0,66	0,69	0,90

District Municipalities									
BPDM	0,46	6,35	0,41	0,71	0,46	0,61	0,50	0,54	0,54
NMMDM	2,00	0,70	0,41	1,65	0,78	0,87	0,84	0,80	1,57
DRSMDM	3,51	0,78	0,26	1,23	0,97	1,02	0,93	0,95	1,25
DKKDM	1,43	1,98	0,36	1,16	0,84	1,00	0,83	0,89	1,15
Local Municipalities									
BPDM									
Moretele	0,35	0,26	0,75	2,44	0,83	1,18	0,92	1,22	1,00
Madibeng	0,77	3,91	0,73	0,78	0,66	0,80	0,74	0,69	0,76
Rustenburg	0,22	9,28	0,16	0,29	0,24	0,34	0,26	0,33	0,26
Kgetlengrivier	0,46	9,37	0,15	0,21	0,27	0,32	0,31	0,25	0,28
Moses Kotane	0,34	5,99	0,17	1,33	0,44	0,77	0,42	0,53	0,65
NMMDM									
Ratlou	2,70	0,53	0,24	0,68	0,80	0,81	0,77	0,86	1,81
Tswaing	6,42	0,65	0,41	0,48	0,87	0,87	0,86	0,58	1,48
Mahikeng	0,87	0,31	0,26	1,71	0,72	0,89	0,82	0,92	1,80
Ditsobotla	2,86	1,20	0,80	0,55	0,97	0,84	1,09	0,72	1,22
Ramotshere Moiloa	1,31	1,17	0,39	4,22	0,63	0,93	0,58	0,64	1,30
DRSMDM									
Naledi	3,78	0,26	0,27	0,83	0,82	1,29	1,21	1,20	0,99
Mamusa	4,93	0,96	0,20	1,22	1,41	1,06	0,80	1,05	0,95
Greater Taung	1,24	1,26	0,15	2,20	0,79	0,89	0,75	0,96	1,41
Lekwa-Teemane	4,41	0,69	0,61	0,64	1,21	1,05	1,01	0,76	1,15
Kagisano/Molopo	4,80	0,78	0,15	0,89	0,99	0,79	0,81	0,66	1,66
DKKDM									
City of Matlosana	0,56	2,67	0,28	1,03	0,79	1,04	0,88	0,92	1,00
Maquassi Hills	5,76	1,34	0,38	0,47	1,25	0,98	0,80	0,70	1,13
JB Marks (Tlokwe/Ventersdorp)	2,12	1,00	0,47	1,46	0,86	0,94	0,76	0,87	1,38

North West Trade

Compared to 2017, North West exports increased from approximately R24 bn to approximately R88 bn representing 30,3% of the GDP of the North West province, compared to 8.9% in 2017. Imports remained at about R6 bn. R72bn of the exports where from Rustenburg and R11 bn from Madibeng.

NORTH WEST TRADE			
<i>Source: IHS Markit; Regional eXplorer 1692 (2.6f) Apr 2019</i>			
	South Africa	North West Province	North West as a % of South Africa
Exports Value (ZAR):	R 1 247 225 998 764	R 87 832 783 575	7.04%
Imports Value (ZAR):	R 1 222 943 997 857	R 6 897 343 489	0.56%
North West Export Partners:	<ol style="list-style-type: none"> 1. United Kingdom 20,1% 2. United States of America 17,9% 3. Japan 14,5% 4. Germany 11,0% 5. Hong Kong (China) 6,1% 6. Belgium 5,2% 7. China 4,5% 8. Switzerland 2,9% 		

	9. Botswana 2,4%
	10. Taiwan / Chinese Taipei 2,0%
North West Import Partners:	1. China 32,6% 2. Germany 9,7% 3. India 7,5% 4. United States of America 6,5% 5. Botswana 6,2% 6. Namibia 5,6% 7. Turkey 3,3% 8. South Korea 2,3% 9. Taiwan / Chinese Taipei 1,9% 10. Italy 1,8%
North West Export Products:	Mining of metal ores 74,6% Metal products, machinery and household appliances 12,0% Fuel, petroleum, chemical and rubber products 7,5% Furniture and other items NEC and recycling 2,6% Agriculture and hunting 1,1% Food, beverages and tobacco products 0,7% Electrical machinery and apparatus 0,6% Transport equipment 0,4% Other non-metallic mineral products 0,2% Textiles, clothing and leather goods 0,1%
North West Import Products:	Metal products, machinery and household appliances 51,2% Fuel, petroleum, chemical and rubber products 13,0% Electrical machinery and apparatus 9,1% Agriculture and hunting 6,1% Food, beverages and tobacco products 6,0% Transport equipment 3,9% Electronic, sound/vision, medical & other appliances 3,7% Furniture and other items NEC and recycling 2,4% Textiles, clothing and leather goods 1,9% Other non-metallic mineral products 1,4%

Top 10 Positive Rankings for South Africa as per the WEF Global Competitiveness Rankings 2018/2019

Out of 140 economies South Africa ranked 67th (62nd in 2017) and had the following rankings on the indicated Index components

- Market Capitalization as a % of GDP (2) Indicates the importance of the Stock Exchange.
- Insurance premium as % of GDP (3) Indicates the importance of the insurance industry.
- Cost of starting a business as % of GNI per capita - Gross national income (GNI) (4)
- Road connectivity (5)
- Mobile-cellular telephone subscriptions per 100 pop (9)
- Domestic credit to private sector as % of GDP (11)
- Conflict of interest regulation (11)
- Labour Tax Rate % (14)
- Pillar 9: Financial System (18)
- Insolvency Regulatory Framework (24)

Framework of fundamental economic guiding principles: A policy agenda towards sustainable economic development

To enable stakeholders to move towards more sustainable economic development, there

are many elements that are required or must be considered. They may include:

- Clustering;
 - Linkages with local suppliers of goods and services;
 - Skills and human resources development;
 - Access to finance and investment;
 - Institutional framework and mainstreaming of ACT in national policies;
 - Promotion and marketing;
 - Protection and conservation of cultural heritage.
- a) Location is one of the NWP's greatest natural advantages. The main Cape Town to Zimbabwe railway line runs through the provincial capital of Mahikeng, linking the NWP to several southern African countries, including Angola, Zambia and Botswana. An extensive road network connects the major commercial centres of the province to the rest of the country via a network of 1 785 km of national roads. The vital east-west corridor links the eastern Africa seaboard at Maputo to the western African seaboard at Walvis Bay, running through the NWP en-route. Its strategic positioning has been further improved with the completion of the Trans Kalahari Corridor through Botswana and Namibia – and these developments bode well for a thriving business and tourism economy. In terms of airports, Mahikeng has an established airport with one of the longest runways in the world and Pilanesberg (near Sun City) also has an international airport, primarily servicing the tourism industry.
- b) Water is considered one of the key limiting factors to development in the NWP. The province is not only depleting its precious water reserves, but suffers from an additional problem – that of pollution of groundwater caused by both natural and human-induced factors including mining and industrial activities, agriculture and domestic use.
- c) With regards to electricity, the NWP has a well-developed electricity distribution network due to mining activities. Although the electricity crisis is under control, renewable energy solutions are becoming more affordable and should be considered for rural communities. Therefore, investment into renewable energy technologies for rural communities provides a unique opportunity.
- d) Bordering Botswana, the North West Province is ideally positioned to access the fourteen countries comprising the Southern African Development Community (SADC) and the development of the proposed Trans-Kalahari corridor will enhance North West Province access to the West African market.
- e) The North West Province's well developed road and rail links provide the platform and infrastructure for ground transportation deep into sub-Saharan Africa.
- f) The SADC Foreign Trade Agreement (FTA) signed in August 2008 provides access to a market of over 250 million consumers.

- g) Future FTA with SADC, Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC) will provide access to a market of over 700 million consumers.
- h) The North West Province offers easily available skills and distribution channels imperative for agricultural commercial ventures.
- i) The North West Province plays a significant role in the supply of energy, transport and communications to the continent.
- j) The North West Province is well positioned to a shared services hub for investors interested in African operations, especially for Sub-Saharan countries.

5.4 Policy Guidelines

- a) Given the economic growth forecasts, key demographic and socio-economic characteristics and the current economic and structural realities in the North West, the NWPG has an important role to play in setting the framework for growth and outlining the necessary actions to stimulate growth in areas such as innovation, research and development, skills, education, exports, FDI and entrepreneurship. This also means identifying and supporting business growth in areas where there is the greatest potential, whilst ensuring that the necessary economic infrastructure is in place to capitalise on the existing strengths and opportunities.
- b) The NWDC Group identified the following key and cross-cutting sectors, based on the renewed focus in the NWP

Key economic sectors include:

- Agriculture and agro-processing
- Tourism
- Mineral beneficiation
- Manufacturing
- Green economy
- ICT

Cross-cutting sectors include:

- Small and medium enterprise (SME)
- International trade
- Innovation and R&D
- Business process outsourcing (BPO)

Geographical Economy - Spatial Economic Growth Context and Challenges

- c) A major challenge is the poor degree of connection to urban centres because of insufficient public transport infrastructure. According to the World Bank 2009 report on transport prices and costs in Africa, connectivity remains a challenge in rural areas: around 70% of South Africa's rural populations live at least two kilometers away from an all-season road. Rail and roads need upgrading and expansion to cope with the increasing

volume of passenger and goods transport. The government has published a national infrastructure plan that outlines investment needs and plans over the next decade.

- d) The framework legislation for the use of communal land in traditional areas needs to be established as it creates uncertainty and affects the legality of various forms of land use, ranging from sub-letting plots of land to migrant mine workers to the establishment of industrial zones for long-term leases.
- e) The digital divide also remains deep. Access to high-quality communication services and technologies, infrastructure and content remains largely limited to the privileged few. Only 2% of households in rural areas had access to fixed-line internet infrastructure compared to 9.2% in urban and 16.2% in metropolitan areas in 2013. Consequently, 7 out of 10 South Africans are using their mobile telephones to log on to the internet.
- f) The spatial frameworks relying on an abstract design approach, and centered on the use of nodes and corridors, became a standard form of planning in South Africa. The Maputo Development Corridor (MDC) was launched in 1996 and represents the first regional corridor initiative in Southern Africa. The corridor aimed at increasing trade between and along its starting points in the Gauteng province and the Maputo harbour in Mozambique. It involves investment in roads, railways and ports. However, local populations along the corridor do not always benefit from greater connectivity.
- g) Based on the information above, NWDC will strive to close the gap by focusing on smart specialisation. Smart specialisation is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each area's strengths and competitive advantage. It aims to identify factors of competitiveness and to concentrate resources on key priorities. It also aims to harness area diversity by avoiding uniformity and duplication in investment goals. It combines goal-setting with a dynamic and entrepreneurial discovery process involving key stakeholders from government, community leaders/representatives business, academia and other knowledge-creating institutions.

5.5 Best Practices in State Owned Entities

Presidential Review Committee Report

- a) The review of SOEs provides an opportunity for post-1994 South Africa to redefine the configuration and the role of its SOEs to address economic, social and service delivery challenges facing the country. These challenges include access to quality service delivery, globalisation, unemployment, skewed distribution of income, access to land, housing and finance, and poor infrastructure – the burden of which is disproportionately borne by the majority of the population.
- b) South Africa aspires to be a developmental state. The review report provides an opportunity to align the SOEs to this agenda.

5.6 Organisational Environment

- a) The NWDC Group must play a leadership and catalytic role in transformation and development. This should be achieved through transparent and development-focused

procurement processes (70% local procurement from SMMEs and co-operatives); gender parity and progression; and targeted skills development in collaboration with other stakeholders (state, business and the community).

- b) It must be kept in mind that the commissioning of studies requires compliance with procurement procedures. Funds will also need to be sourced for the studies as NWDC does not have the financial resources. The time needed to conduct the studies and the cost of studies will be determined by the level of detail required.
- c) The NWDC Group needs to implement projects in line with the provincial developmental agenda. Furthermore, the NWDC needs to determine priority projects that shall yield the biggest impact in terms of job creation and enterprise development. As it is an objective of NWDC to implement sustainable projects that contribute to economic transformation, it is crucial to base project implementation on thorough feasibility and other studies.
- d) Once feasibility and business/implementation plans have been completed, these plans are to be used to source funding for projects. It must be noted that the quality of the feasibility and business plans influences sustainability, which in turn, determines the decision by investors or funding institutions to invest in or fund a project.
- e) Resources such as capacity, funds and time that are needed to execute projects, must be sourced; and performance depends on the ability to source resources.
- f) It is imperative that the NWDC, through its investment strategy, has a high return objective to grow itself into a self-sustainable organisation, able to implement the developmental agenda. Furthermore, the NWDC is to become self-funded in the long term, focusing on increasing revenue through its property portfolio and investment activities.
- g) It must further be noted that the NWDC as well as its tourism subsidiaries is challenged by dilapidated infrastructure limiting it from being competitive in the market. The general industry norm is the frequent revamping and upgrading of facilities to ensure customer satisfaction. It is therefore crucial that NWDC obtains funding to improve its ability to increase revenue and achieve performance.
- h) The Government Technical Advisory Council (GTAC), consulting agency and subsidiary of National Treasury is currently conducting studies on the North West Development Corporation SOC Ltd and Golden Leopard Resorts SOC Ltd that intends to determine viable options to turn around the companies. The fact that GTAC is involved in the studies further is an advantage in terms of accessing the infrastructure fund that has been announced as a stimulus for economic growth in South Africa as National Treasury and DBSA are partnering in rolling out the infrastructure fund. Accessing incentive and grants is crucial for the NWDC as it will reduce the costs of the infrastructure upgrades and revamps. The NWDC also needs to consider accessing grants to diverse into alternative energy options and water treatment plants at the industrial industries.
- i) The current organisational environment consist of:
 - Cash flow challenges;
 - Concerns over unfavourable audit opinions;

5.6 Moving forward

- a) The NWDC is embarking on a process to finalise and implement the new organisational structure. The new organisational structure is aligned with the strategy of the provincial priorities. The focus will move from conventional methods to a project-based approach for better implementation of deliverables.
- b) The NWDC, as a State Owned Entity, aims to match the private sector's performance standards to become a world-class player. The NWDC will be structured and capacitated in a manner that will enable it to implement projects effectively and efficiently.

6. Supporting Values

Table 12: *Core values and the interpretation thereof*

Strategic	Operational
<p>Fairness: Acting with objectivity, empathy, integrity and transparency</p> <p>Focus (Batho Pele): Focusing on people, economic and rural development</p> <p>Diversity: Show a positive feeling of high regards towards another or entity irrespective of race, gender, religious persuasion, etc.</p> <p>Professionalism: To behave professionally in all circumstances by showing respect, good judgement and cooperation to customers and colleagues</p> <p>Innovation: To be able to translate ideas or inventions into goods or services that create value which customers will pay for</p>	<p>Integrity: To demonstrate ethical behaviour by doing the right thing at all times and in all circumstances whether or not anyone is watching</p> <p>Accountability: Taking responsibility for own actions; an obligation to one's self</p> <p>Customer-Orientated: Client needs and satisfaction are one of the NWDC's biggest priorities. This includes responding promptly and respectfully to consumer complaints and queries</p> <p>Saamwerk-Saamtrek: In alignment with the Premier's office we work together ("saamwerk"), giving direction and motivation ("saamtrek"). Good communication will prevent working in silos and duplicating work or research already done</p>

7. Operating Principles

The NWDC bases its operating principles on the NWDC Act including the following:

- a) The entity and government agrees on appropriate funding principles and models that comply with the PFMA and legislation.
- b) Financial viability of the entity should be ensured while it delivers on its core mandates as well as meet its determined developmental objectives.
- c) A good accounting system will support monitoring of financial performance.
- d) Performance should be assessed on the basis of efficiency and effectiveness as well as service delivery.
- e) The entity will play a leadership and catalytic role in economic transformation and development.

8. Business Standards

- a) The NWDC focuses on creating a business environment that is conducive to ease of access to information required for decision making through the development of information systems and information technology.
- b) The NWDC is committed to the development and maintenance of a work environment that is safe, actively fosters personal development and integrity, builds teamwork and values performance.
- c) The NWDC focuses on the development of information and knowledge to assist the entity in making better informed decisions and resulting actions affecting the well-being of the NWDC and its clients.
- d) The NWDC operates under the following principles guiding the entity in its approach to business operations and strategic planning:
 - Fairness
 - Integrity
 - Accountability
 - Professionalism
 - Innovation and
 - Customer-orientated.

9. Strategic Goals (Long-Term)

Strategic Outcome-Oriented Goal of the NWDC: **Improved economic growth**

The NWDC Group has adopted the following Strategic Objectives for the next five years:

Table 13: *NWDC Strategic Objectives and Measurable Goals*

Strategic Objective 1:	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually
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Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Going concern or liquidity (failure to pay our creditors)	High	To create cash reserves equivalent to 1% of total assets	Medium
Potential revenue loss on assets outside the Province	High	Disposal of the market value	Medium
Failure of internal controls Systems	Medium	<ul style="list-style-type: none">Annual reviews and compilation and updating of relevant policies and procedures and other legislated registers (SCM, Risk, etc.)	Medium

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
		<ul style="list-style-type: none"> Develop Company Standard Procedure Manual Appointment of Compliance Officer as per the approved structure 	
Poor rental collections in respect of tenants	High	<ul style="list-style-type: none"> Enhance lease agreements Enhance the application requirements Review the organisational structure Debt recovery 	Medium
Poor repayment collections in respect of loans	High	<ul style="list-style-type: none"> Strengthen loan agreements Enhance the assessment phase of the application process (proper due diligence) Render effective aftercare services to clients 	Medium

Strategic Objective 2: Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Failure of projects due to lack of funding and /or financing	High	<ul style="list-style-type: none"> Source external funding to complement own funding Directive Enforce implementation of Project Management Policy 	Low
Major project failure (reputational risk)	Medium	<ul style="list-style-type: none"> Follow due processes in project development and implementation of Project Management Policy Stakeholder Management 	Medium
Failure of the economic transformation programme	High	<ul style="list-style-type: none"> Obtain economic statistics Develop funding model Develop and monitor the economic transformation implementation plan 	Medium

Strategic Objective 3: Increase the NWDC Group capacity by implementing operating systems

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Lack of succession plan	High	Develop comprehensive organisational plan e.g. managerial, retirement plans, business continuity, business optimisation etc.	High
Inability to implement systems and processes	High	Implementation of the following: <ul style="list-style-type: none"> Consequence Management Training & Development Change Management 	Medium
Lack of integrated IT system	High	<ul style="list-style-type: none"> Call for RFPs for integrated IT system Advance IT training on IT platforms e.g. Oracle, SAP 	Medium

Strategic Objective 4: Conduct annual external surveys to measure the quality of services rendered by the NWDC Group

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Lack of pro-active and effective communication across the organisation	High	<ul style="list-style-type: none"> Acquisition and customisation of Sharepoint software as per the organisation's communication requirements Survey Monkey Enhance internal communication between business units Inter departmental meetings Customer relations training 	Medium
Inability to meet Shareholder and Stakeholders' expectations	High	<ul style="list-style-type: none"> Enforcement of the implementation of Shareholder and Stakeholder engagement Filling of vacant executive positions 	Medium

10. Objectives

10.1 Objectives: Short to Medium Term (over the next 3 years)

Programme 1:	Property Development & Management
Purpose of the Programme:	To ensure the development and management of the property portfolio
Strategic Objective applicable:	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
1.1	Value of current rental collected within 30 days	0	0	-	R168m	R128m	R135m	R145m
1.2	Occupancy percentage of rented properties	-	-	-	90%	90%	100%	100%
1.3	Number of vacant sites earmarked for development	-	0	-	5	1	3	4

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1.1	Value of current rental collected within 30 days	Monthly	R128m	R32m	R32m	R32m	R32m
1.2	Occupancy percentage of rented properties	Quarterly	90%	90%	90%	90%	90%
1.3	Number of vacant sites earmarked for development	Annually	1	0	0	0	1

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of current rental collected within 30 days	R128m	R120m-R127m	R115m-R119m	R110m-R114m	R100m-R109m	Below R100m
Occupancy percentage of rented properties	90%	90%-94%	85%-89%	80%-84%	75%-79%	Below 75%
Number of vacant sites earmarked for development	1	n/a	n/a	n/a	n/a	n/a

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of current rental collected within 30 days	R128m	Below R119m	R120m-R127m	R128m	R129m-R135m	Above R135m
Occupancy percentage of rented properties	90%	Below 85%	85%-89%	90%	91%-100%	Above 100%
Number of vacant sites earmarked for development	1	0	0	1	2	3

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Value of current rental collected within 30 days	To ensure rental is collected for all occupied units	Regional Property Managers	Nicor rental receipts report (total amount of rental collected)	Quarterly	Non-Cumulative	Output
Occupancy percentage of rented properties	To maintain the targeted occupancy percentage	Regional Property Managers	Nicor Report Total square meters occupied as of 1 st April 2019 (as opening)	Quarterly	Non-Cumulative	Output

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
			measured against closing as at end of quarter			
Number of vacant sites earmarked for development	To enhance revenue and asset value	Executive Manager – Property Development & Management	Development Proposal approved by the Board	Annually	Cumulative	Output

Programme 2:	Bojanala Special Economic Zone (SEZ)
Purpose of the Programme:	To build commercial industrial infrastructure and attract new investment into the SEZ
Strategic Objective applicable:	Contribute annually to the economic growth and transformation of the NWP by multiplying the initial investments

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
2.1	Value of investment attracted into the SEZ	0	0	0	R2b	R2b	R300m	R500m
2.2	Value of Zone Infrastructure Development	0	0	0	R750m	R100m	R200m	R300m

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
2.1	Value of investment attracted into the SEZ	Annually	R2b	0	0	0	R2b
2.2	Value of Zone Infrastructure Development	Annually	R100m	0	0	0	R100m

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of investment attracted into the SEZ	R2b	R1.5b-R1.9b	R1.1b-R1.49b	R500m-R1b	R100m-R499m	Below R100m
Value of Zone Infrastructure Development	R100m	R85m-R99m	R70m-R84m	R50m-R69m	R21m-49m	Below R20m

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of investment attracted into the SEZ	R2b	Below R1.5b	R1.5b-R1.9b	R2b	R2.5b	R3b
Value of Zone Infrastructure Development	R100m	R0-R49m	R50-R99m	R100m	R101-R150m	Above R151m

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Value of investment attracted into the SEZ	To attract new investment into the economy of the North West Province	SEZ Project Manager	Total value of investment committed received from Letters of Intent	Annually	Cumulative	Output
Value of Zone Infrastructure Development	To increase the infrastructure investment in the North West Province	SEZ Project Manager	Letters of financial commitment from dti	Annually	Cumulative	Output

Programme 3:	SMME Development & Management
Purpose of the Programme:	To develop sustainable enterprises
Strategic Objective applicable:	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
3.1	Value of loans disbursed	-	R24,818m		R20m	R4.2m	R13m	R15m
3.2	Amount recovered from collections	-	-	-	R4m	R2.5m	R7m	R9m

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
3.1	Value of loans disbursed	Quarterly	R4.2m	R500k	R1m	R1.2m	R1.5m
3.2	Amount recovered from collections	Quarterly	R2.5m	R300k	R500k	R700k	R1m

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of loans disbursed	R4.2m	R3m-R4.1m	R2m-R2.9m	R1.5m-R1.9m	R1m-R1.4m	Below R1m
Amount recovered from collections	R2.5m	R2m-R2.4m	R1.5m-R1.9m	R1m-R1.4m	R800k-R900k	Below R800k

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of loans disbursed	R4.2m	Below R3m	R3m-R4.1m	R4.2m	R4.3-R5m	Above R5m
Amount recovered from collections	R2.5m	Below R2m	R2m-R2.4m	R2.5m	R2.6m-R3m	Above R3m

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Value of loans disbursed	To ensure allocation of funds to successful applicants	SMME Manager	Bank Statements (total value of loans disbursed)	Quarterly	Non-Cumulative	Output
Amount recovered from collections	To ensure that clients repay their loans	SMME Manager	Bank Statements (total amount collected)	Quarterly	Non-Cumulative	Output

Programme 4:	Trade & Investment Facilitation
Purpose of the Programme:	To attract foreign and local direct investments into the NWP, promote exports and facilitate market access for local businesses
Strategic Objective applicable:	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
4.1	Value of successful investment projects facilitated into the North West Province	R0m	R98m	-	R100m	R100m	R200m	R500m
4.2	Number of trade and investment initiatives with local and district municipalities	8	-	-	4	4	4	4
4.3	Number of companies assisted with access to export markets	17	25	-	10	10	20	25

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
4.1	Value of successful investment projects facilitated into the NWP	Annually	R100m	0	0	0	R100m
4.2	Number of trade and investment initiatives with local and district municipalities	Quarterly	4	1	1	1	1
4.3	Number of companies assisted with access to export markets	Quarterly	10	3	2	3	2

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of successful investment projects facilitated into the North West Province	R100m	R80m-R99m	R70m-R79m	R60m-R69m	R50m-R59m	Below R50m
Number of trade and investment initiatives with local and district municipalities	4	3	2	1	0	0
Number of companies assisted with access to export markets	10	8-9	6-7	4-5	2-3	Below 2

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of successful investment projects facilitated into the North West Province	R100m	R50m-R70m	R71m-R99m	R100m	R101m-R120m	Above R120m
Number of trade and investment initiatives with local and district municipalities	4	0-1	2-3	4	5	6 and above
Number of companies assisted with access to export markets	10	4	6	10	15	16 and above

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Value of successful investment projects	To facilitate investment into the North West Province	Trade & Investment Facilitation Manager	Total investment value committed received	Annual	Cumulative	Output

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
facilitated into the North West Province			through: commitment or confirmation letters			
Number of trade and investment initiatives with local and district municipalities	To stimulate local economic development within Municipalities	Trade & Investment Facilitation Manager	Proof of participation	Quarterly	Non-Cumulative	Output
Number of companies assisted with access to export markets	To support economic growth	Trade & Investment Facilitation Manager	Sum of companies assisted with exports market access (proof of referral to an export market)	Quarterly	Non-Cumulative	Output

Programme 5:	Economic Programme Management
Purpose of the Programme:	To facilitate and implement funded projects
Strategic Objective applicable:	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
5.1	Number of funded projects to be implemented	0	3	9	11	5	3	4
5.2	Number of jobs created through projects implemented	0	0	0	500	58	30	58

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
5.1	Number of funded projects to be implemented	Annually	5	0	0	0	5
5.2	Number of jobs created through projects implemented	Annually	58	0	0	0	58

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Number of funded projects to be implemented	5	4	3	2	1	0
Number of jobs created through projects implemented	58	41-58	31-40	21-30	11-20	10 and below

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of funded projects to be implemented	5	2 and below	3-4	5	6-8	9 and above
Number of jobs created through projects implemented	58	Below 50	50-57	58	59-80	81 and above

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Number of funded projects to be implemented	To implement projects that will transform and grow the economy	Project Managers	Resolution from the Board approving the proposals for projects.	Annually	Cumulative	Output

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Number of jobs created through projects implemented	To increase sustainable job opportunities in the North West Province	Project Managers	Confirmation from Contractor/Project Owner confirming number of employees employed for the project	Annually	Cumulative	Output

Programme 6:	Tourism
Purpose of the Programme:	To manage, promote and grow hospitality and eco-tourism in the NWP
Strategic Objectives applicable:	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
6.1	Percentage increase in revenue for the quarter measured against prior year same period	-	-	-	17%	10%	10%	10%
6.2	Occupancy growth rate : Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	-	-	-	8%	1.85%	8%	10%

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
6.1	Percentage increase in revenue for the quarter measured against prior year same period	Quarterly	10%	7.8%	9%	14.4%	8.8%
6.2	Occupancy growth rate : Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	Quarterly	1.85%	1.87%	2%	1.43%	1.55%

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Percentage increase in revenue for the quarter measured against prior year same period	10%	9%	8%	7%	6%	Below 6%
Occupancy growth rate : Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	1.85%	1.6%-1.84%	1.4%-1.59%	1.2%-1.39%	1%-1.19%	Below 1%

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Percentage increase in revenue for the quarter measured against prior year same period	10%	Below 9%	9%-9.9%	10%	11-15%	Above 15%
Occupancy growth rate :	1.85%	Below 1.6%%	1.6%-1.84%	1.85%	1.86%-2%	Above 2%

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter						

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Percentage increase in revenue for the quarter measured against prior year same period	To ensure growth in revenue against prior year	CEO and GMs	Revenue Report (Total current revenue subtract total revenue prior same quarter) divide (total revenue prior year same quarter) X 100	Quarterly	Non-cumulative	Output
Occupancy growth rate: Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	To maintain growth in occupancy against the prior year	CEO and GMs	Occupancy Report (Total weighted percentage actual occupancy per quarter minus total weighted percentage actual occupancy same quarter prior year)	Quarterly	Non-cumulative	Output

Programme 7:	Corporate Services
Purpose of the Programme:	To improve the going concern status for the NWDC Group
Strategic Objectives applicable:	<ul style="list-style-type: none"> Maintain the going concern of the NWDC Group by achieving sustainability

Table 1: Performance Indicators and Annual Targets for 2019/2020

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
7.1	Amount collected of historical debt	0	0	0	50%	R40m	R35m	R30m

Table 2: Quarterly Targets for 2019/2020

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2019/2020	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
7.1	Amount collected of historical debt	Annually	R40m	R10m	R10m	R10m	R10m

Table 3: Risk Appetite for 2019/2020

KPIs	Annual Target 2019/2020	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Amount collected of historical debt	R40m	R35m-R40m	R25m-R34m	R15m-R24m	R10m-R14m	Below R10m

Table 4: Performance Management for 2019/2020

KPIs	Annual Target 2019/2020	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Amount collected of historical debt	R40m	Below R20m	R21m-R39m	R40m	R41m-R55m	Above R55m

Table 5: Technical Descriptions for Key Performance Indicators

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Amount collected of historical debt	To reduce the debt book	Legal Manager	NICOR Receipting report	Quarterly	Cumulative	Output

11. Employment Equity Strategy

Employment of previously disadvantaged individuals in terms of both race and gender

11.1 Formal Statement of Commitment

North West Development Corporation (NWDC) takes its obligation seriously and there is a plan that has been designed to demonstrate its commitment to employment equity and diversity among its employees within an economically viable environment.

In developing the EE targets, the national and regional statistics for the economically active population (EAP) as supplied by Statistics South Africa will be taken into account.

Provincial Economically Active Population (EAP) by population group/race and gender (15 to 64 years):

NORTH WEST	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
	55,5%	0,5%	0,4%	4,0%	36,1%	0,7%	0,0%	2,8%	

Source: Stats SA QLFS Q2 2018

These figures are subject to review as and when updated statistics are released by Stats SA.

11.2 Employment Equity Transformation Process

The NWDC was merged with the two State Owned Entities called Mahikeng Industrial Development Zone (MIDZ) and Invest North West. The merger took place in April 2013 and the merged entities have been absorbed in the NWDC Group.

The corporation is still undergoing the process of accurately merging employees from the entities into the new organisational structure.

The purpose of the plan is to identify and set measures for:

- Eliminating any discrimination
- Dismantling barriers to Employment Equity
- Achieving representation of designated groups

11.3 Employment Equity Communication Strategy

Communication has been identified as one of the success factors in achieving Employment Equity in the workplace. Its intention is to make employees and other stakeholders aware of the content and application of the EEA. It is envisaged that the process of structured communication will prepare stakeholders for their effective participation and meaningful contribution to the EE process.

The communication strategy consists of the following components:

- Stakeholder meetings

- Internal newsletter
- Posters
- Electronic communication
- Notice boards
- Display of EEA summary (EEA3) in strategic locations

11.4 Consultation

NWDC shall take reasonable steps to consult and reach agreement on all matters of consultation as contemplated in section 17 of the EEA. The parties to consultation shall be:

- Representative trade unions (PSA)
- Employees or their nominated representatives
- NWDC management
- HR functional line services – facilitation role

The nominated employee representatives shall reflect the interests of the following workforce groupings:

- Employees from designated groups
- Employees who are not from designated groups
- Unionised employees
- Non-unionised employees
- People with disabilities

Table 14: *Consultative Structures*

The following stakeholders are recognised for various consultation purposes	Aspects included in the consultation process	Process Management
<ul style="list-style-type: none"> •NWDC Employment Equity Committees •Social & Ethics Committee •Public Servants Association of South Africa (PSA) Union •Human Resource and Remuneration Committee 	<ul style="list-style-type: none"> •Analysis of the workforce profile •Employment policies, procedures and practices •Identification of employment barriers and steps to eliminate them •Affirmative action measures •Advancement of employees, particularly from designated groups •Organisation-specific circumstances •Industry-specific circumstances •Department-specific circumstances 	<ul style="list-style-type: none"> •The HR Department shall facilitate and manage the consultation process •The HR Department, through its administration shall be responsible for record-keeping •The consultation process shall be transparent

11.5 Analysis

As per Section 19 of the Employment Equity Act, an employer must collect information and conduct analysis of its employment policies, practices and procedures and the working environment to identify barriers that adversely affect people from designated groups.

The current workforce profile was analysed to determine under-representation of people from designated groups and the resultant information used to project the desired state at the end of the EE Plan. For the purposes of this plan, the over and under-representation is determined relative to the North West EAP statistics. The policies, procedures and practices were also analysed and, where applicable, corrective measures were designed.

Table 15: *Snapshot of workforce profile for all employees, including people with disabilities*

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	11	0	0	1	3	1	1	2	0	0	19
Professionally qualified and experienced specialists and mid-management	8	0	1	0	11	0	0	2	0	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	12	0	0	0	37	3	0	1	0	0	53
Semi-skilled and discretionary decision making	39	0	0	0	12	0	0	0	0	0	51
Unskilled and defined decision making	4	0	0	0	12	0	0	0	0	0	16
TOTAL PERMANENT	75	0	1	1	76	4	1	5	0	0	163
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	75	0	1	1	76	4	1	5	0	0	163

Table 16: *NWDC Job Grade Convention Table*

Occupational Level	Job Grades
Top management	P1-P4
Senior management	P5-P6
Professionally qualified and experienced specialists and mid-management	P7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	P8-P10
Semi-skilled and discretionary decision making	P11-P16
Unskilled and defined decision making	P17

11.6 Findings and observations (From analysis process)

Occupational Level	Job Grades
Top management	There is no representation of other groups in the job category, however African females and male are 50% represented.

Occupational Level	Job Grades
Senior management	African males are over represented in this category, other groups are under represented
Professionally qualified and experienced specialists and mid-management	African females are over represented in this category, other groups are under represented
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	African males are over represented in this category, other groups are under represented
Semi-skilled and discretionary decision making	African males are over represented in this category, other groups are under represented
Unskilled and defined decision making	African females are over represented in this category, other groups are under represented
People with Disabilities (PWD)	People with disabilities are under-represented less than in all occupational categories
Women in Leadership positions	The current women component in the top two occupational categories is 50% of the male component

Table 17: *Recruitment: 1 April 2018 to 31 March 2019*

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	4	0	0	0	2	0	0	0	0	0	6
TOTAL PERMANENT	4	0	0	0	2	0	0	0	0	0	6
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	4	0	0	0	2	0	0	0	0	0	6

11.7 Employment Equity Plans and Targets

Numerical goals must include the entire workforce profile, and the difference that is projected to be achieved by the end of this EE Plan.
1 April 2018 ending 31 March 2019:

Occupational Levels		MALE				FEMALE				SUB TOTAL		2018/2019 Labour Budget	Vacant Positions
		A	C	I	W	A	C	I	W	Filled	Vacant		
Provincial EAP Compliance		55,5%	0,5%	0,4%	4,0%	36,1%	0,7%	0,0%	2,8%				
Top Management	Filled	1	0	0	0	1	0	0	0	2		5	
	Vacant	2	0	0	0	1	0	0	0		3		Executive Manager: Corporate Services, Executive Manager: Property Development & Management, and Executive Manager: SMME Development
Senior Management	Filled	11	0	0	1	3	1	1	2	19		28	
	Vacant	1	1	0	1	5	0	1	0		9		Regional Manager (Properties), Legal Manager, Branch Manager x 6, Economist
Professionally qualified and experienced specialists and mid-management	Filled	8	0	1	0	11	0	0	2	22		30	
	Vacant	2	1	1	1	0	1	1	1		8		Specialist Trade, Specialist Market Access, Specialist Aftercare, Specialist Mining Equipment, Assistant Company Secretary, Financial Planner, IT Administrator x 2 and Maintenance Coordinator x 2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Filled	12	0	0	0	37	3	0	1	53		71	
	Vacant	0	2	1	2	5	2	1	5		18		Junior Supply Chain x 2, Executive Secretariat, Finance Administrator, Archive and Registry, Auxiliary Admin, Information Officer x 7, IT Technician, Tenant Coordinator and Compliance Officer
Semi-skilled and discretionary decision making	Filled	39	0	0	0	12	0	0	0	51		52	
	Vacant	1	0	0	0	0	0	0	0		1		GES x 1
Unskilled and defined decision making	Filled	4	0	0	0	12	0	0	0	16	0	17	
	Vacant	0	0	0	0	1	0	0	0		1		
TOTAL		81	4	3	5	88	7	4	11	163	40	203	

12. Reflecting on Outcomes

- a) The Medium Term Strategic Framework (MTSF) is government's strategic plan for the 2014-2019 electoral terms. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP.
- b) The NWDC has aligned its strategy to the (MTSF). In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

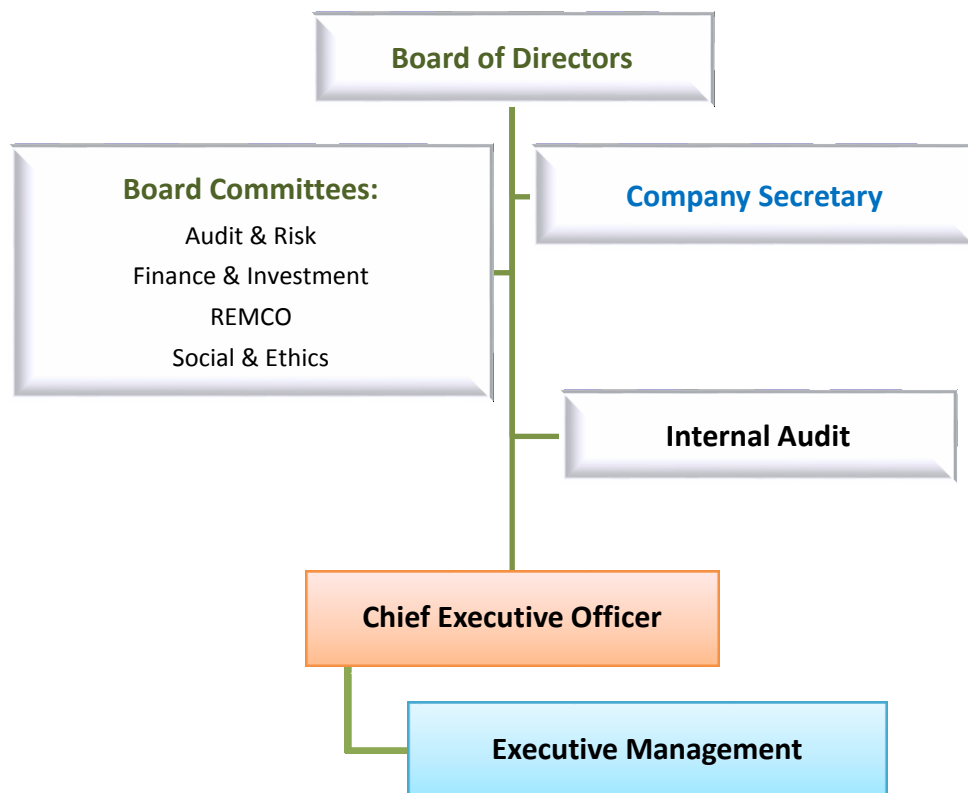
Table 18: *The MTSF outcomes, Correlating NDP Chapters and Relevance to NWDC:*

Outcome	Subject	Correlating NDP Chapter	Relevance to NWDC
Outcome 4	Decent employment through inclusive growth	Chapter 3	NWDC Mandate
Outcome 5	A skilled and capable workforce to support an inclusive growth path	Chapter 9 & 13	NWDC Values
Outcome 6	An efficient, competitive and responsive economic infrastructure network	Chapter 4	NWDC Properties
Outcome 7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Chapter 6	Projects
Outcome 10	Protect and enhance our environmental assets and natural resources	Chapter 5	Ensure that projects have RODs on Environmental Impact Assessments (EIAs) Ensure Energy Efficiency of all properties Facilitate investment in Renewable Energy Reduce, reuse and recycle
Outcome 11	Create a better South Africa and contribute to a better Africa and a better world	Chapter 7	Destination Marketing and Exports (Trade and Investment promotion)
Outcome 12	An efficient, effective and development-oriented public service	Chapter 13 & 14	NWDC (Strategic Objective 1) Ensure the sustainability of the NWDC

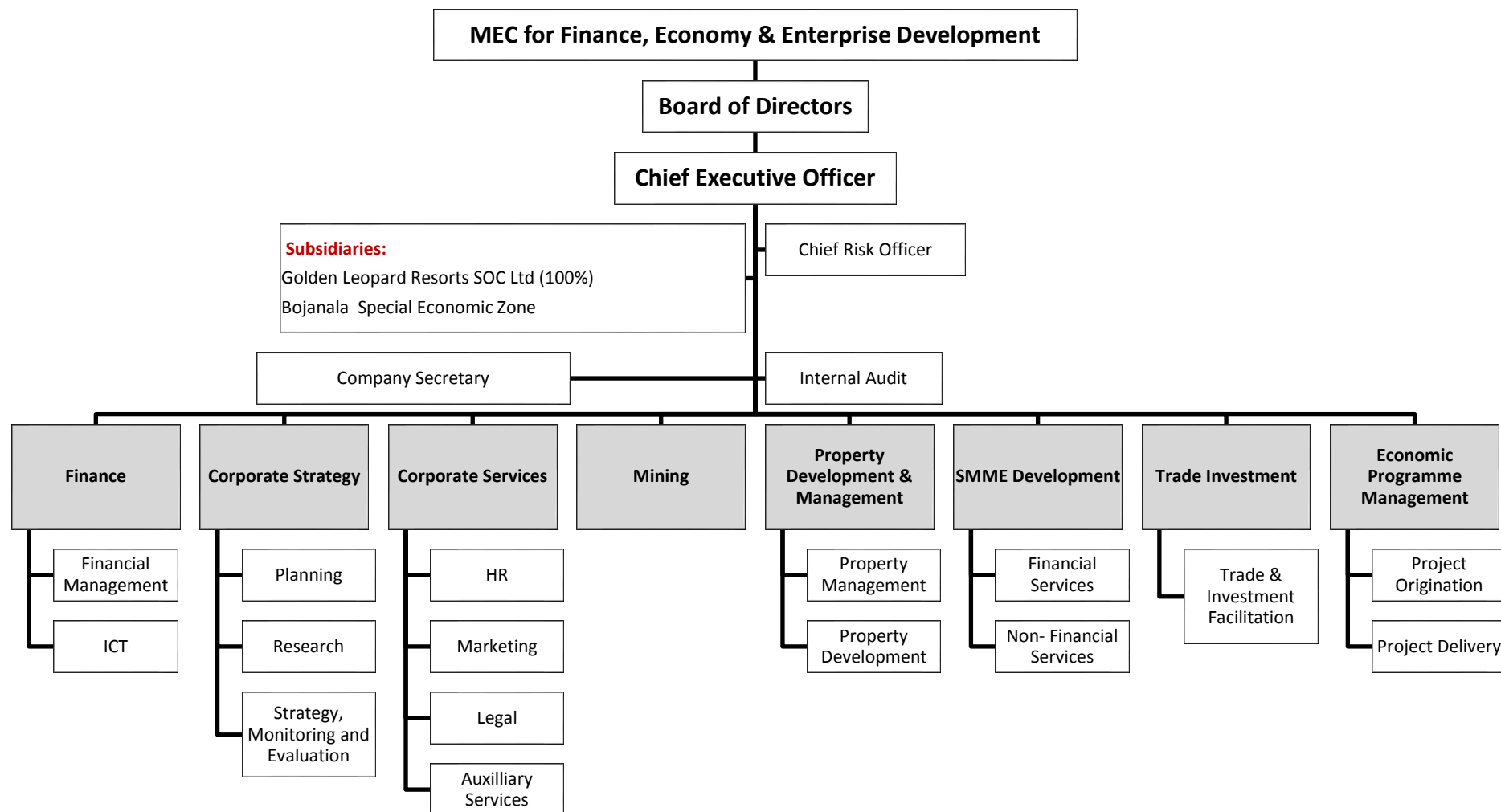
- c) The NWDC aims to implement key programmes and to provide support for the development of key sectors of the economy in line with the conventional economic and industrial policies of the Province. NWDC furthermore aims to grow the cooperatives economy, trade and investment facilitation and increased strategic economic infrastructure. NWDC aims to be the cornerstone of promoting trade, attracting investment, and ensuring economic growth and transformation in the North West Province.
- d) The desired outcome for the NWDC is to contribute towards the growth and transformation of the economy by positioning the North West Province as a competitor in investment attraction in both the SADC Region and the rest of the globe.

13. Organisational Structure

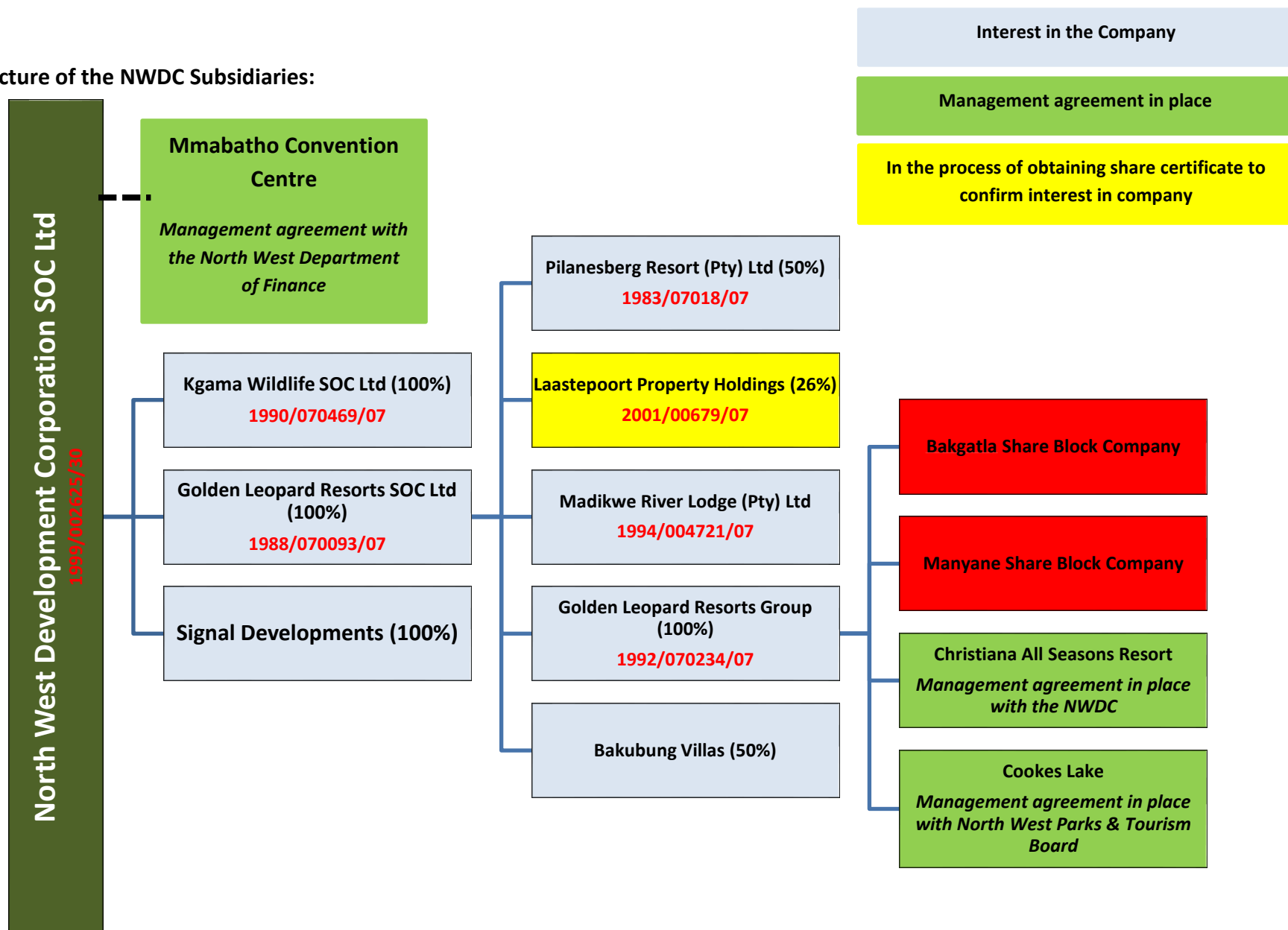
13.1 The structure and composition of the Board of Directors and the Committees:



13.2 The administrative structure of the organisation:



13.3 The structure of the NWDC Subsidiaries:



13.4 Information of the Board of Directors:

Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
Mr B Khumalo	51	Bachelor of Arts, Higher Diploma in Education, Bachelor of Arts Honours, Executive Development Programme from Wits Business School, The Anglo American Advanced Social Management Programme from the University of Cambridge, Institute for Sustainability Leadership and University of Queensland Centre for Social Responsibility in Mining Current Studies: Master's degree in management with wits university school of governance	Operations Management, Media Management, Economics, Finance, Strategic Planning, Policy Development, Marketing, Advertising and Communications, Corporate Governance, Strategy, Business Development	<ul style="list-style-type: none"> Capital Edge Resources Capital Edge Investment 	1 August 2007 to date
Ms N Koloti	35	Diploma in Management Finance and Leadership and Local Government Development Management Advance Diploma in Management. Post Graduate Diploma in Public Administration.	Leadership and Management of Local Government and Public Relations, Communication Media Liaison, Public Participation/Sectoral Mobilisation, Stakeholder Relations	Potchefstroom Hospital Board	5 November 2014 to date
Mr K Tlhoale	46	Bachelor of Commerce, Investment Management, International Executive Development Programme,	Financial Services, Property Investments, Enterprise Development and Risk Management	North West Housing Corporation	1 July 2016 to date

Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
		Managing Credit Risk in the Commercial Segment, Executive Leadership Programme			
Prof L Jackson	50	PhD, MA, MBA, Hons. BA, Senior Primary Education Diploma	Industrial Psychology, Strategic Management, Education (Mathematics and Science)	<ul style="list-style-type: none"> LTD Jackson and Associates Afriforte 	1 July 2016 to date
Mr G D Duma	50	MBA, Bachelor of Technology, Senior Management Development, Programme, Diploma in Project Management	Corporate/Executive Management; Shared Services Management (Supply Chain, Information Technology; Stakeholder Engagement; Remuneration, Time & Attendance, Personnel & Administration, Property Development & Management, Capital Procurement); Sustainability; Local Economic (Community) Development; Operations Management; Quantity Surveying; Property Management. Head of Sustainability at Northam Platinum	<ul style="list-style-type: none"> Impala Platinum Properties North West (Pty) Ltd. Impala Platinum Properties Rustenburg (Pty) Ltd. Impala Platinum Properties Johannesburg (Pty) Ltd. Impala Platinum Investments (Pty) Ltd. Impala Platinum Chrome (Pty) Ltd. Fredshelf (Pty) Ltd Makgomo Chrome (Pty) Ltd. Impala Pension Fund Trustee Impala Provident Fund Trustee 	1 July 2016 to date
Mr TTC Dlamini	58	Master of Arts in Development Economics, Bachelor of Arts in Economics, Diploma in Business Administration	Business Administration, Audit and Risk, Economics	<ul style="list-style-type: none"> National Planning Commission National Library of South Africa National Home Builders Council Metropolitan Trading Company Pilanesberg Resorts Manyane and Bakgatla Share Block Companies 	1 July 2016 to date
Ms M M Chokoe	50	MBL, Management Development Programme, B Com Honours (Business Management),	Strategic Leadership Subject Matter Expert on enterprise and supplier development, and BBBEE Management of strategic projects and initiatives, Stakeholder Management,		1 July 2016 to date

Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
		B Com (Management, Statistics, Cost Accounting and Economics)	Capacity and Capability Development		
Ms K A Dikgole	61	National Diploma: Internal Auditing, National Certificate: Internal Auditing	Auditing and Accounting, Corporate Governance, Risk Management, Managerial Skills		July 2016 to date
Ms A Tjale	37	Chartered Accountant, Bcom Hons (Acc) Bcom (Acc) MDP- BBBEE	Financial Accounting, auditing and taxation, risk management, BBBEE verification, Corporate governance		Appointed as External Auditor 20 September 2016 Appointed as a Director and Chairperson of the ARC Committee 27 Jan 2019

13.5 Information of the Senior Executives of the North West Development Corporation

Name of Executive	Age	Academic Qualifications	Areas of Expertise	Appointment date at NWDC
Mr T Phetla	50	University of the Western Cape – Bachelor of Administration (B. Admin.), University Of the Western Cape- Bachelor of Administration (Honours), Harvard University (USA) - Executive Education : Program for Management Development, Wits Business School – Certificate Programme in Business Project Management	Strategic Management, Development Finance and Human Resources	June 2017
Ms L Songqishe	48	MBA and Bcompt	Financial Management, Enterprise-wide Risk Management, Treasury Management, Financial Accounting, Governance and Labour Relations	December 2017
Ms N Matlala	59	CIS Professional Post-Graduate Qualification: Company Secretarial and Governance, B.Com Degree in Financial	Corporate Governance, Administration, Financial management,	18 May 2015

Name of Executive	Age	Academic Qualifications	Areas of Expertise	Appointment date at NWDC
		Management majoring in Business Management, Executive Leadership Municipal Development Programme, Certificate in Investment Analysis and Portfolio Management, Certificate in Business Management		
Mr T Shai	38	Master's in Business Administration: Financial Management; B.Com Degree (Accounting and Auditing); Diploma in Project Management and Diploma in Bookkeeping.	Project Management, Performance Management, Financial Management; Strategy Management; Stakeholder Management; Negotiation Management; Presentation; Report Writing; Conflict Management and Contract Management;	November 2015
Ms P Matli	41	National Diploma Human Resource Management BTech Human Resource Management	Human Resource Management and Industrial Relations	January 2016
Mr B Mabale	62	B.Com Hon	Corporate Governance, Administration, Performance Management, Financial Management; Strategy Management; Human Resource Management, Risk Management, Property Management, Negotiation Management; Presentation; Report Writing; Conflict Management and Contract Management;	1 April 2006

14. Financial Resources and Sources of Income

The NWDC Group obtains the bulk of its revenue from property rentals. This represents 69% of the total revenue. Property rental income is generated from commercial, industrial and residential properties. Fifteen percent (15%) of the NWDC's revenue is from the allocation by the provincial government. The remainder of the revenue is from interest, insurance recoveries and venue facilities. These revenue sources are considered sustainable.

The provincial government often requires the NWDC to deliver projects on its behalf. For this purpose administration fees are charged. Examples include the establishment of alternative building materials factories across the province, research on alternative sources of energy, the Gazelles project and establishing bakeries across the province, to name but a few.

Furthermore, the NWDC has a number of subsidiaries with the potential to generate revenue. The subsidiaries are not yet profitable; however, profits are anticipated in future.

15. The Supporting Framework

The Corporate Plan will not be complete if information regarding the supporting plans is not included. The supporting framework for the Corporate Plan consists of the following:

15.1 Risk Appetite & Tolerance Statements

The risks arising from the NWDC Group mandate can be significant. These risks are managed through detailed processes that emphasise among others, the importance of public accountability, maintaining high quality staff, and integrity. The success of the NWDC Group is thus dependent upon the amount and type of risk that it is willing to take in order to meet its strategic objectives – this includes both the organisation's risk appetite and risk tolerance.

Risk appetite is focussed on the pursuit of risk and the parameters that the organisation must employ in deciding whether or not to take on the risk.

Risk tolerance defines or quantifies the maximum amount of risk that the organisation is technically able to accept.

Risk Appetite Statement - The overall responsibility for overseeing the management of risks, compliance with the organisation's risk management framework and the agreed risk appetite of the group lies with the Board. The Board's attitude towards and appetite for risk are communicated to the group's businesses through the strategy planning process. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit which has contributed to the attainment of the company's strategic objectives is not inhibited.

The NWDC Group has an overall conservative risk appetite.

The Risk Appetite Statement establishes risk tolerance in the following seven (7) categories:

Table 19: *Risk Tolerance Levels*

#	Risk Category	Definition	Risk Appetite
1	Strategic Risks	The risk that the organisation's strategy selection, prioritisation, adaptation and implementation will jeopardise the achievement of NWDC Group's goals and objectives	High
2	Operational Risks	The risk that people, processes, systems, or external events will impede the NWDC Group's ability to meet its objectives	High
3	Project Risks	The risk that the external factors will play a role whether a project will be successful or not	High
4	Financial Risks	The risk that the NWDC Group's financial resources will be vastly impaired because of reduction in assets under its control or management, inefficient resource utilisation, or increasing expenditures, thus adversely impacting on the ability of the NWDC Group to successfully complete its mission	High
5	Fraud Risks	The risk that the NWDC Group will not take all allegations of suspected fraud or corruption seriously or responds fully and fairly as set out in the Whistle Blowers Policy leading to deficiencies in its reputation	High
6	Reputational Risks	The risk that negative perception will jeopardise the NWDC Group's credibility, achievement of mission and strategic objectives, or ability to maintain the agency as a preeminent bank regulator	High
7	Compliance Risks	The risk that the NWDC Group will have gaps in critical functions to fulfil its obligations	High

#	Risk Category	Definition	Risk Appetite
		under applicable law and regulations. (e.g. appetite for deliberate or purposeful violations of legislative or regulatory requirements. Identified breaches of compliance must be remedied as soon as practicable)	

Table 20: The process in response to the identified and rated risks is summarised as follows:

Event magnitude	Event acceptability	Risk Profile	Propose actions
Maximum risk (Material and/or immediate threat exceeding risk appetite)	Unacceptable	If the risk profile falls in this area, the organisation will be in breach of risk tolerance	Take action to reduce the risk with highest priority, i.e. Executive Management to bring to the attention of the Chief Executive Officer and the Board of Directors
High risk (Threat to exceed the risk appetite)	Unacceptable	If risk profile falls in this area, the organisation will be in breach of risk appetite but within risk tolerance	Take action to reduce the risk with highest priority, i.e. bring to attention of Executive Management. (Discretion in involving the Chief Executive Officer will be dictated by the event)
Low risk (No threat to exceed the risk appetite)	Acceptable	If risk profile falls in this area, the organisation will be within risk appetite	Take action to reduce the risk, i.e. inform Senior Management
Minimum risk (No threat to exceed the risk appetite)	Acceptable	If risk profile falls in this area, the organisation will be within risk appetite	No risk reduction required. Simply control, monitor and inform Management

15.2 The Risk Management Plan

- a) The Public Finance Management Act (PFMA) assigns extensive responsibilities to the Accounting Authority. These responsibilities include ensuring the entity under its control has effective, efficient and transparent systems of financial and risk management and internal control. In order to assist the Accounting Authority in discharging these responsibilities, the Chief Executive Officer and the management team acknowledges and accepts the responsibility for maintaining a sound system of internal control.

Management is fully committed to an effective risk management system and function in the organisation and in ensuring that strategic objectives are met and that risks are managed to an acceptable level, creating value for all stakeholders.

- b) NWDC Group's operations shall therefore be governed by a risk framework through which risks are identified and pro-actively managed in accordance with agreed risk tolerance levels. NWDC Group will further ensure that such a risk framework exists, outlining identification, assessment, management, monitoring and reporting of risks. Awareness and understanding of the risk framework will be established at all the appropriate levels of the organisation to establish a company-wide culture of risk management being everyone's responsibility.
- c) Effective risk management therefore aims to ensure that the NWDC Group achieves its objectives by minimising negative outcomes and optimising opportunities. Implicit in the objectives is that:
- Risk management does not only focus on managing downside risks. It further assists in identifying opportunities and ensures that the risks involved in these opportunities are appropriately managed;
 - The implementation of internal controls needs to carefully consider the costs and benefits, i.e. the cost of control should always be measured against the potential loss should the risk occur; and
 - A major component of risk management is the establishment of a fraud prevention plan. Managing the risk of fraud and corruption entails the development, implementation and maintenance of cost effective internal controls.
- d) The Risk Management implementation Plan tabulated below thus describes how the Risk Management Strategy of the NWDC is to be implemented during the coming financial year.

Phase Number	Phase Description	Objective/Outcome	Deadlines/ Timeframe	Responsible Person/s
1	Promotion of a risk management culture in the organisation	Review and update of the Risk Management Framework	Q1 of 2019/2020	Risk Manager
		Provision of Risk Management Training to role players	Q2 of 2019/2020	Risk Manager
		Inclusion of Risk Management Framework in the induction and orientation programme of new employees	Effective from 1 April 2018	HR Manager
		Inclusion of Risk Management as a standing item on the Management meeting agenda	Effective from 1 April 2018	Accounting Officer
		Incorporate Risk Management responsibilities into performance contracts	Q1 of 2019/2020	HR Manager

Phase Number	Phase Description	Objective/Outcome	Deadlines/Timeframe	Responsible Person/s
		Standard Operating Procedures must incorporate risk factors	Q1 of 2019/2020	Executive Managers
2	Risk Identification & Assessment	Introduce Incident Registers for each division or section	Effective from 1 April 2018	Risk Owners
		Identification and assessment of all enterprise risks including emerging risks	Q1 of 2019/2020	Risk Officers
		Implement an integrated Risk Management computerised system or tool	Q1 of 2019/2020	Risk Manager
3	Risk Mitigation Plans	Develop risk mitigation plans, assigning responsibilities and timeframes for implementation	Q1 of 2019/2020	Risk Officers
		Implement the risk mitigation plans	Q1 of 2019/2020	Risk Owners
4	Risk Monitoring	Regular progress reports on the mitigation of risks by Managers/ Management	Quarterly	Risk Owners
		Internal audit to provide assurance on the effectiveness of Enterprise Risk Management	Quarterly	Internal Audit
		Audit & Risk Committee to monitor the implementation of action plans and hold responsible parties accountable	Quarterly	Audit & Risk Committee

e) The Top 11 Risks tabulated below was identified for the 2019/2020 financial year:

Risk Number	Strategic Objective	Short Description of Risk	Performance Indicator	Mitigation Plan
1	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually	Unfunded mandate (3C's entities)	Value of funds successfully applied for	Application for funding by affected units processed through finance
2	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Inability to refuse mandates that hinders achievement of planned targets	Number of planned performance targets achieved	Shareholder compact that includes stakeholder management
3	Contribute annually to the economic growth and transformation of the NWP through	Lack of industry skills	Self-sustainable subsidiaries (indicated through achieving set out financial ratios targets)	<ul style="list-style-type: none"> • Apply for funding • Technical Industry Specialist • GTAC Report

Risk Number	Strategic Objective	Short Description of Risk	Performance Indicator	Mitigation Plan
	multiplying initial investments			
4	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Delays in attracting private sector investors to partner with in new projects, expansions and renovations	Value of private sector investment into NWDC projects	<ul style="list-style-type: none"> Targeting matching investors; alternatively Placing for tender bidding
5	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Disposing of assets without considering revenue that was generated by the same assets.	Cost of replacing assets (loss of new opportunities/ventures /tenants/creating 'white elephants')	<ul style="list-style-type: none"> Develop customer service strategy Train Staff on proper work Ethics and develop their knowledge of the services provided by the entity. Develop new assets where services are in demand
6	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Weak customer relations and services	Number of customer satisfactory questionnaires conducted	Develop and implement a stakeholder engagement programme/plan
7	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Access to funding to unlock opportunities/Absence of provincial seed funding for investment to unlock and de-risk identified investment opportunities.	Value of seed funding invested in economic opportunities	<ul style="list-style-type: none"> Put in place co-funding of projects arrangements to share risks with investors interested in the province (initial R200 million can potentially, unlock up to R200b Put in place co-funding of projects arrangements to share risk with investors interested in the province

Risk Number	Strategic Objective	Short Description of Risk	Performance Indicator	Mitigation Plan
				<ul style="list-style-type: none"> Identify entrepreneurs with potential and support them through national initiatives such as black industrialists programmes Work closely with funding entities in the province
8	Conduct annual external surveys to measure the quality of services rendered by the NWDC Group	Lack of project champions	Number of opportunities with full scoping reports	Identify entrepreneurs with potential and support them through national initiatives as the gazelles and black industrialists
9	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Un-bankable projects	Number of business plans approved against total number of leads	<ul style="list-style-type: none"> Expanding the quantum and quality of leads and bankable opportunities under consideration Advise entrepreneurs on developing bankable business plans and taking projects to bankability with assistance from the DFI forum
10	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Declining investment in the mining sector in the province	Number of new mining explorations	Identify other potential investments areas within the province for development
11	Contribute annually to the economic growth and transformation of the NWP through multiplying initial investments	Absence of Provincial business incentives	Approved provincial business incentive scheme	<ul style="list-style-type: none"> Develop incentives at local, provincial and national level to attract investment

Risk Number	Strategic Objective	Short Description of Risk	Performance Indicator	Mitigation Plan
				<ul style="list-style-type: none"> Assist Municipalities with developing incentive programme

15.3 The Fraud Prevention Plan

- a) The NWDC Group commits itself to deterring and preventing fraudulent and corrupt behaviour in the performance of its business. This commitment shall be met by:
- Identifying opportunities for fraud and corruption and implementing prevention procedures in the day to day operations. The procedures will assist management, who are ultimately responsible for the prevention and detection of fraud and corruption, in the deterrence and/or timely detection of both internal and external fraud and corruption opportunities;
 - Implementing procedures to investigate all allegations of fraudulent and corrupt behaviour;
 - Reacting appropriately to situations where fraud allegations are proven to be true. This may be through reporting to relevant authorities and taking disciplinary action in accordance with the organisation's policies;
 - Providing appropriate training and promulgating relevant codes of conduct to ensure employees and stakeholders are aware of their responsibilities in combatting fraud and corruption; and
 - Fostering an environment in which fraudulent and corrupt activities are discouraged and completely eliminated.
- b) The NWDC also recognises the debilitating effects of fraud and corruption which extend beyond the loss of cash and other assets, but further result in severe negative repercussions on the ability of the organisation to achieve its objectives. Although difficult to quantify such acts, if left unchecked, fraud and corruption will seriously and adversely have an impact on:
- The quality and effectiveness of service delivery;
 - The strength of business relationships with clients, suppliers and the public;
 - Employee morale; and
 - Reputation and image of the NWDC.
- c) Thus, the overall attitude of NWDC is **Zero Tolerance** to fraud and corruption. In addition, all fraud and corruption transgressions will be investigated by applying all remedies available to the full extent of the law. Furthermore, appropriate prevention and

detection internal controls will be instituted to deter future occurrences of such transgressions. All information received relating to fraud and corruption shall be treated with utmost confidentiality and in accordance to the relevant and applicable laws such as the Protected Disclosure Act, as amended.

d) The following **minimum standards** have been adopted by the NWDC with regard to the different components/areas of the business of the NWDC:

- **Operations:** All operational activities across the organisation must be implemented in a systematic and cost effective manner to prevent fraudulent and corrupt tendencies taking root in the organisation;
- **Investigations:** Any investigation instituted within the organisation must be timely and within the ambit of set company procedures;
- **Awareness:** All employees must be aware of their responsibilities for fraud control and what constitutes acceptable behaviour;
- **Value driven:** All employees are expected to maintain absolute integrity in all their dealings carried out on behalf of the organisation and accept responsibility and accountability for their actions;
- **Corporate Culture:** Management must give exceptional focus and attention to fostering an organisational environment where fraudulent and corrupt behaviour will be abhorred while good moral behaviour is continuously promoted and recognised;
- **Protected Disclosures:** Persons and/or organisations that report suspected fraudulent and corrupt activity must be protected from occupational detriment; and
- **Fraud Hotline:** A fraud hotline must be established which any person, including employees, members of the public and stakeholders, can use to report suspected fraud and corruptible relationships, behaviour and activities.

e) In terms of reporting the incidents of fraud and corruption, all employees who are aware, or should have been reasonably aware of or suspect that theft or fraud or corruption is or was committed, should immediately report the incident to any manager or directly to the **Fraud Hotline** using the toll free number **086 132 3469**. The hotline is completely confidential.

f) The NWDC has an approved Policy on Prevention of Fraud and Corruption, a draft Whistle Blowers Policy and is currently developing the strategy document. The implementation plan as per the table below:

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
1	Review of: <ul style="list-style-type: none"> • Anti-Fraud & Corruption Fraud Strategy 	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the Audit & Risk Committee (ARC)	Risk Officer / Risk Manager	4 th Quarter of 2018/19

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
	and Fraud implementation Plan <ul style="list-style-type: none"> • Whistle blower policy • Prevention of Fraud & Corruption Policy 				
2	Identify and assess fraud risks	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the ARC	Risk Officer/ Risk Manager	1 st Quarter of 2019/20
3	Mitigation Plans for fraud risks	Workshop and adoption by EXCO	Adoption and recommendation by the ARC	Risk Officer/ Risk Manager	1 st Quarter of 2019/20
		Achievement of mitigation plans	Signed report submitted to Risk Officer/ Risk Manager	Division Head/ Executive Manager	Quarterly
4	Fraud awareness	Create awareness amongst employees through: <ul style="list-style-type: none"> • Flyers • Fraud hotline • Workshops • Newsletter • Circular • Website 	Certificate of attendance	Risk Officer/ Risk Manager	Quarterly

15.4 The Financial Plan

- a) **The Operating Statement:** Projected Statement of Financial Performance of the North West Development Corporation for the Year ended 31 March 2020

	2019/20 R'000	2020/21 R '000	2020/22 R '000
R thousand	Medium-term receipts framework		
TAX REVENUE	200 641	220 705	242 776
Rental Income	110 275	121 302	133 433
Recoveries	90 366	99 403	109 343
Non-tax revenue	173 924	143 163	151 793
Sales of goods and services other than capital assets	24 828	26 600	28 904
<i>Bad debts recovered</i>	2 000	2 500	2 750
<i>Projects related Income</i>	5 000	5 500	6 000
<i>Interest on SMME disbursement</i>	8 975	9 569	10 250
<i>Insurance recoveries</i>	2 200	2 300	2 500
<i>Sundry Income</i>	6 653	6 731	7 404
Interest, dividends and rent on land	2 346	2 475	2 641
DEPARTMENTAL TRANSFERS	146 750	114 088	120 248
Operational Budget	36 750	38 588	40 671
Mining Beneficiation	20 000	30 000	33 510
Retail Economy Projects	30 000	35 000	35 000
GLR Assistance	50 000	-	-
Platinum Valley SEZ	10 000	10 500	11 067
Other transfers (Sale of old motor vehicles)			
Total revenue	374 565	363 868	394 569
Expenses			
Total Current expense	334 020	334 720	360 387
Compensation of employees	112 200	118 054	128 458
Use of goods and services	141 820	151 666	163 419
Transfer payments (GLR)	30 000	-	-
Project related Expenses	50 000	65 000	68 510
Total expenses	334 020	334 720	360 387
Surplus / (Deficit)	40 545	29 149	34 182
Payments for capital assets	30 340	28 648	33 040
Buildings and other fixed structures	18 572	18 430	21 472
FIXED ASSET - MOTOR VEHICLE	1 500	-	1 000
Machinery and equipment	1 100	1 250	1 600
Computer Equipment	1 800	1 600	1 600
DBSA Loan	7 368	7 368	7 368
of which: Capitalised compensation			
Surplus/Deficit	10 205	501	1 142

b) The Balance Sheet

Balance Sheet

North West Development Corporation for the year ended 31 March 2020

STATEMENT OF FINANCIAL POSITION				
	2018/19 Restated	2019/20	2020/21	2021/22
	Medium-term estimate R'000			
Carrying Value of Assets	967 043	1 027 367	1 117 179	1 216 970
Land	8 380	8 380	8 380	8 380
Investment Property	808 976	871 784	969 962	1 057 259
Other Structures (Infrastructure Assets)	143 663	141 702	133 702	145 735
Computer equipment	1 134	1 201	1 273	1 387
Furniture and Office equipment	1 350	1 310	1 315	1 433
Other Machinery and equipment	1 681	1 530	1 379	1 503
Transport Assets	1 825	1 460	1 168	1 273
Other Intangibles	34	-	-	-
Cash and Cash Equivalents	33 841	37 836	39 684	44 046
Bank	33 814	37 806	39 654	44 016
Cash on Hand	27	30	30	30
Receivables and Prepayments	102 566	102 001	86 938	86 938
Trade Receivables	54 355	49 898	45 873	45 873
Other Receivables	47 202	50 923	40 015	40 015
Prepaid Expenses				
Accrued Income	1 009	1 180	1 050	1 050
Inventory	-	-	-	-
Trade				
Other				
Total Assets	1 103 450	1 167 204	1 243 801	1 347 954
Capital and Reserves	961 489	1 032 596	1 115 232	1 219 386
Share Capital and Premium	303 854	303 854	303 854	303 854
Non- Distributable Reserves	323 612	325 573	333 573	321 540
Accumulated Reserves	334 023	403 169	477 805	593 992
Borrowings	83 380	76 099	68 644	68 644
Current	83 380	83 380	83 380	83 380
Trade and Other Payables	58 581	58 509	59 925	59 924
Trade Payables	58 581	58 509	59 925	59 924
Other				
Deferred Income	-	-	-	-
Total Assets	1 103 450	1 167 204	1 243 801	1 347 954

c) Cash Flow Statements

Statement of Cash Flows

North West Development Corporation for the year ended 31 March 2020

STATEMENTS OF CASHFLOWS				
	2018/19	2019/20	2020/21	2021/22
R thousand	Main appropriation	Medium-term receipts estimate		
Cash flow from operating activities				
Cash receipts from customers	318 342	260 536	286 590	289 590
Cash paid to suppliers and employees	-289 374	-244 185	-275 602	-273 660
Cash generated from operations	28 968	16 351	10 988	15 930
Interest income	2 263	2 346	2 487	2 212
Interest paid	-450	-472	-480	-
Net Cash from operating activities	30 781	18 225	12 995	18 142
Cash flow from investing activities				
Acquisition of Property Plant and Equipment	-2 414	-5 239	-2 000	-6 451
Acquisition of Investment Property	-2 500	-1 650	-1 817	-
Acquisition of Biological Assets				
Sale of Property Plant and Equipment	27	36	50	50
Sale of Investment Property				
Sale of Intangible Assets	-	-	-	-
Other Cashflows from investing activities		50 000		
Net Cash flow from investing activities	-4 887	43 147	-3 767	-6 401
Cash flow from financing activities				
Deferred Income				
Borrowing Activities	-7 380	-7 380	-7 380	-7 379
Other - Financing of Subsidiary	-15 000	-50 000	-	-
Net Cash flow from financing activities	-22 380	-57 380	-7 380	-7 379
Total cash movement for the year	3 514	3 992	1 848	4 362
Cash at the beginning of the year	30 300	33 814	37 806	39 654
Total cash at the end of the year	33 814	37 806	39 654	44 016

d) Capital expenditure programmes

Capital Expenditure Statement

North West Development Corporation for the year ended 31 March 2020

Payments for capital assets	30,340	30,812	34,040
Buildings and other fixed structures	18,572	20,430	22,472
FIXED ASSET - MOTOR VEHICLE	1,500	-	1,000
Machinery and equipment	1,100	1,414	1,600
Computer Equipment	1,800	1,600	1,600
DBSA Loan	7,368	7,368	7,368

Dividend Policies

No dividend policy applicable.

15.5 The Borrowing Plan

The North West Development Corporation SOC Ltd does not have a Borrowing Plan for the 2019/2020 financial year.

15.6 Materiality & Significance Framework

a) Background

Treasury Regulation Section 28.3.1 – “For purposes of material [sections 55(2) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the Board of NWDC and for submission to and approval by the executive authority.

ISA 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

b) Quantitative Aspects

Materiality level for consideration:

The NWDC Group will use 1% of total assets to determine materiality. In determining the materiality value as 1% we have considered the following factors:

➤ Nature of the NWDC business

NWDC is a Government Business enterprise registered as a schedule 3D public entity in terms of the PFMA. The main business of the NWDC is property management and revenue is derived from rental of the property. In the main, the revenue generated is used to finance the expenditure of the organisation.

➤ Statutory requirements

As a schedule 3D public entity, the NWDC is subject to requirement of the PFMA, Treasury regulation and the Companies Act.

➤ **The control and inherent risks associated with the NWDC.**

In assessing the control risk of the NWDC, and concluding on a materiality level of 1% based on a good control environment being present, cognisance was given to amongst others:

- ◆ Proper and appropriate governance structures have been established;
- ◆ An audit and risk committee that closely monitors the control environment of the NWDC has been established;
- ◆ The function of internal audit was outsourced to a firm that is independent and has appropriate experience;
- ◆ A three year internal audit plan, based on annual risk assessments being performed, is annually reviewed and agreed by the audit committee;
- ◆ The function of financial management is under the control of experienced and qualified individuals with the assistance of independent and experienced firm of auditors.
- ◆ The entity obtained a qualified opinion in the prior year audit

c) Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a “reasonable” user’s judgement. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- Irregular and Fruitless expenditure
- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof; e.g. related party transactions to subsidiaries.
- Transactions entered into that could result in reputational risk.
- Any fraudulent or dishonest behaviour of an officer or staff of NWDC
- Any infringement of NWDC Group’s agreed QMS performance levels.
- Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations)

d) Statutory Application

Section 55(2)

The annual report and financial statements ... must - (b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	Both quantitative and qualitative aspects as referred to in sections 2.1 and 3 define materiality for purposes of losses through criminal conduct. All losses relating to irregular and fruitless and wasteful expenditure are regarded as material due to the application of the nature of these losses (qualitative aspects).
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Section 54(2)

Information to be submitted by accounting authorities

(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction	Specific level of significance defined per subsection
(a) establishment or participation in the establishment of a company;	Any transaction to establish a company
(a) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement	Where participation exceeds 20% of voting rights
(b) acquisition or disposal of a significant shareholding in a company	Any transaction to acquire or dispose of shareholding in a company
(c) acquisition or disposal of a significant asset	The cost of the asset acquired or disposed exceeds 15% of the total cost of assets
(d) commencement or cessation of a significant business activity; and	Any transaction where the income from or the investment in the business activity exceeds the amount determined in section 2.1 and section 3.
(e) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Where the change in the interest results in a change in the accounting treatment of the arrangement.

15.7 The Environmental Plan

- a) The NWDC adheres to environmental management principles of the National Environmental Management Act no 107 of 1998 (NEMA) that places people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.
- b) Development will be socially, environmentally and economically sustainable considering all relevant factors including the following:
- c) The disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied in terms of pollution and degradation, disturbance of landscapes and sites that constitute the nation's cultural heritage, waste, use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource.
- d) A risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and negative impacts on the environment and on people's environmental rights is anticipated and prevented or remedied.

- e) Environmental management is integrated and acknowledges that all elements of the environment are linked and interrelated; therefore best practice environmental options are pursued.
- f) Environmental justice is pursued so that adverse environmental impacts shall not be distributed in such a manner as to unfairly discriminate against any person, particularly vulnerable and disadvantaged persons.
- g) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.
- h) Responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle.
- i) The participation of all interested and affected parties in environmental governance is promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, while participation by vulnerable and disadvantaged persons must be ensured.
- j) The vital role of women and youth in environmental management and development is recognised.
- k) The environmental impact plan:
 - Identifies mechanisms to monitor and upgrade the continuous development and upgrading of the physical environment within which the entity operates.
 - Implements measures to adhere to and prepares plans to guide the entity to comply with environmental legislation and regulation affecting the entity.
 - Supplies information regarding the entity's contribution to the advancement of a healthy, safe and sound environment.
- l) The plan will form part of the shareholder's compact and is included in the corporate plan to ensure that all aspects of the environment in which the entity operates have been considered.

15.8 Marketing & Communication Plan

15.8.1 Marketing of the NWDC Brand

Objective	To expand the NWDC Brand within the North West Province among Business, Industry, SMMEs and the Public.
	To create an awareness of the NWDC amongst potential investors outside of the North West Province.

Principles	a) All communication that reaches internal and external audiences shapes the perception about the NWDC & therefore establishes a Corporate Identity. The principle is that all marketing material and promotional events must reflect and communicate the commitment towards and capacity to assist business development in support of economic growth in the North West Province
	b) Consistent, uniform and accurate Corporate Signage must be used as far as possible and dependent upon budget availability.
Requirements/Conditions PROMOTION ACTIVITIES	Planning for promotion activities must provide for the following: <ul style="list-style-type: none"> • Branding • Promotion message must be linked to the NWDC Corporate Plan • Desired Impact • Desired Audience • Promotional media and promotional Items • Timeframe • Cost • Contact details of appropriately briefed NWDC employees
	Corporate Promotion to acknowledge Batho Pele Principles
	Promotion activities must convey the developmental role of the NWDC in context of: <ul style="list-style-type: none"> • Business Support • Properties Provision • SMME Development • Recognising Investment Promotion
	All promotional materials produced must comply with the following: <ul style="list-style-type: none"> • Clarity, simplicity, consistency in order to be understood by and accessible by the audience. • Reflect values of NWDC and reflect a positive image of NWDC • Be sensitive to the audience nuances and avoid stereotypes whilst acknowledging diversity
Requirements/Conditions NWDC LOGO	<ul style="list-style-type: none"> • The NWDC logo may not be modified or altered in any way. • The NWDC logo may only be furnished to external agencies and service providers by Marketing &

	<p>Communication in order to ensure correct resolutions and formats.</p> <ul style="list-style-type: none"> • The NWDC logo, when used for purposes of co-branding with other entities must be of similar size of any other logo used.
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15.8.2 Marketing Communication

Objective	The Objective of Marketing & Communication is to regulate information flow within, into, and from the NWDC in a manner supportive to the NWDC's Corporate Plan and Mandate.
Principles	<p>a) The Marketing & Communication Procedure sets key communication themes, including the objectives and operational principles.</p> <p>b) Management co-ordinates roles & responsibilities of NWDC employees and facilitate the effective flow of communication and must be implemented in congruence with the Corporate Plan.</p> <p>c) Professional ethics in respect of interpretation, analysis, dissemination and use of information must be maintained at all times.</p> <p>d) Transparent, honest and open communication must be pursued.</p> <p>e) Confidentiality must be managed in support of the NWDC Corporate Image</p> <p>f) Meaningful and reciprocal communication must be pursued and encouraged with respect to all stakeholders.</p>
Requirements/Conditions	<p>Communications may conduct environmental scans at annual (or other) intervals to inform the NWDC of mandate-impacting within its operating environment, and to communicate these issues to the Executive Management of the NWDC.</p> <p>Communication must coordinate and facilitate the communicating of identified issues that present potential reputational risks to the NWDC to the Executive Management.</p>
Requirements/Conditions INTERNAL DIALOGUE	<p>Every employee has the right to, without fear of victimisation, limitation of opportunity, express in a responsible manner opinion, seek, receive and impart information and ideas within the parameters of NWDC governance, protocols, and employment contracts.</p> <p>All information sought and distributed within and outside the NWDC by authorised employees on behalf of the NWDC must:</p>

	<ul style="list-style-type: none"> • relate to the business of the NWDC • be factual • not unfairly damaging and prejudicial to the NWDC, individuals and groups within the NWDC. • Be non-propagandist • Not advocate and/or incite discrimination, hostility, racism, and/or ethnicity
Requirements/Conditions ACCESS TO INFORMATION	Subject to the NWDC governance and protocols every employee will have access to information contained in documents and records of the NWDC insofar as such information has a direct bearing on the well-being and interests of the requesting employee at an operational level.
Requirements/Conditions EXTERNAL COMMUNICATION	<ul style="list-style-type: none"> a) Information disseminated to the NWDC's stakeholders should be supportive of and promote the interest of the NWDC, its mandate, vision and values as well as its policies/procedures. b) Inbound information received by any party within the NWDC shall have been meant for that party or parties in their capacities as employees of the NWDC. If not, such information must, without delay or disclosure to third parties, be passed on to the intended recipient. c) The receiving employee must procure that all information received from external sources by any party within the NWDC, should be verified for authenticity, accuracy and desirability before dissemination within and/or outside the NWDC.
Requirements/Conditions MANAGEMENT AND COORDINATION	<ul style="list-style-type: none"> a) The Chief Executive Officer (CEO) is the Information Officer (IO) of the NWDC and therefore its principal spokesperson as required by the Public Access to Information Act (PAIA). b) The CEO may, from time to time appoint subject spokesperson/s in accordance with the specific needs of the NWDC, and/or specialised communication contents/knowledge requirements of the NWDC stakeholders. c) The CEO may delegate information and communication roles to various levels within the NWDC
Requirements/Conditions ROLES AND RESPONSIBILITIES	<p>The CEO, as the principal spokesperson is accountable to communicate to the stakeholders the following:</p> <ul style="list-style-type: none"> • The decisions, priorities and policy/procedure issues as articulated by the Board of Directors and the Management of the NWDC • The strategy, policies/procedures and goals of the NWDC • Strategic areas of the NWDC's Corporate Plan • Issues of sensitive and strategic nature that only the CEO can communicate
Requirements/Conditions	Marketing & Communication is responsible for and coordinates the following communication activities:

MARKETING & COMMUNICATION ACTIVITIES	<ul style="list-style-type: none"> • Packaging and dissemination of corporate public information, promotional and public relations activities of the NWDC • NWDC projects, events and programme information • Provides advice and support to communication activities of the NWDC • Prepares and produces information materials for general and specific strategic audiences, • Utilise existing and develop new media/communications platforms • Provides guidance and support in the preparation and production of information materials • Ensures that all NWDC communication and information media meet professional standards that reflect a consistent and identifiable corporate image in compliance with the Corporate Plan. • Responsible for planning and executing communication campaigns encompassing all media and information channels • Ensure that all communication and information dissemination reflects key messages that promote the Corporate Plan priorities and the strategic agenda of the NWDC • Is the information and communication clearing house of the NWDC
Requirements/Conditions STAKEHOLDER PROTOCOL	<p>All opinions on any NWDC, National and the North West Provincial Government policies, procedures, processes and practices, solicited and unsolicited, expressed by any employee, will be subject to the communication procedure and the employment contract between employees and the NWDC.</p> <p>Managers will, in consultation with Marketing and Communication, ensure that:</p> <ul style="list-style-type: none"> • stakeholder communication forms an integral part of business plans and initiatives • views and needs of all stakeholders are assessed and responded to at all stages of all initiatives • all communication and information to stakeholders reflect key strategic messages of the NWDC
Requirements/Conditions COPYRIGHT, LICENSING AND INTELLECTUAL PROPERTY	<p>All copy, text, content and symbols disseminated under/in the name of the NWDC will adhere and be subjected to the South African laws with regards to copyright, licensing and intellectual property</p>
Requirements/Conditions CRISIS RISK COMMUNICATION	<ol style="list-style-type: none"> a) Marketing & Communication is responsible for coordination of a crisis risk communication plan. b) In an event of a crisis, the CEO, together with his Executive team comprising of the Corporate Services Manager,

	<p>Marketing & Communications Manager and the Communications Specialist will facilitate a multi-disciplinary task team consisting of various relevant stakeholders who have a role to play in the handling of the crises.</p> <p>c) In an event of a crisis and on the basis of its scale, Marketing & Communications must facilitate the briefing of the Chief Executive Officer on a daily basis (or at the frequency reflecting the scale of the crises), on all issues pertaining to the crisis, including the remedial steps being taken to mitigate the crisis.</p>
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15.8.3 Corporate Image Management amongst Stakeholders

Objective	To provide consistent and accurate information to all stakeholders in order to maintain and improve the Corporate Image of the NWDC
Principles	<p>The various categories of stakeholders must be acknowledged as follows:</p> <ul style="list-style-type: none"> • The Public Sector • The Government of the North West Province (Refer to the PGDS) • The Political Leadership • Industrialists • Business/Trade • SMME • Organised Business • Business Support Entities (Banks, DBSA, etc.) • North West Urban & Rural Communities • Suppliers and Contractors • Clients • Media • NWDC Board of Directors • NWDC Employees <p>Stakeholder groups must be analysed in terms of their:</p> <ul style="list-style-type: none"> • Economic role • Social role • Public role (political) • Information needs with respect to NWDC's economic role and mandate <p>Protocol</p> <ul style="list-style-type: none"> • Marketing & Communication protocol must be observed at all times

Requirements/Conditions	The Chief Executive Officer is accountable for Stakeholder Information
	<p>Marketing & Communications must assist and advise CEO with respect to:</p> <ul style="list-style-type: none"> • Opportunities for enhancement of NWDC Corporate Image • In terms of threats to the NWDC Corporate Image which need to be responded to • Screening of any external stakeholder communication

15.8.4 Corporate Social Responsibility

Objective	To visibly demonstrate the NWDC values & portray the Batho Pele Principles
Principles	<ul style="list-style-type: none"> a) Marginalised groups must be targeted (Youth, Disabled, Aged, Women) etc b) Benefit of Corporate Social Responsibility must accrue to society c) Corporate Social Responsibility Outreach may not create or constitute a dependency upon NWDC d) Beneficiaries should reside within the NWDC area of jurisdiction
Requirements/Conditions	<ul style="list-style-type: none"> a) In the event of monetary assistance – such assistance may only be made in instances where there is a Bank Account that is opened to public scrutiny; a receipt must be obtained where possible b) In the instance of a donation of any goods, proof must be submitted of receipt hereof (i.e. photographs, emails etc.) c) Corporate Social Responsibility assistance may only be considered after budgetary allocation for this purpose has been confirmed. d) Appropriate promotional material must be displayed/accompany any Corporate Social Responsibility Programme



Office of the Chief Executive Officer

Delivery Receipt

To : The Office of the HoD
Department: Economic Development, Environment & Tourism
NWDC Building
MMABATHO
2735

From : The Office of the CEO
North West Development Corporation
22 James Watt Crescent, Industrial Site, Mahikeng
2745

Document(s) : Copies of the Revised Corporate Plan 2019/2020 with respect to the NWDC

Quantity : Forty (40).

Received by (print name) OGOPOLENG

Designation

ACTING PA

email address

ogopoleng@nwpg.gov.za

Date

03 July 2019

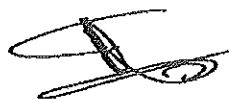
Signature

A handwritten signature in black ink, appearing to be a stylized name, written over a horizontal line.

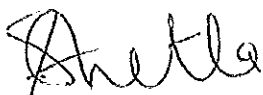
Statement by the Executive Authority

It is hereby certified that this Corporate plan:

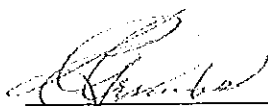
- ✦ Was developed by the management of the North West Development Corporation SOC Ltd (NWDC) under the guidance of the Board of Directors;
- ✦ Was prepared in line with the current Shareholder's Compact of the NWDC Group; and
- ✦ Accurately reflects the performance targets which the NWDC Group will endeavour to achieve given the resources made available in the 2019/2020 budget.



Mr Thapelo Molatlhegi
Acting Chief Financial Officer



Mr Tshepo Phetla
Chief Executive Officer

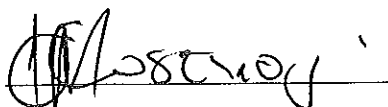


Mr Dali Duma
Chairperson of the Board

APPROVED FOR SUBMISSION TO LEGISLATURE BY:



Mr Lufhuno Tshikovhi
Head of Department



MEC Keneetswe Mosenogi
MEC for Economic Development, Environment and Tourism