

## **HALF / MID - YEAR REPORT**

**(For the Audit and Risk Committee, the Board of Directors and the SBDM Council)**

**Committee:**

Operations Management Committee (OMC)

**Period of reporting:**

1 July 2022 – 31 December 2022

**Date of submission:**

Friday, 6 January 2023

**Main objectives of the Committee:**

The OMC convenes once per month / quarter for the intention to get updates and feedback on the implementation of the strategic objectives or PDOs of the Agency as captured in the Strategic Plan. This acts as a platform for information sharing and exercising of corporate governance oversight by the Committee members. This report is presented to OMC and provides an update on the progress achieved since the last sitting of the Committee. It provides information for either noting or decision-making and as a baseline for reporting to the Board and its Committees.

As per MFMA Sections 71 and 72 requires that Half-Yearly Reports be submitted to the parent municipality and for the SBDM Mayor by the 25 January and for recommendations or adjustments to be presented to Council by 31 January.

## 1. Project Matrix

No	Project Name	Budget	Start Date	End Date	Active / Completed	Status Quo from APP
1.	Agreements with Govt Sector	Nil	1 July 2022	30 June 2023	Active	<p>Meetings with Koukamma LM and Kouga LM MMs to discuss possible collaboration on projects. Advised both of intention to engage Development Bank of Southern Africa (DBSA) for funding for bulk service studies. Engaged the Department of Forestry, Fisheries and Environment (DFFE) for the Agency to become a implementer of their projects in the SBDM area – awaiting further guidance. Engaged National Treasury on potential projects for SBDM – awaiting further guidance.</p> <p>Meeting with <b>ECRDA</b> ON 07 Nov – need to introduce CDA to service provider for Mohair Training. In addition, provided an SMME database of Cannabis / Hemp permit holders in SBDM area.</p> <p>Engagements with <b>Makana Municipality</b> on Facilities Management Agreement and MISF – because of new MM meeting and subsequent agreements delayed.</p> <p>Engagement with <b>Ndlambe Municipality</b> for 24 Nov postponed due to MM non-availability and now impact on finalisation of the proposed Abattoir land and thus the Beef project.</p> <p>Engagement with <b>BCRM</b> assisted CDA to clean Aerodrome in preparation for inspection by the CAA on 24 Nov.</p>
2.	Non-Public Sector Agreements	Nil	1 July 2022	30 June 2023	Active	<p>Engagements with IFC for the PPD in Koukamma LM. Engaged and signed MOU with Black Umbrellas for potential project – Separate Agreement to be signed once projects</p>

						<p>identified. Engaged UK Export Finance (UKEF) on potential funding assistance.</p> <p><b>International Hydropower Association (IHA)</b> – engagement on 7 Nov resulted in the project being stalled as the condition for assessment is that a developer be busy with infrastructure implementation which is not the case.</p> <p>Engagement with <b>Black Umbrellas</b> led to MOU being signed and a potential for a Cannabis project being explored with a potential investor (Palladium Capital).</p> <p><b>IFC APRE</b> programme – due to the lack of capacity by Koukamma CDA agreed to take over the function of coordinating the Dialogue process.</p>
3.	New project feasibility and initiation	50 000	1 July 2022	30 June 2023	Active	<p>A meeting with BCRM staff ensued to allow for broad discussions on the project and as a means to get building plans and related information as a basis to stakeholder engagement.</p> <p>BCRM provided an assessment report of the Boschberg facility. A service provider was appointed and CDA is awaiting the SLA for review and to establish reasons for the facility not to have been managed and allowed to dilapidate.</p>
4.	Development of the Makana Innovation Support Facility	300 000	1 July 2022	30 June 2023	Active	<p>Awaiting progress from Makana LM after meeting in September on a way forward. Delays currently due to change in MM as the draft Facilities Management Agreement need to be reviewed by the MM and CFO.</p> <p>Various emails, telephonic interactions with Makana LM did not provide CDA with a way forward in regards of the MISF. This is a risk, but the matter has been addressed to both the District and Makana Mayors.</p>

5.	Development of a concept exploring the feasibility of Hydropower electricity generation in the district	150 000 (Swiss Francs – 22 390 = R420 932)	1 July 2022	30 June 2023	Active	<p>Engaged IHA on the potential hydro-power project for SE – more information needed before project assessment and tranche payments can ensue. Requested information from CEN Consultants that did the EIA for the project – they advised that the developer contact the CDA.</p> <p>A prerequisite for this program to continue is that a developer be in progress with infrastructure implementation. Based on EIA that was completed leads were established of both the Consultant and the potential developer. Both telephonic and email communication could not lead to successful tracking and thus engagement with the developer to map out a clear process going forward.</p>
6.	Implementation of a water security methodology in the district	250 000	1 July 2022	30 June 2023	Active	<p>Assisted in planning process for the PPD in Koukamma LM. Delays experienced from Koukamma LM to provide a list of stakeholders to be invited to the PPD. Further assisted to get a speaker from the locality that work in the space of sustainability. Engagement with MM to intervene so that the information be provided to finalise PPD.</p> <p>CDA's role as coordinator have resulted in the following actions that are in implementation:</p> <ol style="list-style-type: none"> <li>1. CDA will henceforth fulfil the coordination role for PPD / Workshop.</li> <li>2. The 'event' may still be blended – venue to be determined by CDA.</li> <li>3. CDA will send out a letter to all LMs and various stakeholders including NMU, Rhodes University, Woodlands Dairy, Gamtoos Irrigation Board, Kouga Catchment Management Forum, Sundays River Irrigation Board, and various others identified by LMs and other stakeholders – Letters to go out by Friday 9 December 2022 with reminders by 6 January 2023.</li> <li>4. Forum update set for Friday, 20 January 2023.</li> </ol>

						<p>5. Alf to share template for completion by identified stakeholders – consumption pattern over last 6 months? – please share before Friday 9 December as this will be attached to the letter.</p> <p>6. The ‘event’ will be inclusive of all LMs that want to participate and all other stakeholders – latest date will be in May 2023, but CDA will look at an earlier date and accordingly advise in meeting on 20 January 2023.</p>
7.	Development of export modality for the China frozen beef project	250 000	1 July 2022	30 June 2023	Closed	Two meetings with Ndlambe officials, SBDM director, external consultant and CDA management to share the external study. A decision was made to cancel CDA project and budget until notice.
8.	Business development facilitation program (BDF)	Nil	1 July 2022	30 June 2023	Active	<p>One virtual business matching event hold on 27<sup>th</sup> Oct, 9 Chinese companies and 9 SBDM local companies participate the events. One of the local companies received formal letter of intent from Chinese company, further engagement expects to reach material agreement and partnership.</p> <p>One commercial agreement concluded between SA and CN company, Special E-commerce with bonded warehouse pilot is on the process, the first batch of SA goods registered into bounded warehouse in December.</p>
9.	Broad-based Jincheng partnership	Nil	1 July 2022	30 June 2023	Active	<p>With the cancellation of the China trip, a contingency plan had to be made and includes getting partners in China to assist in place of SBDM officials, the onsite construction of the exhibition booth, assistance with cargo clearance. An interview with the Chinese media, CCTV with will allow SBDM for marketing of the district and products that will enable creation of partnerships.</p> <p>Expo 2022 is completed, 11 companies (5 LMs) showcase the products, 3 products reached pilot sales during the Expo. Follow up with products owners will carry out between January and February</p>

						Three Municipalities were virtually engaged, which include Jincheng, Linping and Yuhang.
<b>10.</b>	Implementation of the Somerset East Mixed-use Industrial and Retail Park	150 000	1 July 2022	30 June 2023	Active	<p>Finalisation and Approval of the Industrial Development Policy and Strategy is still in progress and therefore not yet ready for approval by CDA Board.</p> <p>Incentives policy draft document has been circulated to the relevant stake holders for inputs. Currently is waiting for board approval.</p>
<b>11,</b>	Operationalization of the Somerset East Aerodrome	150 000	1 July 2022	30 June 2023	Active	<p>South African Civil Aviation Authority communicated that the licence renewal of the aerodrome should be conducted on the 24th of November 2022. The emphasis will be on the civil and electrical infrastructure. Currently the painting of taxi way and runway is the key for the inspection.</p> <p>This visit pushed the maintenance from 3rd quarter to the second quarter. The RFQ for painting of both taxiway and runway is being prepared. Measurement of all lines and paint specification has been completed and will be presented to the Specifications Committee.</p> <p>BCRM confirmed their assistance with vegetation management and removal of foreign objects in preparation for the inspection. The lease agreement between BCRDA/ CDA and Progress Academy is not yet resolved as a meeting request has not been responded to. The proposed meeting and the outcomes will determine a way forward.</p> <p>Process of marking taxi and runway started on 2<sup>nd</sup> November by drafting of RFQ specification. The spec was then advertised on 9 November 2022, site briefing session was held on the 14<sup>th</sup> of November 2022 and closed on the 15<sup>th</sup> of November 2022.</p>

						<p>Service provider was appointed on the 21<sup>st</sup> of November 2022.</p> <p>SAACA visited the aerodrome for the licence renewal inspection on the 24<sup>th</sup> of November 2022, (currently waiting for the outcomes of the inspection from SAACA.</p> <p>SLA that was signed between CDA and Progress academy of 9 years and 354 days was then terminated by both parties.</p>

## 2. Stakeholder Engagement / Management

Strategic Objective	Stakeholder Group	Name of organization	Primary Interest	Engagement Mechanism	Date of Engagement	Level of Influence	Output / Comment
Strategic Partnership Development	External	IFC / APRE	Water security in the SBDM district with focus on Koukamma LM	On-line meeting	6 - 7 September	High	Task Team meetings that will build up to a Public [private Dialogue in October
Strategic Partnership Development	External	DEDEAT	EC Provincial Agro-processing Forum.	PE Garden Court Hotel.	6 - 7 September	High	Sharing the agro-processing projects that are happening in each district and share the best possible ways of carrying out the projects.
Strategic Partnership Development	External	EC-COGTA	Provincial Management Retreat	EL-ICC: workshop	12-13 September	Medium	To seek best ways to address the myriad of challenges facing the EC province
Project Scoping, Packaging, and Investment Mobilization	External	LED Office – Makana Local Municipality	Discussions on Facilities Management Agreement to be finalized with CDA	Meeting in Grahamstown / Makhanda	14 September	High	To finalize a suite of projects for the CDA to assist with financial self-sufficiency in future
Project Scoping, Packaging, and Investment Mobilization	External	ECDC	Eastern Cape Export Symposium 2022	Physical meeting	14-15 September	Mid	Gain insight of EC export development and General investment environment
Project Scoping, Packaging, and Investment Mobilization	External	Foreign affairs of Yuhang district and Lining district	Municipal partnership and business matching	On-line meeting	16 September	High	Discuss and form the basis to manage the municipal business matching event
Strategic Partnership Development	External	NMB Trade and Investment Forum	Sharing of information towards	On-line meeting	21 September	Low	The meeting is geared towards investment promotion and trade with



			a regional project book for investors				emphasis on the regional economy
Project Scoping, Packaging, and Investment Mobilization	External	Kouga municipality	LED Forum Q1	Physical meeting	23 September	Low	Update the progress of CIIE and engage with Local companies
Project Scoping, Packaging, and Investment Mobilization	External	ICBC	General trade condition between SA and China	Virtual webinar	23 September	Low	Update insight of trade condition between Chinese province and SA
Project Scoping, Packaging, and Investment Mobilization	External	EC Industrial Development Forum	Reporting on progress at all provincial industrial parks	Meeting at SA 1Stop in East London	28 September	High	A presentation was shared indicating how the SE proposed Industrial Park and Aerodrome which to collaborate with the private sector for development purposes; concept got good support
Project finalization	Internal	Ikhono Techni and BVI Engineers	Site inspection after 1 year guarantee period to release retention fees of the contractor.	Somerset East	28 September	High	There were two minor defects that were identified, 2 meters curbing and 1 road signage. That resulted in not signing off the completion certificate. It was then agreed that the certificate of completion will be signed after fixing the two.
Strategic Partnership Development	Internal	IFC / APRE	Water security and methodology for high water users in Koukamma LM	On-line Teams meeting	29 September	Medium	Public-Private Dialogues with various stakeholders on water use matters.

Strategic Partnership Development	External	SA Tourism	Dialogue focusing on challenges experienced in the industry and mitigation of same	Dialogue at Garden Court – Port Elizabeth	30 September	High	Participants shared the frustration of various sector departments not assisting with physical infrastructure towards the tourism establishments; also lack of coherent marketing strategy for the EC
Strategic Partnership Development	External	SBDM and SEDA, Department of Small Business, NYDA, ECDC and DEDEAT	Launch of the District SMME Support Coordinating Committee	Physical Event at Africanos, Addo (Sundays River LM)	4 October	Medium	Ensuring the coordination of SMME / LED activities throughout the district and support to the various sectors.
Strategic Partnership Development	External	Black Umbrellas	To establish a partnership and sign a MOU to allow for funded projects of mutual benefit in the district.	Meeting at CDA Offices	10 October	High	The potential exists for CDA to facilitate fully funded projects through investors identified by BU. A MOU has subsequently been signed and a Separate Agreement for potential projects will be signed.
Strategic Partnership Development	External	SBDM, Barui Drie Hoek and Dr Ruth Mompoti District Municipality.	Follow up meeting regarding the MOU relating to the relationship between SBDM, Barui Drie Hoek and Dr Ruth Mompoti District Municipality.	Virtual	10 October	Low	Working committee to lead the process of drafting the MOU was established.
Strategic Partnership Development	Internal	Ikhono Techni	Explanation of failure to pay the retention fees to the main contractor.	CDA Offices	13 October	High	Retention fees for bulk service infrastructure project in Somerset East will be released in the

							agreed two tranches in the Quarter 3 and 4 respectively, following our internal Budget Adjustment process in January 2023.
Strategic Partnership Development	External	International Hydropower Association	Re-establish communication on this project that got stuck in 2019. The aim to get the agreement back on track for assessment of potential hydropower in Blue Crane	Virtual meeting	14 October	Medium	Funding has been committed for the project and it is in the best interest to have the Separate Agreement expedited as it may provide an alternative energy source to the BCRM
Project Scoping, Packaging, and Investment Mobilization	External	Department of Trade Industry and Competition	Exploring potential funding for CDA	Meeting at CDA Offices	17 October	Medium	CDA need a variety of funding sources and the DTIC not clear on the type of funding to access
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Agro-EC forum follow up meeting	Online meeting	19 October	Low	Review the conclusion and stakeholder consultation, incubator concept was included in provincial plan
Strategic Partnership Development	External	DEDEAT	Agro-EC forum follow up meeting	Virtual	19 October	Low	Concluding the draft of provincial agro-processing document. incubator concept also formed part of the document.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revitalizing Boschberg Tourism Hub	Telephonic	19 October	High	Revenues office of BCRM will assist in getting the building plans, together with the previous RFQ that was done for the Hub, so that

							stakeholder may have all the information required to be able to make the quotations.
Strategic Partnership Development	Internal	SBDM	Premiere of the movie: 'Wild is the wind' that shot in Graaf Reinet	Physical Event in Graaf Reinet	21 October	Low	The engagement allowed for interaction between the actors and directors of the movie. However, on the side engagements allowed CDA to discuss matters related to projects with MEC, Mr Mvoko, the Mayor of DRBN, Mr Safers and SBDM EM, Mr de Vos.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revitalizing Boschberg Tourism Hub	Telephonic	21 October	High	Revenues office of BCRM will assist in getting the building plans, together with the previous RFQ that was done for the Hub, so that stakeholder may have all the information required to be able to make the quotations.
Project Scoping, Packaging, and Investment Mobilization	External	Koukamma LM and Kouga LM	Meetings with MMs to introduce the CEO and engage them on potential projects for the future	Physical meetings in Kareedouw and Jeffreys Bay	25 October	High	Koukamma LM has an outgoing MM who advised that although a SLA with specific projects were signed before, it would be prudent to engage the incoming MM for reviewing this. The MM of Kouga indicated that they have a vision for the municipality going

							forward and that the need for an agency is not yet at the stage for project sharing.
Project Scoping, Packaging, and Investment Mobilization	External	ECDC	Meeting together with SBDM	Physical meeting	27 October	Medium	Reviewal of the existing MOU between SBDM and ECDC and incorporating CDA into same as implementing agent for various potential project
Project Scoping, Packaging, and Investment Mobilization	External	Yuhang District and businesses	Business matching for local business	Virtual conference	27 October	High	Introduce the municipality and businesses to each other and pave the way forward
Project Scoping, Packaging, and Investment Mobilization	External	CCTV	CIIE 2022 and China – South Africa partnership	Virtual Interview	28 October	High	Interview Mayor and MM to market the district
Strategic Partnership Development	External	Various Private Sector actors hosted by SBDM	Keynote address at the Business Dinner of the PGA for more CSI funding towards district	Physical Event at Chokka Block Restaurant, St Francis Bay	4 November	Medium	Seeking commitment to enhance CSI spending in district to assist the SBDM, LMs and mostly distressed communities
Strategic Partnership Development	Internal	IFC and LMs	To establish progress with PPD planning by Koukamma LM	Virtual meeting	8 November	High	CDA to ensure project de-risked by given responsibility to lead and ensure a PPD that involves various stakeholders be implemented by May 2023.
Project Scoping, Packaging, and Investment Mobilization	External	KJ, Jincheng, Yuhang, Linping, Orinet	Export partnership and	Informal virtual	5 -10 November	Medium	Engage with potential buyers and strategic partners regarding the showcase products

		international, others					
Strategic Partnership Development	External	EC-COGTA, UFH and various Development Agencies	Signing of MOU that will allow UFH to conduct a 3-yr study on agency effectiveness	DEDEAT - Palm Square, East London	10 November	Medium	MOU was signed and the roles of agencies and parent municipalities central to the success of the study. This is welcomed as new methods for agency operations needs to be researched, documented, and recommended for changes.
Project Scoping, Packaging, and Investment Mobilization	Internal	SBDM Councilors and Management	Presentation to Councilors on the future of CDA	Settlers Monument, Makhanda	11 November	High	Key concerns raised by councilors include: <ul style="list-style-type: none"> <li>- Beef project has been on the books of SBDM for the last 10 years and no actual or real benefit from the programme</li> <li>- return of investment through CDA should enhance the sustainability of SBDM</li> <li>- CDA to investigate illegal sand mining (building sand) (Nceba) in Paterson (Sundays River)</li> <li>- a potential exists for a Glass Factory</li> <li>- abattoir rollout a challenge and need fast intervention</li> <li>- SE Airport upgrades important to prevent losing the license and</li> </ul>

							needs to be operationalized.
Project Scoping, Packaging, and Investment Mobilization	Internal	Internal Auditors (Nexia SAB&T)	Review Internal Audit Plan	Physical meeting	14 November	High	Review of Internal Audit Plan and Budget that has been delayed due to various ineffective oversight and planning in CDA and IA.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Revival of Boschberg tourism hub.	Physical	14 November	High	There is a need to look for the SLA signed between BCRM and the lessee that was operating in the hub.  Identification of relevant stake holders.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Operationalization of Aerodrome	Physical	14 November	High	Site briefing session for the RFQ to paint taxi and runway of aerodrome, 17 companies attended the session.  Met with acting MM and agreed to deploy a team to clean up the aerodrome in preparation for the licence renewal inspection that will take place on 24 November 2022.
Strategic Partnership Development	External	Eastern Cape Provincial Investment Conference	Announcing new EC investors and potential investments for LMs - approximately R46,5 billion	Physical conference at EL ICC	16 November	Medium	Engaged various investors for SBDM and partnerships for CDA: Sanaha Property Development / SUNFarming Solar E / Al Mawashi Halaal Abattoir

Project Scoping, Packaging, and Investment Mobilization	External	BASI IT	SMME support	Virtual meeting	19 November	Medium	Understand the competency, interest, and willingness of Local SMME
Project Scoping, Packaging, and Investment Mobilization	External	Cloud needle, foreign affairs	Incentive	Physical meeting	21 November	High	Discuss the potential and direction, test the possibility, exchange the information, and concluded a way forward
Project Scoping, Packaging, and Investment Mobilization	Internal	Progress Flight Academy	Review and possible termination of the SLA for the Somerset East Aerodrome	Physical meeting with Mr and Mrs English	22 November	High	Discussed the current status quo of the SLA, delays in repairing the fence, upcoming CAA inspections and legalities of the SLA. It was in principle agreed that the SLA should be cancelled for a new process to start.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	Licence renewal inspection.	Physical	23 November	High	This was to prepare for the inspection that would take place in the following day, by ensuring that the aerodrome is ready for the inspection (grass cutting around lights and removal of cow dung in both taxi and runway). Also control animals to graze outside of the aerodrome.
Project Scoping, Packaging, and Investment Mobilization	Internal	BCRM	License renewal inspection.	Physical	24 November	High	SAACA arrived and did the inspection.



Project Scoping, Packaging, and Investment Mobilization	Internal	Sundays River Valley Municipality	Assessment of sand mine in Paterson	Physical	29 November	High	The sand mine is an open field that belongs to SRVM with no control measures. This results in illegal mining of sand. The assessment stage is complete, and the recommendations will follow.
Project Scoping, Packaging, and Investment Mobilization	External	NSG, CAI, UCASS	China and Africa economic cooperation	Virtual	1-14 December	Mid	Update the BRI based policy and framework
Project Scoping, Packaging, and Investment Mobilization	Internal	CDA	Strategy	Physical	5 December	Mid	Company strategy review
Project Scoping, Packaging, and Investment Mobilization	Internal	CDA	Agency high level Risk assessment	Physical	6 December	Mid	Organization level risk review
Project Scoping, Packaging, and Investment Mobilization	External	DEDEAT	Agro industrial forum	Online meeting	9 December	Low	Update and feedback
Project Scoping, Packaging, and Investment Mobilization	External	Kouga LED and Companies	SMME support committee launch	Online meeting	12 December	Low	Update the and feedback
Project Scoping, Packaging, and Investment Mobilization	External	NDLAMBE	Beef Project	Online meeting	14 December	Low	Share basic information and book for next meeting
Project Scoping, Packaging, and Investment Mobilization	External	NDLAMBE	Beef Project	Online meeting	20 December	Mid	The CDA beef project closed for 2022/23.

### 3. PERFORMANCE AGAINST SDBIP

#### Performance against APP / scorecard

(Matrix of projects' status / Challenges and proposed solutions / Lessons and innovations)

#### Outcome 1: Strategic Partnership Development

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Agreements finalised with 7 Local Municipalities	4 Agreements for the development of projects in 4 LMs	<b>Q1</b> Initiating discussions with LMs to identify potential projects for implementation by CDA	<b>Achieved</b>	Engagements with Kouga LM on water security; engagements with Makana LM on a Facilities Management Agreement; meeting with MM of BCRM on 3 projects in Somerset East; meeting with MM SBDM on various matters of mutual interest.	Need to engage other LMs to ensure the CDA is profiled as a preferred implementer for catalytic projects at local level
		<b>Q2</b> Meeting with Municipal Staff to initiate discussions towards and Agreements for projects	<b>Achieved</b>	Meetings with the MMs for Koukamma and Kouga LMs on 25 October.  Meeting with Ndlambe LM on 24 November re: Beef project and again on 14 and 20 December  Meeting with SBDM and other LMs on DDM on 25 November and 13 December	Despite various attempts to meet with all MMs in the district, most did not respond to the call as their contracts were expiring. Therefore, no firm commitments could be realised. The CEO requested both Board and SBDM Council and the Mayoral Forum intervention to get agreements in place for CDA to be implementing projects on behalf of LMs. New appointments will be made to reach out to MMs in early 2023.
Cooperation agreements in place with non-public sector organisations for delivery of		<b>Q1</b> Initiating discussions with Organisations to	<b>Achieved</b>	Engagements with Sustainable Seas Trust on potential collaboration; engagement with Black	The next steps would be to ensure that these collaborations result in actual projects.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
mutually beneficial projects in any of the 7 LMs	4 Agreements on projects with non-public sector organisations	identify potential projects for joint implementation		Umbrellas to restart program of collaboration as set out in MOU; engagement with DBSA for potential project partnerships; restarted the engagement with International Hydropower Association (IHA) for the Somerset East assessment.	
		<b>Q2</b> Discussions and workshops to develop project ideas	<b>Achieved</b>	CDA had various engagements to consolidate existing ideas and establish potential new ones that can result in projects of a mutually beneficial nature with: Black Umbrellas, IHA, DTIC, IFC, ECDC, DBSA and the IPP Forum (Mayoral Forum)	Continuous follow-up will be needed in 2023 to ensure discussions are taken to a project identification level with those organisations that see the value in partnering with CDA. It should be indicated that at current CDA does not have land or other property that is central to development of agreements and mutually beneficial transactions.
Support to new initiative explored with public or nonpublic organizations	Full Assessment of the Boschberg Tourism Hub in Somerset East	<b>Q1</b> Concept / ideation of how to revamp the facility	<b>Achieved</b>	Discussions were held with the MM of BCRM where it was agreed that the Agency will be invited to the next Council sitting to present and get guidance on how to take this project forward.	Presentation to BCRM Council and get guidance on way forward
		<b>Q2</b> Stakeholder engagement to discuss future of the facility. Tender Specifications developed for a Service Provider to do full analysis.	<b>Not Achieved</b>	Identification and meeting with relevant stakeholders delayed due to the LED office of BCRM had no information with regards stakeholders. It was found that there is no existing service provider that utilizes the hub as the contract with previous service provider lapsed in 2018.	Liaise with IDP office to assist with the information and extend invitations to the stakeholders.

## Outcome 2: Project Scoping, Packaging, and Investment Mobilisation

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Master Plan and Business Plan development	Completion of the Master Plan and business plan for development of the Makana Innovation Support Facility	Q1 No target set	No target set	Engagements took place with Makana Officials to finalize a suite of projects for the CDA to assist with financial self-sufficiency in future. It is hoped that the MISF will be included.	Await advise on outcome as advised by the Council
		Q2 Initiation of project with multi stakeholder collaboration	Not Achieved	Various follow-up emails and calls with Makana LM did not assist in getting any agreement on the identified projects in place. It was advised that Council resolved to have a facilities management agreement signed giving effect to CDA operating same, however, the MM and CFO needed to ensure that the process in agreement was legally sound.	Assurance was provided that the former MM will assist in finalising the facilities management agreement. This did not happen and CDA will engage the new MM in early 2023 to plan accordingly for the next financial year.  The Operations Management Committee decided that this project be held in abeyance until the next FY.
Concept document for Hydropower that is a precursor for Feasibility assessment sponsored by the International Hydropower Association (IHA)	Final Hydropower, Sustainability, Environment, Social and Governance (HESG) Report for Blue Crane	Q1 No target set	No target set	Communication with IHA to re-establish relationship.	Revitalise agreement for assessing hydropower potential in BCRM
		Q2 Initiation of re-engagement with IHA	Achieved	Engagements via emails and virtual / online meeting occurred in October, November and December to establish if the project still meet the initial requirements for release of tranches.	IHA required that the project should be in implementation phase for them to assist. CDA tried to find all relevant information in regards of both the project applicant and or developer but were unsuccessful in tracing any to move the project forward.  The Operations Management Committee decided project be cancelled as IHA could not assist with an alternative process.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Collaborative partnership with International Finance Corporation (IFC-APRE) to enhance water security	2 Public Private Dialogues to assist in water reduction methodologies in Koukamma Local Municipality and Ndlambe Local Municipality	<b>Q1</b> Stakeholder engagement meetings with Koukamma LM	<b>Achieved</b>	Task Team meeting held on the 7 September 2022 and Working Group meeting on the 29 September 2022	Intention to engage Ndlambe LM as the second beneficiary of the program
		<b>Q2</b> 1 Public Private Dialogue with all relevant stakeholders of Koukamma LM	<b>Not Achieved</b>	Human capacity challenges cited as reason for Koukamma not being able to ensure a PPD done in quarter. Meetings with the MM and staff of Koukamma did not assist in unblocking the matters raised.	CDA aided to put the PPD process back on track. It was agreed by IFC that this approach will assist to get a PPD done before end of May 2023.
Development of an internationally certified abattoir (China) as means to allow for frozen beef trade between SA and China	Funding application for development of an abattoir	<b>Q1</b> No target set	<b>No target set</b>	No decision and direction of way forward	Decision made to redirect the course
		<b>Q2</b> Engagements with one LM and Stakeholders on requirements for development of an abattoir in the local municipality including land allocation and development process	<b>Achieved</b>	Two meetings were held with Ndlambe municipality, the MM and LED office, SBDM and their appointed consultant. The project is being reviewed to ensure that the Ndlambe LM agree with the private sector proposal. The consultant has been set tasks to present to the various stakeholders in January 2023.	Since no real impact could be made by CDA, as it is dependent of the consultant outcome and agreement of Ndlambe LM it was decided that the project be closed, and provisional budget removed.
Business development facilitation program (BDF)	Pilot the concept and reach one of the pilot	<b>Q1</b> LMs outreach for business matching with 2 applications	<b>Achieved</b>	8 applications received, unable to coordinate time with LED to cover more LMs as planned, mitigation plan is making presentation during SMMEs committee launch event for pilot as alternative.	Follow-up engagements with entities to ensure cooperation and or agreements are established.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
	objectives (1 business matching event, 1 export e-commerce sales with bounded warehousing support, 1 secure office support in China from Chinese partner)	<b>Q2</b> 1. Engage two Chinese entities to explore the cooperation opportunities for local companies 2. Pilot initiation of e-commerce model with bounded warehouse model (TBC)	<b>Achieved</b>	1 virtual business matching conference was hold with Yuhang district (Q3); 3 Chinese entities engaged. 1 Letter of Intent has secured for Local company for cooperation. 2. Pilot of e-commerce model with bounded warehouse is on progress, pilot goods arrived bounded warehouse. 3. Facilitated between one of the Chinese company and SA company for commercial cooperation/partnership.	Challenges with Covid restrictions and cancellation of the original trip to China imposed extreme difficulties to follow up with the leads, identify opportunities which could realise potential projects. Investigate alternative options to further engage other Chinese entities and monitor the status of Chinese COVID restriction policy
Broad-based partnership	Jincheng	<b>Q1</b> Facilitate 2 local companies to send samples for CIIE 2022	<b>Achieved</b>	8 companies from LMs (2 companies export document still outstanding)	Follow-up engagements with entities to ensure cooperation and or agreements are established.
		<b>Q2</b> 1. Facilitate 2 local companies to demonstrate in Expo CIIE and test the market 2. Facilitate 1 local company to reach	<b>Achieved</b>	1. Facilitated 11 companies from 5 LMs to demonstrate in EXPO CIIE and test the market 2. Facilitated 1 local company to reach pilot sales in China  Challenges are Business with clearance of cargo, without	Follow up meeting with local companies scheduled from January to February 2023 to maximise the value of the mission

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
		pilot sales in China (TBC)		<p>physically present there it experiences extreme difficulty while SMMEs not fully compliance with all documentations. There is a risk entire cargo may be hold back.</p> <p>All most all of the pre-registered team cannot attend due to COVID restriction, we may face the situation without anyone on site.</p>	

### Outcome 3: Project Implementation of funded initiatives

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Implementation of the Somerset East Mixed-use Industrial and Retail Park	Appointment of a Developer as phase two for construction of a Mixed-use Industrial and Retail Park	<b>Q1</b> Draft Industrial Incentives Development Policy and Strategy guiding industrial development for CDA	<b>Achieved</b>	The draft of incentives policy has been developed.	Need to engage the IP Forum to review the Policy and accordingly advise any indifferences
		<b>Q2</b> Finalisation and Approval of the Industrial Development Policy and Strategy by CDA Board.	<b>Not Achieved</b>	The draft Investment and Incentives Policy has been developed and finalised. The board needs approve the policy in the next board meeting that will take place early January 2023.	The policy will be presented in January 2023 board meeting after which and advert (RFP) will be put out for prospective investors / developers.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Operationalisation of the Somerset East Aerodrome	Repair of infrastructure to make the Aerodrome South African Civil Aviation Authority compliant	Q1 Application to DEDEAT for funding to install BETA Fence as requirement towards safety	Achieved	A funding proposal of R12 092 008.50 for the fencing of industrial precinct (6km perimeter) with beta fence has been submitted to DEDEAT on the 5 <sup>th</sup> of August 2022.	Review current Operator contract and accordingly rethink the future process as no maintenance were included in the current contract.
		Q2 Review the current contractual conditions with Service Provider	Achieved	The Contract with Progress Academy has been cancelled by mutual agreement and acceptance.	Cancellation now paves the way for advertising for a new operator in January 2023.

#### Outcome 4: A well governed and viable agency

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Health of financial ratios	Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Q1 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Achieved	The Agency is currently still operating as a going concern	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
		Q2 Liquidity = 2:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Achieved	The Agency is currently still operating as a going concern	The entity is engaging with relevant stakeholders to remain relevant and increase chances of securing funds.
Compliance on financial planning, administration, and reporting requirement	100% compliance	Q1 100% compliance	Not achieved	Material variances of some budget line items cannot be fulfilled due to historic decisions of Board.	Give the entity sufficient time to prepare budget, considering all relevant factors and include all personnel input in the process
		Q2 100% compliance	Achieved	The material variances in the midterm report are results of first term. In the second	Budget adjustment has been prepared after considering matters that are foreseen will incur in the remaining period



Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
				quarter the entity spending is aligned to the budget.	
Improved Audit Outcome	Unqualified Audit Opinion without findings	Q1 Unqualified Audit Opinion without findings	<b>Achieved</b>	Audit improvement plan from previous FY audit outcome	Continuous monitoring of the AIP
		Q2 Unqualified Audit Opinion without findings	<b>Achieved</b>	Audit improvement plan from previous FY audit outcome	Continuous monitoring of the AIP
Expenditure incurred against approved budget	97% Spending approved budget	Q1 20% Spending of approved budget	<b>Not Achieved</b>	The actual expenditure by end of quarter is 14.5%. Expenditure is incurred against own funds as grants or revenue from SBDM have not been received.	Monitoring of expenditure against Procurement Plan
		Q2 40% Spending of approved budget	<b>Not Achieved</b>	The actual expenditure by end of the quarter is 33%.	Budget adjustment is prepared to accommodate projects that will need extra funds and for projects that will no longer be implemented.
Agency performance level	100% Performance Level Achievement	Q1 100 % Performance Level Achievement	<b>No target set</b>	Half yearly performance reviews to be implemented	Half yearly performance reviews to be implemented
		Q2 Conduct mid-term reviews	<b>Achieved</b>	Performance Monitoring tools reviewed by staff and general agreement with process proposed.	Actual reviews to be conducted by end January 2023.
Skills Development and Highly Skilled Staff	97% spent of approved training budget	Q1 No target set	<b>No target set</b>	This budget is not sufficient for WSP interventions	Need review in budget adjustment
		Q2 No target set	<b>No target set</b>	This budget is not sufficient for WSP interventions	Need review in budget adjustment. Some training programs for staff approved with the available budget. Budget adjustment done for implementation of the identified programmes.

Quarterly Targets					
Output Indicator / Objective	Annual Target / Activity	Quarter	Target Achievements	Output and Challenges	Corrective Measure
Number of Board engagements	7 Annual sittings for Board Committee	Q1 2 sitting per Committee	<b>Achieved</b>	3 meetings for CEO interview and approval of appointment process in July  1 meeting for approval of AFS in August  1 <sup>st</sup> Quarter Meeting held in October 2022	Budget needs to be adjusted for upcoming Board meetings
		Q2 2 sitting per Committee	<b>Achieved</b>	2 <sup>nd</sup> Quarter Meeting held in January 2023	Ensure regular meetings as per schedule
Number of Board Committee engagements	4 Annual sittings for Board Committee	Q1 1 sitting per Committee	<b>Achieved</b>	1 HR & 2 Finance Committee meeting were held in August	Monitor expenditure on Board committee activities
		Q2 1 sitting per committee	<b>Achieved</b>	1 Finance Committee meeting in December 2022 2 <sup>nd</sup> Quarter Finance & HR Committee meetings in January 2023	Ensure regular meetings as per schedule
Number of Audit Committee engagements	6 Annual sittings for Audit Committee	Q1 2 sitting per Committee	<b>Achieved</b>	2 meetings held in August to consider the Annual Performance Report and Annual Financial Statements  1 <sup>st</sup> Quarter meeting in October 2022	To ensure that quarterly reports are submitted to IA on time to allow sufficient time for auditing and alignment to ARC quarterly meetings
		Q2 2 sitting per Committee 1 sitting per committee	<b>Achieved</b>	2 <sup>nd</sup> Quarter meeting in January 2023	Ensure regular meetings as per schedule

#### 4. Half / Mid - Year Performance Report

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the municipality / municipal entity during the first half of the financial year.

A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor of the local or district municipality. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54(1)(f) of the MFMA.

The Mid-Year Performance Assessment Report and supporting documents are prepared in accordance with the MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

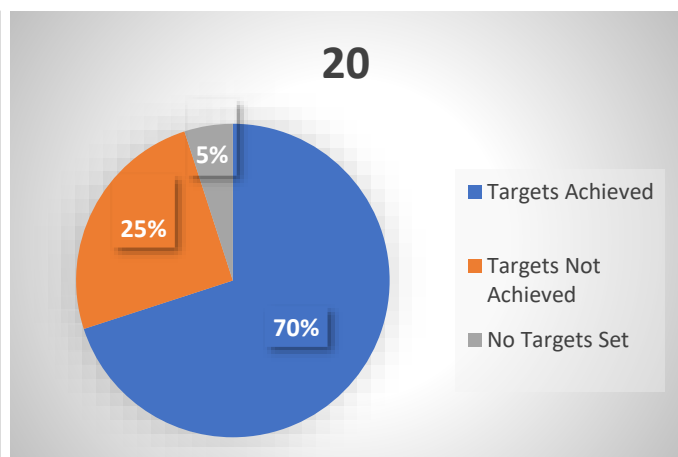
The performance management cycle is an integrated approach which focusses on improving performance planning, monitoring, measurement, review, reporting, and auditing and improvement. These processes run concurrent with the overall planning, budget, and the reporting cycle.

**This section looks at the achievement of targets against the PDOs and provide an indication of whether the Agency is making impact on its mandate.**

Number of targets	Q1 - 20	%	Q2 - 20	%
Targets Achieved	13	65	14	70
Targets Not Achieved	2	10	5	25
No Targets Set	5	25	1	5



**QUARTER 1**



**QUARTER 2**

The information provides a picture of some progress within the Agency. The oversight and administrative processes seems to be doing well, whilst the key mandate of the Agency that of delivering projects are still lagging behind. Various reasons for the latter exist, including continuity of operations that delayed various processes in the quarter 1 and needed interventions starting in quarter 2. The Strategic session held in early December 2023 created a new vision and urgency for the Agency to deliver on its mandate. It is now incumbent on the Board, SBDM Council and Management and CDA Management as a collective to ensure the Agency move forward with the mandate set.

## 5. General narrative on progress

- The SLA has been reviewed by staff and extensive input were provided for inclusion. A copy has been delivered to the Office of the Municipal Manager on 24 November 2022 for signature. This matter has been raised by the Auditor General and remains a concern.
- The Investment and Incentive Policy has been drafted and circulated to various stakeholders for input. The final document is ready for the Finance Committee and Board to sign-off. This will now pave the way for the CDA to start looking for investors and developers for key projects i.e., the Somerset Aerodrome, the proposed Industrial and Retail Park, and the Boshberg Tourism Hub.
- A Corporate Social Investment Policy is currently in drafting and will also be finalized for Finance Committee and Board to sign-off. This policy will allow the Agency to engage with and fund various NPOs across the district in a process to enhance its visibility and marketing the Agency as well. This will also provide a platform for attract collateral from the private sector.
- CDA engaged DBSA to allow for an extension from 17 to 24 November for the 'Adopt a District' submissions due to delays between SBDM and LMs.
- On mutual agreement with Progress Flight Academy the SLA has been cancelled on Friday, 25 November 2022.
- The Aerodrome had an inspection on 24 November and CDA needed to get teams in place and appoint a service provider to ensure the facility is ready for inspection. Between the Project Manager and EPWP teams from BCRM work and cleaning were carried out and we are hoping for a positive response and that the license will not be revoked. Waiting for the results of SAACA inspection of the aerodrome.
- CDA send final application documents to DEDEAT for a R12 million funding request for replacing the current fence at the Aerodrome which is continually vandalized by the local community. The new fence will be a BETA fence product, which is non-recyclable.
- Access to the lease agreement for Boschberg tourism hub is delaying the stake holder engagement session because it was agreed that there is a need to thoroughly look and understand the agreement before engaging stakeholders.
- The AG process included various outstanding matters from previous financial years in the 2021/22 Audit. Although under strain, the team with lead of the Financial Officer navigated all the RFIs and COAFs professionally and resulted in the Agency optioning an Unqualified Opinion.
- Items for consideration by Finance Committee and Board includes the review and financial rationale of staff positions and recruitment of interns.
- The CDA Strategic Session were held in December 2022 and provided a new vision for the agency for the next five years.
- The Agency has various engagements including with the various MMs or designated personnel at LMs, presented at various for a including SBDM Council and the Mayoral Forum and at various provincial sector departments.

Submitted by:



Eldrid Marlon Uithaler (PhD)  
**CHIEF EXECUTIVE OFFICER**