



Final

Corporate Plan

2022/2023

“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 2022/2023 budget.



Mr R Malapane

Acting Chief Financial Officer



Mr T Phetla

Chief Executive Officer



Mr KK Konopi

Chairperson of the Board

Approved for Submission to Provincial Legislature By:



Mr Lufhuno Tshikovi

Head of Department



MEC Keretswe Mosenogi

MEC for Economic Development, Environment, Conservation and Tourism

List of Acronyms

Acronym	Description	Acronym	Description
BRT	Bus Rapid Transport	IHS	Information Handling Services (Market Regional Explorer)
CEO	Chief Executive Officer	IPAP	Industrial Policy Action Plans
CFO	Chief Financial Officer	ISDP	Indicative Strategy Development Plan
COMESA	Common Market for Eastern and Southern Africa	MCS	Modified Cash Standards
CPI	Consumer Price Index	MDC	Maputo Development Corridor
DDM	District Development Model	MTSF	Medium Term Strategy Framework
DEDECT	Department of Economic Development, Environment, Conservation and Tourism	NDP	National Development Plan
EAC	East African Community	NEET	Not Employed or in Education and Training
EAP	Employment Assistance Programme	NIPF	National Industrial Policy Framework
EE	Employment Equity	NSDF	National Spatial Action Areas
ERRP	Economic Reconstruction and Recovery Plan	NWDC	North West Development Corporation
FDI	Foreign Direct Investment	NWP	North West Province
FTA	Foreign Trade Agreement	PESTLE	Political, Economic, Social, Technological, Legal, Environmental Trends
GCR	Global Competitiveness Report	PFMA	Public Finance Management Act
GDP	Growth Domestic Product	SADC	Southern African Development Community
GRAP	Generally Recognised Accounting Practice	SEZ	Special Economic Zone
HDI	Human Development Index	SWOT	Strengths, Weaknesses, Opportunities and Threats
IDP	Index of Buying Power	WEO	World Economic Outlook
IFMS	Integrated Financial Management System		

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Part A

Overview of the NWDC Group

1) OVERVIEW OF THE NORTH WEST DEVELOPMENT CORPORATION SOC LTD

1.1 The establishment of the entity

The North West Development Corporation SOC Ltd was established in 1999. The purpose of the public entity is to plan, finance, coordinate, promote and carry out the economic development of the North West Province and its people. Identified sectors include industry, commerce, finance, mining, tourism enterprise-related activities and other business resulting in wealth and job creation. This should be done while taking cognisance of aims and objectives of the National Development Plan of the Republic of South Africa.

Information, Services or Goods provided:

- Property leasing and development
- Loans and bridging finance to SMMEs
- Trade and Investment facilitation
- Project management of projects and services

1.2 Legislation empowering the NWDC to perform its functions

In this section, three legislative components are provided for. This first outlines the legislation from which the NWDC derives its core mandate. The second provides a high-level legislative framework with which the NWDC must comply on an ongoing basis. The third considers the policy context through which additional prioritisation and key focus areas are provided for within National and Provincial policy provisions.

In addition to the Constitution of South Africa, being the supreme law of the land, the North West Development Corporation owes its existence and mandate to the following Acts:

Table 1: Acts empowering the NWDC

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	<ul style="list-style-type: none">• NWDC's mandate is as per the North West Development Corporation Limited 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.

- Section 2(c) prescribes the aims and objects of the Corporation shall be to, ***plan, finance, coordinate, promote and carry out the economic development of the Province and its people in the field of industry, commerce, finance, mining and other business, resulting in wealth and job creation.***

2008/11

Companies Act, No 71 of 2008, the Companies Amendment Act, No. 3 of 2011 and its associated legislation, which defines and guides the registration and operation of for-profit companies within the Republic of South Africa, including State-Owned entities as defined in the PFMA.

1.3 Legislative Compliance

The following Acts have been determined to have a material impact on the NWDC. They are listed as laws to which the NWDC will be compliant and manage compliance at all levels or in all areas of application of the legal provisions within the organisation.

- Constitution Act 108 of 1996
- North West Development Corporation Act 6 of 1995
- Public Finance Management Act 1 of 1999 as amended by PFMA Amendment Act 29 of 1999
- National Credit Act 34 of 2005
- Rental Tribunal Housing Act 50 of 1999
- Companies Act 71 of 2008 (The Act replaced the Companies Act, 61 of 1973 and came into effect on 1 May 2011)
- Small Business Development Act 102 of 1996 as amended by Act 26 of 2003: National Small Business Amendment Act, 2003
- Co-operatives Act 14 of 2005 as amended by Act 6 of 2013: Co-operatives Amendment Act, 2013
- South African Revenue Services Act 34 of 1997 as amended by South African Revenue Service Amendment Act 46 of 2002
- Basic Conditions of Employment Act 75 of 1997 as amended by Basic Conditions of Employment Amendment Act, 11 of 2002
- Employment Equity Act 55 of 1998 (Act 55 of 1998 as amended)
- Broad-Based Black Economic Empowerment Act 53 of 2003
- Labour Relations Act 66 of 1995 (as amended by Labour Relations Amendment Act, 42 of 1996: Proclamation, 66 of 1996 Labour Relations Amendment Act, 127 of 1998: Labour Relations Amendment Act, 12 of 2002
- National Archive Act 43 of 1996
- Preferential Procurement Policy Framework Act 5 of 2000
- Promotion of Access to Information Act 2 of 2000 as amended by Promotion of Access to Information Amendment Act 54 of 2002 with effect from 15 January 2003
- Protection of Information Act 84 of 1982 as amended by Intelligence Services Act 38 of 1994: Justice Laws Rationalisation Act 18 of 1996: Intelligence Services Act 65 of 2002: Electronic Communications Security (Pty) Ltd Act 68 of 2002: and General Intelligence Laws Amendment Act 52 of 2003
- Skills Development Act 97 of 1998 as amended by: Skills Development Levies Act 9 of 1999 [with effect from 1 September 1999]: Skills Development Amendment Act 31 of 2003 [with effect from 14 November 2003]: Skills Development Amendment Act 37 of 2008 [with effect from 6 April 2009]: and Higher Education Laws Amendment Acts 26 of 2010 [with effect from 7 December 2010]
- Public Service Corporate Governance of ICT Policy Framework (Cabinet adopted the Framework on 21 November 2012)
- Occupational Health and Safety Act 85 of 1993 as amended by Occupational Health and Safety Amendment Act, 181 of 1993

- Financial Intelligence Act 38 of 2001 (FICA) as amended by Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004
- Property Practitioners Act 22 of 2019
- Tourism Act 72 of 1993 as amended by: Tourism Amendment Act 105 of 1996: Tourism Amendment Act 8 of 2000: and Tourism Second Amendment Act 70 of 2000
- National Environmental Management Act 107 of 1998 as amended by Mineral and Petroleum Resources Development Act, 28 of 2002 [with effect from 1 May, 2004]: National Environmental Management Amendment Act, 56 of 2002: National Environmental Management Amendment Act, 46 of 2003: National Environmental Management Amendment Act, 8 of 2004: National Environment Laws Amendment Act, 44 of 2008: National Environment Management Amendment Act, 62 of 2008: and National Environment Laws Amendment Act, 14 of 2009
- Intellectual Property Rights from Publicly Financed Research and Development Act 51 of 2008
- Municipal Property Rates Act No 6 of 2004 as amended by Act 29 of 2014: Local Government: Municipal Property Rates Amendment Act 2014
- The Special Economic Zone Act Number 16 of 2014

Ongoing legal compliance and monitoring shall consider the prescriptions outlined within the Treasury PFMA Checklist. Key areas of compliance are derived from the Acts listed above.

1.4 NWDC Stakeholders

In our quest to ensure delivery on our mandate, the NWDC has defined key stakeholders within the programme areas. The table below provides a high-level outline of the key stakeholders to the NWDC, broadly including those serviced by the NWDC purpose. In our Programmes' activities, ongoing stakeholder analysis will form a key activity.

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: (<i>Tenants, SMMEs, Cooperatives, Investors and Requestors of Information</i>)	Efficient and professional service from the NWDC	All
NWDC Suppliers	Professional and ethical business conduct. Right to be paid within a reasonable time frame for services/goods rendered	All
North West University: (<i>and similar niche institutions</i>)	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

Name of Stakeholder	Short description of perceived or real Stakeholder needs	Economic Sector
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	Organised labour

1.5 Historic events that impacted on the NWDC

1.5.1 The NWDC has a rich history of black economic empowerment throughout the decades. The entity had been mandated to implement this vision despite having gone through different government administrations and its own internal evolutions. The following historical synopsis bears testimony:

- a) **1978 – 1988:** BNDC was mandated to plan, finance, co-ordinate, promote and carry out development of the Republic of Bophuthatswana and its people in the fields of industry, commerce, finance, mining, and other business. The government's philosophy at the time was that people must have work and in order to achieve this. Government through the BNDC created industrial hubs in ODI (Garankuwa), Moretele (Babelegi), Mogwase, Thaba Nchu (Selosesha) and Mmabatho. Through generous incentive schemes, industrial businesses started to flock into these areas. BNDC also started loaning money to small entrepreneurs and these were often paid back, and the rentals received from factory tenants were seldom in arrears.
- b) **1989 – 1999:** The DBSA granted multiple loans to the BNDC/NWDC between the years of 1987 and 1995. These loans were primarily given to finance development of the industrial infrastructure and building of standard and mini factories in the areas. In addition to the aforementioned loans, additional loans were provided to support and develop small businesses, working capital, and equipment as well as revolving funds for bridging finance.

The NWDC was able to generate a revenue of R131m per annum, in the 1991 financial year. Key turning points for the BNDC/NWDC during this era were that the NWDC had three (3) major investments as at June 1999:

- SISA: The NWDC held 28,03% in SISA (worth R2billion at its peak);
 - Yabeng: The NWDC held 40,44%; and
 - North West Transport Investment (NTI, previously BTH): The NWDC held 66,67% in NTI
- c) During 1994/1995, NWDC's financial situation deteriorated due to undertaking development work that was insufficiently profitable. The activities included, subsidising rentals on the basis of maximizing jobs as opposed to financial returns and lending money where the cost of administration and loan recovery was well above the profit

margin. Downsizing and decentralisation were implemented during 1996 (400 job losses).

- d) Operating income decreased by 15% in 1997 while the expenditure increased by 22% during the same period. In March 1998, the return on the property assets declined to 4% which is regarded as low and the NWDC needed a R207m cash injection for loan redemption and R78m for working capital.
- e) The NWDC was converted into a private company on 3 February 1999 to enjoy protection from its creditors and placed under Provisional Judicial Management on 9 February 1999 and final Judicial Management on 11 August 1999.
- f) The Inherit Debt Relief Act 54 of 1998 was promulgated, indicating an amount of R189mil towards the North West province from National Treasury for inherited debt. NWDC did not benefit from the funds like other Development Agencies but remained with the DBSA debt and continued paying the debt for another 23 years until 2021.
- g) **2000 – 2009:** The Judicial Management Order was lifted on 28 April 2005 and the Judicial Managers fees amounted to R60m between 2000 and 2005. Judicial Management by definition emphasises cost reduction, asset liquidity while containing or managing creditor anxiety. (Additional 300 job losses) just 85 employees left. In fact, a wholesale of cost reduction measures was implemented, and properties sold to pay off the debts. Apart from this, the following interventions have also been to the detriment of the NWDC and not fully under their control:
 - **Amalgamation of Entities 2012:** Invest North West (3C Entity) and Mafikeng Industrial Development Zone's (3C Entity) functions were amalgamated into NWDC (3D);
 - **Purchase of the Christiana Hotel:** NWDC was advised to buy Christiana holiday resort and game farm which has always been running at a loss and also carries a rehabilitation responsibility from previous mining activities.
 - **Golden Leopard Resorts SOC Ltd from 2014:** From 2014 a task team from the NWDC was operational at the then Dirapeng, the Government owned Tourism entity which changed its name and became GLR. GLR was bought by the NWDC at R1.00 and has also never been profitable and a great burden on the NWDC with loans of R119m extended to them to keep them afloat. The Tourism sector was very severely impacted by the COVID-19 pandemic.
 - **2016 /2017:** The NWDC as an entity, was moved from the Department of Finance, Economy, and Enterprise Development (FEED) to the Office of the Premier during the 5th Administration in 2016.
 - **2017/2018 Youth Enterprise Combo (MVEST Project):** During 2017, an amount of R43m was paid to the project through the NWDC and resulted into a SIU investigated project.

- **Mmabatho Convention Centre (MCC):** The MCC was also placed under the NWDC's management, and their employees were taken over by the NWDC. This entity was also severely impacted by the COVID-19 pandemic and increased the NWDC employee costs.

1.6 Future information of the NWDC

- 1.6.1 The **change in how properties are taxed and cost increases on utilities** over the past 25 years, had a huge impact on NWDC due to the large property portfolio the entity inherited from Bophuthatswana National Development Corporation (BNDC). As mentioned by TPN CEO, Michelle Dickens in June 2021 "When a household is spending a growing proportion of their monthly income on housing, and the municipal charges, there is less disposable income available to be spent on consumer goods which in turns impacts GDP. At the same time, **these growing costs will have a negative impact on commercial property owners as the runaway charges will affect the property sector's ability to be sustainable.**"
- 1.6.2 On 22 January 2021 in an article by Sean Moolman and Matthew Capes on IOL it was reported: In South Africa, electricity tariffs have increased by 1120% from 1996 to 2021 (25 years). The average municipal water and sanitation tariffs have increased with 1270% from 1996 to 2021 compared to the inflation increase of 296%. Average household disposable income has increased by a mere 37% since 1996. Not accounting for inflation, the average monthly electricity and water bill for lower to middle income families was a mere total of R161 in 1996, escalating to R2,028 in 2020. On average, rates and taxes on unimproved properties increased by 147% between 2002 and 2022 (20 years).
- 1.6.3 There is an opportunity to analyse each NWDC property and determine its profitability. Disposal of non-profitable properties should be expedited. The proceeds from disposals should be ring-fenced and debts paid before the proceeds are invested in well-analysed, new profit generating investments.
- 1.6.4 The **impact of COVID-19** on the ability of tenants to pay rent and the change in how business is being conducted pose both threats and opportunities to the NWDC. The demand for "new generation warehouses or distribution centres", indicates that the forecast for the industrial property sector is positive, however, during the pandemic many existing clients struggled to pay and might even go out of business. Investment attraction has also been severely affected by COVID-19 and normal investment promotion and missions could not take place.
- 1.6.5 **The conversion of the Bodirelo Industrial Park into the Bojanala SEZ:** A Feasibility Study and a business case should be conducted to comply with the Section 54 regulations and to optimise the benefit to NWDC.
- 1.6.6 **The co-management of the NWDC Cross Border Properties of Babelegi and Garankuwa with Gauteng:** A Feasibility Study and a business case should be conducted to comply with the Section 54 regulations and to optimise the benefit to NWDC.
- 1.6.7 **Signal Hill Development:** The opportunity should be seized to market the properties and increase the quality of life within Leopard Park. In doing so, one could tap into the estate living market especially after COVID-19 with people being more flexible in terms of their place of work.

2) PURPOSE OF THE NORTH WEST DEVELOPMENT CORPORATION

The purpose of the NWDC is defined within the North West Development Corporation Limited Act and remains consistent with the original proclamation. Considering that the context has changed since the promulgation of the act, and to provide additional focus, the following has been defined:

- The NWDC's **strategic thrust** is to drive an inclusive strategy towards economic growth and transformation in the Province in line with the Provincial priorities.
- The NWDC's **purpose** is therefore to contribute towards the growth and transformation of the economy by positioning the North West Province as a competitor in the SADC Region, Africa, and the globe in investment attraction
- The NWDC **aims** to demonstrate its leadership by implementing key programmes and providing support for the development of key sectors of the economy in line with the conventional economic and industrial policies of the Province. Key to this aim is the growth of the cooperatives' economy, trade and investment facilitation and increased strategic economic infrastructure. The NWDC undertakes to support key provincial strategies in a manner that ensures successful implementation of those strategies.

In alignment with the provincial strategy, the NWDC's strategic interventions focus on high-impact programmes for:

- Education
- Environmental sustainability
- Skills improvement and development
- Infrastructure development
- Sustainable employment creation
- Resource efficiency
- Enterprise and supplier development
- Trade and investment facilitation
- Innovation promotion and support
- Global competitiveness / reducing the cost of doing business

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:

industrial development;
commercial investment;
property development and management;
development of sustainable enterprises;
trade and investment attraction; and
economic programme management.

5) SCANNING THE ENVIRONMENT AND BUILDING COMPETENCIES

5.1 Specifics in a competent organisation

- 5.1.1 It is generally accepted that organisations must adapt to their environment in order to survive. It is therefore imperative that executives scan their operating environment and develop strategies that will provide impetus to stand out, thrive and be successful in changing business environments. This integral competency by executive enables the organisation to develop ongoing strategies and to differentiate critical deliverables that allow the business to compete in an adjusted market environment.
- 5.1.2 The triple bottom line approach is still a very integral benchmark to utilise especially for state owned entities and those operating in the public space. The onset of COVID-19 has thrust the world into a new pandemic-focused business era which has forced organisations to rethink traditional strategies.
- 5.1.3 To this end, organisations must focus on the following areas:
- a) Attracting, retaining and placement of vital skills in the right strategic areas of business operations;
 - b) Investment in IT infrastructure and development of accessible digital platforms;
 - c) Critical stakeholder engagement that flows multi-directional;
 - d) Re-engineer the hybrid approach to an efficient work environment;
 - e) Usage of non-traditional business methods;
 - f) Diversify service / product offerings responding to the “new” normal; and
 - g) Collaboration and partnerships for efficiency and budget extensions
- 5.1.4 An organisation that is futuristic looking will always focus on the **strategic, environmental, and ethical pillars**. When incorporated into the above focus areas, an organisation is well set to meet the challenges of operating in an adjusted business environment.

5.2 Key changes in the industry

- 5.2.1 The following issues will impact on the property industry. The new **Property Practitioners Act (PPA) officially commenced on 1 February 2022**, with the following implications:
- **Disclosure:** Compulsory inclusion of a comprehensive property defects disclosure document for both property sales and rentals. It will be officially illegal to accept a mandate from a seller or a landlord without receiving a comprehensive disclosure document signed by all parties and attached to the sale or lease agreement.
 - **Certification:** Any business earning a commission or brokerage from the sale or lease of a property must possess a valid Fidelity Fund Certificate (FFC), tax clearance and BBE certificate valid for three years. Amnesty offered to agents previously for operating non-compliantly – provided they are not subject to criminal investigation or prosecution.
- 5.2.2 The Property Practitioners Regulatory Authority or PPRA replaces the Estate Agency Affairs Board (EAAB):

- **Trust accounts:** Previously, all property practitioners needed to have a trust account, regardless of whether or not they handled trust monies. Now, property practitioners only need a trust account if they actually handle trust monies.
- **Training:** Prospective agents can study and write their Professional Designation Examination (PDE) before joining an agency, no more year-long internships or expensive NQF4 exams. If a person passed their PDE, they could start selling property in less than six months, under supervision, provided they complete a further six practical course modules.
- **Transformation:** Better support for agents is at the heart of changes to the Transformation Fund. It will be run by an independent body appointed by the PPRA. This will finally see the fund fulfil its potential as a force for positive industry change. Training, development, and financial support is being made available to existing historically disadvantaged property practitioners. Increasing the diversity of new recruits is important and will create jobs.
- **Equal opportunity:** Small businesses may also soon be tapping into new opportunities within security estates and other developments. This is due to the PPA's abolition of the practice of charging real estate agents "accreditation fees" in return for exclusive rights to property transactions within a development.
- **Developers** will also no longer be able to sell their own properties without registering as a property practitioner, providing more opportunities for real estate agencies to provide this service.

5.2.3 According to the latest Rode Property Report for 2021 by Rode and Associates, compiled by Kobus Lamprecht, **industrial properties and specifically factories and warehouses were the winners in the property market in 2021 growing by 2%** compared to 0.5% in 2020 yet far from the 5% in 2019, before the pandemic. Countrywide 14.2% of office space (A- and B-grade) are vacant. The report indicates that 7.8% of people worked from home in quarter three of 2021 where 17% worked from home in quarter two of 2020 at the peak of the first wave. Most of the larger companies are opposed to their employees working from home and indications are that a hybrid model will be implemented. The share price of listed properties was 21% higher on 15 December 2021 compared to 2020. This can be attributed to the fact that prices took a drastic dip in 2020. Prices are still on average 9.3% lower than in February 2020 before the pandemic.

5.2.4 The South African National Energy Development Institute (SANEDI), maintains an Energy Performance Certificate (EPC) register on behalf of the Department of Mineral Resources and Energy (DMRE). It has urged building owners to take all necessary steps to comply with EPC regulations or risk a fine of R5m, five years imprisonment or both. SANEDI stressed that compliance affords them, and the country a range of benefits. The categories that currently need to comply are offices, entertainment facilities, educational institution buildings, and places of public assembly such as sporting facilities and community centres. The regulations apply to government buildings of more than 1,000 m² and privately-owned buildings of more than 2,000 m².

5.3 Comparison with other role-players in the industry

5.3.1 Grant allocations to Development Agencies by Provincial Governments

When comparing the Statements of Financial position as per the 2019/2020 Annual Reports of sister provincial entities, it is clear that the grants they receive are far more generous than that of the NWDC. It should be noted that most of the grants received by the NWDC went towards paying the tax obligations of GLR and to assist GLR to be utilised as a quarantine facility in 2019.

Table 3: Audit Outcomes

	NWDC	ECDC	FDC	GGDA	KZN Total *	LEDA	MEGA	NCEDA	WESGRO
All Financial Values: R'000	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
Audit Outcome	Disclaimer	Clean Audit	Disclaimer	Financially Unqualified	Clean Audit	Financially Unqualified	Qualified	Qualified	Financially Unqualified
Financial Position									
Total Net Assets	1 473 542	1 488 043	468 218	1 815 407	9 045 702	1 109 958	875 194	1 025	46 646
PDI's share of total PDI assets	9,03%	9,12%	2,87%	11,12%	55,41%	6,80%	5,36%	0,01%	0,29%
Financial Performance									
Total Revenue	1 099 655	311 665	294 189	813 588	1 951 687	1 504 480	435 293	33 392	185 279
Revenue from Non-Exchange Transactions (Grants)	130 572	160 438	n/a	570 980	581 757	464 352	174 842	24 124	182 504
Grant as % of Total Revenue	12%	33%	3%	74%	46%	24%	53%	81%	97%
Total Expenditure	-669 314	-429 634	-305 875	-661 122	-1 739 234	-1 627 900	-458 364	-32 758	-181 388
Employee Related costs	-119 429	-115 962	-96 073	-265 726	-558 758	-596 051	-119 027	-8 461	-60 665
Surplus/(Deficit) for Year	299 823	-117 969	-11 686	152 466	211 407	-123 420	-23 071	634	3 891
Grant as % of Revenue	11,87%	51,48%	-	70,18%	29,81%	30,86%	40,17%	72,24%	98,50%
Personnel Cost as a % of Total Revenue	-10,86%	-37,21%	-32,66%	-32,66%	-28,63%	-39,62%	-27,34%	-25,34%	-32,74%
Posts Filled	158	144	147	384	957	428	112	33	127

Source: Government Information Webpage

5.3.2 Historic Debts

Paragraph 1.5 refers, which outlines historic events that impacted on the NWDC. It should be noted that no other development agency was disadvantaged by not benefitting from the Inherit Debt Relief Act 54 of 1998. Other agencies were not held responsible for debts to the DBSA. Even for properties and infrastructure transferred to other entities, the NWDC remained responsible for the debt (City of Tshwane and Mogwase). Both these local municipalities now have legal actions against the NWDC.

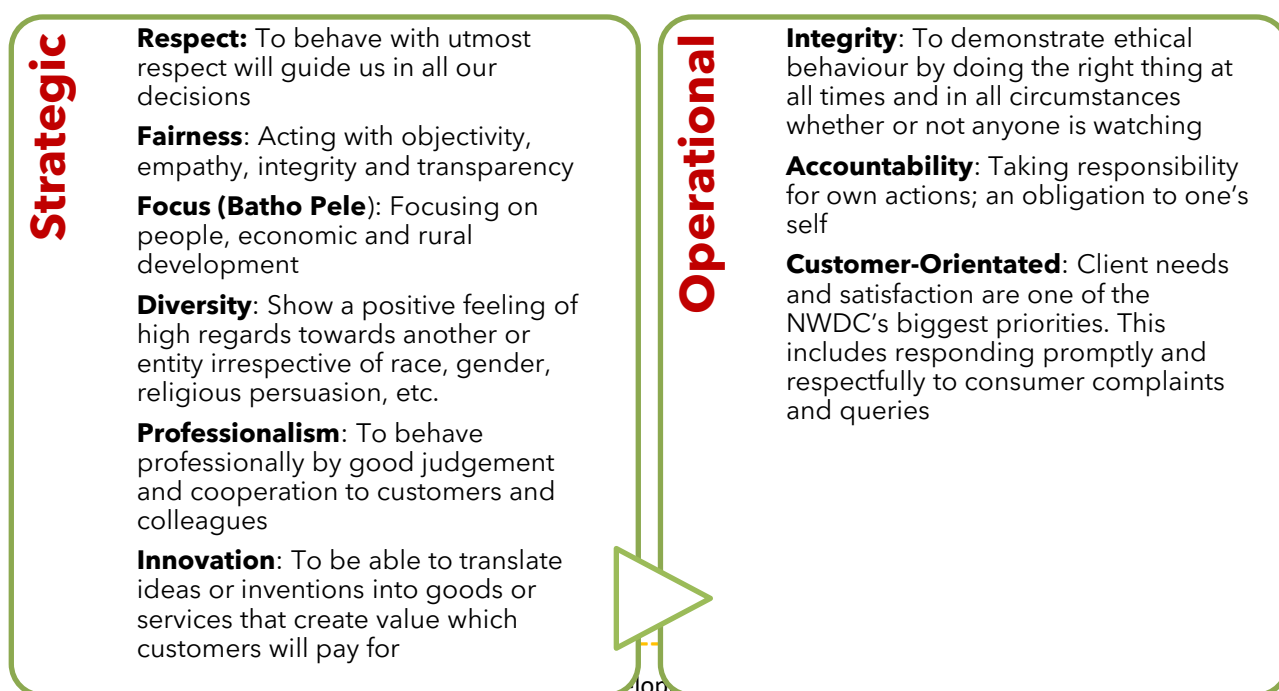
5.3.3 SEZ Grants received

Province	Entity	Grant Received 2019	Grant Received 2020	Grant Received 2021
Eastern Cape	COEGA Development Corporation	192,800,000	211,200,000	Not available
Western Cape	Saldanah SEZ	195,900,000	356,900,000	Not available
Kwazulu-Natal	Dube Trade Port	Not available	481,900,000	354,300,000
GDA	Tshwane Automotive SEZ (TASEZ)	Not available	Not available	214,600,000
	The Ford Motor Company has announced a R16,000,000,000 (R16bn) investment to expand the manufacturing facility in Tshwane as the private investor			
Limpopo	<ul style="list-style-type: none"> MusinaMakhado SEZ Capital Grant 		100,000,000	200,000,000
	<ul style="list-style-type: none"> Tubatse-Fetakgomo SEZ Unconditional Grant 	58,021,000	60,000,000	63,240,000

Source: Annual Reports of the Entities

6) SUPPORTING VALUES

Table 4: Core values and the interpretation thereof



7) OPERATING PRINCIPLES

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

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

In light of the above it can be noted that the NWDC is working towards a competent, capacitated, leaner structure with more operational positions than support staff. In conjunction with the National School of Government (NSG), the level of competencies is also being assessed to determine training needs and to capacitate staff in line with their aptitudes. The NWDC has further appointed Asset Managers and Internal Auditors to increase its financial management capacity.

The NWDC further compliments the work of other entities in its product and service delivery.

The NWDC is working towards obtaining ISO 9000 certification.

8) BUSINESS STANDARDS

- The NWDC is committed to business standards that are ethical, professional, performance focused, and service orientated.
- The entity bases decisions on business intelligence, as well as research and development (R&D) to find innovative solutions resulting in positive outcomes affecting the wellbeing of the public entity and its clients.
- The entity provides capacity support in the area of economic development research.
- The NWDC focuses on creating a business environment that supports access to information through the development of information systems and information technology.
- It further monitors and evaluates the impact of projects and services.
- The entity develops and maintains a work environment that is safe, fosters personal development and personal integrity, builds teamwork and values performance.
- The entity's business standards are linked to the core values and guides the interaction with its stakeholders.

8.1 Business Environment

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. 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.

8.2 Measures to improve the NWDC

Management proposes the following measures to be implemented to improve the NWDC:

- Business units not yet collaborating sufficiently to interrogate root-causes of the dysfunction. They must develop an overview of expectations and standards relating to work outputs per business unit; and define overarching goals that enable better synergies.
- Structure vacancies that impact on business operations need to be filled as soon as possible without sacrificing quality of talent and the requisite hiring procedures.
- Improved staff development through clear talent management and succession planning requirements coupled with the identification of business needs/skills deficits.
- Improper use of systems and tools attended to streamline operations needs to be interrogated; and deliberate, fact-based action plans developed in response.
- The SMME programme should focus only on bridging finance, which carries less risk.
- Property maintenance should be improved to ensure that the NWDC remains competitive.
- Improved collection methods need to be evaluated and analytics used to determine collection priorities.

8.3 Strategic Actions

The NWDC shall:

- Focus on profit and revenue growth
- Invest in our business and brand
- Become more efficient
- Simplify our business
- Refocus our core business model

8.4 Internal Focus: Sustainability (Funding Model)

The NWDC funding model includes the following:

- Budget allocation
- Rental from properties
- Interest from shares
- Interest from loans
- Charges for services rendered
- Access to available sector funding programmes (training)
- Loans from other funding state institutions
- Sale of properties and assets
- Crowd funding (cooperative banking)

From a human-capital perspective, the NWDC shall embark on internal renewal including:

- Optimising human capital design
- Labour mapping to ensure a seamless approach

- A focus on organisational culture, moving towards a high-performance organisation.

8.5 Organisational Environment

- 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 (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).
- The commissioning of studies requires compliance with procurement procedures. Funds will need to be sourced for the studies as NWDC does not have the financial resources. The time and cost required to conduct the studies will be determined by the level of detail required.
- 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.
- Once feasibility and business/implementation plans have been completed, these plans are to be used to source funding for projects. The quality of the feasibility and business plans influence sustainability, which in turn, determines the decision by investors or funding institutions to invest in or fund a project.
- Resources such as capacity, funds and time needed to execute projects, must be sourced; and performance depends on the ability to source adequate resources.
- It is imperative that the NWDC, through its investment strategy, has a high return objective to grow itself into a self-sustainable organisation. The NWDC must be 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.
- Accessing incentives 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 diversify into alternative energy options and water treatment plants at the industrial level.
- As the NWDC derives most of its income from property rental there has been a reduced collection of income due to reduced economic activity during lockdown. However through increased efforts on collection of outstanding debts it was possible to reduce the loss.
- The NWDC is in the process of transferring Golden Leopard Resorts SOC Ltd that has been a financial burden to the NWDC, to the North West Parks and Tourism Board.

- k) The NWDC is also embarking on a strategy to minimise municipal costs on properties and to investigate implementing smart metering options at properties.
- l) Considering the impact of COVID-19 and the already dwindling economic situation prior to the pandemic, the National Government has responded by drafting The South African Economic Reconstruction and Recovery Plan.
- m) The North West Province embarked on two initiatives where the NWDC was included in the task teams. A study commissioned by DEDECT to the CSIR on The Impact of COVID-19 in The North West Economy & Proposed Recovery Plans as well as an Engagement with Industry by the Premier of the North West Province, considering plans to recover.
- n) After approval of the final plans NWDC will assist with the roll-out of the plans in line with their mandate.
- o) NWDC has also assisted in executing the NW Provincial COVID-19 debt relief project.

8.6 Moving Forward

The NWDC is embarking on a process to finalise and implement **the turnaround strategy and 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.

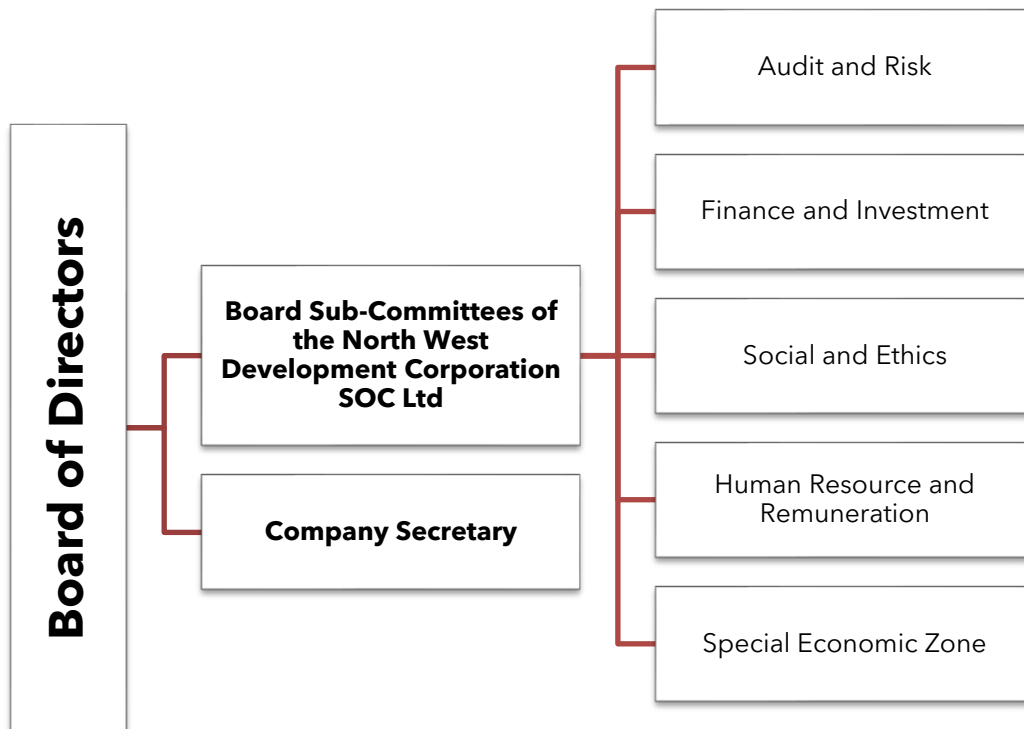
The NWDC, as a State-Owned Entity (SOE), aims to match the private sector's performance standards to become a world-class player. The NWDC will be structured and capacitated in a manner that will enable it to implement projects effectively and efficiently.

Part B

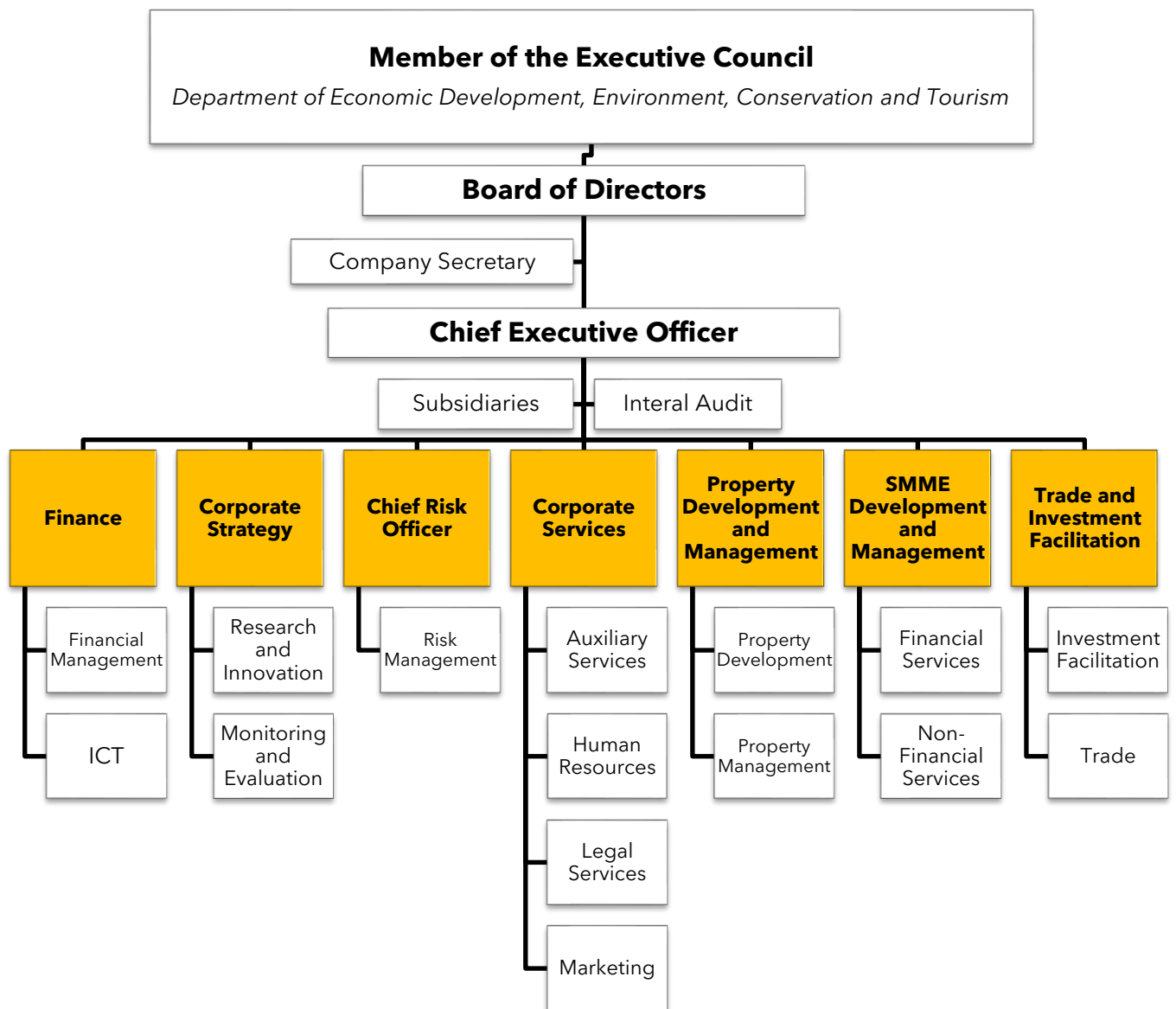
Corporate Governance

9) ORGANISATIONAL STRUCTURES WITHIN THE NWDC GROUP

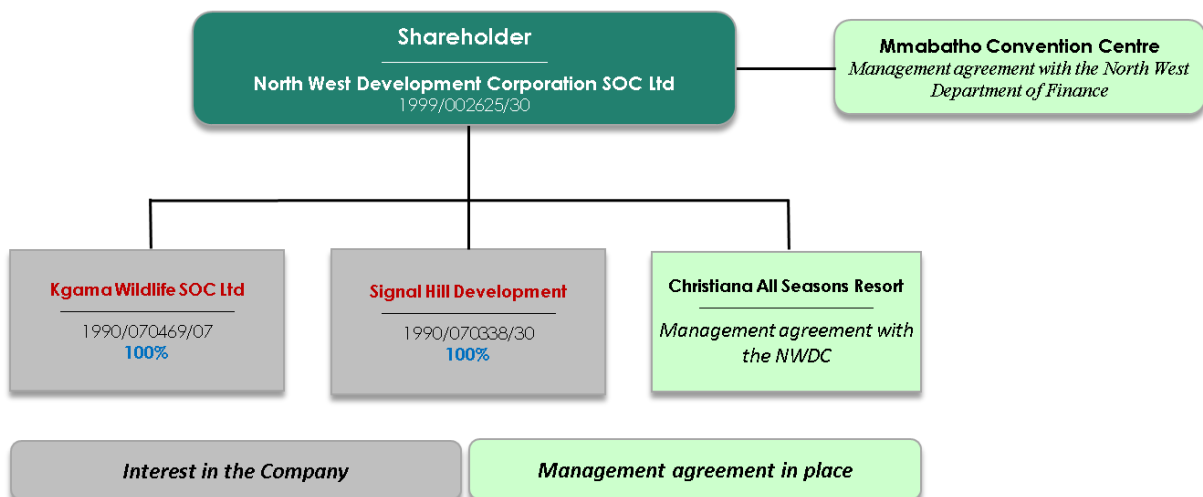
9.1 The structure and composition of the Board of Directors and the Committees:



9.2 The administrative structure of the NWDC



9.3 The structure of the NWDC Subsidiaries



9.4 Members of the Board: Executive and Non-Executive

Name	Role	Date Appointed
Mr KK Konopi	Chairperson	1 April 2021
Ms MK Sentle	Non-Executive Director	1 April 2021
Mr R Malapane	Non-Executive Director	1 April 2021
Mr ME Mojaki	Non-Executive Director	1 April 2021
Ms MET Malaka	Non-Executive Director	1 April 2021
Ms SM Maleka	Non-Executive Director	1 April 2021
Ms Phadu-More	Non-Executive Director	1 April 2021
Ms MJ Msiza	Non-Executive Director	1 April 2021
Dr S Nokaneng	Non-Executive Director	1 April 2021
Mr SW Ncongolo	Non-Executive Director	1 April 2021
Ms M Matuba	Non-Executive Director	6 September 2021
Mr S Motlhabi	Non-Executive Director	6 September 2021

9.5 Members of the Board: Academic Qualifications and Areas of Expertise

Name	Qualifications	Areas of Expertise
Mr KK Konopi (Chairperson)	Certificate in Education, Matric	Training and Development; Labour Relations; Corporate Governance; Conflict Resolution; Negotiation Skills; Drafting of Proposals; Human Resource Management; Budgeting and Budget Control; Compilation and Presentation of Reports; Political Economy
Ms MK Sentle	MBA, Magister Educationist: Master's degree Management, Bed Honours Degree: Training and Development, Further Diploma: Management; Diploma: Business Management; University Diploma: Teaching, National Certificate: Information Technology, Business Rescue Practitioner (current), Software Specialist (to complete), Matric	Leadership and Management; Corporate Governance; Project Management; Leadership and Training Development; SMME Development Projects; Projects Management; Operations Management; Risk Management; Investment Management; Mergers & Acquisition; Human Resource Management; Policy Development; Financial Decision Making; Financial Reporting & Management; International Finance; Advanced Research; Stakeholder Relations; Community Development; ICT Project Management; Information Technology Management

Name	Qualifications	Areas of Expertise
Mr R Malapane	CA (SA), B. Com Honours Degree, B. Com Degree: Financial Accounting, Matric	Development Finance from IDC and SEFA; Auditing, Accounting and Financial Reporting from Auditor General; Supply Chain Management; ICT Governance; Risk Management; Financial Management; Monitoring and Evaluation gained from Public Sector CFO role
Mr ME Mojaki	MBA, Preferential Procurement Programme, Bachelor of Science Degree, Diploma in Animal Health, Matric	Project Management; Operations Management; Economist
Ms SM Maleka	Bachelor of Arts, National Diploma: Marketing and Management, International Executive Development Programme, Executive Risk Management Programme, Executive Legal Liability Training, Strategy Development Course, Matric	Strategy Formulation; Financial Planning and Management; Project Management; International Trade Facilitation; Investor and Stakeholder Management; Risk Management; SMME Support Management; Corporate Governance and Communications; Corporate Social Responsibility; Human Resource Management
Ms MET Malaka	Master Business Administration, BA Degree: Social Science, Certificate on Public, Private Partnerships in Infrastructure, Matric	Public Sector Experience; Financial Management; Project Management; Strategic Leadership; Human Resource Management and Development; Stakeholder Management; Corporate Governance
Ms Phadu-More	Bachelor of Arts, Certificate in Advertising, Matric	Facilitation; Financial Management; Leadership and Management; International Relations; Project Management; Stakeholder Management; Community Development and SMME Development; Public Relations
Ms MJ Msiza	Master of Law, Bachelor of Law, Bachelor of Commerce, Matric	Corporate and Commercial Law; Leveraged and Acquisition Finance; Development Finance and Project Finance; Energy and Mining; Enterprise Development; Legal Research
Dr SH Nokaneng	PhD in Economics, Master of Commerce in Economics, B Commerce Honors in Economics,	Board Leadership; Corporate Governance; Public Sector SOC and Private Sector Executive Management; Audit and Risk;

Name	Qualifications	Areas of Expertise
	BA Commerce (Ed), Management Development Programme, Matric	Financial Sector; Academia and Economic Research; Knowledge Management; Feasibility Market and Economic Studies; Economic Research Analysis and Training; Central and Commercial Banking; Economic Intelligence; Trade and Investment; Credit and Investment Management; Housing and Property Funding; Property Development; Private Equity and Corporate Finance; Financial Markets; Capital Funding; Credit and Risk Management
Mr SW Ncongolo	B. Com Economics, National Diploma: Cost Management, Diploma: Public Finance, Matric	Public Finance; Local Government Finance; Economics; Community Development; Communication; Project Management
Ms M Matuba	BA Honours in Public Management and Governance, BA Commerce, Office Administration Course, Personal Development Course, Matric	Development Planning; Strategic Management; Human Resources Management; Business Management; Local Government Administration; IT and Operations; Research; Financial and Performance Management; Administration; Stock Controlling
Mr S Motlhabi	Matric	PLO Deputy Director (Community Safety and Transport Management); Parliamentary Work; Legislature and Budget Analysis; Community Out Reach

9.6 Information of the Senior Executives of the NWDC

Name of Executive	Academic Qualifications	Areas of Expertise
Mr T Phetla (CEO)	Bachelor of Administration (B. Admin.), Bachelor of Administration (Honours), Executive Education: Programme for Management Development, Certificate Programme in Business Project Management	Strategic Management; Development Finance; Human Resources
Mr R Malapane (Acting CFO)	CA (SA), B. Com Honours Degree, B. Com Degree: Financial Accounting, Matric	Development Finance from IDC and SEFA; Auditing, Accounting and Financial Reporting from Auditor General; Supply Chain Management; ICT Governance; Risk Management; Financial Management;

Name of Executive	Academic Qualifications	Areas of Expertise
		Monitoring and Evaluation gained from Public Sector CFO role
Mr K Modise (Internal Audit Executive)	B. Com Accounting, Matric	Auditing and Accounting; Financial Statements; Corporate Governance; Business Development; Risk Management; Strategic Management; Managerial Skills
Mr K Mafokwane (CS)	Bachelor of Laws (LLB UG), Diploma in Labour Law, Certificate of Competence: Anti-Corruption Training for Practitioners, Certificate: Public Service SMS Pre-entry Programme, Matric	Strategic and Operational Leadership; Human Resources Management; Labour Law and Relations; Training and Development; Recruitment and Selection; Employee Wellness; Statistics; Trial Advocacy; Representation at CCMA; Consultative Bargaining and Negotiations; Management of Deceased Estates; Stakeholder Evidence-Based Policy Analysis; Auditing
Ms H Hoogkamer (Acting CRO)	MBA(GIBS) Majoring in Financial Management, Logistics and Statistics, BSc Home Economics Ed, Certificate Economic Indicators: Monitoring the South African Economy, Matric	Research; Strategic Planning and Management; Financial Management; Investment Facilitation; Manufacturing; Innovation; Renewable Energy
Ms N Phamodi	National Diploma in HRM, B-Tech in HRM, Financial Management & Cost and Accounting, Post Graduate Diploma in Financial Management, Matric	Strategic Management; Development Finance; Human Resources; Corporate Governance
Mr A Tau	MSc Investment Promotion and Economic Development, MBA, B. Com in Economics, Matric	Investment Promotion and Economic Development; Foreign Direct Investment; Business Strategy and Development; Strategic Planning and Management; Infrastructure Planning; Stakeholder Management; Resource Mobilisation; Communications; Development of Policies, Programmes and Plans

Part C

Economic Environment

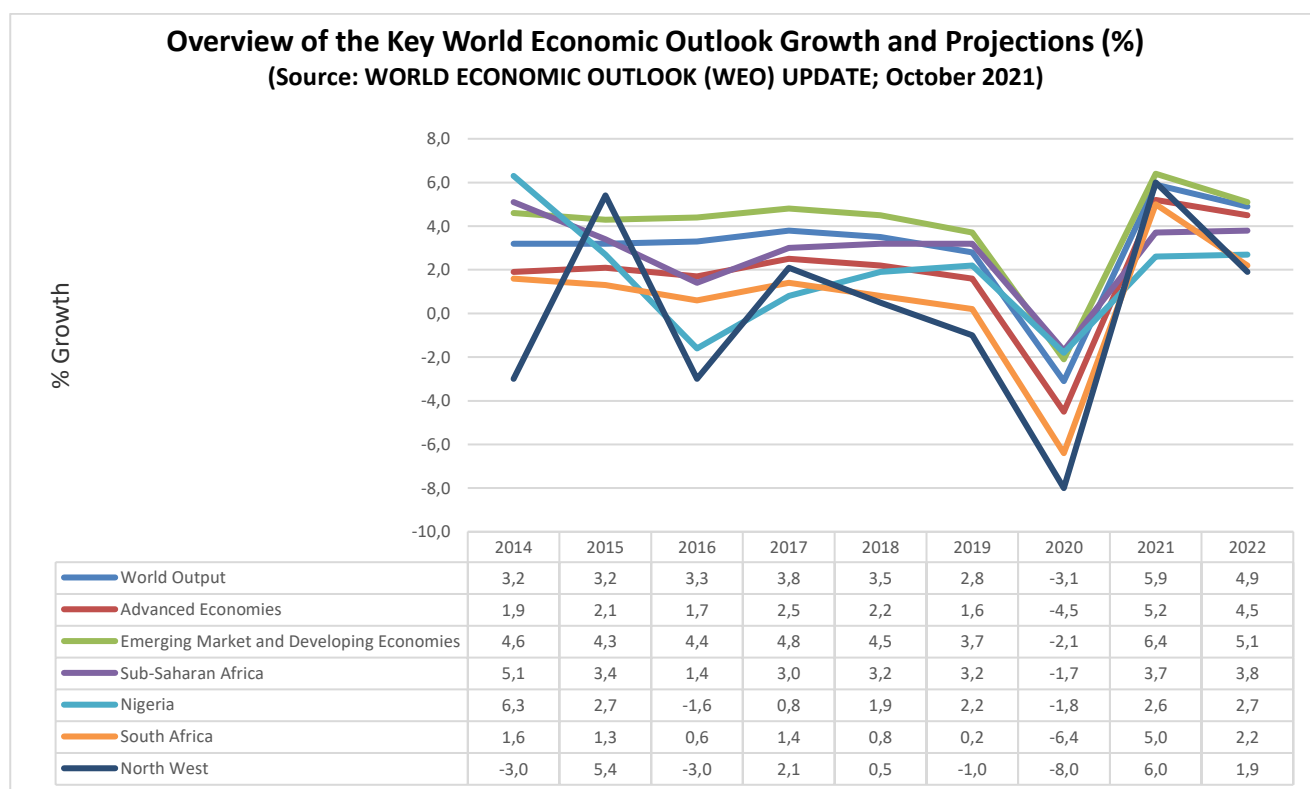
10) ECONOMIC OVERVIEW

10.1 The Global Economy

Global growth is projected at:

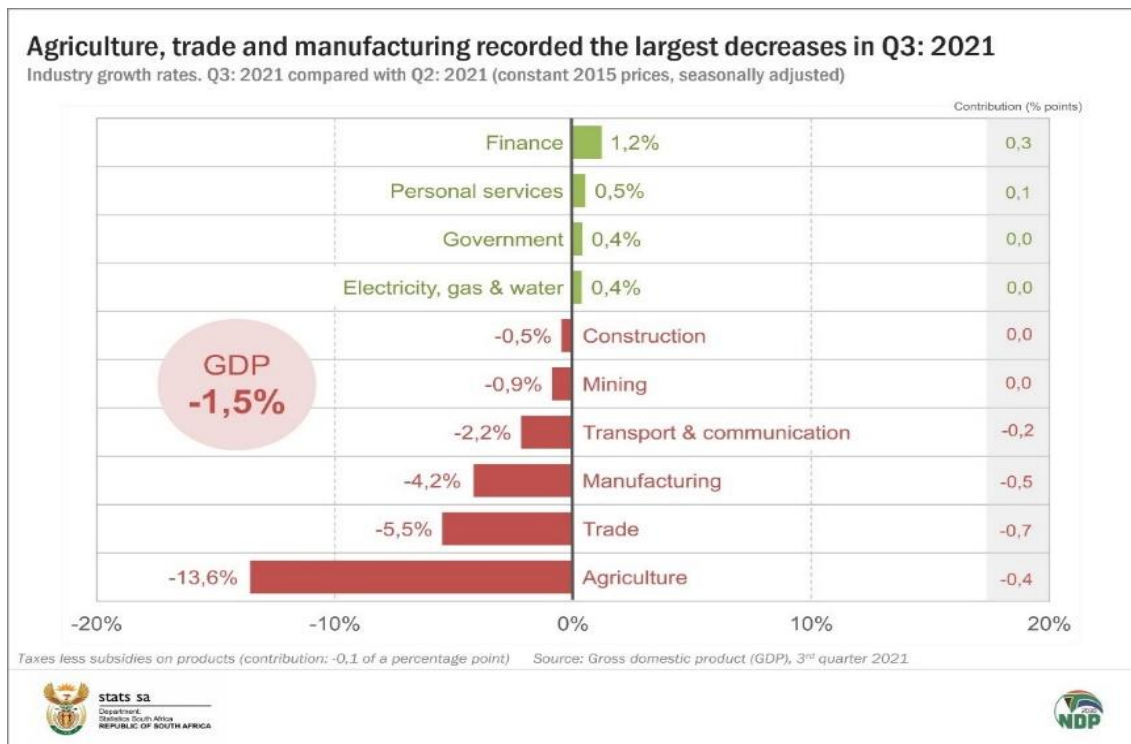
- The global economy grew -4.4% in 2020 and is projected to grow 5.9% in 2021 and 4.9% in 2022
- South Africa's economy grew by -6.4% in 2020 and is projected to grow 5.0% in 2021 and 2.2% in 2022
- North West Province's economy grew by -8.0% in 2020 and is projected to grow 6.0% in 2021 and 1.9% in 2022

Figure 1: Overview of the Key World Economic Outlook Growth and Projections



10.2 South African Economy

- The population of South Africa increased 60,14 million in mid-2021.
- The GDP for South Africa Contracted by 1.5% in Q3 2021.



- Inflation Consumer Price Index (CPI) remains within the 3%-6% target of the Reserve Bank. The inflation rate is increasing and rose to 5.9% in December 2021 with an average of 4.6% for 2021.
- The South African Reserve Bank raised its benchmark repo rate by 25 bps to 3.75% at its November 2021 meeting. The central bank's model indicates an increase of 25 basis points in each quarter of 2022, 2023 and 2024. Source: South African Reserve Bank
- The official unemployment rate in Q3 of 2021 increased to 34.9% for South Africa and 35.7% for the North West.

10.3 Overview of the North West Province economy

The NW region:

- Covers approximately 104 882 square kilometres, comprising 8.6% of the national area.
- Not densely populated when compared to the national population density.
- Houses approximately 4.1m people, 6.9% of the country's total population of which nearly 44.5% are in the Bojanala District.
- The negative impact of COVID-19 and the resulting lockdown is clearly visible when comparing the tourism statistics from 2019 and 2020.
- When Considering the NDP 2030 and the Revised MTSF 2024 Targets on page 25 the following can be reported.

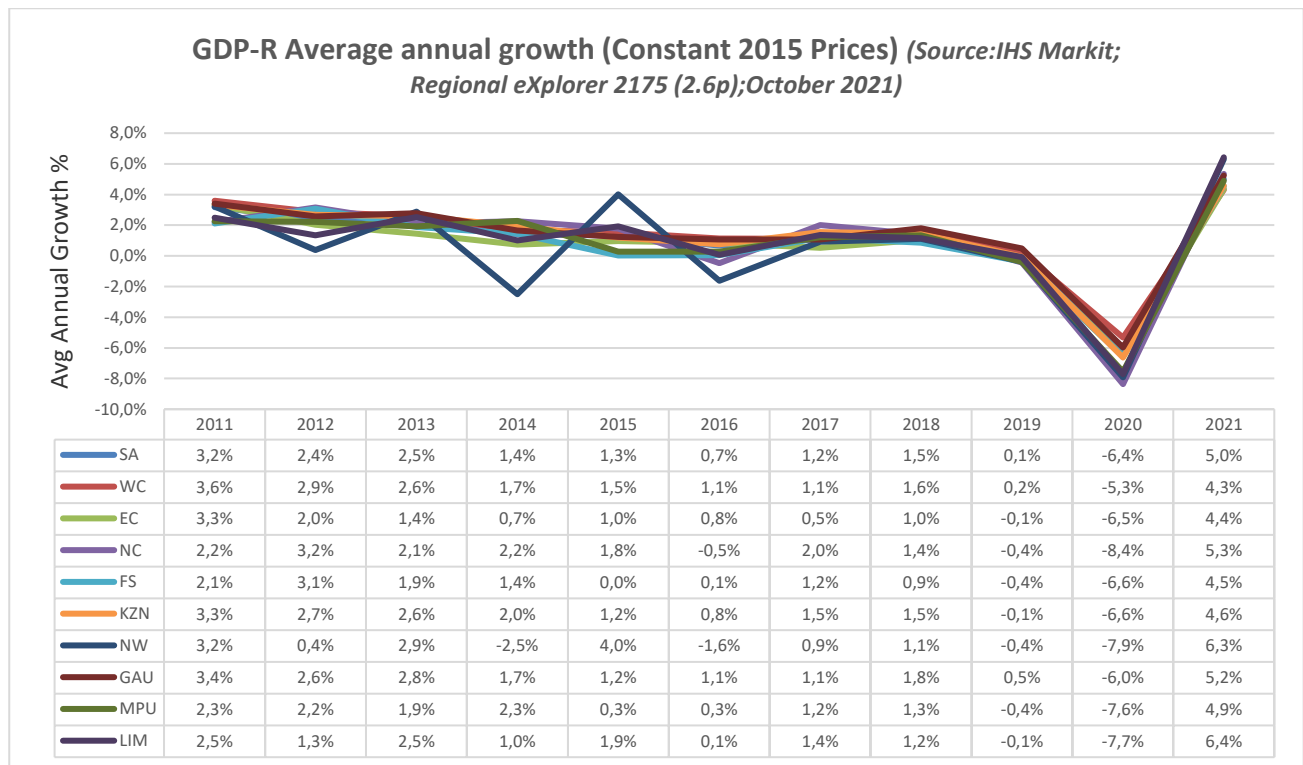
Table 5: Development indicators South Africa, North West Province, and District Municipalities (2020)

Development	SA	NW	BPDM	NMMDM	DRSMDM	DKKDM
Human Development Index (HDI)	0,66	0,63	0,65	0,59	0,56	0,66
Gini coefficient (Income equality)	0,64	0,63	0,62	0,62	0,62	0,63
People below the food poverty line (StatsSA defined)	19 396 783	1 304 752	480 348	365 801	210 392	248 211
%	32,5%	31,9%	26,4%	38,4%	40,7%	30,9%
% Increase 2018 to 2019	4,09%	4,45%	5,05%	4,19%	3,75%	4,29%
% Increase 2019 to 2020	10,41%	10,76%	12,29%	9,52%	9,17%	11,05%

- Improvement in the Human Development Index (HDI) currently at 0.63 up from 0.52 in 2009.
- Concerning is the number and percentage of people below the food poverty line (StatsSA defined), currently measured at 31.9%. When considering the % increase between 2018 and 2019 and 2019 and 2020, it is clear that COVID-19 has impacted on poverty adversely.
- The Index of Buying Power has also increased, (IHS Markit Regional eXplorer's Index of Buying Power (IBP)) indicates that 5.8% of the country's spending power is located in the NWP.
- Income levels are below the national average (which is to be expected for the more rural areas in South Africa).
- The 2020 Gini coefficient indicates that the level of equality is decreasing from 0.60 in 2009 to 0.63 in 2020.
- The Tress index currently at 52.56 provides insight into the level of concentration (or diversification) within an economic region.
- The 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.
- The provincial economy is structurally unbalanced with the primary and tertiary sectors contributing more towards GDP-R and growing faster than the secondary sector.
- Limited water and electricity supply.
- Well-developed electricity distribution network due to mining activities
- Poor state of infrastructure
- Shortage of skilled labourers and rigid regulatory and legislative policies.
- 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, minimising the competitiveness of the province.
- Bordering Botswana, the NWP 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.

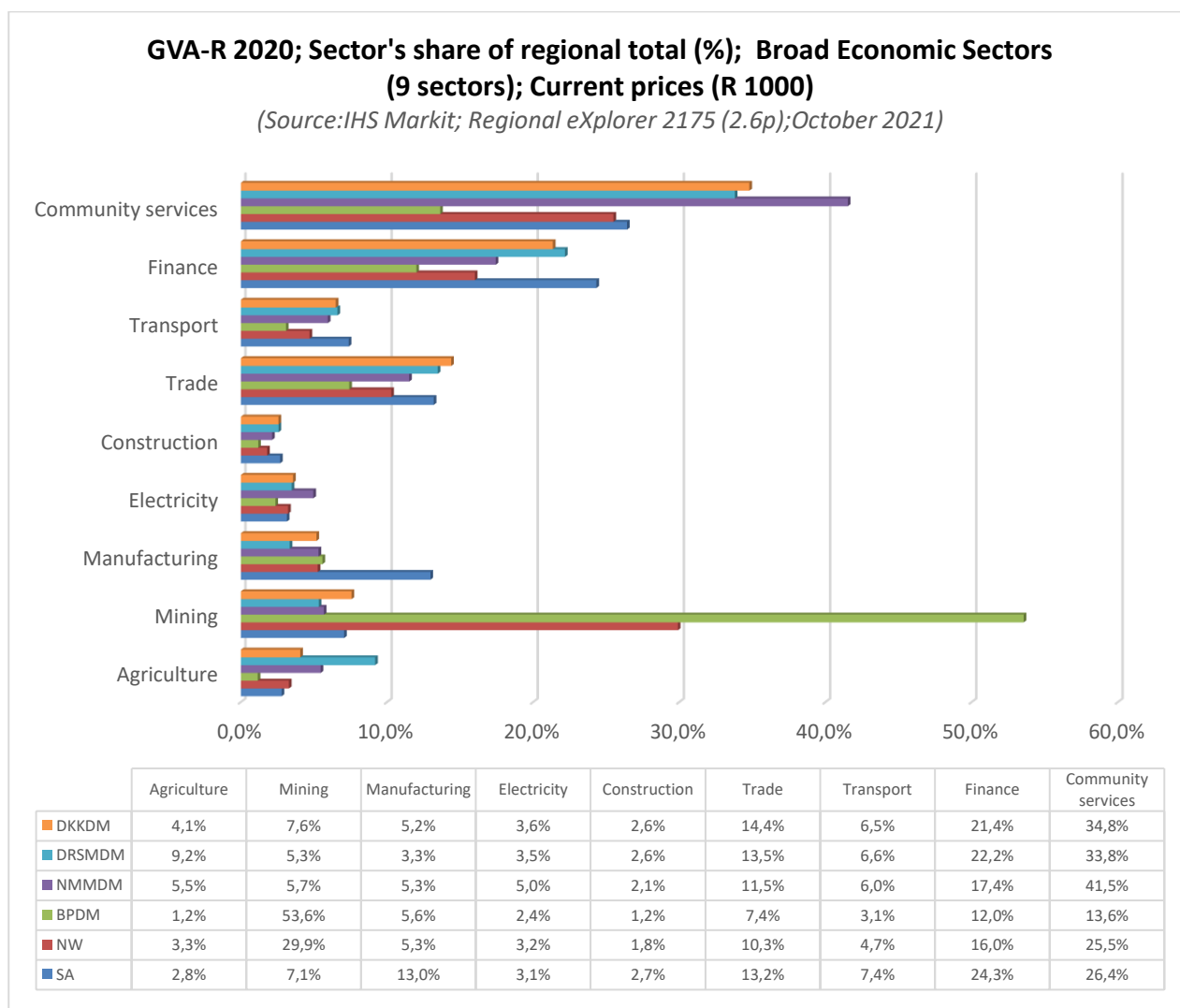
- The GDP-R Average annual growth (Constant 2015 Prices compared to the National performance and other provinces) is very erratic.
- In the graph below the average annual growth of the North West Province is compared to the national growth figures of other provinces. It becomes clear that the North West Province's growth is more volatile which can be attributed to the heavy reliance on mining.

Figure 2: Average Annual Growth South Africa and Provinces



- The North West Province's well-developed road and rail links provide the platform and infrastructure for ground transportation deep into sub-Saharan Africa.
- The SADC Foreign Trade Agreement (FTA) signed in August 2008 provides access to a market of over 250 million consumers.
- 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.
- Offers easily available skills and distribution channels imperative for agricultural commercial ventures.
- Plays a significant role in the supply of energy, transport, and communications to the continent.
- Well positioned to a shared services hub for investors interested in African operations, especially for Sub-Saharan countries.

Figure 3: Sector share contribution to the economy of the North West Province



- The location quotient indicates the comparative advantage over other regional economies if it can more efficiently produce the same goods. The location quotient is one way of measuring this comparative advantage by considering production and employment.

Table 6: Location quotients ≥ 1.1 (by broad economic sector in the NWP (2020) District Municipalities):

	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community Services
NW	1,18	4,23	0,41	1,03	0,67	0,78	0,64	0,66	0,96
BPDM	0,41	7,58	0,43	0,75	0,44	0,56	0,42	0,49	0,52
NMMDM	1,96	0,80	0,41	1,58	0,80	0,87	0,81	0,72	1,57
DRSMMDM	3,29	0,75	0,26	1,11	0,96	1,02	0,90	0,91	1,28
DKKDM	1,46	1,07	0,40	1,13	0,96	1,09	0,88	0,88	1,32

(Source: IHS Markit; Regional eXplorer 2175 (2.6p); October 2021)

10.4 North West Development Corporation Pronouncements

- **Establishment of the Bojanala Special Economic Zone.** The Office of the Premier will drive the successful operationalisation of the SEZ working with the Department of Economic Development, Environment, Conservation and Tourism.
- **Government has identified several MEGA projects.** For instance, we will put new impetus to the development of the SMART CITY in the border municipalities of Gauteng and the Madibeng Local Municipality.
- Government will be **reviewing the role and functions of State-Owned Enterprises** in order to ensure that they are properly positioned as effective instruments in the task of economic development and job creation in the province.
- **North West COVID-19 SMME Relief Fund** administered by the NWDC worth about **R40m will be increased and continued.** The tables below reflect payments made to beneficiaries at the end of September 2021:

Formal Businesses Approved and Paid Out per District

Region	Formal Pending Count	Formal Pending Amount	Formal Payout Count	Formal Payout Amount	Formal Declined Count	Formal Declined Amount
Bojanala	141	R4,274,700.00	192	R2,601,000.00	61	R1,056,606.40
Dr Ruth Segomotsi Mompati	96	R1,567,687.44	126	R1,668,000.00	32	R506,000.00
Dr Kenneth Kaunda	119	R2,228,000.00	242	R3,314,000.00	60	R1,675,611.60
Ngaka Modiri Molema	283	R5,635,688.06	527	R6,387,000.00	167	R4,676,820.77
Totals	639	R13,706,075.50	1087	R13,970,000.00	320	R7,915,038.77

Informal Businesses Approved and Paid Out per District

Region	Formal Pending Count	Formal Pending Amount	Formal Payout Count	Formal Payout Amount	Formal Declined Count	Formal Declined Amount
Bojanala	157	R732,398.00	562	R1,405,000.00	183	R929,350.00
Dr Ruth Segomotsi Mompati	125	R352,500.00	532	R1,350,000.00	77	R244,108.96
Dr Kenneth Kaunda	139	R560,000.00	380	R950,000.00	79	R361,500.00
Ngaka Modiri Molema	283	R860,802.90	1682	R4,303,450.00	360	R1,577,619.90
Totals	704	R2,505,700.90	3156	R8,008,450.00	699	R3,112,578.86

10.5 Pronouncements that hold opportunities for the NWDC

Alternative Building Material Project Opportunities:

- The total provincial infrastructure budget for the 2022/2023 financial year is estimated at R4.824bn and the province will spend in excess of R14bn on infrastructure over the 2022 MTEF period.
- Education will expend in excess of R1.2bn on maintenance and construction of new schools.
- The Department of Health is allocated R581m in the 2022/2023 financial year for maintenance, rehabilitation, and construction of health facilities.

10.6 PESTLE and SWOT Analysis

Economic development must consider trends in the external environment and respond to the threats and opportunities that emerge from these trends. The following PESTLE analysis presents a high-level overview of the emerging trends identified through consultation within the organisation. The importance of the PESTLE analysis must find expression in the individual programmes, given that specific trends are likely to have a greater or lesser impact on the individual programmes and projects implemented.

10.6.1 Environmental Scan

The sections below present the PESTLE analysis by theme. In the context of rapid change, these items are listed as a brief snapshot but will require ongoing discussion and monitoring to ensure the strategic objectives and programmes reflect the shifting context in which the NWDC operates.

Further defining the need for constant reflection is the VUCA world, characterised by volatility, uncertainty, complexity, and ambiguity. In responding to this we need to constantly reflect on our vision, understanding, clarity and agility.

Table 7: Examples of translation from Political trends to threats and opportunities

POLITICAL CONTEXT: Political Factors		
<ul style="list-style-type: none"> Shifting political landscape including North West being under administration with political interference (positive and negative) experienced over the years An absence of constructive interdepartmental relations Instability in the political structure 		
Trend	Threat	Opportunity
Instability in the political landscape, particularly over the last two years.	Changing political priorities can impact on the achievement of strategic objectives and can impact negatively on investor confidence.	Increased political discussion could be useful in articulating and restoring the NWDC to its core mandate.
Political interference has been commonplace in the South African public sector	Political interference has adverse impacts on decision-making and the profitability of the NWDC.	Alignment between political and organisational priorities could present increased support and commitment.

Table 8: Examples of translation from Economic trends to threats and opportunities

ECONOMIC CONTEXT: Economic Factors		
<ul style="list-style-type: none"> Rise in agricultural risk factors and the need for the sector to become more productive to ensure food security Poverty levels need to be reduced Income distribution needs to be more equal Economic diversification into high tech manufacturing and services The NWP has a share of approximately 6.3% of national employment rate Instable GDP growth or possible recession knock-on effect on employment rise or fall 		
Trend	Threat	Opportunity
Declining economic growth and possible recession	Rural industrial and some urban commercial properties are no longer competitive.	Fill the gap in providing access to funds and programmes to assist affected industries. Partner with other departments (Department of Labour) to create holistic response programmes.

Decreased energy security and stability (load-shedding)	Business disruption with declining revenue and profitability.	Renewable energy and off-grid solutions present a new market with multiple links in the value chain.
Move from rural industrial to urban services industries	Pressure on available finances to pay rent, repay loans and attract investments	Selling off rural industrial property and investment in urban centres.
Shifting requirements of mining and industrial operations within the province.	Inability for local suppliers, including SMMEs to supply goods and services required by industry.	Refocus of developmental programmes and integration of SMME development through Supplier Development and Localisation programmes with preferential off-take agreements.

Table 9: Examples of translation from Social trends to threats and opportunities

SOCIAL CONTEXT: Social Factors		
<ul style="list-style-type: none"> Disproportionate employment between age groups (aging working population supporting an unemployed youth group) New entrepreneurs are millennial, and we would have to find new ways to reach them Increasing unemployment of skilled labour Move to online commerce is rapidly increasing Importance of constant communication and being connected to the internet, social media etc. 		
Trend	Threat	Opportunity
Increasingly young population that is unemployed whilst skilled workers approaching retirement (or moving)	The brain drain is causing a loss of skills in some key sectors. Increased pressure on the financial viability of some businesses.	Opportunity to drive entrepreneurship as well as mentoring programmes to transfer the skills and knowledge to new entrants to the market and young workers.
High unemployment of skilled labour-force from mining sector	Social unrest and other negative impacts on the province but also in areas in which NWDC operates.	Potential skilled labour force for incoming investors. Possibility of database of skilled workers to take up positions in new businesses and flourishing industries (such as logistics and warehousing).
Youth and women empowerment	High illiteracy rates in these previously marginalised groups could be a challenge for rapid programme implementation.	Rising the real incomes of women and youth. Funds made available for initiatives focusing on women and youth.
Social trend of online shopping and interaction	Decline in the use of commercial and retail spaces with subsequent pressure on our tenants.	Promotion and stimulation of business, in particular repurposing or focussing on new market opportunities.
Internet requirements in hospitality.	Not having fast internet (or any) internet connection facilities turns away customers.	Establishing niche service providers from our SMME sector.

Table 10: Examples of translation from Technological trends to threats and opportunities

TECHNOLOGICAL CONTEXT: Technological Factors		
<ul style="list-style-type: none"> Disruptive technologies such as Artificial Intelligence and machine learning are disrupting all levels of the job market The internet of things and other technologies are presenting new value streams and revolutionising old ones. Technology and analytics are being used to transform and improve operations 		
Trend	Threat	Opportunity
Artificial intelligence is able to take over a range of functions within a job	Where jobs are routine AI could lead to total replacement of human workers	There may be a rise in profits, particularly for some of our tenants, securing our rental business. There is a need for skills development in new job arenas.

Cyber crime	Huge impacts on businesses and individuals through fraud, identity theft and other online crimes.	New job markets in cyber security and ICT.
The global marketplace through online commerce	Competition and overpowering by monopoly capital.	Our SMMEs and other producers can market internationally.

Table 11: Examples of translation from Legal trends to threats and opportunities

LEGAL CONTEXT: Legal Factors		
<ul style="list-style-type: none"> Increasing non-compliance and lawlessness within the province over the last few years Political expedience overshadowing governance Inadequate internal legal skills Revision of key laws and policies within the province Challenge of balancing Schedule 3D PFMA/legal requirements and business/profit imperative of NWDC 		
Trend	Threat	Opportunity
Non-compliance.	Potential for irregular expenditure, adverse audit opinions and impact on NWDC as a going concern.	Refined mandate and streamlining of procurement practices to increase competitiveness.
Strengthening of labour laws	Unaffordable salary bills and strain on company fiscus.	Stability in the labour markets and increased voice for employees.
Legislative review in the province	Extensive and added bureaucratic controls may impact negatively on efficiency.	Revised and energised strategic direction and return to the core business of NWDC.

Table 12: Examples of translation from Environmental trends to threats and opportunities

ENVIRONMENTAL CONTEXT: Environmental Factors		
<ul style="list-style-type: none"> Climate change leading to water scarcity and other impacts Degradation of the existing resource base, including ground water. Environmental laws impact on investments. Environmental decline and pollution due to mining and other industrial activities Rise in popularity of eco-tourism and cultural tourism 		
Trend	Threat	Opportunity
Increasing water scarcity	Water is fundamental to business (and human rights). Water shortages threaten business survival.	Large-scale investment in water recycling, purification, and general infrastructure.
Climate change and the low carbon / green economy	Increased pressure on existing carbon intensive industries with potential knock-on effects to our clients.	Massive potential for investments into Bojanala SEZ, green technologies, and renewable energy.
Legislative review in the province	Extensive and added bureaucratic controls may impact negatively on efficiency.	Revised and energised strategic direction and return to the core business of NWDC.

10.6.2 Table 13: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

Strengths (internal)	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> Status as the official economic development implementing arm of Government in the North West Province A wide provincial footprint Valuable asset base with some flexibility in 	<ul style="list-style-type: none"> Financial challenges including: <ul style="list-style-type: none"> Poor collection methods and/or controls Liquidity of the NWDC with inadequate cash-management controls Irregular spending and non-compliance with legal provisions 	<ul style="list-style-type: none"> The NWP has ample available resources including minerals, agriculture, and wildlife Leveraging on new technologies to improve operations Establishing the SEZ company 	<ul style="list-style-type: none"> Lack of understanding the NWDC services National DFIs playing in the same field as the NWDC Changing political priorities can impact on the achievement of strategic objectives and can impact

<p>revenue-enhancing activities</p> <ul style="list-style-type: none"> • Broad mandate • Schedule 3D status provides for wide network and support from government • Comprehensive Networks • Existing Property Management Systems are in place • Institutional memory • Rapport between staff within the organisation • Policy framework is in place • We have a solid track record • Existing benchmarks for organisational structure 	<ul style="list-style-type: none"> ◦ <i>Disclaimer (lack of internal financial controls)</i> • Lack of advocacy • Lack of internal communication and business integration • Inability to access funding • Poor interpretation and implementation • Lack of capacity in the NWDC • Increasingly poor reputational image and loss of confidence • Income generating properties not being looked after (unattractive) 	<ul style="list-style-type: none"> • Development of vacant land • Converting properties to smart properties to improve income generation • Alignment between political and organisational priorities could present increased support and commitment • Shifting mining operations present new market arenas for empowering the SMMEs we support • FDI opportunities • Education of small businesses (SMMEs) • Amendments in labour laws allowing for greater stability and voice of workers • Focus on youth development and women empowerment has opened up potential funding sources in line with SMME development. • Drive for integrated rural development may allow for funding of initiatives in the rural economy. 	<p>negatively on investor confidence</p> <ul style="list-style-type: none"> • Political interference has adverse impacts on decision-making and the profitability of the NWDC • Loss of market for SMMEs (from modernisation of the mines and shifting market needs) means reduced repayment of loans. • Increased mortality of SMMEs resulting in property vacancies • Lack of opportunities within the job market is leading to a "brain drain" of skilled people to other provinces. • Instability in electricity supply is putting pressure on businesses leading to defaults on rent and loan repayments • Unaffordable salary bills • Water-scarcity and poor quality threatens financial development and expansion of services within the province • Increasing illiteracy threatens the capabilities and potential market for our services
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Part D

Outcomes, Outputs and Output Indicators

In this section the short to medium-term objectives are provided on a per-programme basis, with reference also given to the outcome(s) to which the programmes relate.

11) OUTCOMES

The North West Development Group has adopted the following Outcomes for the next five years:

Table 13: NWDC Outcomes

Outcome 1:	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually		
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 NWP	High	<ul style="list-style-type: none"> 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.) Develop Company Standard Procedure Manual Appointment of Compliance Officer as per the approved structure 	Medium
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 Increase management accounting skills to determine leakages in rental collection and cost and expenses 	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

Outcome 2:

Contribute annually to the economic growth and transformation of the NWP through multiplying initiatives

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"> • Implementation of Funding Strategy 	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 • Enforce implementation of Project Management Policy 	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

Outcome 3:

Ensure consistent improvement in the quality of services rendered by the NWDC Group measured annually.

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 • Utilise Survey Monkey for customer satisfaction (internal and external) • Enhance internal communication between business units through structure standard-based discussions and cascaded accountability. • Inter departmental meetings with dedicated items relating to cross-cutting goals and work requirements. • 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

12) OUTPUTS

Given some of the challenges and weaknesses outlined above and emphasis on the strategic priority of sustaining NWDC as a going concern, a systematic review of the programmes is required within the first quarter of the financial year. In addition to those outputs and targets provided below, this should include for each programme:

- Strategic stakeholder engagement related to the programme implementation.
- Refined business cases in line with the strategic focus on profitability of the organisation as a whole (ensuring value for money in continuing with the programme).
- Potential benefits above and beyond financial gains (in line with developmental priorities).
- Resources available and required; with resource gaps (financial, human, equipment) defined.
- Identification and updating of strategic and operational risk matrices per project and programme.
- Additional performance measurement criteria to be monitored, including risk mitigation procedures and other measures based on the above.

The above shall be reviewed by relevant governance structures to ensure progress towards the programme and outcomes.

13) **GOVERNMENT PRIORITIES**

The NWDC contribute towards Priority 2: Economic transformation and job creation

Priority 2: Economic transformation and job creation

- 4G coverage of high demand spectrum allocated by 2020
- Support the establishment of a 100 000 youth owned start-ups per annum
- Facilitate and support 200 000 functional small businesses and cooperatives by 2024
- Create 275 000 jobs per year through Job Summit commitments, Operation Phakisa and other public sector employment programmes
- R5 billion Infrastructure Fund established and operationalised by 2020 to improve the quality and rate of infrastructure investment
- Implementation of revised visa regime, to ensure that 95% of visa applications are adjudicated in 4 weeks by 2022
- Implement Presidential comprehensive youth employment interventions that absorb 1 million youth in NEET in employment

14) KEY OUTPUT INDICATORS AND TARGETS FOR 2022/2023

14.1 Programme 1: Administration

Purpose of the Programme:	To provide administrative leadership to the NWDC in accordance with relevant legislations, regulations and policies and ensures appropriate support service to all programmes
Outcome applicable:	Ensure consistent improvement in the quality of services rendered by the NWDC Group; and to maintain the going concern of the NWDC Group by achieving sustainability ratios annually.
Considerations and concerns	<p>Concerns were raised as set out in the AGSA Audit Opinion 2020/2021 which indicated:</p> <ul style="list-style-type: none"> • The overall status of the drivers of internal controls remains a concern. • Daily recording, processing and reconciliation of transactions will be key to improve the audit outcome • The instability in key leadership positions continued to prevail and impacted on the ability to establish a culture in support of good governance and a sound internal control environment. • Leadership did not capacitate the finance functions with sufficient and suitably skilled staff which undeniably contributed to the poor control environment • The preparation and review of the financial statements were not properly planned, and regular financial reporting has not been instilled as a good practice, but rather an annual compliance exercise. • The internal audit unit was not functional and no internal audit reports or recommendations have been made • The group is not self-sustainable, and it relies on the provincial government for funding its operation and this has a significant impact on the entity to act on its mandate and achieve strategic goals. • Failure to collect revenue has created a burden on government to sustain the operations of the NWDC group. • The collections of long outstanding debtors, the settlement of creditors and maintaining planned operations within the boundaries of a proper budget should be monitored and processes implemented to recover outstanding debts. • Controls and processes should be implemented to ensure that all staff are performing financial processing, reconciling, filing and review responsibilities as expected on a daily basis. • Internal work silos should be addressed, and all staff should understand the flow of information, review, and safekeeping thereof. • Policies and procedures should be revised and ensure that these are properly communicated to staff. • The accounting authority is required to ensure that all the risk areas are adequately mitigated and for the establishment of an effective leadership culture and a targeted post audit action plan. • Management should compile a consultancy reduction plan to ensure the transfer of skills and ultimate independence from consultants.

14.1.1 Output Indicators and Annual Targets

Programme Number	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1.1	Percentage of Audit findings in the Post Audit Action Plan (PAAP) addressed	NOI	NOI	NOI	50%	75%	80%	90%
1.2	Percentage compliance with legislative prescripts (as set out in the Legislative Prescripts Framework)	NOI	NOI	NOI	100%	100%	100%	100%
1.3	Percentage reduction of Irregular Expenditure	NOI	NOI	NOI	50%	75%	100%	100%
1.4	Number of Board Oversight Reports produces	NOI	NOI	NOI	NOI	4	4	4

14.1.2 Output Indicators and Quarterly Targets

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1.1	Percentage of Audit findings in the Post Audit Action Plan (PAAP) addressed	Annually	75%	0	75%	0	0
1.2	Percentage compliance with legislative prescripts (as set out in the Legislative Prescripts Framework)	Quarterly	100%	100%	100%	100%	100%
1.3	Percentage reduction of Irregular Expenditure	Annually	75%	0	0	0	75%
1.4	Number of Board Oversight Reports produced	Quarterly	4	1	1	1	1

14.1.3 Programme Resource Considerations: Summary of Payments and Estimates

R Thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Programme 1: Administration									
• Office of the CEO	17 072 000	Included in Corporate Services		7 442 000	7 442 000	7 442 000	9 875 000	10 349 000	10 349 000
• Financial Management	31 938 000	27 543 000	18 661 000	18 661 000	18 661 000	27 517 000	30 918 000	30 918 000	30 918 000
• Corporate Services	84 111 000	47 390 000	39 369 000	31 927 000	31 927 000	39 612 000	43 505 000	43 572 000	43 572 000
TOTAL Payments and Estimates	133 121 000	74 933 000	58 030 000	58 030 000	58 030 000	74 571 000	84 298 000	84 839 000	84 839 000

14.1.4 Updated Key Risks and Mitigation from the Risk Register

Outcomes	Key Risks	Risk Mitigations
Reduction of Audit findings in the Post Audit Action Plan (PAAP)	Unfavourable Audit Outcome	<ul style="list-style-type: none"> Daily recording, processing, and reconciliation of transactions Stable key leadership positions to establish a culture in support of good governance and a sound internal control environment Capacitate the finance functions with sufficient and suitably skilled staff Regular financial reporting Functional internal audit unit providing combined assurance Turnaround Strategy to improve self-sustainability and to act on NWDC mandate and achieve strategic goals Planned operations within the boundaries of a proper budget, monitored and processes implemented to recover outstanding debts Policies and procedures should be revised where needed and ensure that these are properly communicated to staff Targeted post audit action plan Compile a consultancy reduction plan

Outcomes	Key Risks	Risk Mitigations
Compliance with legislative prescripts	Non-compliance	Adherence to the Compliance Register
Reduction of Irregular Expenditure	Uncontrolled Irregular Expenditure and reduced revenue	<ul style="list-style-type: none"> Monitoring of Irregular Expenditure and reduction Compliance with SCM regulations Implementation of Consequence Management

14.2 Programme 2: Property Development and Management

Purpose of the Programme:	To optimise the development and management of the property portfolio
Outcome applicable:	Ensure consistent improvement in the quality of services rendered by the NWDC Group measured annually
Considerations and concerns	<ul style="list-style-type: none"> The property and development portfolio are the main revenue stream for NWDC. Weaknesses and risks identified within the SWOT analysis point towards an underperformance of the portfolio and a need for structured review of the value-add of various properties. This requires continued focus to ensure sustainability of the organisation. Divestment of loss-making or unprofitable properties needs to be reviewed through a structured analysis and reporting thereof, together with ensuring tenant payments through improved contract management and eviction of non-payers. Targets provided may be optimistic given COVID-19 and other factors. Partnerships in new developments will become a key area of focus going forward.

14.2.1 Output Indicators and Annual Targets

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2.1	Percentage occupancy on available lettable areas (properties)	51%	70%	68%	Not applicable	90%	95%	95%
2.2	Conditional Assessment of the Property Portfolio performed	NOI	NOI	NOI	NOI	1	1	1
2.3	Business Case developed for the remainder of Mmabatho Unit 11 (Signal Developments)	NOI	NOI	NOI	NOI	1	0	0

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2.4	Business Case developed for the Tlhabane and Mogwase properties	NOI	NOI	NOI	NOI	1	0	0

14.2.2 Output Indicators and Quarterly Targets

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
2.1	Percentage occupancy on available lettable areas (properties)	Quarterly	90%	90%	90%	90%	90%
2.2	Conditional Assessment of the Property Portfolio performed	Annually	1	-	-	1	-
2.3	Business Case developed for the remainder of Mmabatho Unit 11 (Signal Developments)	Annually	1	Advertisement	Evaluation	Appointment of Service Provider	1 Business Case Developed
2.4	Business Case developed for the Mogwase Complex and the Tlhabane Small Industries	Annually	1	Advertisement	Evaluation	Appointment of Service Provider	1 Business Case Developed

14.2.3 Programme Resource Considerations: Summary of Payments and Estimates

R Thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Programme 2: Property Development and Management	55 472 000	90 403 000	109 870 000	121 422 000	121 422 000	121 422 000	110 688 000	116 002 000	121 571 000
TOTAL Payments and Estimates	55 472 000	90 403 000	109 870 000	121 422 000	121 422 000	121 422 000	110 688 000	116 002 000	121 571 000

14.2.4 Updated Key Risks and Mitigation from the Risk Register

Desired Outcomes	Key Risks	Risk Mitigations
Increased occupancy levels	<ul style="list-style-type: none"> Reduced rental revenue Dilapidated buildings 	Intensify our maintenance in order to retain current and attract new clients
	Reduced rental revenue	Consider new revenue streams
Increased rental collection	<p>Non-compliance with:</p> <ul style="list-style-type: none"> Section 38(1)(c)(i) of the PFMA (collect all money due to the department, trading entity or constitutional institution;) and Section 22 of the Companies Act (a company must not carry on its business recklessly, with gross negligence, with intent to defraud any person, or for any fraudulent purpose.). 	<ul style="list-style-type: none"> Monitor rental collection and recovery of municipal and other costs against monthly billing. Ensure that rental credits for maintenance and repairs by tenants are backed by agreements and credit is only given when invoices are received to be able to record maintenance and repair costs monthly. Implement debt collection measures. Move tenants to smart metering system Infrastructure: ESKOM to downgrade the KVA supply To create a platform between the NWDC and the tenants' representatives to address challenges and improve service delivery
Capacitated, effective and efficient structure for the property development and management programme	<ul style="list-style-type: none"> Ineffective property management Lack of investors' appetite 	<ul style="list-style-type: none"> Advertisement and filling of vacant positions with competent and qualified ethical candidates. Continuous education and training of property development and management staff.
Profitable property development and management programme	<ul style="list-style-type: none"> No new developments in the pipeline Empty stands and properties carry expenses without income resulting in less profit Vandalism and theft of empty properties Land invasion 	<ul style="list-style-type: none"> Optimise Asset Management of properties Increase management accounting activities and reporting to determine efficiency of property management Implement approved and advertised property developments with strategic partners Sell vacant properties identified Security and surveillance Insuring the assets (note insurance is subject to maintained condition of buildings) Intensifying consequence management on unethical conduct where property management is aware of fraudulent activity but do not report or assist with investigation

Desired Outcomes	Key Risks	Risk Mitigations
Appointment of Service Provider to compile the business case and implement the development of the remainder of Mmabatho Unit 11 (Signal Developments)	<ul style="list-style-type: none"> Lack of interest from top developers to compile the business case and implement the development of the remainder of Mmabatho Unit 11 (Signal Developments) 	<ul style="list-style-type: none"> Ensure an attractive value proposition in the Terms of Reference.

14.3 Programme 3: Bojanala Special Economic Zone (SEZ)

Purpose of the Programme:	To build commercial industrial infrastructure and attract new investment into the SEZ
Outcome applicable:	Contribute annually to the economic growth and transformation of the NWP by multiplying initiatives
Considerations and concerns	<ul style="list-style-type: none"> There are high-level concerns as to the stagnation of the project and value this programme adds to the NWDC purpose and of the real role that the NWDC can play in this project compared to national entities such as the DTIC. There are also conceptual challenges and a need to review the sectors (e.g. mining) in which investments and developments have been proposed as these are currently in decline.

14.3.1 Output Indicators and Annual Targets

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
3.1	Application for designation of Bojanala SEZ submitted to DTIC	NOI	NOI	NOI	NOI	1	0	0
3.2	Bojanala SEZ land secured	NOI	NOI	NOI	NOI	1	0	0
3.3	Institutional capacity of the SEZ built	NOI	NOI	NOI	NOI	1	0	0
3.4	Bojanala SEZ Company established	NOI	NOI	NOI	NOI	1	0	0
3.5	Infrastructure Master Plan developed	NOI	NOI	NOI	NOI	1	0	0
3.6	Township Establishment Approval secured	NOI	NOI	NOI	NOI	1	0	0
3.7	Environmental Impact Assessment Authorisation secured	NOI	NOI	NOI	NOI	1	0	0
3.8	Water Use Licence Authorisation secured	NOI	NOI	NOI	NOI	1	0	0
3.9	SEZ Site Master Plan and Architectural Designs produced	NOI	NOI	NOI	NOI	1	0	0
3.10	Value of investments attracted into the SEZ	NOI	NOI	NOI	R250m	R500m	R1bn	R2bn

14.3.2 Output Indicators and Quarterly Targets

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
3.1	Application for designation of Bojanala SEZ submitted to DTIC	Quarterly	1	-	Application for designation prepared and packed	Application for designation submitted to DTIC	SEZ License issued by DTIC
3.2	Bojanala SEZ land secured	Quarterly	1	Land Lease Agreement with Sibanye-Stillwater signed	Sibanye-Stillwater donation offer approved by the Board	Transfer of SEZ land from Sibanye-Stillwater to NWDC signed	-
3.3	Institutional capacity of the SEZ built	Quarterly	1	Filling of management positions	Non-management positions filled	Establishment of Site Offices for the SEZ	-
3.4	Bojanala SEZ Company established	Quarterly	1	Concurrence of company registration granted by Provincial Treasury	Board of Directors appointed	-	-
3.5	Infrastructure Master Plan developed	Quarterly	1	Service provider contracted to develop Infrastructure Master Plan	Infrastructure Master Plan	-	-
3.6	Township Establishment Approval secured	Quarterly	1	Service provider contracted to develop Infrastructure Master Plan	Application for Township Establishment Approval submitted	-	Township Establishment Approval granted
3.7	Environmental Impact Assessment Authorisation secured	Quarterly	1	Service provider contracted to produce EIA Report and make submission	-	-	EIA Authorisation granted

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
3.8	Water Use Licence Authorisation secured	Quarterly	1	Service provider contracted to produce Report and make submission	-	-	WULA granted
3.9	SEZ Site Master Plan and Architectural Designs produced	Quarterly	1	Service provider contracted	-	-	SEZ Site Master Plan and Architectural Design
3.10	Value of investments attracted into the SEZ	Quarterly	R500m	0	0	R150m	R350m

14.3.3 Programme Resource Considerations: Summary of Payments and Estimates

R Thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Programme 3: Bojanala SEZ	8 659 000	4 335 000	2 576 000	31 500 000	31 500 000	31 500 000	41 400 000	49 900 000	49 900 000
TOTAL Payments and Estimates	8 659 000	4 335 000	2 576 000	31 500 000	31 500 000	31 500 000	41 400 000	49 900 000	49 900 000

14.3.4 Updated Key Risks and Mitigation from the Risk Register

Outcomes	Key Risks	Risk Mitigations
Bojanala SEZ designated as an approved SEZ	Land for SEZ development from Moses Kotane may not be secured due to non-favourable terms	Negotiate land donations from private sector (mines) and other municipalities
	Limited PMU capacity continues to slow down the pace of development	Fill 15 PMU positions

Outcomes	Key Risks	Risk Mitigations
	Limited funding for SEZ infrastructure	Partnerships with mining industry on infrastructure development
FDI/DDI attracted into the SEZ	COVID-19 may continue to disrupt business operations	Online investment promotion and marketing programme

14.4 Programme 4: SMME Development and Management

Purpose of the Programme:	To develop sustainable enterprises
Outcome applicable:	Contribute annually to the economic growth and transformation of the NWP through multiplying initiatives
Considerations and concerns	<ul style="list-style-type: none"> This programme remains relevant to the purpose of the NWDC and is important to the wealth and job creation of the Province. Funding mechanisms for this programme need to be considered further given the risk status of recipients and provisions made by the Shareholder. Possible ring-fencing or other mechanisms to isolate budgets to ensure sustainability of the programme needs to be considered, particularly with regard to reporting as a Schedule 3D entity. Innovation in supporting SMMEs through preferential buying mechanisms, securing off-take agreements through government procurement, and potential equity stakes in supported SMMEs as a potential revenue stream, should also be considered. Ensuring export readiness should be a focus to align with Programme 4.

14.4.1 Output Indicators and Annual Targets

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
4.1	Number of SMMEs supported (non-financial, CIPC registrations, annual returns, etc)	NOI	NOI	NOI	NOI	600	650	700
4.2	Number of SMMEs provided with financial support	NOI	NOI	NOI	NOI	10	20	30
4.3	Number of NWP Informal Traders and SMMEs Databases developed	NOI	NOI	NOI	NOI	1	0	0

14.4.2 Output Indicators and Quarterly Targets

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
4.1	Number of SMMEs supported (non-financial, CIPC registrations, annual returns, etc)	Quarterly	600	100	150	150	200
4.2	Number of SMMEs provided with financial support	Quarterly	10	2	2	2	4
4.3	Number of NWP Informal Traders and SMMEs Databases developed	Annually	1	0	0	0	1

14.4.3 Programme Resource Considerations: Summary of Payments and Estimates

R Thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Programme 4: SMME Development and Management	247 000	6 940 000	7 187 000	4 733 000	4 733 000	4 733 000	4 455 000	4 455 000	4 455 000
TOTAL Payments and Estimates	247 000	6 940 000	7 187 000	4 733 000	4 733 000	4 733 000	4 455 000	4 455 000	4 455 000

14.4.4 Updated Key Risks and Mitigation from the Risk Register

Outcomes	Key Risks	Risk Mitigations
Increased support for SMME development	Lack of financial assistance for SMME Development	Collaborate with other Development Financial Institutions
Revenue generation	Growing Debt book	Appointment of a debt collector

14.5 Programme 5: Trade and 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
Outcome applicable:	Contribute annually to the economic growth and transformation of the NWP through multiplying initiatives
Considerations and concerns	<ul style="list-style-type: none"> • This programme is core to the NWDC mandate and is important for the economic expansion of the province. • The current COVID-19 pandemic has imposed difficult conditions on to the unit which requires a business unusually approach to achieve the set objectives. • A more robust, integrated approach to Trade and Investment facilitation is required in terms of funding mechanisms, value-chain creations, after-care support for key market players (SMMEs), stakeholder alignment (removing duplication of effort and streamlining province-wide planning and implementation and engagement with other DFIs), ensuring export readiness (quality and quantity) and prioritising key sectors. • Challenges in accessing relevant databases and funding, needs to be interrogated urgently. Effective linkages through entities such as Invest South Africa are required. Rather than just facilitating key investment opportunities in the province the new approach looks at how NWDC can participate in key projects to derive income to fund the operations of the company. NWDC is therefore looking at securing shareholding in the key strategic projects it is facilitating.

14.5.1 Output Indicators and Annual Targets

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
5.1	Value of investment facilitated into the NWP	-	R30,452m	-	R60m	R200m	R250m	R300m
5.2	Number of jobs created with facilitated investments	NOI	NOI	NOI	100	300	500	700
5.3	Number of companies assisted with access to export markets	NOI	NOI	NOI	NOI	15	20	25
5.4	Number of trade and investment initiatives done with Municipalities	3	4	2	N/A	4	4	4
5.5	Number of companies taken through export development	NOI	NOI	NOI	NOI	20	25	30
5.6	Number of investment conferences held to promote provincial opportunities	NOI	NOI	NOI	NOI	1	1	1

#	Output Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
5.7	Number of one-stop-shops implemented with DTIC	New	New	New	New	1	N/A	N/A

14.5.2 Output Indicators and Quarterly Targets

Programme Number	Output Indicators	Reporting Period	Annual Target 2022/2023	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
5.1	Value of investment facilitated into the NWP	Quarterly	R200m	0	R50m	R50m	R100m
5.2	Number of jobs created with facilitated investments	Quarterly	300	0	60	60	180
5.3	Number of companies assisted with access to export markets	Quarterly	15	0	5	5	5
5.4	Number of trade and investment initiatives done with Municipalities	Quarterly	4	1	1	1	1
5.5	Number of companies taken through export development	Quarterly	20	Identify Sectors for Development	Identify potential candidates and consult with the DTIC	20	0
5.6	Number of investment conferences held to promote provincial opportunities	Annually	1	0	0	1	0
5.7	Number of one-stop-shops implemented with DTIC	Quarterly	1	Application to DTIC for designation of One-Stop-Shop in the NWP	Application for funding	Designation of One-Stop-Shop	1 One-Stop-Shop established

14.5.3 Programme Resource Considerations: Summary of Payments and Estimates

R Thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Programme 5: Trade and Investment Facilitation	5 838 000	4 585 000	2 197 000	2 653 000	2 653 000	2 653 000	4 648 000	4 872 000	5 106 000
TOTAL Payments and Estimates	5 838 000	4 585 000	2 197 000	2 653 000	2 653 000	2 653 000	4 648 000	4 872 000	5 106 000

14.5.4 Updated Key Risks and Mitigation from the Risk Register

Outcomes	Key Risks	Risk Mitigations
Adequately capacitated Trade and Investment Facilitation Programme to contribute to the economic growth and transformation of the NWP as per set targets	Inadequate capacity in terms of human capital resources, resulting in key mandates not being met	<ul style="list-style-type: none"> Obtain approval for filling and advertising the critical unit posts as per the approved structure Obtain adequate financial resources to implement Trade and Investment Facilitation strategy including access to seed funding to unleash funding request from clients Solicit alternative seed funding to support investment
Fundable project champions	Project champions that are not fundable due to lack of adequate skills	<ul style="list-style-type: none"> Identify entrepreneurs with potential and support them through local, provincial, and national initiatives Get local industries such as mining to assist with enterprise development to build adequate skills to fill identified gaps
Shareholding in strategic projects with lucrative prospects	Unclear position on NWDC taking shareholding in strategic projects	<ul style="list-style-type: none"> Clear mandate on NWDC shareholding in strategic projects Approved policy on NWDC shareholding in strategic projects and the funding of shareholding

14.6 Risk Appetite and Tolerance for All Programmes 2022/2023

	KPIs	Annual Target 2022/2023	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
1.1	Percentage of Audit findings in the Post Audit Action Plan (PAAP) addressed	75%	72% - 74%	69% - 71%	66% - 68%	63% - 65%	Less than 63%
1.2	Percentage compliance with legislative prescripts (as set out in the Legislative Prescripts Framework)	100%	95% - 99%	90% - 94%	85% - 89%	80% - 84%	Below 80%
1.3	Percentage reduction of Irregular Expenditure	75%	72% - 74%	69% - 71%	66% - 68%	63% - 65%	Less than 63%
1.4	Number of Board Oversight Reports produced	4	3	2	1	0	0
2.1	Percentage occupancy on available lettable areas (properties)	90%	87% - 89%	84% - 86%	81% - 83%	78% - 80%	Less than 78%
2.2	Conditional Assessment of the Property Portfolio performed	1	1	1	Unacceptable	-	-
2.3	Business Case developed for the remainder of Mmabatho Unit 11 (Signal Developments)	1	1	1	Unacceptable	-	-
2.4	Business Case developed for the Tlhabane and Mogwase properties	1	1	1	Unacceptable	-	-
3.1	Application for designation of Bojanala SEZ submitted to DTIC	1	1	1	Unacceptable	-	-
3.2	Bojanala SEZ land secured	1	1	1	Unacceptable	-	-
3.3	Institutional capacity of the SEZ built	1	1	1	Unacceptable	-	-
3.4	Bojanala SEZ Company established	1	1	1	Unacceptable	-	-
3.5	Infrastructure Master Plan developed	1	1	1	Unacceptable	-	-
3.6	Township Establishment Approval secured	1	1	1	Unacceptable	-	-
3.7	Environmental Impact Assessment Authorisation secured	1	1	1	Unacceptable	-	-
3.8	Water Use Licence Authorisation secured	1	1	1	Unacceptable	-	-

	KPIs	Annual Target 2022/2023	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
3.9	SEZ Site Master Plan and Architectural Designs produced	1	1	1	Unacceptable	-	-
3.10	Value of investments attracted into the SEZ	R500m	R500m	R490m- R499m	R480m- R489m	R470m- R479m	R460m- R469m
3.4	Number of job opportunities created through investment attracted in the SEZ	1 000	980 - 999	960 - 979	940 - 959	920 - 939	Less than 920
4.1	Number of SMMEs supported (non-financial, CIPC registrations, annual returns, etc)	600	580 - 599	560 - 579	540 - 559	520 - 539	Less than 520
4.2	Number of SMMEs provided with financial support	10	9	8	7	6	Less than 6
4.3	Number of NWP Informal Traders and SMMEs Databases developed	1	1	1	Unacceptable	-	-
5.1	Value of investment facilitated into the NWP	R200m	R195m - R199m	R190m - R194m	R185m - R189m	R180m - R184m	Less than R180m
5.2	Number of jobs created with facilitated investments	300	280 - 299	260 - 279	240 - 259	220 - 239	Less than 220
5.3	Number of companies assisted with access to export markets	15	13-14	11-12	9-10	7-8	Less than 7
5.4	Number of trade and investment initiatives done with Municipalities	4	3	2	1	Unacceptable	
5.5	Number of companies taken through export development	20	18-19	16-17	14-15	12-13	Less than 12
5.6	Number of investment conferences held to promote provincial opportunities	1	Unacceptable	-	-	-	-
5.7	Number of one-stop-shops implemented with DTIC	1	Unacceptable	-	-	-	-

14.7 The Top 7 Risks identified for 2022/2023:

Outcome 1: Maintain the going concern of the NWDC Group by achieving sustainability ratios annually

Risk Number	Description of Risk	Performance Indicator	Programme	Inherent Risk (Rating)	Existing Controls (Yes/No)	Residual Risk (Rating)	Level Acceptable (Yes/No)	Target Risk Level (High/Medium/Low)	Mitigation Plan (Please refer to Key Performance Indicators)
1	Going concern and liquidity. Liabilities will exceed the assets in the short term	Percentage increase of net surplus	Property Development & Management	Maximum	✓ NWDC Turnaround Strategy	Maximum	✗	Medium (if more funds can become available, the risk can be reduced to low)	Implementation of Turnaround Strategy aimed at business continuity and monitored on a quarterly basis. <ul style="list-style-type: none"> Consider new revenue streams (7.2) Debt Collection Final Position on disposal of assets needs to be agreed upon
2		Percentage achievement of the approved post audit action plans	Administration and Governance	Maximum	✓ NWDC PAAP	Maximum	✗	Low	<ul style="list-style-type: none"> Implementation of PAAP Board approval of a debt write off as per legislative guidelines

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

Risk Number	Description of Risk	Performance Indicator	Programme	Inherent Risk (Rating)	Existing Controls (Yes/No)	Residual Risk (Rating)	Level Acceptable (Yes/No)	Target Risk Level (High/Medium/Low)	Mitigation Plan (Please refer to Key Performance Indicators)
3	Lack of economic growth and transformation policy.	Number of Economic Growth and Transformation Programmes	Economic Programme Management <ul style="list-style-type: none"> • Bojanala SEZ • Property Development and Management • Signal Development 	Maximum	✓ NWDC Economic Programme Management	Maximum	✗	Medium	Implementation of high impact projects as per KPIs;
4	Lack of Aftercare Services	Number of SMMEs supported and investments attracted	<ul style="list-style-type: none"> • Trade & Investment Facilitation • SMME 	Maximum	✓ NWDC Economic Programme Management	Maximum	✗	Low	Number of SMMEs supported and investments attracted
5	Inability to refuse mandates that hinders achievement of planned targets (Political Interference)	Number of planned performance targets achieved	Administration and Governance	Maximum	✓ NWDC Signed Shareholder Compact	Maximum	✗	Low	Signed Shareholder Compact at the commencement of the financial year that includes budget, performance information, stakeholder management, etc.

Outcome 3: Ensure consistent improvement in the quality of services rendered by the NWDC Group measured annually

Risk Number	Description of Risk	Performance Indicator	Programme	Inherent Risk (Rating)	Existing Controls (Yes/No)	Residual Risk (Rating)	Level Acceptable (Yes/No)	Target Risk Level (High/Medium/Low)	Mitigation Plan (Please refer to Key Performance Indicators)
6	Lack of efficient service delivery due to misfit of skills supporting delivery outcomes	Percentage achievement against quarterly targets	Administration and Governance	Maximum	✓ NWDC Approved Structure	Maximum	✗	Low	<ul style="list-style-type: none"> Skills Audit Fit for purpose placement of employees Customer Service Satisfaction Survey External Standard operating procedures (SOPs) for all programmes need to be in place
7		Number of updated and approved strategies and policies	Administration and Governance	Maximum	✓ NWDC Policies	High	✗	Low	Number of updated and approved strategies and policies not later than the first quarter of 2022/2023 financial year

14.8 Historic Performance (non-financial)

During the annual audits, the AGSA performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. Further procedures were performed to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

2020/2021: The Auditor-General SA did not identify any material findings on the usefulness and reliability of the reported performance information for **Programme 1: Property Development and Management**.

2019/2020: The Auditor-General SA did not identify any material findings on the usefulness and reliability of the reported performance information for **Programme 1: Property Development and Management**.

2018/2019: The Auditor-General SA did not identify any material findings on the usefulness and reliability of the reported performance information on **any of the selected programmes of the Entity**.

2017/2018: The Auditor-General SA did not identify any material findings on the usefulness and reliability of the reported performance information on **Programme 2: Operations**.

14.9 Reflecting on MTSF 2019-2024 Priorities

The Medium-Term Strategic Framework (MTSF) is a five-year plan of government that is intended to implement the electoral mandate and National Development Plan Vision (NDP) 2030. The NDP is our vision leading to 2030. It calls all of us to work together to deal with poverty, unemployment, and inequality. The MTSF 2019-2024 will be implemented through the joint efforts of government, the private sector and civil society.

Cross-cutting focus areas: The NDP Vision 2030 prioritises the significant role of women, youth and people with disabilities in our society. If these three groups are strong, our whole society will be strong. These are cross-cutting focus areas that need to be mainstreamed into all elements of South Africa's developmental future and all programmes of government. They will inform interventions across the three pillars.

Key targeted milestones include:

- Economic Growth: Growth rate of 2-3% by 2024;
- Unemployment and jobs: Reduce unemployment from 27.9% to 20% to 24% by 2024;
- Inequality: Lower South Africa's income Gini Coefficient from 0.68 to 0.66 by 2024;
- Poverty: Reducing poverty from 39.8% to 28% by 2024.

The NWDC has aligned its strategy to the (MTSF). In its focus on these priorities, and their elaboration into seven priorities and associated activities and targets.

The NDP 2030 and the Revised MTSF 2024 Targets:

	Measures	Baseline	Current Status	Target 2024	Target NDP 2020
Growth	GDP Growth	0.1%	-6.4%	2%-3%	5.4%
Unemployment	Formal rate	27.6%	34.4%	20%-24%	6.0%
Employment	Number employed	16.3m	14.9m	18.3m-19.3m	23.8m
Investment	% of GDP	16.9%	13.6%	23%	30%
Inequality	Gini coefficient	0.68	No update	0.66	0.60
Poverty	Food poverty	24.7%	No update	20%	0.0
	Lower bound	39.8%	No update	28%	0.0

Source: Completed by the Department of Planning, Monitoring and Evaluation based on various sources

Notes:

GDP growth has been revised from 7% to -6.4% for 2020 based on rebased GDP. Investment has been revised based on gross fixed capital formation as a % of rebased GDP.

Unemployment and Employment for the current year is based on the Quarterly Labour Force Survey Q2:2021

Inequality and poverty remain unchanged from 2015/2016 as no new estimates are available from Statistics SA

Table 14: The 2019-Priorities, Correlating NDP Chapters and Relevance to the NWDC

Outcome	Subject	Correlating NDP Chapter	Relevance to NWDC
Priority 1: A capable, ethical, and developmental state	An efficient, effective, and development-oriented public service	Chapters 13 and 14	NWDC (Strategic Objective 1) Ensure the sustainability of the NWDC
Priority 2: Economic transformation and job creation	<ul style="list-style-type: none"> Decent employment through inclusive growth An efficient, competitive, and responsive economic infrastructure network Protect and enhance our environmental assets and natural resources 	Chapters 3, 4 and 5	<ul style="list-style-type: none"> NWDC Mandate NWDC Properties 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
Priority 3: Education, skills, and health	A skilled and capable workforce to support an inclusive growth path	Chapters 9 and 13	NWDC Values
Priority 5: Spatial integration, human settlements, and local government	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Chapter 6	Projects
Priority 7: A better Africa and world	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)

Table 15: Linkage of Priorities of Programmes between DEDECT and the NWDC

Programme DEDECT	Purpose of Programme	NWDC Response
Programme 3: Trade and Sector Development	To unlock and stimulate economic growth and job creation that is inclusive in the NWP	Programme 3: Bojanala Special Economic Zone Programme 4: SMME Development and Management Programme 5: Trade and Investment Facilitation
Programme 5: Economic Planning	To lead integrated provincial economic planning through evidence-based research	Programme 5: Trade and Investment Facilitation Research and Innovation Unit

Part E

Technical Indicator Descriptions

Programme 1: Administration

Indicator Title:	Percentage of Audit Findings in the Post Audit Action Plan (PAAP) addressed
Definition:	To focus on improving the NWDC audit outcome by reducing Audit Findings in the Post Audit Action Plan (PAAP).
Source of Data:	Management and Audit Reports issued by the AGSA
Method of Calculation or Assessment:	Number of audit findings contained in the Management Report of prior year same period MINUS Number of audit findings contained in the Management Report of current year same period FORMULA: (Current year number of audit findings minus prior year number of audit findings divided by prior year number of audit findings = % reduction/increase)
Means of Verification:	AGSA Management Report (Current and Prior Year)
Assumptions:	The NWDC address all prior year audit findings and implement measures to prevent it from occurrence in the next financial period
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Annually
Desired Performance:	50% reduction of audit findings in the PAAP
Indicator Responsibility:	Acting Chief Financial Officer

Indicator Title:	Percentage compliance with legislative prescripts (as set out in the Legislative Prescripts Framework)
Definition:	To ensure that the NWDC comply with all legislative prescripts, reporting requirements as prescribed in the PFMA, as well as the Treasury Regulations. This is required in order to minimise material misstatements in the financial and service delivery information as contained in financial statements and annual reports. Adherence to supply chain management prescripts in procuring goods and services. Late payment of service providers. Legislation prescribes the payment of service providers within a 30-day period.
Source of Data:	PFMA, Treasury Regulations and all other Legislation applicable
Method of Calculation or Assessment:	Monitoring the compliance with the Annual Legislative Prescripts Framework as approved by the Board of Directors FORMULA: Percentage achievement of the legislative prescripts due for submission/compliance, during the prescribed time (therefore, submission/compliance should be timeously done to ensure achievement of submission/compliance)
Means of Verification:	Documents described as portfolio of evidence in the Annual Legislative Prescripts Framework

Assumptions:	The NWDC comply with the PFMA, Treasury Regulations and all other Legislation applicable
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	100% Compliance with Legislative Prescripts
Indicator Responsibility:	Executive Management

Indicator Title:	Percentage reduction of irregular expenditure
Definition:	To ensure that the NWDC do not incur expenditure that is non-compliant with legislation. The PFMA is clear that accounting officers and authorities are responsible for preventing irregular expenditure and it stipulates the process to be followed. In order to promote transparency and accountability, the NWDC must disclose all irregular expenditure identified in the Annual Financial Statements together with details on how it was resolved; in other words, how much was investigated, recovered, or condoned.
Source of Data:	General Ledger indicating irregular expenditure
Method of Calculation or Assessment:	Current Irregular Expenditure balance minus prior year Irregular Expenditure balance divide by prior year Irregular Expenditure balance
Means of Verification:	Irregular Expenditure Registers (Current and Prior Year)
Assumptions:	The NWDC comply with all relevant legislation to prevent irregular expenditure and if irregular expenditure incurs, follow all due processes to resolve, investigate, recover, and condone
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	100% compliance with legislation to ensure no irregular expenditure incur during the financial period
Indicator Responsibility:	Acting Chief Financial Officer

Indicator Title:	Number of Board Oversight Reports produced
Definition:	To hold the Board accountable to the Shareholder by ensuring oversight of activities of the NWDC
Source of Data:	Board Oversight Report
Method of Calculation or Assessment:	Number of Board Oversight Reports
Means of Verification:	Board Oversight Report
Assumptions:	
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly

Desired Performance:	4
Indicator Responsibility:	Chairperson of the Board

Programme 2: Property Development and Management

Indicator Title:	Percentage occupancy of available lettable areas (properties)
Definition:	Ensure that NWDC lettable properties are occupied at all times
Source of Data:	System generated Occupancy report
Method of Calculation or Assessment:	Total units occupied divided by the number of available lettable areas (properties)
Means of Verification:	System generated Occupancy Report
Assumptions:	100% occupancy of lettable space
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	90% or above
Indicator Responsibility:	Executive Manager: Property Development and Management

Indicator Title:	Conditional Assessment of the Property Portfolio performed
Definition:	Conduct Conditional Assessments of all properties to ensure that valuations, revenue, and costs are recorded correct to enable disposal of unprofitable properties and compliance with Section 54 transfer legislation.
Source of Data:	List of properties ear marked for disposal valuations report
Method of Calculation or Assessment:	Business case report
Means of Verification:	Business case report
Assumptions:	Non-performing assets will be disposed-off
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	1
Indicator Responsibility:	Executive Manager: Property Development and Management

Indicator Title:	Business Case developed for the remainder of Mmabatho Unit 11 (Signal Developments)
Definition:	To ensure a rapid and high-quality business case and implementation of the development of the remainder of Mmabatho Unit 11 (Signal Developments) a competent service provider with a reputable track record should be appointed.
Source of Data:	Project plan

Method of Calculation or Assessment:	Approved business case
Means of Verification:	Handover report from business case developer
Assumptions:	Mmabatho development plan approved
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	1
Indicator Responsibility:	Executive Manager: Property Development and Management

Indicator Title:	Business Case developed for the Tlhabane and Mogwase properties
Definition:	To ensure that all the NWDC properties are viable and generate maximum income
Source of Data:	Project plan
Method of Calculation or Assessment:	Approved business case
Means of Verification:	Handover report from business case developer
Assumptions:	Offer to purchase is accepted
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	1
Indicator Responsibility:	Executive Manager: Property Development and Management

Programme 3: Bojanala Special Economic Zone

Indicator Title:	Application for designation of Bojanala SEZ submitted to DTIC
Definition:	Application for the designation of Bojanala SEZ (supported by required technical reports and Executive Authority letter) submitted to DTIC
Source of Data:	NWDC and DEDECT
Method of Calculation or Assessment:	Application for designation (supported by a package of technical reports and Executive Authority Letter) submitted to DTIC
Means of Verification:	Application letter and other supporting documents
Assumptions:	Land issue resolved on time to enable the processing of the application
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Annually

Desired Performance:	Application for designation submitted to DTIC and Bojanala SEZ approved as a Special Economic Zone
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	SEZ land secured
Definition:	Land for the development of the SEZ secured and in full control of NWDC or Bojanala SEZ Company
Source of Data:	NWDC
Method of Calculation or Assessment:	Signed Land Lease Agreement or Land donation notice or Deed of Transfer
Means of Verification:	Signed Land Lease Agreement or Land donation notice or Deed of Transfer
Assumptions:	Sibanye-Stillwater honours its commitment to donate land for SEZ development
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	SEZ land for the SEZ secured
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Institutional capacity of the SEZ built
Definition:	Number of positions in the SEZ Project Management unit filled
Source of Data:	NWDC
Method of Calculation or Assessment:	Employment contracts signed by recruited staff members
Means of Verification:	Contract of Employment (Signed)
Assumptions:	The NWDC has funds available to finance the positions
Disaggregation of Beneficiaries:	Women and People with disabilities
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	100% of management positions filled
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Bojanala SEZ Company registered
Definition:	Bojanala SEZ Company registered through the CIPC
Source of Data:	CIPC
Method of Calculation or Assessment:	Bojanala SEZ Company registered by CIPC as a State-Owned entity
Means of Verification:	CIPC Registration Certificate
Assumptions:	Concurrence of Provincial Treasury granted

Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Bojanala SEZ Company registered by CIPC as a State-Owned entity and subsidiary
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Institutional capacity of the SEZ built
Definition:	SEZ Site Office established
Source of Data:	NWDC
Method of Calculation or Assessment:	Physical office space established where the PMU is located and operates from
Means of Verification:	Physical offices for the SEZ PMU established or Office Lease Agreement
Assumptions:	
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Physical site office established for SEZ PMU operations
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Infrastructure Master Plan developed
Definition:	Infrastructure Mater Plan, outlining critical internal and external infrastructure projects to support the SEZ, developed
Source of Data:	NWDC/Bojanala SEZ Company
Method of Calculation or Assessment:	Report outlining Infrastructure Master Plan
Means of Verification:	Infrastructure Master Plan Report
Assumptions:	None
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Infrastructure Master Plan
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Township Establishment Authorisation secured
Definition:	The authorisation for the establishment of the SEZ township granted by the Rustenburg Local Municipality
Source of Data:	NWDC/Bojanala SEZ Company/Rustenburg Local Municipality

Method of Calculation or Assessment:	Letter or Certificate (or any formal document) from Rustenburg Local Municipality authorising the development of the SEZ township
Means of Verification:	Letter or Certificate or Notification document
Assumptions:	None
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Township Establishment Authorisation secured
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Environmental Impact Assessment Authorisation secured
Definition:	Authorisation by the Department of Environment attesting that the SEZ development on earmarked land does not violate environmental laws and can proceed
Source of Data:	Department of Environment
Method of Calculation or Assessment:	Letter or Certificate (or any formal document) from Department of Environment authorising the SEZ development to proceed
Means of Verification:	Letter or Certificate or Notification document
Assumptions:	None
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Environmental Impact Assessment Authorisation
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Water Use License Authorisation secured
Definition:	Authorisation by the Department of Water Affairs giving approval for water use for industrial development and other activities within the SEZ
Source of Data:	Department of Water Affairs
Method of Calculation or Assessment:	Letter or Certificate (or any formal document) from Department of Water Affairs authorising water use within the SEZ
Means of Verification:	Letter or Certificate or Notification document
Assumptions:	None
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Water Use License Authorisation
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	SEZ Site Master Plan and Architectural Design developed
Definition:	SEZ Site Master Plan and Architectural Design developed
Source of Data:	NWDC
Method of Calculation or Assessment:	SEZ Site Master Plan and Architectural Design
Means of Verification:	SEZ Site Master Plan and Architectural Design
Assumptions:	None
Disaggregation of Beneficiaries:	None
Calculation Type:	Non-Cumulative
Reporting Cycle:	Quarterly
Desired Performance:	Water Use License Authorisation
Indicator Responsibility:	Executive Manager: SEZ

Indicator Title:	Value of investments attracted into the SEZ
Definition:	Total monetary value of all investments pledged for the Bojanala SEZ
Source of Data:	Letters of Commitment from the Investors
Method of Calculation or Assessment:	Total value of investment attracted into the SEZ
Means of Verification:	Letter of Confirmation of value of investment into the SEZ
Assumptions:	Companies attracted for investment into the Bojanala SEZ
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	R500m
Indicator Responsibility:	Executive Manager: SEZ Head: Business Development and Investment Promotion

Programme 4: SMME Development and Management

Indicator Title:	Number of SMMEs supported (non-financial, CIPC registrations, annual returns, etc)
Definition:	Support offered to SMMEs in the form of bridging loans, market linkages, business support services (CIPC registration, consultations, filing of annual returns etc)
Source of Data:	Client Enquiry Forms
Method of Calculation or Assessment:	Total number of SMMEs supported
Means of Verification:	Excel spreadsheet with consolidated information and Client Enquiry Forms
Assumptions:	Clients to continue making use of the services offered by the NWDC

Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	600 SMMEs supported
Indicator Responsibility:	Executive Manager: SMME Development and Management

Indicator Title:	Number of SMMEs provided with financial support
Definition:	Support offered to SMMEs in the form of bridging finance loans
Source of Data:	Bank Statements
Method of Calculation or Assessment:	Total number of bridging finance loans approved
Means of Verification:	Bank Statements
Assumptions:	Sufficient funding and clients to continue making use of the services offered by the NWDC
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	10 SMMEs provided with financial support
Indicator Responsibility:	Executive Manager: SMME Development and Management

Indicator Title:	Number of NWP Informal Traders and SMME Databases developed
Definition:	Development of the SMMEs and informal traders Portal
Source of Data:	Database collection forms
Method of Calculation or Assessment:	Simple count
Means of Verification:	Excel spreadsheet database
Assumptions:	Clients to continue making use of the services offered by the NWDC
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Non-cumulative
Reporting Cycle:	Annually
Desired Performance:	1 SMME and Informal Traders Portal
Indicator Responsibility:	Executive Manager: SMME Development and Management

Programme 5: Trade and Investment Facilitation

Indicator Title:	Value of investment facilitated into the NWP
Definition:	Actual value of successful investment projects facilitated into the North West Province
Source of Data:	Confirmation Letter, Business Plan and Feasibility Study

Method of Calculation or Assessment:	Total investment values committed through commitment or confirmation letters added up together to calculate value of successful investment projects facilitated into the NWP
Means of Verification:	Commitment and/or Confirmation Letter, Business Plan and Feasibility Study
Assumptions:	Bankability of business plans and capable champions to drive projects
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Bi-Annually
Desired Performance:	R200m
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of jobs created with facilitated investments
Definition:	Total number of jobs created through all investment projects implemented in the Province
Source of Data:	Projected jobs from Funded Business Plan
Method of Calculation or Assessment:	Total number of direct jobs created as per the funded business plan and the confirmation letter of promoter
Means of Verification:	Funded Business Plan and Confirmation Letter of Promoter
Assumptions:	Bankability of business plans and capable champions to drive projects
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Bi-Annually
Desired Performance:	300
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of companies assisted with access to export markets
Definition:	Total number of companies assisted with access to export markets
Source of Data:	Participation Register
Method of Calculation or Assessment:	Total number of companies assisted with access to export markets
Means of Verification:	Signed attendance register
Assumptions:	Companies are export ready
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	15
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of trade and investment initiatives done with municipalities
Definition:	Any trade and investment initiatives done with the unit involving a municipality
Source of Data:	Participation Register
Method of Calculation or Assessment:	Total number of companies assisted with access to export markets
Means of Verification:	Signed attendance register
Assumptions:	Initiative supports local economic development
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	4
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of companies taken through export development
Definition:	Total number of companies assisted with export development
Source of Data:	Participation Register
Method of Calculation or Assessment:	Total number of companies assisted with export development
Means of Verification:	Signed attendance register
Assumptions:	Companies are export ready
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Quarterly
Desired Performance:	20
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of investment conferences held to promote provincial opportunities
Definition:	Total number of investment conferences held to promote provincial opportunities
Source of Data:	Actual event
Method of Calculation or Assessment:	Total number of investment conferences held to promote provincial opportunities
Means of Verification:	Participation Register
Assumptions:	Funding to support initiative secured
Disaggregation of Beneficiaries:	Youth, Women and People with disabilities
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Annually

Desired Performance:	1
Indicator Responsibility:	Trade and Investment Facilitation Manager

Indicator Title:	Number of one-stop-shops implemented with DTIC
Definition:	Total number of one-stop-shops implemented with DTIC
Source of Data:	One-stop-shop documentation
Method of Calculation or Assessment:	Total number of one-stop-shops implemented with DTIC
Means of Verification:	Approval letter
Assumptions:	Funding to support initiative secured
Disaggregation of Beneficiaries:	Not applicable
Calculation Type:	Cumulative (year-end)
Reporting Cycle:	Annually
Desired Performance:	1
Indicator Responsibility:	Trade and Investment Facilitation Manager

Part F

Financial Plan

1) FINANCIAL RESOURCES AND SOURCES OF INCOME

1.1 Operating Statement

The following framework is presented for submission by the North West Development Corporation:

Table 1: The Operating Statement Projected Statement of Financial Performance of the NWDC for the Year ended 31 March 2023

NORTH WEST DEVELOPMENT CORPORATION							
Summary of estimated financial performance							
		2021/22			2022/23	2023/24	2024/25
R thousand		Main budget (Approved)	Adjusted budget (Approved)	Revised estimate	Medium-term estimates		
Revenue							
Tax revenue		141 907	141 907	141 907	150 421	159 397	167 048
Non-tax revenue		52 532	52 532	52 532	49 189	49 794	52 185
Sale of goods and services other than capital assets		13 469	13 469	13 469	9 990	10 470	10 974
Entity revenue other than sales		2 475	2 475	2 475	2 611	2 736	2 867
Transfers received		36 588	36 588	36 588	36 588	36 588	38 344
Sale of capital assets		-	-	-	-	-	-
Financial transactions in assets and liabilities		-	-	-	-	-	-
Other non-tax revenue		-	-	-	-	-	-
Total revenue before deposits into the PRF		194 439	194 439	194 439	199 610	209 191	219 233
Less Deposits into the Provincial Revenue Fund		-	-	-	-	-	-
Total revenue		194 439	194 439	194 439	199 610	209 191	219 233
Expenses							
Current expense		190 387	190 387	190 387	197 886	207 384	217 339
Compensation of employees		80 943	80 943	80 943	86 244	90 384	94 724
Goods and services		109 444	109 444	109 444	111 642	117 000	122 615
Interest on rent and land		-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-
Payments for capital assets		2 199	2 199	2 199	1 724	1 807	1 894
Payments for financial assets		1 853	1 853	1 853	-	-	-
Total expenses		194 439	194 439	194 439	199 610	209 191	219 233
Surplus / (Deficit)		-	-	-	-	-	-

1.2 The Balance Sheet

The balance sheet of the NWDC and its subsidiaries provides a picture of the financial health of the organisation at a given time. The year-end balance sheet is a snapshot of the position of the organisation at the end of its financial year.

Table 2: Balance Sheet NWDC for the year ended 31 March 2023

Balance Sheet Data	2021/22			2022/23	2023/24	2024/25
R thousand	Main budget (Approved)	Adjusted budget (Approved)	Revised estimate	Medium-term estimates		
Carrying Value of Assets	1 702 786	1 702 786	1 702 786	1 702 154	1 701 586	1 702 154
Non- Residential Buildings	19 871	19 871	19 871	19 871	19 871	19 871
Investment Property	1 507 000	1 507 000	1 507 000	1 507 000	1 507 000	1 507 000
Other Structures (Infrastructure Assets)	169 597	169 597	169 597	169 597	169 597	169 597
Biological Assets	1 914	1 914	1 914	1 722	1 551	1 722
Furniture and Office equipment	4 404	4 404	4 404	3 964	3 567	3 964
Investments	209 220	209 220	209 220	209 220	209 220	209 220
5<10 Years	104 610	104 610	104 610	104 610	104 610	104 610
>10 Years	104 610	104 610	104 610	104 610	104 610	104 610
Cash and Cash Equivalents	36 123	36 123	36 123	33 562	34 904	33 562
Bank	36 123	36 123	36 123	33 562	34 904	33 562
Receivables and Prepayments	111 038	111 038	111 038	149 358	153 808	149 358
Trade Receivables	38 525	38 525	38 525	40 837	43 287	40 837
Other Receivables	71 992	71 992	71 992	108 000	110 000	108 000
Prepaid Expenses	521	521	521	521	521	521
Accrued Income	-	-	-	-	-	-
Inventory	964	964	964	964	964	964
Trade	-	-	-	-	-	-
Other	964	964	964	964	964	964
Total Assets	2 060 131	2 060 131	2 060 131	2 095 258	2 100 482	2 095 258
Capital and Reserves	1 895 623	1 895 623	1 895 623	1 924 417	1 922 928	1 924 417
Share Capital and Premium	303 854	303 854	303 854	303 854	303 854	303 854
Accumulated Reserves	265 267	265 267	265 267	265 267	265 267	265 267
Surplus / (Deficit)	-	-	-	-	-	-
Accumulated Surplus	1 326 502	1 326 502	1 326 502	1 355 296	1 353 807	1 355 296
Borrowings	48 728	48 728	48 728	48 728	48 728	48 728
Floating	-	-	-	-	-	-
Current	-	-	-	-	-	-
1<5 Years	48 728	48 728	48 728	48 728	48 728	48 728
5<10 Years	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-
Post Retirement Benefits	10 235	10 235	10 235	10 235	10 235	10 235
Present value of Funded obligations	10 235	10 235	10 235	10 235	10 235	10 235
Trade and Other Payables	75 217	75 217	75 217	79 730	84 514	79 730
Trade Payables	75 217	75 217	75 217	79 730	84 514	79 730
Provisions	30 328	30 328	30 328	32 148	34 077	32 148
Leave pay provision	-	-	-	-	-	-
Other	30 328	30 328	30 328	32 148	34 077	32 148
Total Equity and Liabilities	2 060 131	2 060 131	2 060 131	2 095 258	2 100 482	2 095 258

1.3 Cash Flow Statements

Table 3: Statement of Cash Flows NWDC for the year ended 31 March 2023

	2021/22			2022/23	2023/24	2024/25
R thousand	Main budget (Approved)	Adjusted budget (Approved)	Revised estimate	Medium-term estimates		
Cash flow from operating activities	-	-	-	4 175	8 142	6 594
Cash flow from investing activities	612	612	612	632	568	(568)
Other flows from Investing Activities	612	612	612	632	568	(568)
Cash movement in Capital Assets	612	612	612	632	568	(568)
	-	-	-	-	-	-
Cash flow from financing activities	(7 368)	(7 368)	(7 368)	(7 368)	(7 368)	(7 368)
Deferred Income	-	-	-	-	-	-
Borrowing Activities	-	-	-	-	-	-
DBSA	(7 368)	(7 368)	(7 368)	(7 368)	(7 368)	(7 368)
Net increase / (decrease) in cash and cash equivalents	(6 756)	(6 756)	(6 756)	(2 561)	1 342	(1 342)

1.4 Capital Expenditure Programmes

There is no planned capital investment due to the cash flow challenges.

1.5 Dividend Policies

No dividend policy is applicable.

1.6 The Borrowing Plan

The North West Development Corporation SOC Ltd does not have a Borrowing Plan for the 2022/2023 financial year.

Part G

District Development Model

Medium-Term (3-Years MTEF):

Areas of Intervention	Project Description	Timeframe	Budget Allocation	District Municipality	Local Municipality	Location	Project Leader	Social Partners
Integrated Economic Development Services	Establishment of Trade Markets	2021– 2024	R8m	Ngaka Modiri Molema	Mahikeng	Mahikeng	Happy Mokone	DSBD, SEDA, Municipalities, NWDC, NWP&TB
		2021-2024	R8m	DRSM	Mamusa	Schweizer-Reneke	Happy Mokone	DSBD, SEDA, Municipalities, NWDC,
		2022-2023	R8m	Bojanala	Rustenburg	N4/R565	Happy Mokone	DSBD, SEDA, Municipalities, NWDC
		2023-2024	R8m	DRKK	Klerksdorp/Potchefstroom	N12/R30	Happy Mokone	DSBD, SEDA, Municipalities, NWDC
	Development of an interactive online Marketing Platform	2021-2024	R3m	Provincial	Mahikeng	Online	Frank Tlhomelang	NWDC, SEDA, Mahikeng Digital Hub, DSBD, Private Sector, Sector Departments
	Establishment and Support of Incubation Centres	2021-2024	R18m	Ngaka Modiri Molema Bojanala DR Kenneth Kaunda	Mahikeng/ Orkney	Mahikeng/ Mogwase Orkney (Still to be provided)	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC
		2022-2024	R5m	Dr Ruth Segomotsi Mompoti	Vryburg/Taung	Vryburg/Taung	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC
	Establishment and Support of Incubation Hubs	2021-2024	R4m	Ngaka Modiri Molema	Ramotshere Moiloa	Zeerust	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Department

Areas of Intervention	Project Description	Timeframe	Budget Allocation	District Municipality	Local Municipality	Location	Project Leader	Social Partners
		2021-2024	R4m	Dr Ruth Segomotsi Mompoti	Lekwa Teemane	Bloemhof/ Christiana	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Department
		2022-2024	R4m	DR Kenneth Kaunda	Klerksdorp/ Jouberton	Jouberton	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Department
		2022-2024	R4m	Bojanala	Moretele	Makapanstad (Still to be provided)	Happy Mokone/ Timothy Mkhondo	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Departments
	Development and Support of Enterprise Support Centres	2022-2024	R2m	Ngaka Modiri Molema Dr Ruth Segomotsi Mompoti Bojanala	Ratlou Kagisano Molopo Moses Kotane Moretele	Logaganeng Ganyesa village Mokgalwaneng Makapanstad	Motlagomang Tlhale	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Departments, Traditional Councils
	Roll out of Business Advisory Program	2020 - 2024	R24m	All Districts	Mahikeng Vryburg Klerksdorp Rustenburg	Mahikeng Vryburg Klerksdorp Rustenburg	Happy Mokone	DSBD, SEDA, Municipalities, NWDC, Private Sector, Sector Departments

Annexures to the Corporate Plan

Annexure A: Risk Management and Fraud Prevention Plan

It is hereby affirmed that the North West Development Corporation SOC Ltd has a Risk Management Strategy and Fraud Prevention Plan in place, which is available.

Annexure B: Marketing and Communications Strategy

It is hereby affirmed that the North West Development Corporation SOC Ltd has a Marketing and Communications Strategy in place, which is available.

Annexure C: Employment Equity Strategy

It is hereby affirmed that the North West Development Corporation SOC Ltd has a Employment Equity Strategy in place, which is available.

Annexure D: Materiality Framework

In terms of Treasury Regulation 30.1.3, it is hereby stated that the North West Development Corporation SOC Ltd has a Materiality Framework in place, which is available.

Annexure E: Board and Sub-Committee Charters

It is hereby affirmed that the North West Development Corporation SOC Ltd has approved Board and Sub-Committee charters in place, which is available.