



**LIMPOPO ECONOMIC
DEVELOPMENT AGENCY (SOC)
Ltd**

**ANNUAL PERFORMANCE PLAN
for
2021/22**

Final Draft – 7 February 2021

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ACCOUNTING AUTHORITY STATEMENT

Mr. P.M. Makwana

Chairperson of the Board

I am pleased to present the Limpopo Economic Development Agency's Annual Performance Plan for the financial year 2021/22, as the second rolling annual plan towards the achievement of the 5-year Strategic Plan.

The Limpopo Economic Development Agency (LEDA) *Strategic Plan, 2021 – 2025* was tabled in March 2020, which was developed in accordance with the requirements of the National Development Plan as well as the Limpopo Development Plan and is aligned to the LEDA Act of 2016.

The Strategic Plan sets out LEDA's long-term strategic impact and outcomes for carrying out its core mission responsibilities summarised through its vision – ***“A leader in sustainable innovative economic growth and development”***. LEDA pursues the outcomes contained in the Strategic Plan through a series of rolling *annual performance plans*, that are produced each year. LEDA then reports on its performance against the *Annual Performance Plan* in its *Annual Report*.

Since the tabling of the Strategic Plan in March 2020, the Coronavirus pandemic has changed the world as we know it. It has necessitated us, as an organisation, and the world at large, to press the reset button and observe the consistent changes around us, to ensure we remain relevant and fit for purpose.

Despite the disruption however, LEDA remains committed to carry out its mission – ***“to accelerate economic growth, development and job creation through: Industrialisation; Promotion and facilitation of trade, investment and finance; Creation and support of sustainable enterprises; and Continual innovation.***

This Annual Performance Plan for 2021/22 continues the journey on the roadmap to rapid growth in the three broad areas of focus, namely; economic development; trade and investment, and finance. The development of this plan has been all inclusive to ensure that the input of all key stakeholders is captured and therefore it captures our dreams and aspirations.

LEDA's strategic thrust is addressed through six key success factors namely: building capacity of board and staff; enhance financial sustainability; create more awareness of LEDA products and services; manage risks; increase product and service portfolio; research and innovation.

I am therefore optimistic about our future. We have set ourselves targets that are achievable and will be accomplished through sustained application of our collective energies, enterprise and adaptability. It will also require continued investment in our human resources, strategic partners and infrastructure. If we manage ourselves effectively and efficiently and diversify our income streams, we will be able to maximise investment in our future.

The LEDA group has adopted Balance Scorecard as framework to measure performance from the commencement of the new financial year (2021/22). This will position LEDA and its subsidiary as a performance-based group enabling it to fulfil its developmental mandate.

With the support from shareholder, we are confident that LEDA will accelerate and stimulate economic development in the province and contribute to eradication of poverty, unemployment and inequality.

I recommend this Annual Performance Plan for 2021/22 to the entire LEDA group and look forward to working with you to realise the outputs and targets it sets out. Finally, I call upon all stakeholders to actively participate in the implementation of this plan, as we work towards attaining global business excellence.



Mr. P.M. Makwana

Chairperson of the Board

LIMPOPO ECONOMIC DEVELOPMENT AGENCY

CHIEF EXECUTIVE OFFICER ((

Mr. Thakhani Makhuvha

Chief Executive Officer

In line with the Department of Planning, Monitoring and Evaluation (DPME) Revised Framework for Strategic Plans and Annual Performance Plans (2020) (the Framework), the Limpopo Economic Development Agency (LEDA) is pleased to present the 2021/22 Annual Performance Plan (APP), the second of five rolling annual plans aligned to the 2020-2025 Strategic Plan.

This Annual Performance Plan has been developed taking into consideration the current global context, as well as the new world order presented by the Coronavirus pandemic. COVID-19 has had a devastating impact on the world at large, including the Limpopo economic sector, with many businesses being unable to survive the adverse impact of this pandemic.

The recovery, both globally and regionally, will be long and arduous and the uncertain environment means that the outlook is largely indeterminate. Although we are faced with a myriad of challenges, I am confident that we will recover; and this Annual Performance Plan clearly outlines how we aim to navigate our way through this unstable climate. We remain cognisant of the pressure that COVID-19 has placed on the South African economy, and we are committed to ensuring we are prudent in all that we do, whilst delivering on our mandate and our vision of industrialising the economy of the Province.

The subsidiaries of LEDA are the agency's nucleus of service delivery, modelled on both developmental orientation and commercial sustainability. The 5-year strategic plans of each entity of the LEDA group (agency and subsidiaries) as well as the consolidated Strategic Plan, set out the impact and outcomes for the five-year period to 2025, and the respective outcomes are translated through the rolling Annual Performance Plans and budgets for projects and initiatives to be accomplished during the respective financial years.

The District Development Model and framework, launched in 2019, brings about realignment and linkages for socio-economic partners, and LEDA as the lead economic agency, is alive to the new realities pertaining to these developments. Our quest to embrace this new approach to planning is demonstrated in our attendance at the launches that took place in Waterberg, Capricorn and Vhembe districts respectively. Through our regional offices situated across the five districts of the province, LEDA will continue to forge working relationships both at strategic and operational levels to ensure that our plans are well coordinated to achieve a common shared purpose with our district's partners.

Management's immediate plan is to canvas this 2021/22 Annual Performance Plan across the length and breadth of LEDA, to ensure that all employees are appraised fully on the individual and group level performance targets and requirements. For the 2021/22 financial year, we will continue to improve the organisation's operational efficiency, and build the organisation's capability to deliver on its mandate in the most efficient and cost-effective manner possible. I am pleased that LEDA and its subsidiaries have embraced the Balance Scorecard framework to measure performance at individual up to the corporate/organisational level. Accordingly, group-wise performance focus will underpin our work as we move forward in repurposing the group as the leading force in the province.

In conclusion, I am confident that we will achieve everything we have set out in this Annual Performance Plan, with the continuous support and resolute leadership of the MEC and the Board.

I would like to affirm my commitment and that of the LEDA team to work to the best of our ability to implement the Annual Performance Plan. I commit to leading the organisation and to ensure that we execute against all our priorities contained in this key planning document.



Mr. T R Makhuvha

Chief Executive Officer

LIMPOPO ECONOMIC DEVELOPMENT AGENCY

OFFICIAL SIGN-OFF

It is hereby certified that this 2021/22 Annual Performance Plan:

- 1) Was developed by the management team of the Limpopo Economic Development Agency (SOC) Ltd, under the guidance of the Board and the shareholder (MEC: LEDET).
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Limpopo Economic Development Agency (SOC) Ltd is responsible.
- 3) Accurately reflects the Outputs and Targets which the Limpopo Economic Development Agency (SOC) Ltd will endeavour to achieve over the 2021/22 financial year.



Mr. F. Magidi
Chief Financial Officer

26 February 2021

Date



Mr. N.B. Mokobane
Chief Operating Officer

26 February 2021

Date



Mr. T. R. Makhuvha
Chief Executive Officer (Accounting Officer)

26 February 2021

Date

APPROVED BY:



Mr. P.M. Makwana
Chairperson of the Board (Accounting Authority)

26 February 2021

Date

Honourable Mr. T.A. Mokone
MEC: LEDET (Executive Authority)

Date

ABBREVIATIONS AND ACRONYMS

4IR	4 th Industrial Revolution
AfCFTA	African Continental Free Trade Agreement
Agri-Business	Limpopo Agri-Business (SOC) Ltd
AGSA	Auditor-General of South Africa
AOP	Annual Operational Plan
APP	Annual Performance Plan
ARC	Audit and Risk Committee
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BBDSP	Black Business Supplier Development Programme
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CMR	Corridor Mining Resource (SOC) Ltd
COO	Chief Operating Officer
CPS	Construction Procurement System
DDI	Domestic Direct Investment
DFI	Development Finance Institution
DPME	Department of Planning, Monitoring and Evaluation
Exco	Executive Committee / Executive Council
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GDP-R	Gross Domestic Product by region
GEP	Global Economic Prospects
GHG	Greenhouse Gas
GNT	Great North Transport (SOC) Ltd
ICT	Information and Communications Technology
IDMS	Infrastructure Delivery Management System
IGR	Intergovernmental Relations
IGS	Infrastructure Gateway Systems

IIMM	International Infrastructure Management Manual
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan
ISO	International Organization for Standardization
LDP	Limpopo Development Plan
LED	Local Economic Development
LEDA	Limpopo Economic Development Agency (SOC) Ltd
LEDAA	Limpopo Economic Development Agency Act
LEDET	Limpopo Department of Economic Development, Environment and Tourism
Lim Connexion	Limpopo Connexion (SOC) Ltd
LSM	Living Standards Measure
Ltd	Limited
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MMSEZ	Musina Makhado Special Economic Zone
MoA/U	Memorandum of Agreement/Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan, Vision 2030
New Era	New Era Life Insurance Company (SOC) Ltd
NSAA	National Spatial Action Area
NT	National Treasury
PFMA	Public Finance Management Act
R&D	Research and Development
Risima	Risima Housing Finance Corporation (SOC) Ltd
SADC	Southern Africa Development Community
SARB	South African Reserve Bank
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SETA	Sector Education Training Authority
SEZ	Special Economic Zone
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SMME	Small, Micro and Medium Enterprises

SOC	State-Owned Company
SOE	State-Owned Enterprise
SONA	State of the Nation Address
SOPA	State of the Province Address
the dtic	The Department of Trade, Industry and Competition
UN	United Nations

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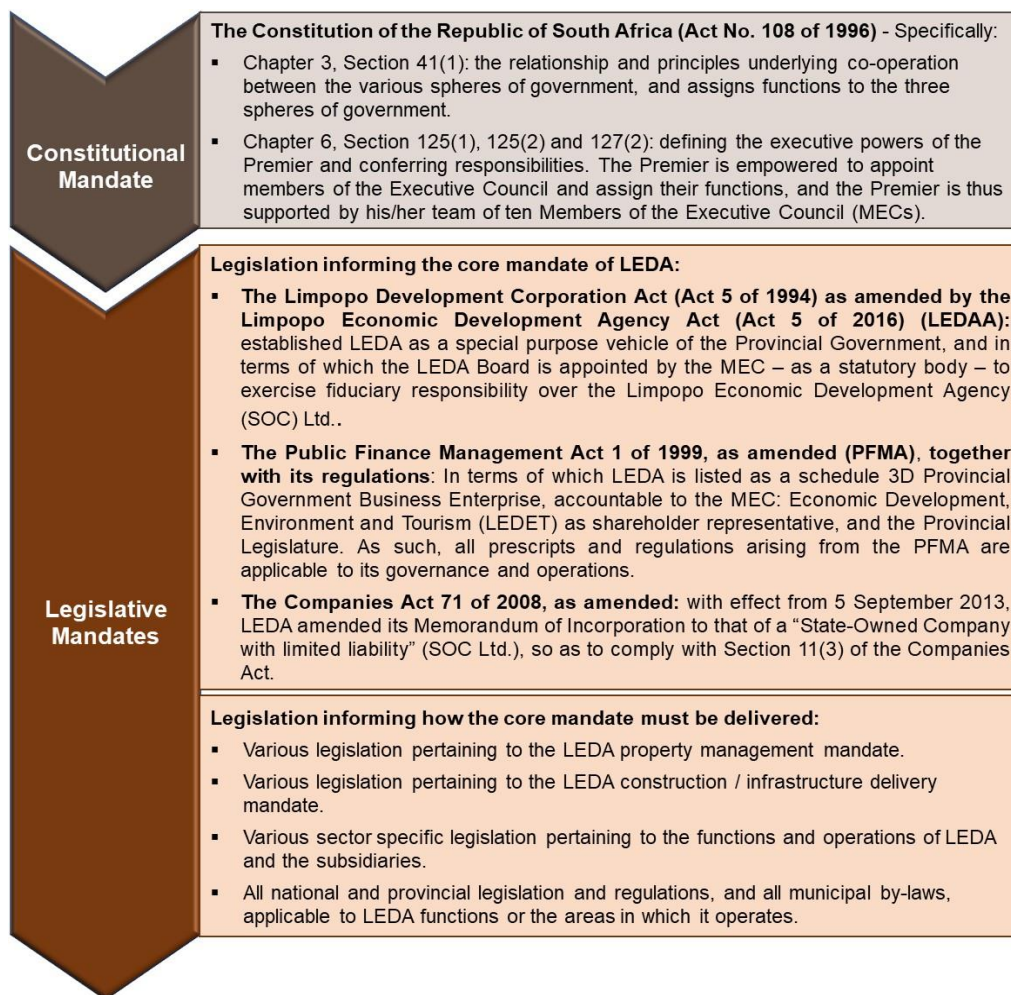
PART A: OUR MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1. UPDATED LEGISLATIVE MANADATES

There are no updates to the legislative mandates outlined in the 2020-2025 Strategic Plan, which reflects as follows:

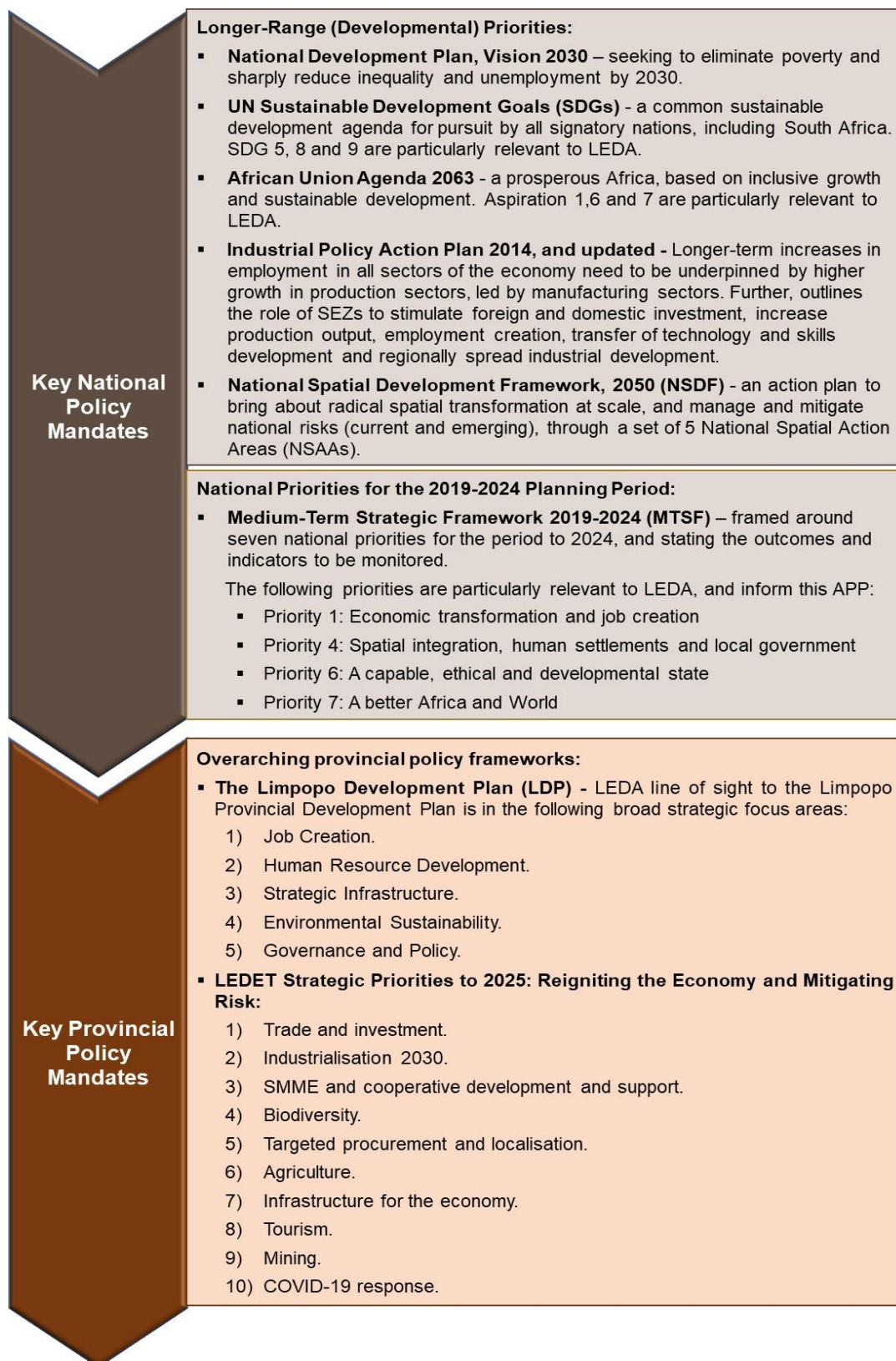
Figure 1: LEDA - Constitutional and legislative mandates



1.2. UPDATED POLICY MANADATES

There are no updates to the policy mandates outlined in the 2020-2025 Strategic Plan, which reflects as follows:

Figure 2: Key policy mandates informing the LEDA strategic focus



Where the above reflects the broad considerations arising from legislation and policy, the specific policy and strategy trajectory of LEDA, as it informs the 2020-2025 Strategic Plan and this Annual Performance Plan for 2021/22, is discussed below.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1. LEDA ACT – MANDATE DIRECTIVES

Section 4(1) of the Limpopo Economic Development Agency Act (Act 5 of 2016) (LEDAA) requires that LEDA, in consultation with the Executive Council and, amongst other objects, works to:

- 1) Accelerate economic development and diversification in the provincial industrial base, and to increase the competitiveness of the provincial economy in the fields of agriculture, commerce, housing, industry, mining, training, tourism, public transport and other business;
- 2) Identify short, medium and long-term interventions to accelerate economic and industrial development and job creation;
- 3) Implement key priority catalytic projects in a coherent and integrated manner in partnership with priority stakeholders;
- 4) Support the development of strategic sectors of the economy in line with the established economic and industrial policies of the Province;
- 5) Provide leadership by preventing sporadic, uncoordinated, incoherent economic development projects, which are not in line with provincial policy;
- 6) Increase regional economic collaboration with functional economies outside the Province;
- 7) Share the geography of industrial production and align underdeveloped regions into economic frontiers;
- 8) Improve the Province's export performance, and attract a greater share of domestic and foreign investment;
- 9) Increase the number of economic sectors capable of producing high quality, value-added products and services; and
- 10) In achieving its objectives, the Agency must endeavour to progressively increase its own revenue generation and collection.

Informed by the objects of the Act, the 2020-2025 Strategic Plan, reflects the mandate directives of the Act, and how the inform the Outcomes reflected in the Strategic Plan, as follows:

Figure 3: LEDA – Mandate directives from the LEDA Act

LEDA Mandate Directives (Pillars)	Mandate-Aligned Focus Area (Informing the Outcomes of the Strategic Plan)	LEDA Group Implementing Agent
Economic Development	Mineral beneficiation projects – industrialisation.	<ul style="list-style-type: none"> ▪ Trade and Investment ▪ CMR ▪ Limpopo Agribusiness ▪ Limpopo Connexion ▪ MMSEZ ▪ TF SEZ project ▪ Land and Properties
	Agro-processing projects – beneficiation.	
	Innovative digital solutions.	
Trade and Investment	Domestic direct investment.	<ul style="list-style-type: none"> ▪ Trade and Investment ▪ MMSEZ ▪ TF SEZ project
	Foreign direct investment.	
	Trade and exports of Limpopo produced products.	
Development finance	Financing of Housing loans.	<ul style="list-style-type: none"> ▪ Risima ▪ Enterprise Development Finance (EDFD) ▪ All Subsidiaries - through dividends
	Financing of SMMEs.	
	Financing of cooperatives.	
	Dividends received from Subsidiaries to broaden scale and scope of LEDA interventions.	
Improved institutional capacity - business processes, operating model, organisational structure and competent workforce.		

2.2. NATIONAL ECONOMIC RECONSTRUCTION AND RECOVERY PLAN AND LIMPOPO SOCIO-ECONOMIC RECOVERY PLAN (OCTOBER 2020)

Covid-19 and the economic shutdown has had a severe impact on sectors of the economy, with many businesses battling to recover or are now non-operational. Covid-19 has resulted in 2.2 million South Africans losing their livelihoods during the second quarter of 2020, with the country's fiscal deficit ballooning to 15% of GDP and GDP likely to shrink by 9% in 2020. National Treasury expects a significant shortfall in revenue collection in 2020/21.

In response, the National Economic Reconstruction and Recovery Plan was tabled in Parliament on 15 October 2020. The objectives of the plan are:

- 1) To create jobs, primarily through aggressive infrastructure investment and mass employment programmes;
- 2) To reindustrialise the economy, focusing on growing small businesses;
- 3) To accelerate economic reforms to unlock investment and growth;
- 4) To fight crime and corruption; and
- 5) To improve the capability of the State.

The Limpopo Socio-Economic Recovery Plan is aligned with the National Economic Reconstruction and Recovery Plan, and LEDA is positioned as the key driver of the plan in the Province.

The Plan prioritises:

- 1) The creation of jobs is at the centre of the Plan, driven primarily through a major infrastructure programme and a large-scale employment stimulus, coupled with an intensive localisation drive and focus on industrial expansion;
- 2) The Plan further prioritises a crackdown on corruption and crime, including a specific commitment to curtail “criminal elements in our country that have taken to the illegal occupation of construction sites and soliciting protection money from businesses”; and
- 3) The Plan further includes a commitment to fast-track the reducing of the cost of doing business and lowering the barriers to entry.

Associated interventions and accountabilities for government and industry have been identified, and inform an action framework aligned to the Plan, with focus and actions of relevance to LEDA informing this Annual Performance Plan.

2.3. THE DISTRICT DEVELOPMENT MODEL (DDM)

As pronounced by the President in the Presidency Budget Speech (July 2019), *“for the effective implementation the government’s priorities, the structures of government will need to function with maximum coordination and cooperation as it is envisaged in our Constitution. The truth is that lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served us”*.

In this regard, there is a need to:

- a) Solve the silos at a horizontal and vertical level;
- b) Narrow the distance between the people and government by strengthening the coordination role and capacities at the district and city levels, as it is the penultimate sphere of government after ward and local level;
- c) Deliver Integrated services whilst strengthening monitoring and evaluation and impact at district and local levels;

- d) Ensure inclusive and gender mainstreamed budgets based on the needs and aspirations of our people and communities at a local level;
- e) Maximise impact and align resources at our disposal;
- f) Change the face of our rural and urban landscapes by ensuring complementarity between urban and rural development, with a deliberate emphasis on Local Economic Development; and
- g) Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment and equality.

The 6th Administration will strengthen intergovernmental collaboration and coordination and adopt a District Coordination Model. The new model is located within the current constitutional framework for cooperative governance and intergovernmental relations, and the Constitution and IGR Act are adequate to support it. However, consequence management and developmental incentives must be strengthened.

The processes and outcomes of intergovernmental programmes arising from the District Development Model must:

- a) Promote the electoral mandate and our service delivery agenda for impact especially towards the 2021 Local government elections period;
- b) Provincial and national role players must sufficiently support municipalities - ensure provincial sector alignment in district/ metro intergovernmental working sessions;
- c) Inform decision-making structures such as the Municipal Council and the Executive Council to coordinate interventions that require input resourcing from the 3 spheres;
- d) Address the disconnect between government to government; government and communities and other high-level risks facing government;
- e) Shift the discussion in EXCO and in IGR meetings towards joint inter-sphere planning and implementation of the delivery of programmes and projects and joint facilitation of Cooperative Governance; and
- f) Achieve the priority goals of good governance and accelerated service delivery.

The key institutional mechanism to give effect to the coordination model and programmatic IGR is the establishment of District/ Metropolitan Coordination Hubs at district/ metropolitan municipality level. These will be established in a phased manner across the various districts and metros by DCoG, in consultation with provinces and municipalities. LEDA participation in this process will be critical.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court judgements or rulings which have a material and/or direct bearing on the mandate and/or core operations of the Limpopo Economic Development Agency.

PART B: OUR STRATEGIC FOCUS

In response to the broad legislative mandates and policy framework outlined in Part A above, the Limpopo Economic Development Agency defines its strategic focus – its vision, mission and its institutional values - for the period to 2025 as follows:

VISION

A leader in sustainable innovative economic growth and development.

MISSION

To accelerate economic growth, development and job creation through:

- Industrialisation;
- Promotion and facilitation of trade, investment and finance;
- Creation and support of sustainable enterprises; and
- Continual innovation.

VALUES

Value	Description - What it means in practice
Accountability	<ul style="list-style-type: none"> ▪ To take responsibility for one's actions and demonstrate the obligation to account for one's actions. ▪ To be considerate of the impact of what we do on society and communities, as well as the impact on the environment – a focus on sustainability in all we do.
Excellence	<ul style="list-style-type: none"> ▪ To be results-oriented, cost-effective and to be committed to superior performance. ▪ To strive for client / stakeholder satisfaction. ▪ To seek new and improved ways to do what we do and to innovate and constantly strive for improvement.
Integrity	<ul style="list-style-type: none"> ▪ To be professional, have a commitment to ethics and focus on justice and fairness. ▪ To be honest, trustworthy and do what we say we will do.
Transparency	<ul style="list-style-type: none"> ▪ To act in an open and transparent manner. ▪ To be willing to share appropriate information and skills for the betterment of others.
Diversity	<ul style="list-style-type: none"> ▪ To display respect for different cultures and different perspectives. ▪ To encourage different views and display tolerance for others.

1. UPDATED SITUATIONAL ANALYSIS

1.1. EXTERNAL ENVIRONMENT ANALYSIS

1.1.1. MACRO SOCIO-ECONOMIC ENVIRONMENT

Global growth is projected at -4.4 percent in 2020¹, 1.5 percentage points below the April 2020 World Economic Outlook (WEO) forecast, but 0.5 percentage points above the June 2020 forecast. The Covid-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.2 percent. Overall, following the contraction in 2020 and recovery in 2021, the level of global GDP in 2021 is expected to be a modest 0.6 percent above that of 2019.

Figure 4: Global growth projections 2019-2021



These growth projections imply wide negative output gaps and elevated unemployment rates across both advanced and emerging market economies. The adverse impact on low-income households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s².

As at October 2020, the key economic outlook for the South African economy were as follows:

- 1) 51% shrinkage in GDP in Q2 2020 when compared with the same period in 2019;
- 2) The IMF forecasts a real GDP growth for SA of -8 percent, the World Bank forecasts -5.8% and SARB -7% for 2020. Worst case estimates are for a 16% negative growth rate;
- 3) South African Debt to GDP was already 62.6% in 2019 before GDP shrank, and is expected to reach 81.8% by the end of 2020;

¹ International Monetary Fund, World Economic Outlook, October 2020

² International Monetary Fund, World Economic Outlook, October 2020

- 4) South African unemployment rate rose to 30.1% in the first three months of 2020 before the COVID-19 lockdown, and the unemployment rate is projected to reach 37% in 2021 according to some economists;
- 5) Businesses closing their doors and many families have experienced layoffs of either one or both breadwinners.

For South Africa, serious economic reforms are urgently needed to boost inclusive economic growth post the COVID-19 period. Equally, the economy is a system and damage this severe can never take place and leave an already inefficient public sector untouched. The State needs to deploy its limited resources optimally in pursuit of its mandate, requiring efficiency, effectiveness and economy of scale in its operations and management. It must innovate, build resilience and be agile to pursue its mandate of improving the quality of life of the communities it serves.

1.1.2. LIMPOPO SOCIO-ECONOMIC ENVIRONMENT

Limpopo is the country's northernmost province and shares a border with three of South Africa's neighbours, Botswana, Zimbabwe and Mozambique, making it ideally situated for economic cooperation with other parts of southern Africa, and beyond. Limpopo is perfectly positioned to take advantage of the African Continental Free Trade Area.

Limpopo is the fifth largest province by land area, with 10.2% (125 754 km²) of the country's total. In Q3 2020, 5.85 million, or 9.8% of the national population, call Limpopo home³, and the Province is responsible for approximately 7.0% of South Africa's GDP⁴. Limpopo loses a significant amount of its population every year to provinces that promise better socio-economic benefits, therefore the role of LEDA in driving socio-economic development is critical, and in ensuring decent job creation and reduction of poverty in the Province.

Figure 5: Limpopo Province - Macroeconomic indicators (2014-2019⁵, and 2020⁶)

Indicator	LDP Target 2014-2019	2014-2019 Achievement	As at Q3 2020
GDP contribution to GDP	9%	7.2%	7%
Employment Creation	429 000	309 000	-169 000

³ Statistics SA, MYPE Q3 2020

⁴ Statistics SA, GDP Q4 2019

⁵ Statistics SA, Statistical Releases Q4 2018

⁶ Statistics SA, GDP Q4 2019, QLFS Q3 2020

Indicator	LDP Target 2014-2019	2014-2019 Achievement	As at Q3 2020
			(year on year change from 2019)
GDP growth: Provincial and sectoral	3%	1.4%	0.6% (RSA = 0.2%)
Official unemployment	14 %	Expanded unemployment: 41,1% Official unemployment: 20.3%	Expanded unemployment: 46,9% Official unemployment: 26.3%
Poverty	Eradication	Limpopo has the second highest levels of poverty after Eastern Cape	4.2% of households' food access inadequate / severely inadequate
Inequality	0.50 Gini Coefficient	0.57 Gini Coefficient	-

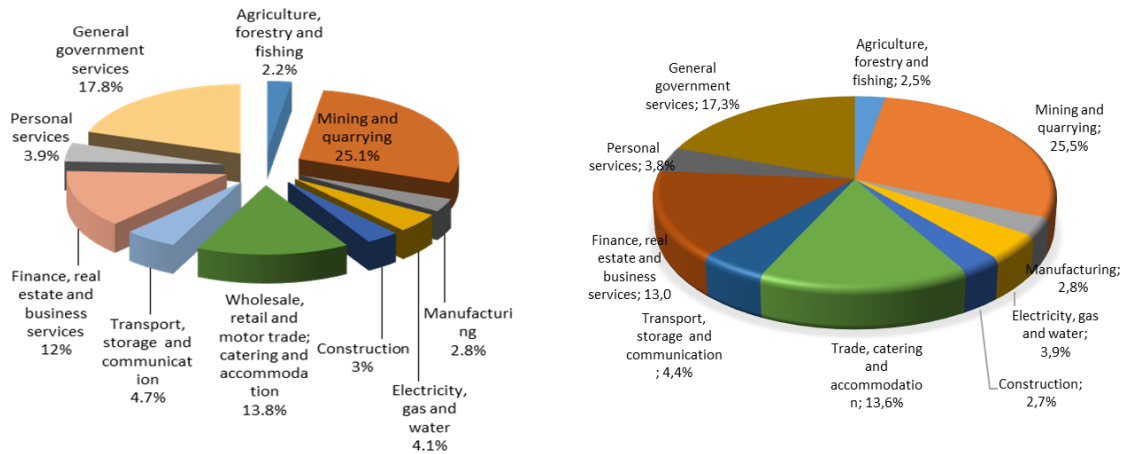
In Q4 2019, the mining sector accounts for 29.4% of provincial GDP, making Limpopo the most mining reliant province after Northwest. The next two most significant sectors are government services (16%) and finance (14%). Even though the Province is sometimes referred to as South Africa's food basket, agriculture accounts for only 2.5% of the Province's total GDP. The manufacturing sector in the Province is far smaller than the national average (2.5%) and might be said to be underperforming⁷.

⁷ Statistics SA, GDP Q4 2019

Figure 6: The Structure of the Limpopo economy

2007

2017



The implication for the Limpopo Development Plan is that, in addition to the 2 envisaged SEZs, specific manufacturing clusters for appropriate industrial value-chains should be identified to enable the manufacturing sector in Limpopo to be more competitive nationally. Although the mining development potential presents valuable growth, cluster promotion and employment opportunities within the Province, it is just as important to promote diversification and multi-skilling of the workforce, to mitigate the risks of shocks associated with commodity price dips and mine closures.

In its Covid-19 economic recovery reform discussion document, titled, “Reconstruction, Growth and Transformation: Building a New, Inclusive Economy’ the ruling African National Congress (ANC), through its Economic Transformation Committee, highlights the economic interventions necessary for job creation, growth and investment in the South African economy amid the Covid-19 pandemic.

The first pillar of the new policy framework is to mobilise society around an **infrastructure-led recovery** with new investments in energy, water and sanitation, roads and bridges, human settlements, health and education, digital infrastructure and public transport. To achieve significant **job creation multipliers**, the discussion document emphasises that the focus must be on **localisation**, including maximising the use of South African materials and construction companies as well as **labour-intensive methods**.

1.1.3. LEDA - PESTEL ANALYSIS

In developing the APP for 2021/22, LEDA reviewed and updated the PESTEL analysis reflected in the Strategic Plan.

Figure 7: Updated PESTEL analysis

<p>Political</p>	<ul style="list-style-type: none"> ▪ The Strategy is aligned to <ul style="list-style-type: none"> – National Development Plan and Limpopo Provincial Growth and Development Plan; – Limpopo Economic Development Act, (Act 5 of 2016); – Public Finance Management (Act of 1999, as amended); – The Companies Act (Act 71 of 2008, as amended); – King Code on Corporate Governance in South Africa (2016). ▪ Higher levels of corruption. ▪ Failure of government to implement policies. ▪ High demands of protests.
<p>Economic</p>	<ul style="list-style-type: none"> ▪ Low levels of economic growth. ▪ Economic policy uncertainty. ▪ High levels of unemployment in the Province. ▪ Low disposable incomes to stimulate consumer spending. ▪ Energy crisis impedes on the operations of the organisation. ▪ Low credit ratings. ▪ Unsustainable inequality gaps. ▪ Uncertainty brought by COVID-19. ▪ Reduced government grant due COVID-19 resulting in inability to finance economic projects.
<p>Social</p>	<ul style="list-style-type: none"> ▪ Low educational attainment and post-school qualification in the Province. ▪ Population = 6 million, with average of 32% youth, resulting in high number of unemployed youths. ▪ COVID-19 induced high unemployment. ▪ High levels of crime rate. ▪ Spatial challenges marginalise the poor. ▪ Ailing public health system. ▪ Less patience for projects to yield economic.
<p>Technological</p>	<ul style="list-style-type: none"> ▪ Technological advances in IT infrastructure have been made. ▪ Distribution or access to internet remains a challenge in the rural areas. ▪ Broadband bandwidth is growing. ▪ Cost of data is relatively high.
<p>Environmental</p>	<ul style="list-style-type: none"> ▪ Water crisis (water scarcity and water pollution). ▪ Unpredictable climate change - global warming. ▪ Air pollution vs. carbon tax.

	<ul style="list-style-type: none"> ▪ Mineral and natural resources. ▪ Solid waste pollution.
Legal	<ul style="list-style-type: none"> ▪ Mixed legal system. ▪ Business tax including stamp duty, excise tax, transfer duty, capital gains tax, skill development levy, etc. ▪ Effective business tax policies. ▪ Employment Equity Act (1998).

The Limpopo Economic Development Agency (LEDA) must shift its focus to ensure strong and sustainable industrial development in the Province; and ensure that all its strategic programmes pull in the same direction and prioritise high-impact and catalytic interventions.

Specifically, and informing this Strategic Plan for 2020/21-2024/25, LEDA must strengthen its capacity and capability to:

- 1) Achieve self-sustainability as a Group by 2023/24, requiring sound governance, the effective use of available resources and the leveraging of partnerships to mobilise additional resources;
- 2) Proactively influence the creation of economic opportunities in the Province, especially at local level and to promote industrialisation in targeted sectors;
- 3) Continue to provide financial support to SMMEs and co-operatives;
- 4) Find new ways to provide non-financial support to SMMEs and co-operatives, and facilitate enterprise development; and
- 5) Create an investor friendly environment in the Province that supports growth and employment, and a reduction in poverty.

1.2. INTERNAL ENVIRONMENT ANALYSIS

1.2.1. THE LEDA GROUP ORGANISATIONAL ARRANGEMENTS

In delivering on its mandate and the seven outcomes reflected in the Strategic Plan, the LEDA Group is constituted by various implementing agents and subsidiaries as follows:

Figure 8: LEDA Group – Delivery structure



As a wholly owned entity of the Provincial Government, the Board of the Limpopo Economic Development Agency is the Accounting Authority in terms of the PFMA, and provides strategic direction and leadership to enhance shareholder value and ensure the long-term sustainable development and growth of the Entity. The Board is supported by the Chief Executive Officer and Executive Management Team in implementing the approved strategic and corporate plans and policies.

In this regard, the Limpopo Economic Development Agency seeks to operate on sound business principles and practices, and to this end, always strives to comply with the principles contained in the King Code on Corporate Governance in South Africa (2016) (King IV).

1.2.2. MEGA PROJECTS AT CONCEPTUAL LEVEL

Focus is placed on maintaining a pipeline of potential mega-projects that would support the delivery of the LEDA mandate and the desired impact:

#	PROJECT TITLE	ESTIMATED INVESTMENT REQUIRED	POTENTIAL JOB OPPORTUNITIES
1	Phosphate Mining in Vuwani, Vhembe District	R600m	600 direct
2	Establishment of a photovoltaic cells manufacturing cluster in Polokwane area of Limpopo	R18bn	1 200 direct
3	Establishment of Iron, Vanadium and Titanium beneficiation plants in Limpopo	R20bn	6000 direct
4	Battery manufacturing plant Polokwane	R3bn	800 direct
5	Lephalale Logistics Hub	R21bn	5000 direct
6	Cultivation and processing of Artemesia Annuua for medicinal use Giyani	R250m	5000 direct
7	Digital media centre. Film and TV production studios and academy at the Peter Mokaba Stadium	R7.5bn	500 direct

1.2.3. ISSUES IDENTIFIED THAT ARE CRITICAL FOR APP 2021/22

- 1) Provincial government to finalise reconfiguration of LEDA;
- 2) Fill key executive and senior management positions;
- 3) Bring operational efficiency;
- 4) Subsidiaries to carry their operational expenses from centralised support services;
- 5) Leverage collaboration with other Development Finance Institutions (DFIs);

- 6) Develop new properties leveraging partnerships and other property development models;
- 7) Find new ways of supporting SMMEs and Cooperatives with funds from outside the government fiscus;
- 8) Refurbish industrial parks (own funds and grants from partners) in collaboration with other key stakeholders such as the dtic;
- 9) Reasonably adjust rental rate upwards;
- 10) Dispose non-core properties such as houses;
- 11) Turn skills training department into a profit centre; and
- 12) Aggressively collect funds owed to LEDA.
- 13) Adoption of Balance Scorecard Framework in measuring LEDA group performance.

The above considerations have informed the development of the performance plan reflected in Part C.

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Informed by the legislative and policy mandate and the strategic focus presented in Part B, the 2020-2025 Strategic Plan presents the LEDA impact statement for the period to 2025 as:

Inclusive economic growth through industrialisation and the implementation of mega-economic projects, resulting in:

- **Quality jobs for Limpopo citizens;**
- **Entrepreneurship stimulation;**
- **SMME and cooperatives growth and sustainability; and**
- **Broadened ownership of economic means.**

Towards the achievement of the impact, the LEDA Outcomes reflected in the 2020-2025 Strategic Plan are unpacked into the Annual Performance Plan for 2021/22.

As illustrated in Annexure G hereunder, LEDA group has adopted the Balance Scorecard as a strategic framework to measure performance commencing from 01 April 2021. This will position LEDA and its subsidiary as a performance-based group enabling it to fulfil its developmental mandate.

As the Limpopo Economic Development Agency does not have Treasury approved budget programmes, the LEDA Results-Based Plan and performance information is packaged against the seven (7) Outcomes reflected in the 2020-2025 Strategic Plan.

1.1. LEDA: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1. Mineral beneficiation projects contributing towards increasing Limpopo GDP	Agency - Trade and Investment	1.1. Produce goods/ products from minerals within the province	Number of de-risked projects	N/A	N/A	New indicator	8	8	8	10
2. Agro-processing projects contributing towards increasing Limpopo GDP	Agri-business	Produce agro-processed products within the province	Agro-processing project in operation	N/A	New indicator	Lebowakgomo abattoir initialised	Operationalisation of Lebowakgomo abattoir	Operationalisation of Lebowakgomo abattoir	Operationalisation of Lebowakgomo abattoir	Operationalisation of Lebowakgomo abattoir
3. Innovative digital solutions to solve socio-economic challenges	Limpopo Connexion	Establish Innovation, Science and Technology Park	Progress in establishment of the Innovation, Science and Technology Park	Solicit funding from local, national and international investors (R 824 million of R 4.7 billion)	Social Impact Assessment and Management Plan, Financial & Economic Models Being developed	Social Impact Assessment and Management Plan, Financial & Economic Models Developed	Application Packs to solicit funding from investors compiled and submitted to potential Investors	Funding agreement of R 824 million in progress	Establish Innovation, Science and Technology Park	Progress in establishment of the Innovation, Science and Technology Park
	Limpopo Connexion	Expand Broadband network infrastructure	Number of Kms of fibre rolled out	100 kms of fibre rolled out Solicit funding from local,	100 kms of fibre rolled out	100 kms of fibre rolled out	100 kms of fibre rolled out	100 kms of fibre rolled out Funding agreement of R	Expand Broadband network infrastructure	Number of Kms of fibre rolled out

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		footprint to municipalities		national and international investors (R 280 million of R 3,1 billion)	Potential investors engaged	Potential investors engaged	Potential investors engaged	280 million obtained	footprint to municipalities	
4. Increased Domestic Direct Investment and Foreign Direct Investment	Agency - Trade and Investment	4.1. Investment promotion	Rand value of investments facilitated	New indicator	R3.5bn	0	R2 bn	R2 bn	R2.5 bn	R3 bn
	Agency - Trade and Investment	4.2. Export facilitation	Rand value of exports facilitated	New indicator	R803 m	R550 m	R300 m	R250 m	R300 m	R350 m
	Musina-Makhado Special Economic Zone	4.3. Establish Musina-Makhado Special Economic Zone	Rand value of Investment in SEZ infrastructure	N/A	N/A	New indicator	R34 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)	R100 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)	R220 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)	R250 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)
	Tubatse SEZ project Team	4.4. Tubatse SEZ (Infrastructure Development)	Rand value of Investment in infrastructure	New indicator	SEZ Business Plan & Financial Model	Funding mobilisation for the SEZ development	R120 m	R48 m	R46 m	R19 m
5. Increased financing of housing, SMMEs and	Agency - Enterprise Development Finance	5.1. SMME & Cooperative support (Loans)	Rand value of loans disbursed	New indicator	R34.94 m	R49.2 m	R60 m	R60 m	R80 m	R100 m

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Cooperatives and Youth entrepreneurship development	Agency - Enterprise Development Finance	5.2. SMME support (Non-financial - Incubation)	Number of SMMEs supported non-financially	New indicator	294	270	100	100	170	170
	Agency - Enterprise Development Finance	5.3. Co-ops (Non-financial - incubation)	Number of co-ops supported non-financially	New indicator	30	-	100	100	170	170
	Agency - Enterprise Development Finance	5.4. Youth start-up loans	Number of youth enterprises financed	N/A	N/A	New indicator	10	20	20	30
	Agency - Enterprise Development Finance	5.5. Technical skills training	Number of beneficiaries of technical skills training	New indicator	3 269	3 271	3 000	4 500	5 000	5 000
	Agency - Enterprise Development Finance	5.6. Business skills training	Number of beneficiaries of business skills training	New indicator	5 749	2 353	3 870	5 690	6 200	6 500
	Agency - Land and Properties	5.7. Industrial parks (Leasing – increase leased m ²)	Number of leased m ²	N/A	New indicator	18 563 m ²	20 080 m ²	20 080 m ²	25 100 m ²	30 120 m ²

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	RISIMA	Housing and finance related services provided	Number of home loans approved	186	213	192	107	180	280	280
			Rand value of home loans approved	R106m	R117.5m	R101m	R58.9m	R115m	R159.6m	R159.6m
6. Increased Return on Investment and profit streams from LEDA Group	Agency	6.1. Operational expenditure efficiency	Percentage efficiency of the budgeted expenditure	N/A	N/A	N/A	New indicator	5%	3%	2%
	Agency	6.2. Self-Sustainability across the Group	Net profit (NP) percentage	N/A	New indicator	-13% ≈ (R114.4m)	2%	5%	5%	5%
	Agency - Land & Properties		Net profit (NP) percentage (Rentals)	New indicator	29%	41%	45%	55%	60%	65%
	Agency - Enterprise Development Finance		Net profit (NP) percentage (Loan Interest)	N/A	N/A	N/A	New indicator	R0 (Break-even)	R0 (Break-even)	5%
	Agency - Enterprise Development Finance		Net profit (NP) percentage (Student fees)	N/A	N/A	N/A	New indicator	R0 (Break-even)	5%	5%

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	CMR		Net profit (NP) percentage	N/A	New indicator	-5% ≈ (R18.5m)	Break-even	Break-even	5%	5%
	GNT		Net profit (NP) percentage	N/A	New indicator	-13% ≈ (R63.7m)	Break-even	Break-even	2%	5%
			Return on Assets (ROA)	N/A	New indicator	(18.75%)	(42%)	2%	4%	8%
	Limpopo Agribusiness		Net profit (NP) percentage	N/A	New indicator	-940% ≈ (R73.9m)	-940%	Break-even	2%	5%
	Limpopo Connexion		Net profit (NP) percentage	N/A	New indicator	10% ≈ R4.5m	Break-even	Break-even	Break-even	Break-even
	MMSEZ		Net profit (NP) percentage	N/A	New indicator	49% ≈ R24.8m	Break-even	Break-even	Break-even	Break-even
	New Era		Net profit (NP) percentage	N/A	New indicator	-93.0% ≈ R6.5m	-30.5%	-32.6%	5.0%	11.6%
	RISIMA		Net profit (NP) percentage	N/A	New indicator	61% ≈ R38.3m	66.6%	67.2%	70%	72%
7. A well capacitated and performing organisation	Agency	7.1. Effectiveness of internal controls through self-assessment	Percentage of controls identified in the operational self-tested	N/A	N/A	N/A	New indicator	100%	100%	100%

OUTCOME	DELIVERY AGENT	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	All Group Entities (Agency and subsidiaries)	Sound governance and compliance	Number of unqualified external audit opinions on prior year	N/A	N/A	N/A	New indicator	8 unqualified external audit opinions	8 unqualified external audit opinions	8 unqualified external audit opinions
	Agency	7.3. Employee training and development	Number of job specific skills training interventions	N/A	N/A	N/A	New indicator	38	38	38

1.2. LEDA: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

DELIVERY AGENT	OUTPUT	OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
				Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
Agency - Trade and Investment	1.1. Produce goods/ products from minerals within the province	Number of de-risked projects	8	-	-	4	4
Agri-business	Produce agro-processed products within the province	Agro-processing project in operation	Operationalisation of Lebowakgomo abattoir	Farmer/ supplier mobilisation Signing off- take agreements with suppliers/ farmers	Farmer/ supplier mobilisation Signing off- take agreements with suppliers/ farmers	Monitor operationalisation of abattoir	Monitor operationalisation of abattoir
Limpopo Connexion	3.1. Establish Innovation, Science and Technology Park	Progress in establishment of the Innovation, Science and Technology Park	Solicit funding from local, national and international investors (R 824 million of R 4.7 billion)	Social Impact Assessment and Management Plan, Financial & Economic Models Being developed	Social Impact Assessment and Management Plan, Financial & Economic Models Developed	Application Packs to solicit funding from investors compiled and submitted to potential Investors	Funding agreement of R 824 million in progress
Limpopo Connexion	3.2. Expand Broadband network infrastructure footprint to municipalities	Number of Kms of fibre rolled out	100 kms of fibre rolled out Solicit funding from local, national and international investors (R 280 million of R 3,1 billion)	25 kms of fibre rolled out Potential investors engaged	25 kms of fibre rolled out Potential investors engaged	25 kms of fibre rolled out Potential investors engaged	25 kms of fibre rolled out Funding agreement of R 280 million obtained
Agency - Trade and Investment	4.1. Investment promotion	Rand value of investments facilitated	R2 bn	R200 m	R600 m	R600 m	R600 m

DELIVERY AGENT	OUTPUT	OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
				Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
Agency - Trade and Investment	4.2. Export facilitation	Rand value of exports facilitated	R250 m	-	R50 m	R100 m	R100 m
Musina-Makhado Special Economic Zone	4.3. Establish Musina-Makhado Special Economic Zone	Rand value of Investment in SEZ infrastructure	R100 Million Invested in SEZ Infrastructure (With allowable deviation of 5%)	R15 million Invested in SEZ Infrastructure	R25 million Invested in SEZ Infrastructure	R30 million Invested in SEZ Infrastructure	R30 million Invested in SEZ Infrastructure
Tubatse SEZ project Team	4.4. Tubatse SEZ (Infrastructure Development)	Rand value of Investment in infrastructure	R48 m	-	R15 m	R20 m	R13 m
Agency - Enterprise Development Finance	5.1. SMME & Cooperative support (Loans)	Rand value of loans disbursed	R60 m	R5 m	R20 m	R20 m	R15 m
Agency - Enterprise Development Finance	5.2. SMME support (Non-financial - Incubation)	Number of SMMEs supported non-financially	100	100	100	100	100
Agency - Enterprise Development Finance	5.3. Co-ops (Non-financial - incubation)	Number of co-ops supported non-financially	100	100	100	100	100
Agency - Enterprise Development Finance	5.4. Youth start-up loans	Number of youth enterprises financed	20	5	5	5	5
Agency - Enterprise Development Finance	5.5. Technical skills training	Number of beneficiaries of technical skills training	4 500	1 125	1 125	1 125	1 125
Agency - Enterprise Development Finance	5.6. Business skills training	Number of beneficiaries of business skills training	5 690	1 420	1 420	1 420	1 430

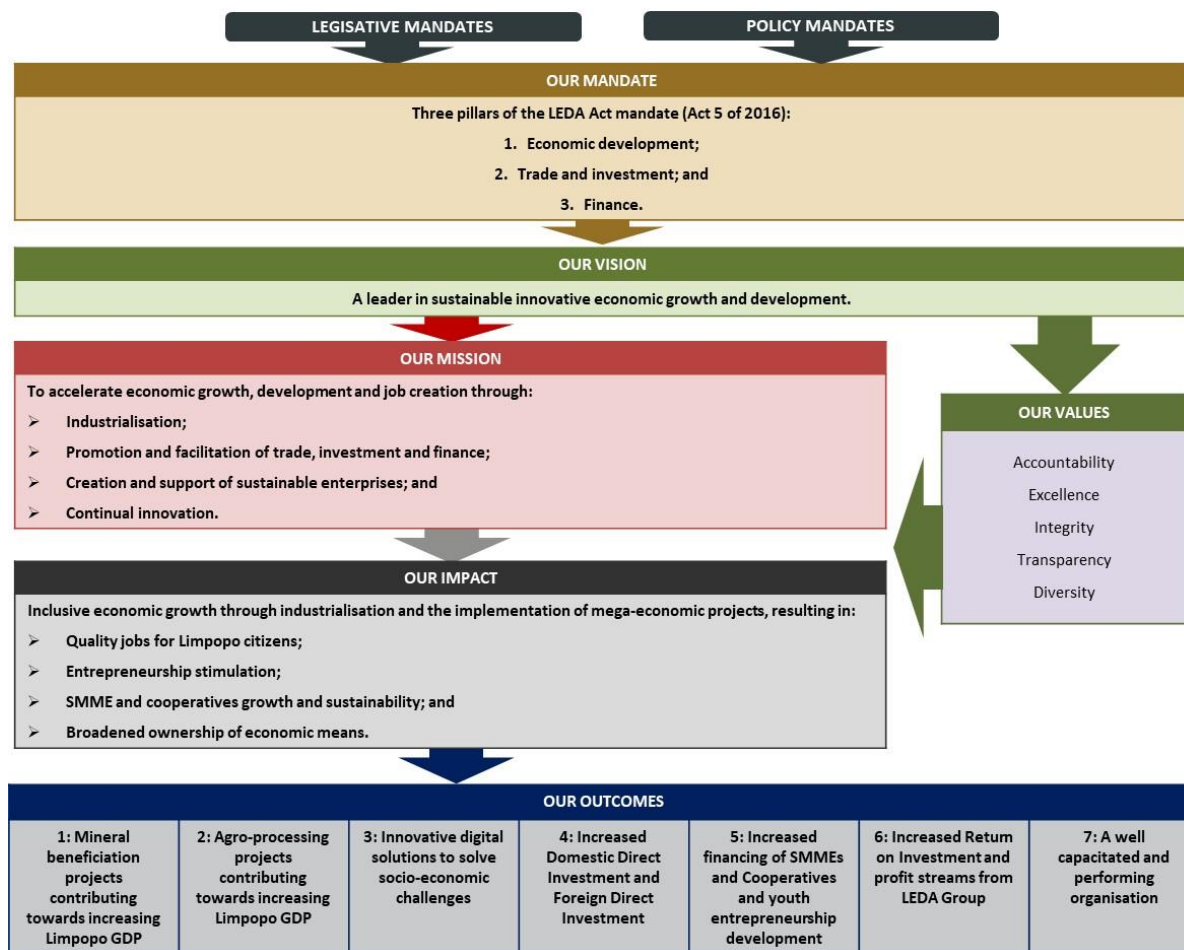
DELIVERY AGENT	OUTPUT	OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
				Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
Agency - Land and Properties	5.7. Industrial parks (Leasing – increase leased m ²)	Number of leased m ²	20 080 m ²	5 020 m ²	5 020 m ²	5 020 m ²	5 020 m ²
RISIMA	Housing and finance related services provided	Number of home loans approved	180	45	63	36	36
		Rand value of home loans approved	R115m	R28.7m	R40.3m	R23m	R23m
Agency	6.1. Operational expenditure efficiency	Percentage efficiency of the budgeted expenditure	5%	5%	5%	5%	5%
Agency	6.2. Self-Sustainability across the Group	Net profit (NP) percentage	5%	5%	5%	5%	5%
Agency - Land & Properties (Rentals)		Net profit (NP) percentage	55%	55%	55%	55%	55%
Agency - Enterprise Development Finance (Loan Interest)		Net profit (NP) percentage	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)
Agency - Enterprise Development Finance (Student fees)		Net profit (NP) percentage	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)	R0 (Break-even)
CMR		Net profit (NP) percentage	Break-even	Break-even	Break-even	Break-even	Break-even
GNT		Net profit (NP) percentage	Break-even	Break-even	Break-even	Break-even	Break-even
		Return on Assets	2%	2%	2%	2%	2%

DELIVERY AGENT	OUTPUT	OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
				Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
Limpopo Agribusiness		Net profit (NP) percentage	Break-even	Break-even	Break-even	Break-even	Break-even
Limpopo Connexion		Net profit (NP) percentage	Break-even	Break-even	Break-even	Break-even	Break-even
MMSEZ		Net profit (NP) percentage	Break-even	Break-even	Break-even	Break-even	Break-even
New Era		Net profit (NP) percentage	-32.6%	-8.1%	-8.1%	-8.2%	-8.2%
RISIMA		Net profit (NP) percentage	67.2%	-	-	-	67.2%
Agency	7.1. Effectiveness of internal controls through self-assessment	Percentage of controls identified in the operational self-tested	100%	100%	100%	100%	100%
All Group Entities (Agency and subsidiaries)	Sound governance and compliance	Number of unqualified external audit opinions on prior year	8 unqualified external audit opinions	-	8 unqualified external audit opinions	-	-
Agency	7.3. Employee training and development	Number of job specific skills training interventions	38	10	9	10	9

1.3. LEDA: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

A visual representation of the Limpopo Economic Development Agency strategic focus for the period 2020-2025 is presented below:

Figure 9: The LEDA strategic focus to 2025



Informed by the mandate and in pursuit of its strategic focus and impact, the focus of the outcomes, together with a description of the enablers to support the outcome, is discussed below:

Outcome 1: Mineral beneficiation projects contributing towards increasing Limpopo GDP

Alignment to MTSF 2019-2024

Priority 1: Economic transformation and job creation:

2024 Impact Statements:

- Unemployment reduced from 20.3%-16% with 2 million new jobs, especially for youth.
- Economic growth of 2%-3%; and
- Growth in levels of investment to 23% of GDP.

<p>Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk</p>	<ul style="list-style-type: none"> ▪ Industrialisation 2030. ▪ Mining.
<p>Interventions of the Outcome, informing outputs of the annual performance plans over the period</p>	<ul style="list-style-type: none"> ▪ New mineral beneficiation projects brought online. ▪ Research, feasibility and investment packaging. ▪ Investment attraction. ▪ Investment facilitation. ▪ Investment operationalisation and support.
<p>Considerations in relation to women, youth and people with disabilities</p>	<ul style="list-style-type: none"> ▪ The priority focus on women, youth and people with disabilities will be addressed through the implementation of targeted procurement spend, localization and supporting neighboring communities. ▪ LEDA is committed to supporting businesses from designated groups to be viable businesses in the South African economy.
<p>Key enablers to support delivery of the Outcome</p>	<ul style="list-style-type: none"> ▪ Availability of funds and resources. ▪ Enhanced relationship with strategic partners - DMR, etc. ▪ Support from the Shareholder.
<p>Outcome 2: Agro-processing projects contributing towards increasing Limpopo GDP</p>	
<p>Alignment to MTSF 2019-2024</p>	<p>Priority 1: Economic transformation and job creation: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> ▪ Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth; ▪ Economic growth of 2%-3%; and ▪ Growth in levels of investment to 23% of GDP.
<p>Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk</p>	<ul style="list-style-type: none"> ▪ Industrialisation 2030. ▪ Biodiversity. ▪ Agriculture.
<p>Interventions of the Outcome, informing outputs of the annual performance plans over the period</p>	<ul style="list-style-type: none"> ▪ New primary agriculture and agro-processing projects brought online. ▪ Research, feasibility and investment packaging. ▪ Investment attraction. ▪ Investment facilitation. ▪ Investment operationalisation and support.
<p>Considerations in relation to women, youth and people with disabilities</p>	<ul style="list-style-type: none"> ▪ The priority focus on women, youth and people with disabilities will be addressed through the implementation of targeted procurement spend, localisation and supporting neighboring communities. ▪ LEDA is committed to supporting businesses from designated groups to be viable businesses in the South African economy.

<p>Key enablers to support delivery of the Outcome</p>	<ul style="list-style-type: none"> ▪ Availability of funds and resources. ▪ Enhanced relationship with strategic partners - DALRRD, etc. ▪ Support from the Shareholder.
<p>Outcome 3: Innovative digital solutions to solve socio-economic challenges</p>	
<p>Alignment to MTSF 2019-2024</p>	<p>Priority 1: Economic transformation and job creation: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> ▪ Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth; ▪ Economic growth of 2%-3%; and ▪ Growth in levels of investment to 23% of GDP.
<p>Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk</p>	<ul style="list-style-type: none"> ▪ Infrastructure for the economy.
<p>Interventions of the Outcome, informing outputs of the annual performance plans over the period</p>	<ul style="list-style-type: none"> ▪ Establish Science and Technology Park. ▪ Develop innovative economic development projects aligned to the 4IR strategy. ▪ Digital solutions developed.
<p>Considerations in relation to women, youth and people with disabilities</p>	<ul style="list-style-type: none"> ▪ The emphasis of training and development, and business support, programmes is on the youth, with a targeted focus on women and people with disabilities. ▪ The quantum of women, youth and people with disabilities benefiting from these programmes will be disaggregated when reporting on the achievement of targets.
<p>Key enablers to support delivery of the Outcome</p>	<ul style="list-style-type: none"> ▪ Availability of funds and resources. ▪ SMME empowerment policy. ▪ Facilitation of skills development to enable 4IR readiness.
<p>Outcome 4: Increased Domestic Direct Investment and Foreign Direct Investment</p>	
<p>Alignment to MTSF 2019-2024</p>	<p>Priority 1: Economic transformation and job creation: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> ▪ Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth; ▪ Economic growth of 2%-3%; and ▪ Growth in levels of investment to 23% of GDP.
<p>Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk</p>	<ul style="list-style-type: none"> ▪ Trade and investment
<p>Interventions of the Outcome, informing</p>	<ul style="list-style-type: none"> ▪ Roll out of trade and investment strategy.

outputs of the annual performance plans over the period	<ul style="list-style-type: none"> ▪ Investor road show. ▪ Strategic partnerships. ▪ Investor summit (Limpopo).
Considerations in relation to women, youth and people with disabilities	<ul style="list-style-type: none"> ▪ The priority focus on women, youth and people with disabilities will be addressed through the implementation of targeted procurement spend, localisation and supporting neighboring communities. ▪ LEDA is committed to supporting businesses from designated groups to be viable businesses in the South African economy.
Key enablers to support delivery of the Outcome	<ul style="list-style-type: none"> ▪ Investment prospectus. ▪ Targeted investment plan. ▪ Project preparation fund. ▪ Investment conference.
Outcome 5: Increased financing of SMMEs and Cooperatives and youth entrepreneurship development	
Alignment to MTSF 2019-2024	<p>Priority 1: Economic transformation and job creation: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> ▪ Unemployment reduced from 20.3%-16%% with 2 million new jobs, especially for youth. ▪ Economic growth of 2%-3%; and ▪ Growth in levels of investment to 23% of GDP.
Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk	<ul style="list-style-type: none"> ▪ Trade and investment. ▪ SMME and cooperative development and support. ▪ Targeted procurement and localisation. ▪ Infrastructure for the economy.
Interventions of the Outcome, informing outputs of the annual performance plans over the period	<ul style="list-style-type: none"> ▪ Repayment of dues for loans advanced. ▪ Targeted procurement. ▪ Enterprise support and development. ▪ Skills development and capacitation.
Considerations in relation to women, youth and people with disabilities	<ul style="list-style-type: none"> ▪ The emphasis of training and development, and business support, programmes is on the youth, with a targeted focus on women and people with disabilities. ▪ The quantum of women, youth and people with disabilities benefiting from these programmes will be disaggregated when reporting on the achievement of targets.
Key enablers to support delivery of the Outcome	<ul style="list-style-type: none"> ▪ Partnerships with higher education institutions. ▪ Approved SMME development strategy. ▪ Availability of funds and resources. ▪ Transparent and open procurement system. ▪ SMME empowerment policy.

	<ul style="list-style-type: none"> Facilitation of skills development to oversee project implementation.
Outcome 6: Increased Return on Investment and profit streams from LEDA Group	
Alignment to MTSF 2019-2024	<p>Priority 6: A capable, ethical and developmental State: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> Public value and trust; Active citizenry and partnerships in society.
Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk	<ul style="list-style-type: none"> Strengthening the implementation capacity of LEDA. COVID-19 response.
Interventions of the Outcome, informing outputs of the annual performance plans over the period	<ul style="list-style-type: none"> Improve return on investment in subsidiaries and net profit percentage and returns from associates. Add facilitation fee driven profits to dividend driven profits. Asset full lifecycle management and asset register compliance. Oversight and monitoring of subsidiaries and investments. Investment portfolio management.
Considerations in relation to women, youth and people with disabilities	Not applicable
Key enablers to support delivery of the Outcome	<ul style="list-style-type: none"> Develop the capacity for deal structuring and negotiation. Involvement of commercial legal expertise in deal making and contracts. Asset and portfolio management capacity and capability. Appropriate processes and systems. Enabling regulatory and policy environment.
Outcome 7: A well capacitated and performing organisation	
Alignment to MTSF 2019-2024	<p>Priority 6: A capable, ethical and developmental State: <u>2024 Impact Statements:</u></p> <ul style="list-style-type: none"> Public value and trust; Active citizenry and partnerships in society.
Contribution to LEDET Priorities to 2025: Reigniting the Economy and Mitigating Risk	<ul style="list-style-type: none"> Strengthening the implementation capacity of LEDA. COVID-19 response.
Interventions of the Outcome, informing outputs of the annual performance plans over the period	<ul style="list-style-type: none"> Meeting performance targets. Optimised operating model, organisational structure and business processes. Improved internal control environment and financial management.

	<ul style="list-style-type: none"> ▪ Compliance with legislation and policy. ▪ Human capital management and development.
<p>Considerations in relation to women, youth and people with disabilities</p>	<ul style="list-style-type: none"> ▪ Achievement of preferential procurement and “set-aside” targets for procurement spend. ▪ Achievement of employment equity targets for the organisation.
<p>Key enablers to support delivery of the Outcome</p>	<ul style="list-style-type: none"> ▪ Structure the organisation as defined by the mandate and strategic framework. ▪ Skills audit and work study. ▪ Education, Job Training and Skills development strategies. ▪ Develop resource and enabler strategy.

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND 2021/22 BUDGET ESTIMATES

2.1. STATEMENT OF FINANCIAL PERFORMANCE AND ESTIMATES FOR THE 2021/22 MTEF

Statement of Comprehensive income comparison	2018 Audited	2019 Audited	2020 Audited	2021 Budget	2022 Budget	2023 Projected	2024 Projected	2025 Projected
Revenue	1 351 043 742	1 165 517 752	983 887 143	922 859 686	881 907 272	914 756 947	957 750 523	1 002 764 798
Cost of sales	-594 243 719	-467 947 713	-353 422 754	-	-	-	-	-
Gross profit	756 800 023	697 570 039	630 464 389	922 859 686	881 907 272	914 756 947	957 750 523	1 002 764 798
Government Grant Received	448 958 429	330 192 796	464 352 479	469 783 478	283 115 203	177 852 971	74 484 824	-
Other income	25 740 028	21 522 816	17 148 086	26 803 526	9 232 396	9 666 319	10 120 636	10 596 305
Profit/loss on disposal and write off of PPE	261 947	-1 920 005	-8 687 900	89 436	-	-	-	-
Fair Value Gain	15 207 744	1 483 758	464 603	-	-	-	-	-
Allowance For Credit losses	-22 878 404	16 115 530	-96 506 765	-	-	-	-	-
Operating expenses	-1 071 622 165	-1 169 745 533	-1 152 082 269	-1 392 218 547	-1 229 343 439	-1 029 698 065	-870 578 848	-781 700 757
Operating profit / (loss)	152 467 602	-104 780 599	-144 857 377	27 317 579	-55 088 568	72 578 171	171 777 135	231 660 347
Investment revenue	18 999 068	34 194 103	34 949 870	31 146 827	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-
Income/(loss) from Equity Accounted Investments	-373 212	12 653 920	3 677 900	-	-	-	-	-
Finance costs	-1 716 387	-7 456 004	-13 809 581	-4 413 739	-	-	-	-
Commission Received	234 000	-	-	582 505	-	-	-	-
Transfer from Policy Holder liabilities to Insurance Contracts	-	-	-	-	-	-	-	-
Profit / loss before tax	169 611 071	-65 388 580	-120 039 188	54 633 172	-55 088 568	72 578 171	171 777 135	231 660 347
Tax	-5 840 204	-822 200	-3 380 765	-	-389 856	-	-	-
Profit / loss after tax	163 770 867	-66 210 780	-123 419 953	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Discontinued Operations								
Loss From Discontinued Operations	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year	163 770 867	-66 210 780	-123 419 953	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Other comprehensive income:								
Items that maybe reclassified to Profit or Loss:								
Fair value adjustments on Financial Assets acquired in business combination	-	-	-	-	-	-	-	-
Fair value Adjustments on Financial Assets available For Sale	-	-	-	-	-	-	-	-
Total items that maybe reclassified to Profit or Loss	-	-	-	-	-	-	-	-
items that will not be reclassified to profit or loss								
Actuarial loss on net defined benefit obligation	-	-1 184 000	-1 348 000	-	-	-	-	-
Share of comprehensive income of equity accounted investment	-	1 266 341	-	-	-	-	-	-
Total items that will not be reclassified to profit or loss	-	82 341	-1 348 000	-	-	-	-	-
Total comprehensive income / (loss) for the year	163 770 867	-66 128 439	-124 767 953	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Attributable to:								
Owners of the Parent:								
Discontinued Operations								
Continuing operations	157 570 415	46 420 147	-35 970 634	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Profit/(Loss) attributable to Owners of the parent	157 570 415	46 420 147	-35 970 634	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Non- Controlling Interest:								
Non- Controlling Interest Continuing operations	6 200 452	3 927 895	3 927 895	-	-	-	-	-
Total Comprehensive Income/(loss) attributable to:	163 770 867	50 348 042	-32 042 739	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Owners of the parent	157 570 415	-60 507 199	-122 335 143	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347
Non-Controlling Interest	6 200 452	-5 621 240	-2 432 810	-	-	-	-	-
Total Comprehensive Income/(loss) attributable to:	163 770 867	-66 128 439	-124 767 953	54 633 172	-55 478 424	72 578 171	171 777 135	231 660 347

The Limpopo Economic Development Agency and its subsidiaries has projected a -6% net loss, mainly due a two major project are still at asset development (Musina- Makhado SEZ and Limpopo Connexion). The budget has considered a reviewed strategy to divestment on non-core investment and intensive collection strategy to fund the shortfall.

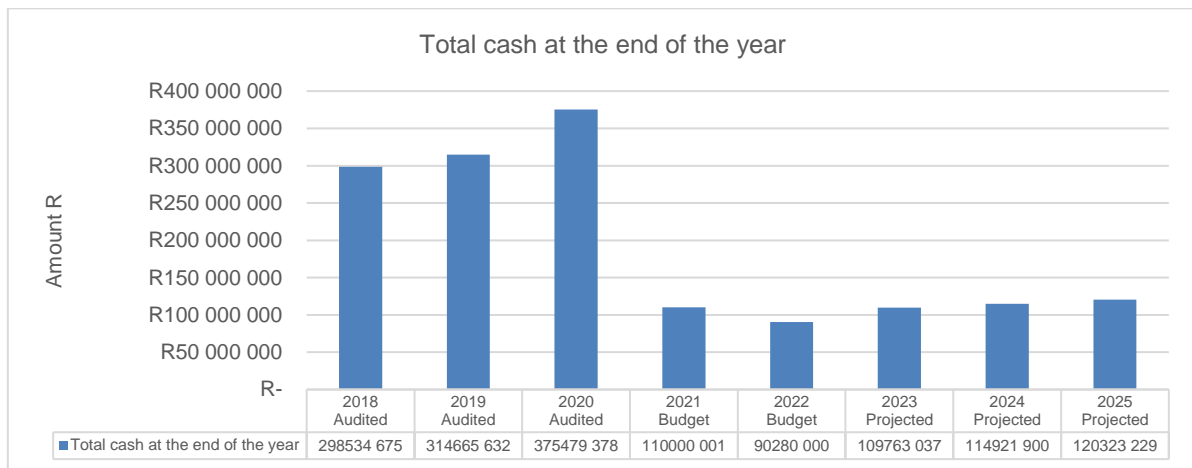
2.2. STATEMENT OF FINANCIAL POSITION FOR THE 2021/22 MTEF

Statement of Financial Position comparison	2018 Audited	2019 Audited	2020 Audited	2021 Budget	2022 Budget	2023 Projected	2024 Projected	2025 Projected
Assets								
Non-Current Assets								
Biological Assets	4 794 112	2 112 233	-	-	2 020 415	2 115 375	2 214 797	2 318 893
Investment Property	233 731 062	208 495 953	190 856 046	190 856 046	190 856 046	190 856 046	190 856 046	190 856 046
Right-of-use Asset	-	-	19 364 692	-	-	-	-	-
Property, plant and equipment	445 290 720	485 307 042	617 164 708	607 153 297	937 439 821	937 439 821	937 439 821	937 439 821
Goodwill	31 649 157	31 649 157	31 649 157	-	-	-	-	-
Intangible assets	94 547 704	123 061 800	123 779 797	130 114 797	136 360 307	142 769 242	149 479 396	156 504 928
Investments In Subsidiaries	-	-	-	-	-	-	-	-
Investments In Associates	75 638 182	88 292 101	89 024 627	102 599 223	102 599 223	104 149 223	106 749 223	107 749 223
Loans to Group Companies	-	-	-	-	-	-	-	-
Other Financial Assets	619 955 476	609 008 230	660 775 473	620 775 473	646 450 000	648 022 956	654 503 186	672 174 772
Environmental Rehabilitation asset	37 868 716	34 620 796	31 572 727	35 064 320	36 747 407	38 511 283	40 359 824	42 297 096
Non-Current Assets	1 543 475 129	1 582 547 312	1 764 187 227	1 686 563 156	2 052 473 220	2 063 863 945	2 081 602 293	2 109 340 778
Current Assets								
Biological Assets	-	2 992 791	2 282 964	2 309 614	2 021 410	2 116 416	2 215 888	2 320 035
Inventories	136 730 163	35 675 635	19 859 125	20 057 716	10 020 487	10 491 450	10 984 548	11 500 821
Loans to Group Companies	33 173 163	45 811 686	36 285 241	-	-	-	-	-
Loans to Shareholders	1 500 000	1 500 000	1 500 000	1 500 000	1 500 000	1 500 000	1 500 000	1 500 000
Other Financial Assets	57 714 223	72 915 004	93 463 956	97 950 226	102 651 837	107 476 473	110 527 867	115 722 677
Trade and other receivables	187 224 800	151 906 765	135 952 267	127 780 286	113 544 031	110 919 344	106 500 297	99 296 554
current tax receivable	-	6 002 246	-	-	-	-	-	-
other receivables	-	1 708 558	56 834 961	-	-	-	-	-
Prepaid Expenses	5 229 103	4 680 494	4 482 018	5 620 980	5 890 787	6 167 654	-	-
Cash and cash equivalents	301 013 749	314 665 632	375 479 378	110 000 000	90 280 000	109 763 037	114 921 900	120 323 229
Current Assets	722 585 201	637 858 811	726 139 910	365 218 822	325 908 551	348 434 374	346 650 499	350 663 316
Non-Current Assets held for sale and Assets of disposal groups	-	-	-	-	-	-	-	-
Total Assets	2 266 060 330	2 220 406 123	2 490 327 137	2 051 781 978	2 378 381 771	2 412 298 319	2 428 252 793	2 460 004 094
Equity and liabilities								
Equity								
Share capital	409 216 005	409 216 005	409 216 005	409 216 005	409 216 005	409 216 005	409 216 005	409 216 005
Reserves	-	-2 607 151	-	-	-	-	-	-
Retained income	942 335 884	826 622 636	696 989 290	751 622 462	696 144 038	768 722 209	940 499 344	1 172 159 691
Non-Controlling Interest	1 351 551 889	1 233 231 490	1 106 205 295	1 160 838 467	1 105 360 043	1 177 938 214	1 349 715 349	1 581 375 696
	6 127 798	3 578 245	3 752 586	3 865 164	4 050 691	4 241 074	4 440 404	4 649 103
	1 357 679 687	1 236 809 735	1 109 957 881	1 164 703 630	1 109 410 734	1 182 179 288	1 354 155 753	1 586 024 799
Liabilities								
Non-current liabilities								
Loans From Shareholders	40 403 507	2 399 502	2 399 502	-	-	-	-	-
Loans From Group Companies	-	-	-	-	-	-	-	-
Loans From Related Party	-	-	-	-	-	-	-	-
Other financial liabilities	23 113 171	-	-	144 674 890	363 489 810	517 282 446	309 773 172	478 957 272
insurance contracts	-	9 152 525	6 864 275	-	-	-	-	-
investments contracts	-	5 827 560	5 993 562	-	-	-	-	-
Finance Lease Obligation	1 238 588	-	17 217 464	-	-	-	-	-
employee benefit	-	4 613 000	4 625 000	-	-	-	-	-
Retirement Benefit Obligation	27 360 000	28 626 839	27 405 839	27 953 956	29 295 746	30 672 646	32 114 260	33 623 630
Deferred Income	6 048 325	293 566 420	439 914 617	102 000 700	328 123 266	170 772 133	256 310 091	12 574 241
Deferred tax	5 238 569	6 934 785	10 667 297	10 453 951	10 955 741	11 470 661	12 009 782	12 574 241
RHLF Fund Liability	45 555 004	33 252 959	20 702 446	16 561 957	17 356 931	18 172 706	19 026 824	19 921 084
Provisions	110 859 928	61 747 439	68 862 513	80 987 200	84 874 586	88 863 691	93 040 285	97 413 178
Non-current liabilities	259 817 092	446 121 029	604 652 515	382 632 654	834 096 078	837 234 283	722 274 413	642 489 406
Current liabilities								
Loans From Related Party	-	-	-	-	-	-	-	-
Loans From Shareholders	-	38 003 998	38 003 998	-	-	-	-	-
Loans From Group Companies	-	-	-	-	-	-	-	-
insurance contracts	-	8 849 186	10 388 138	-	-	-	-	-
investments contracts	-	27 864	-	-	-	-	-	-
Finance Lease Obligation	32 418	14 102	9 878 348	-	-	-	-	-
Operating Lease Liability	89 384	2 425	2 425	3 300	3 458	3 621	3 791	3 969
Trade and other payables	397 610 560	292 428 529	320 522 222	183 662 444	158 007 042	143 433 373	120 212 651	65 994 245
Retirement Benefit Obligation	2 845 000	3 305 000	3 493 000	3 877 230	4 063 337	4 254 315	4 454 267	4 663 618
Deferred Income	171 992 907	126 757 972	351 006 223	272 156 749	225 907 344	196 095 655	175 746 536	107 006 623
employee benefit	-	1 668 500	1 258 900	-	-	-	-	-
Current Tax Payable	11 535 473	4 257 952	4 257 952	10 388 000	10 886 624	11 398 295	11 934 015	12 494 914
RHLF Fund Liability	4 444 996	11 394 685	12 530 674	12 548 900	13 151 247	13 769 356	14 416 516	15 094 092
FLISP Fund	23 330 275	22 762 817	22 254 154	21 809 071	22 855 906	23 930 134	25 054 850	26 232 428
Provisions	34 203 464	28 002 329	2 120 707	-	-	-	-	-
Bank Overdraft	2 479 074	-	-	-	-	-	-	-
Current liabilities	648 563 551	537 475 359	775 716 741	504 445 694	434 874 959	392 884 749	351 822 626	231 489 889
Total liabilities	908 380 643	983 596 388	1 380 369 256	887 078 348	1 268 971 037	1 230 119 031	1 074 097 039	873 979 295
Total equity and liabilities	2 266 060 330	2 220 406 123	2 490 327 137	2 051 781 978	2 378 381 771	2 412 298 319	2 428 252 793	2 460 004 094

The Limpopo Economic Development Agency and its subsidiaries has projected a -2% return assets which was affected by significant budget cut from Provincial Treasury. The budget has considered the additional R 330m capital expenditure mainly from Musina- Makhado SEZ roll-out bulk infrastructure and LEDA agency on the preparation of Tubatse project

2.3. STATEMENT OF CASH FLOW FOR THE 2021/22 MTEF

Statement of Cashflows Analysis Projected to YE2025	2018 Audited	2019 Audited	2020 Audited	2021 Budget	2022 Budget	2023 Projected	2024 Projected	2025 Projected
Cash generated from Operations	371 263 440	160 208 456	304 455 164	151 986 903	261 676 550	294 689 877	175 355 761	279 211 099
Interest Income	13 825 389	34 194 103	34 949 870	25 296 827	26 485 778	27 757 095	29 061 679	30 427 578
Dividends Received	5 173 679	-	-	6 210 000	6 508 080	6 813 960	7 134 216	7 469 524
Finance Costs	-1 716 387	-7 456 004	-13 809 581	-4 413 739	-4 625 598	-4 843 001	-5 070 622	-5 308 941
Tax(paid)/received	5 119	-5 190 491	6 353 993	-	-	-	-	-
Net Cash From Operating Activities	388 551 240	181 756 064	331 949 446	179 079 992	290 044 810	324 417 931	206 481 033	311 799 259
Cash flows from Investing Activities								
Purchase of Property, Plant and Equipment	-80 101 303	-140 222 809	-155 900 493	-416 457 471	-300 979 778	-296 970 390	-80 075 420	-83 836 145
Sale of Property, Plant and equipment	1 633 306	3 617 038	3 310 662	-	-	-	-	-
Purchase of Investment Property	-6 273 731	-13 472 744	-17 330 826	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-
Purchase of other intangible assets	-1 011 420	-29 798 416	-1 651 787	-6 335 000	-6 480 336	-6 649 905	-6 962 450	-7 289 686
Sale of other intangible assets	-	-	-	-	-	-	-	-
Purchase of Biological assets	-2 350 920	-4 520 969	-	-	-2 020 415	-94 960	-99 422	-104 096
Movement in Biological assets	-	-	2 822 060	-2 309 614	288 204	-95 006	-99 472	-104 147
Movement in loans to/from Group Companies	-7 113 616	-	-	44 823 427	-1 609 164	-1 651 271	-1 728 881	-1 810 138
Movements in financial assets	-97 356 994	-	-	40 000 000	-2 352 643	-1 572 956	-6 480 230	-17 671 586
Movement in Other Financial assets	-	-1 375 616	-89 945 072	-2 025 112	-2 122 318	-2 177 852	-280 210	-3 941 352
Movement in Prepaid expenses	-	-	-	-82 387	-269 807	-276 867	710 120	-256 504
Finance Lease Payments	-	-	-	-	-	-	-	-
Movement in Investment associates	-4 754 940	-	-	-13 574 596	-	-1 550 000	-2 600 000	-1 000 000
Movement in Investment in Subsidiaries & associates	-	-311 082	-7 804 871	-	-	-	-	-
Asset revaluation	-	42 198 094	2 607 151	-	-	-	-	-
Movement in Environmental Rehabilitation	-4 134 492	3 247 920	3 048 069	-1 534 320	-1 683 087	-1 763 876	-1 848 541	-1 937 272
Net Cash From Investing Activities	-201 464 110	-140 638 584	-260 845 107	-355 469 961	-315 107 026	-310 625 231	-99 184 296	-114 009 574
Cashflows from Financing activities								
Movement in loan to related party	-	45 626 455	9 526 445	-	-	-	-	-
Repayment of other financial liabilities	9 321 006	-	-	-	-	-	-	-
Movement in other financial liability ²	-	-24 351 759	-	-113 016 800	-	-	-103 095 659	-193 391 155
Movement in other financial asset	-	-	-	-	-	-	-	-
Movement in RHLF liability	50 000 000	-5 352 356	-11 414 524	5 320 473	-1 021 531	-1 048 261	-1 097 529	-1 149 113
Movement in FLSP fund liability	-10 527 284	-567 458	-508 663	437 046	-1 027 933	-1 054 830	-1 104 407	-1 156 314
Proceeds from Shareholders loan	2 399 507	-	-	-	-	-	-	-
Finance lease Payments	-	-	-	-	-	-	-	-
Movement in Finance Lease obligation	-92 520 221	-18 316	-7 282 691	-	-	-	-	-
Movement in good will	-	-	-	-	-	-	-	-
Repayment of shareholders loan	-	-64 093 265	-	17 169 873	7 994 027	8 411 537	3 806 880	3 985 802
operating Lease liability	-	-86 959	-	-	-	-	-	-
Investment contracts	-	5 855 424	138 138	-	-	-	-	-
insurance contracts	-	18 001 711	-749 298	-	-	-	-	-
Movement in RHLF liability	-	-	-	1 000 000	-602 347	-618 109	-647 160	-677 576
Net cash from financing activities	-41 326 992	-24 986 523	-10 290 593	-89 089 408	5 342 216	5 690 337	-102 137 875	-192 388 356
Total cash Movement for the year	145 760 138	16 130 957	60 813 746	-265 479 378	-19 720 000	19 483 037	5 158 862	5 401 329
Cash at the beginning of the year	152 774 537	298 534 675	314 665 632	375 479 378	110 000 001	90 280 000	109 763 037	114 921 900
Total cash at the end of the year	298 534 675	314 665 632	375 479 378	110 000 001	90 280 000	109 763 037	114 921 900	120 323 229



The cash flow projections have decrease was mainly due to a significant budget cut of R106m on the operational budget. The borrowing and partnership strategy will be implemented to achieve the high impact project.

3. UPDATED KEY RISKS AND MITIGATIONS FROM THE STRATEGIC PLAN

The key risks reflected in the 2020-2025 Strategic Plan are updated as follows:

OUTCOME	KEY RISK	RISK MITIGATION
1. Mineral beneficiation projects contributing towards increasing Limpopo GDP	▪ Lack of stakeholder buy-in	▪ Develop and implement stakeholder management strategy
	▪ Inadequate infrastructure	▪ Integrated planning and partnership with local and other spheres of government
	▪ Energy crisis	▪ Integrate energy solutions in planning and design of projects
	▪ Water scarcity	▪ Integrated planning and partnership with local and other spheres of government
	▪ Commodity prices	▪ Forward agreements and other financial instruments
2. Agro-processing projects contributing towards increasing Limpopo GDP	▪ Lack of stakeholder buy-in	▪ Develop and implement stakeholder management strategy
	▪ Climate changes	▪ Integrate the impact of climate change in planning and implementation of the projects
	▪ Inadequate Infrastructure	▪ Integrated planning and partnership with local and other spheres of government
	▪ Drought	▪ Drought counter strategy
3. Innovative digital solutions to solve socio-economic challenges	▪ Lack of consumer readiness for digitisation	▪ Consumer engagement strategy
	▪ Competition in the sector	▪ Market analysis conducted and available data
4. Increased Domestic and Foreign Investment	▪ Negative credit ratings	▪ Limpopo brand packaging ▪ Plans to address negative credit rating issues
	▪ Weak reputation of LEDA	▪ LEDA brand packaging ▪ Adequate stakeholder management
	▪ Lack of available packaged projects	▪ Develop and implement trade and investment strategy

OUTCOME	KEY RISK	RISK MITIGATION
5. Increased financing of SMMEs and Cooperatives and youth entrepreneurship development	<ul style="list-style-type: none"> ▪ Bad investment impairment / ▪ Poor collection ▪ SMMEs collapsing ▪ Poor planning ▪ Poor partnerships 	<ul style="list-style-type: none"> ▪ Adequate credit risk analysis and skills ▪ Adequate policies and procedures ▪ Agile planning ▪ Develop and implement standards for strategic partnerships
6. Increased Return on Investment and profit streams from LEDA Group	<ul style="list-style-type: none"> ▪ Entering into poor contract arrangements 	<ul style="list-style-type: none"> ▪ Involvement of commercial legal expertise in deal making and contracts ▪ Sound investment decisions ▪ Develop and implement policy ▪ Adequate coordination between Holding company and Subsidiaries ▪ Adequate investment appraisal and skills
	<ul style="list-style-type: none"> ▪ Lack of adequate skills leading to bad investments/impairment 	
7. A well capacitated and performing organisation	<ul style="list-style-type: none"> ▪ Mismatch between required and available skills and organisational structure ▪ ICT positioned as a support function rather than at strategic level ▪ Application system -needs misalignment ▪ High staff turnover ▪ Employee behaviour 	<ul style="list-style-type: none"> ▪ Annual skills audit and corresponding implementation of training programme ▪ Fit for purpose organisational structure ▪ Review of the ICT reporting structures to strategic positions ▪ Proper business analysis ▪ Co-source of critical IT service. ▪ Conducive working conditions and talent management ▪ Information security policy. ▪ Information security awareness programs

The detailed LEDA Risk Register is reviewed monthly by Exco, and quarterly at each meeting of the Audit and Risk Committee.

4. PUBLIC ENTITIES

The Limpopo Economic Development Agency has the following subsidiaries / public entities, which fall under the oversight and control of the MEC through the LEDA Group Board:

Name of Subsidiary / Public Entity	Mandate	Outcomes	Current Annual Budget R'000
1. Musina-Makhado	To accelerate sustainable socio-economic	1) Rapid implementation of SEZ infrastructure.	230 406

Name of Subsidiary / Public Entity	Mandate	Outcomes	Current Annual Budget R'000
SEZ (SOC) Ltd	transformation, job creation and a competitive economy.	2) Increased value of investments located in the SEZ. 3) Meaningful socio-economic transformation. 4) Effective and efficient zone operations. 5) Sound corporate governance and a high-performing organisation.	
2. Risima Housing Finance Corporation (SOC) Ltd	To accelerate socio-economic development and the competitiveness of the provincial economy through housing development and finance.	1) An enhanced home loan and finance services portfolio. 2) Innovative products that support the development of the housing sector. 3) Targeted skills development for the housing and property sector. 4) A high-performing organisation. 5) Sound corporate governance.	31 735
3. Great North Transport (SOC) Ltd	To provide a range of diversified profit generating and for good public transport services that will support and enhance the economic sustainability and competitive advantage of Limpopo and the region. Great North Transport's primary task is that of facilitating and providing accessible transport mobility and linkages from Limpopo into South Africa and the broader SADC region.	1) Growth in net profit margin and long-term sustainability ensured. 2) Affordable, reliable and accessible transport services that support economic growth and development in the region. 3) World class, sustainable and integrated operating systems. 4) Sound governance and internal controls. 5) A high-performance culture in a safe and conducive environment.	629 806
4. Corridor Mining Resources (SOC) Ltd	To promote the economic development of Limpopo Province directly or indirectly through mining.	1) Increased capital investment in mining opportunities. 2) Meaningful socio-economic benefit from mining developments.	29 717

Name of Subsidiary / Public Entity	Mandate	Outcomes	Current Annual Budget R'000
		3) An optimally performing asset portfolio. 4) A well-governed, sustainable, and high-performing organisation.	
5. New Era Life Insurance (SOC) Ltd	To deliver a quality, cost-effective and well-managed life and credit product offering, targeting the lower to middle LSM's nationally, and ensuring that every household must enjoy financial security.	1) An increase in net asset value, ensuring an optimal return on shareholder investment. 2) A visible and credible provider of quality life and risk solutions. 3) Consistent, reliable and standardised processes and systems. 4) The optimal utilisation of our quality human capital.	25 384
6. Limpopo Connexion (SOC) Ltd	To develop ICT as a sector, improve delivery of services to citizens and enhance the provincial economy using information and communication technologies.	1) 4IR strategy. 2) Connectivity to Broadband. 3) Commercialization of 4IR in the economy of Limpopo.	125 003
7. Agribusiness (SOC) Ltd	To develop agro-processing as an economic sector in Limpopo province and significant provincial GDP contributor.	1) Bankable Mega agro-processing projects developed.	68 791

5. INFRASTRUCTURE PROJECTS

Not applicable to the Private Security Industry Regulatory Authority.

6. PUBLIC / PRIVATE PARTNERSHIPS (PPP's)

Not applicable to the Limpopo Economic Development Agency at this stage.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. OUTCOME 1: MINERAL BENEFICIATION PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP

Indicator Title 1.1.	Number of de-risked projects
Definition	To monitor and report on the number of de-risked mining projects
Source of data	Quarterly project progress reports
Method of Calculation / Assessment	Simple count: of the number of de-risked projects
Means of Verification	Quarterly project progress reports
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	Executive Trade and Investment

2. OUTCOME 2: AGRO-PROCESSING PROJECTS CONTRIBUTING TOWARDS INCREASING LIMPOPO GDP

Indicator Title 2.1.	Agro-processing project in operation
Definition	To monitor and report on the progress towards the operationalisation of Lebowakgomo abattoir
Source of data	<ul style="list-style-type: none"> ▪ Signed off- take agreements with suppliers/ farmers

	<ul style="list-style-type: none"> ▪ Quarterly project progress reports
Method of Calculation / Assessment	Verification: Operationalisation of Lebowakgomo abattoir as per project progress reports
Means of Verification	<ul style="list-style-type: none"> ▪ Signed off- take agreements with suppliers/ farmers ▪ Quarterly project progress reports
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	Agri-business CEO

3. OUTCOME 3: INNOVATIVE DIGITAL SOLUTIONS TO SOLVE SOCIO-ECONOMIC CHALLENGES

Indicator Title 3.1.	Progress in establishment of the Innovation, Science and Technology Park
Definition	To monitor and report on the progress towards the establishment of the Innovation, Science and Technology Park
Source of data	<ul style="list-style-type: none"> ▪ Approved Science and Technology Park Master Plan ▪ Quarterly project progress reports
Method of Calculation / Assessment	Verification: Construction of the Science and Technology Park as per milestones in Master Plan
Means of Verification	<ul style="list-style-type: none"> ▪ Approved Science and Technology Park Master Plan ▪ Quarterly project progress reports

Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	Limpopo Connexion CEO

Indicator Title 3.2.	Number of Kms of fibre rolled out
Definition	To monitor and report on the number of Kms of fibre rolled out
Source of data	<ul style="list-style-type: none"> ▪ Fibre roll-out project plan ▪ Quarterly project progress reports
Method of Calculation / Assessment	Simple count: of the number of Kms of fibre rolled out
Means of Verification	<ul style="list-style-type: none"> ▪ Fibre roll-out project plan ▪ Quarterly project progress reports
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly

Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	Limpopo Connexion CEO

4. OUTCOME 4: INCREASED DOMESTIC DIRECT INVESTMENT AND FOREIGN DIRECT INVESTMENT

Indicator Title 4.1.	Rand value of investments facilitated
Definition	To monitor and report on the Rand value of Domestic and Foreign Investment implemented in Limpopo through LEDA
Source of data	<ul style="list-style-type: none"> ▪ Investment agreements and MOAs ▪ Acquisition documentation
Method of Calculation / Assessment	Simple count: of the Rand value of investments facilitated through LEDA
Means of Verification	<ul style="list-style-type: none"> ▪ Investment agreements and MOAs ▪ Acquisition documentation
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Trade and Investment

Indicator Title 4.2.	Rand value of loans disbursed
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Definition	To monitor and report on the Rand value of exported goods where export facilitation was performed by LEDA
Source of data	Third party confirmations
Method of Calculation / Assessment	Simple count: of the Rand value of exported goods where export facilitation was performed by LEDA
Means of Verification	Third party confirmations
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Trade and Investment

Indicator Title 4.3.	Rand value of Investment in MMSEZ infrastructure
Definition	The total amount spent on the development of SEZ infrastructure - Bulk services, internal roads, ICT, energy, etc.
Source of data	Capex expenditure reports
Method of Calculation / Assessment	Simple count: of the Rand value of Investment in SEZ Infrastructure
Means of Verification	Capex expenditure reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Not applicable

Spatial Transformation (where applicable)	MMSEZ area, comprising 2 geographical locations that address unique industrial clusters: <ul style="list-style-type: none"> ▪ Musina - North site ▪ Makhado – South site
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable
Indicator Responsibility	CEO MMSEZ

Indicator Title 4.4.	Rand value of Investment in Tubatse SEZ infrastructure
Definition	The total amount spent on the development of SEZ infrastructure - Bulk services, internal roads, ICT, energy, etc.
Source of data	Capex expenditure reports
Method of Calculation / Assessment	Simple count: of the Rand value of Investment in SEZ Infrastructure
Means of Verification	Capex expenditure reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Tubatse area
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable
Indicator Responsibility	Executive Tubatse Project Team

5. OUTCOME 5: INCREASED FINANCING OF SMMEs AND COOPERATIVES AND YOUTH ENTREPRENEURSHIP DEVELOPMENT

Indicator Title 5.1.	Rand value of loans disbursed
Definition	To monitor and report on SMME & Cooperatives supported through loans
Source of data	<ul style="list-style-type: none"> ▪ Financial statements ▪ Loan agreements
Method of Calculation / Assessment	Simple count: of the Rand value of loans disbursed
Means of Verification	<ul style="list-style-type: none"> ▪ Financial statements ▪ Loan agreements
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.2.	Number of SMMEs supported non-financially
Definition	To monitor and report on SMMEs supported through non-financial support and incubation
Source of data	SMME incubation report card
Method of Calculation / Assessment	Simple count: of the number of SMMEs supported non-financially

Means of Verification	SMME incubation report card
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries for support
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.3.	Number of cooperatives supported non-financially
Definition	To monitor and report on cooperatives supported through non-financial support and incubation
Source of data	Cooperative incubation report card
Method of Calculation / Assessment	Simple count: of the number of cooperatives supported non-financially
Means of Verification	Cooperative incubation report card
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries for support
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)

Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.4.	Number of youth enterprises financed
Definition	To monitor and report on youth enterprises supported through financial loans
Source of data	<ul style="list-style-type: none"> ▪ Financial statements ▪ Loan agreements
Method of Calculation / Assessment	Simple count: of the number of youth enterprises financed
Means of Verification	<ul style="list-style-type: none"> ▪ Financial statements ▪ Loan agreements
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries for support
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.5.	Number of beneficiaries of technical skills training
Definition	To monitor and report on the number of beneficiaries of technical skills training

Source of data	<ul style="list-style-type: none"> ▪ Training plan ▪ Training reports ▪ Completion certificates
Method of Calculation / Assessment	Simple count: of the number of beneficiaries of technical skills training
Means of Verification	<ul style="list-style-type: none"> ▪ Training plan ▪ Training reports ▪ Completion certificates
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Programmes are accredited with relevant authority ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries for support
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.6.	Number of beneficiaries of business skills training
Definition	To monitor and report on the number of beneficiaries of business skills training
Source of data	<ul style="list-style-type: none"> ▪ Training plan ▪ Training reports ▪ Completion certificates
Method of Calculation / Assessment	Simple count: of the number of beneficiaries of business skills training

Means of Verification	<ul style="list-style-type: none"> ▪ Training plan ▪ Training reports ▪ Completion certificates
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Programmes are accredited with relevant authority ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the defined targeted beneficiaries for support
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Enterprise Development Finance

Indicator Title 5.7.	Number of leased m²
Definition	To monitor and report on the increase in the leased m ² of industrial parks
Source of data	<ul style="list-style-type: none"> ▪ Register of available lease space ▪ Lease agreements
Method of Calculation / Assessment	Simple count: of the m2 in industrial parks that is leased
Means of Verification	<ul style="list-style-type: none"> ▪ Register of available lease space ▪ Lease agreements
Assumptions	Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable

Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Executive Eland and Properties

Indicator Title 5.8.	Number of home loans approved
Definition	To monitor and report on the number of approved home loans issued by Risima
Source of data	<ul style="list-style-type: none"> ▪ Register of home loan beneficiaries ▪ Home loan agreements
Method of Calculation / Assessment	Simple count: of the number of approved home loans issued by Risima
Means of Verification	<ul style="list-style-type: none"> ▪ Register of home loan beneficiaries ▪ Home loan agreements
Assumptions	Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	CEO Risima

Indicator Title 5.9.	Rand value of home loans approved
Definition	To monitor and report on the Rand value of approved home loans issued by Risima

Source of data	<ul style="list-style-type: none"> ▪ Register of home loan beneficiaries ▪ Home loan agreements
Method of Calculation / Assessment	Simple count: of the Rand value of approved home loans issued by Risima
Means of Verification	<ul style="list-style-type: none"> ▪ Register of home loan beneficiaries ▪ Home loan agreements
Assumptions	Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	CEO Risima

6. OUTCOME 6: INCREASED RETURN ON INVESTMENT AND PROFIT STREAMS FROM LEDA GROUP

Indicator Title 6.1.	Percentage efficiency of the budgeted expenditure
Definition	To monitor and report on the efficiency in deployment of the budget by the LEDA Agency
Source of data	Financial statements
Method of Calculation / Assessment	<p>Calculation:</p> <p>Rand value of budget spend in the quarter, divided by the total Rand value of the budget for the quarter, expressed as a percentage (i.e. x100%)</p>
Means of Verification	Financial statements
Assumptions	<ul style="list-style-type: none"> ▪ Unrestricted access to records ▪ Accurate information and records

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	Lower than targeted performance is desirable
Indicator Responsibility	All LEDA Agency Executives

Indicator Title 6.2.	Net profit (NP) percentage
Definition	To monitor and report on the level of Self-Sustainability across the LEDA Group
Source of data	Financial statements of the LEDA Agency, and 7 Subsidiaries
Method of Calculation / Assessment	Calculation: Rand value of gross profit minus Rand value of operating costs in the quarter, divided by the Rand value of non-grant or subsidy revenue in the quarter, expressed as a percentage (i.e. x100%)
Means of Verification	Financial statements of the LEDA Agency, and 7 Subsidiaries
Assumptions	<ul style="list-style-type: none"> ▪ Unrestricted access to records ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable

Indicator Responsibility	LEDA Agency CFO 7 Subsidiary CEOs/CFOs
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7. OUTCOME 7: A WELL CAPACITATED AND PERFORMING ORGANISATION

Indicator Title 7.1.	Effectiveness of internal controls through self-assessment
Definition	<ul style="list-style-type: none"> To monitor and report on the Effectiveness of internal controls through self-assessment
Source of data	<ul style="list-style-type: none"> Approved Annual Operational Plan reflecting internal controls Quarterly self-assessment report on internal controls identified in the Operational Plan tabled at Exco, within the next quarter
Method of Calculation / Assessment	<ul style="list-style-type: none"> Calculation: Number of planned internal controls self-assessed in the quarter, divided by the total number of planned internal controls for the quarter, expressed as a percentage (i.e. x100%)
Means of Verification	<ul style="list-style-type: none"> Approved Annual Operational Plan reflecting internal controls Quarterly self-assessment report on internal controls identified in the Operational Plan tabled at Exco, within the next quarter
Assumptions	<ul style="list-style-type: none"> Unrestricted access to records Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	100% self-assessment of internal controls identified in the Operational Plan
Indicator Responsibility	All LEDA Agency Executives

Indicator Title 7.2.	Number of unqualified external audit opinions on prior year
Definition	To ensure sound governance and compliance across the LEDA Group, as assessed and externally verified through the external audit process.
Source of data	Annual external Audit Reports of LEDA Agency and 7 Subsidiaries
Method of Calculation / Assessment	Simple count: of the number of unqualified external audit opinions, on prior year financial and non-financial performance, received from the external audit agency.
Means of Verification	Annual external Audit Reports of LEDA Agency and 7 Subsidiaries
Assumptions	<ul style="list-style-type: none"> ▪ Unrestricted access to records ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	100% (8 of 8) LEDA entities receive unqualified external Audit outcomes on the prior year
Indicator Responsibility	LEDA Agency CEO 7 LEDA Subsidiary CEOs

Indicator Title 7.3.	Number of job specific skills training interventions
Definition	To implement job specific and targeted training and development for all LEDA Agency employees
Source of data	<ul style="list-style-type: none"> ▪ Approved LEDA Agency annual training and development plan (WSP) ▪ Records of training and development workshops and interventions conducted ▪ Training attendance registers and completion certificates
Method of Calculation / Assessment	Simple count: of the number of job specific skills training interventions conducted

Means of Verification	<ul style="list-style-type: none"> ▪ Approved LEDA Agency annual training and development plan (WSP) ▪ Records of training and development workshops and interventions conducted ▪ Training attendance registers and completion certificates
Assumptions	<ul style="list-style-type: none"> ▪ Available budget ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Per the Employment Equity Plan and staff profile of the LEDA Agency
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desirable
Indicator Responsibility	LEDA Agency Corporate Services Executive All LEDA Agency Executives

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

The process to develop this 2021/22 Annual Performance Plan began with a critical review of the approved 2020-2025 Strategic Plan, tabled in March 2020. This included reflecting on the experience and learnings from the disruption experienced because of the Covid-19 pandemic and the related lockdown.

There are no material changes to the approved 2020-2025 Strategic Plan, which informs this Annual Performance Plan for 2021/22.

ANNEXURE B: CONDITIONAL GRANTS

Entities	Amount' 000
Musina- Makhado SEZ	200 000
LEDA Agency- Tubatse Project	35 000
Great North Transport	40 000
Total	275 000

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Limpopo Economic Development Agency.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Project	Description	District Municipality	LEDA Role/ Contribution	District Role / Contribution	Project Leader
MusinaMakhado SEZ	Special Economic Zone	Vhembe	R200m	R0	CEO, MMSEZ
FetakgomoTubatse SEZ project	Special Economic Zone	Sekhukhune	R19.3m	R0	Project Executive

Project	Description	District Municipality	LEDA Role/ Contribution	District Role / Contribution	Project Leader
Broadband	Broadband fibre rollout	Mopani - R11.3m, Vhembe – R12.5m Capricorn – R25m Waterberg – R30m	R78.8m	R0	CEO, Limpopo Connexion

ANNEXURE E: MATERIALITY FRAMEWORK

In terms of Treasury Regulation 30.1.3, it is hereby stated that the Limpopo Economic Development Agency (SOC) Ltd has a Materiality Framework in place, which is available.

ANNEXURE F: BOARD AND BOARD SUB-COMMITTEE CHARTERS

It is hereby affirmed that the Limpopo Economic Development Agency (SOC) Ltd has approved Board and Sub-Committee charters in place, which are available.

ANNEXURE G: BALANCE SCORECARD MEASUREMENT 2021/22

Balanced Score Card

CUSTOMER PERSPECTIVE: Weight – 30%					
Focus area	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
Mineral beneficiation (No-risk projects)	8	-			10%
SMME & Cooperative support (Loans)	R60 m	R5 m			2%
SMME support (Financial incubation) -12 month programme	100	100			2%
Coops (Financial incubation)	100	100			2%
Youth Startups loans (number of enterprises financed)	20	5			2%
Technical skills training	4 50	1 125			2%
Business skills training	5 69	1 420			2%
Industrial parks (Leasing lease leased m ²)	20 080 m	5 020 m ²			2%
Tubatse SEZ (Infrastructure Development)	R1.5 br	-			2%
Investment promotion	R2 bn	R200 m			2%
Export facilitation	R250 m	-			2%



Balanced Score Card

FINANCIAL PERSPECTIVE: Weight 30%					
Focus area	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
Net profit %					
Agency	5%	5%			1.25%
CMR	0.1%	0.1%			1.25%
GNT	0.1%	0.1%			1.25%
Limpopo Agribusiness	0.1%	0.1%			1.25%
Limpopo Connexion	0.1%	0.1%			1.25%
MMSEZ	0.1%	0.1%			1.25%
New Era	3%	3%			1.25%
RISIMA	67.2%	67.2%			1.25%
Expenditure efficiency 5% of Budget Expenditure					
Administration	5%	5%			1.43%
CEO's office	5%	5%			1.43%
Corporate Services	5%	5%			1.43%
Enterprise Development Finance	5%	5%			1.43%
Finance	5%	5%			1.43%
Land & Properties	5%	5%			1.43%
Trade and Investment	5%	5%			1.43%
Divisional profitability					
Land & Properties (Rentals)					2.66%
Enterprise Development Finance (Loan Interest)	0.1%	0.1%			2.66%
Enterprise Development Finance (Student fees)	0.1%	0.1%			2.66%
Capital Expenditure Effectiveness 100%					
Land & Properties	R26 m	R5.2 m			1%
Limpopo Connexion	R90 m	R90 m			1%

Balanced Score Card

INTERNAL PROCESSES PERSPECTIVE: Weight – 20%

Focus area (100% Self of Control effectiveness)	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
CORPORATE SERVICES					
Employee administration	100%	100%			0.8%
Performance Management	100%	100%			0.8%
Employee development	100%	100%			0.8%
Legal Services	100%	100%			0.8%
IT Governance	100%	100%			0.8%
Information Security	100%	100%			0.8%
IT Service Management	100%	100%			0.8%
Communications	100%	100%			0.8%
Marketing	100%	100%			0.8%
ENTERPRISE FINANCE AND DEVELOPMENT					
Business Support	100%	100%			0.8%
Enterprise Finance	100%	100%			0.8%
Skills Training & Development	100%	100%			0.8%
Loan repayment collection	100%	100%			0.8%



Balanced Score Card

INTERNAL PROCESSES PERSPECTIVE: Weight					
Focus area (100% Self of Control effectiveness)	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
FINANCE					
Treasury	100%	100%			0.8%
Financial Accounting	100%	100%			0.8%
Treasury	100%	100%			0.8%
Supply Chain Management	100%	100%			0.8%
Investment Management	100%	100%			0.8%
LAND & PROPERTIES					
Leasing	100%	100%			0.8%
Maintenance	100%	100%			0.8%
Invoicing	100%	100%			0.8%
Rental collection	100%	100%			0.8%
TRADE & PROMOTIONS					
Export facilitation	100%	100%			0.8%
Investment facilitation	100%	100%			0.8%
Project Packaging, Assessment & Implementation	100%	100%			0.8%

Balanced Score Card

LEARNING & GROWTH: Weight 20%					
Focus area (Targeted development based on ass	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
FINANCE					
Financial Accounting	2	-			1.05%
Treasury	2	-			1.05%
Supply Chain Management	2	1			1.05%
Investment Management	2	-			1.05%
LAND & PROPERTIES					
Leasing	2	1			1.05%
Maintenance	2	1			1.05%
Invoicing	2	1			1.05%
Rental collection	2	1			1.05%
TRADE & PROMOTIONS					
Export facilitation	2	-			1.05%
Investment facilitation	2	-			1.05%
Project Packaging, Assessment & Implementation	2	-			1.05%



Balanced Score Card

LEARNING & GROWTH: Weight 10%					
Focus area (Targeted development based on ass	Annual target	Q1 target	Q1 Actual	Cumulative Actual	Weight %
CEO'S OFFICE					
Secretariat	2	-			1.05%
Internal Audit	2	-			1.05%
Risk Management	2	-			1.05%
CORPORATE SERVICES					
Administration	2	1			1.05%
Human Resources	2	1			1.05%
Information Technology	2	1			1.05%
Legal Services	2	1			1.05%
Marketing and Communications	2	1			1.05%

