



Practical research-based solutions

# ANNUAL PERFORMANCE PLAN

2022 -2023

## FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL

There can be no greater call than one that seeks to restore the livelihoods of our people, restore the dignity of people, and regenerate hope. In restoring the livelihoods, we have to be alive to the realities of high inequalities that exist in our nation. Hence, our unwavering commitment to radically transform the economy of our province to benefit all its citizens irrespective of race, age, gender, and spatial location remains sacrosanct. Inclusive, expanded and sustained economic output is the fundamental driver for job creation and economic growth. The research conducted by the Moses Kotane Institute continues to play a key role in identifying the critical sectors that will enhance and speed up economic growth in the province.



The Fourth Industrial Revolution (4IR) represents an era of innovation and technology – one that's enhancing human-machine relationships, unlocking new market opportunities, and fueling growth across the global economy. The Moses Kotane Institute will continue to lead and promote innovation and technology use, provide an enabling platform to infrastructure and digital technologies to SMMEs, government stakeholders and the youth.

Although the Province has made significant strides in the delivery of ICT, however, much more needs to be achieved. ICT broadband connectivity will have a huge impact on the access to information by citizens, including government services and access to employment opportunities. In addition, it has a positive impact on spatial location of residence, work and recreational opportunities. Increased internet access and wireless connectivity enables ease of access to information and faster business to business interaction. To date 33215 km of fibre optic cable has been rolled out to various districts and the metro in the province but needs to be spatially represented in order to discount the fibre that has been laid in the route/pipes by the various industry service providers. In order to give effect to the above, a decision has been made to conduct a complete review of the provincial ICT and e-government Strategy as well as conduct a baseline study of the ICT infrastructure in the province, including mobile base stations and broadband fibre to establish a baseline and gap analyses and develop alternative funding models which will leverage the SA Connect project.

There's a long way to go before South Africans can enjoy the fruits of innovation-led prosperity. First, a sufficient supply of advanced engineering talent needs to be available. Beyond that, people in regular jobs need to develop the skills to deal with the disruptive effects of new technologies in their work environments. The future of South Africa's education system is an important consideration in its journey towards the 4IR. Digital technologies have the potential to vastly improve education – and have become key to mitigating the learning disruption caused by COVID-19. We're entering an era of technological empowerment, but to benefit from the many solutions 4IR technologies offer, we first need to address the widening professional skills gap.

The digital transformation will stimulate economic growth in the area through research and technological innovations as well as assist greatly in improving ICT skills in the province. We will also continue to ensure clean governance by adhering to relevant laws and King Code of Good Governance. I wish to thank the Board of Directors and the Management for providing support through playing an oversight role and delivering on the mandate.

A handwritten signature in black ink, appearing to read 'RR Pillay', written over a horizontal line.

**Mr. RR Pillay, MPL**

MEC for Economic Development, Tourism and Environmental Affairs

## FOREWORD BY THE CHAIRPERSON OF THE BOARD



**Ms S Khomo CA(SA)  
Chairperson of the Board**

The Moses Kotane Institute commits itself towards achieving its strategic goals for the attainment of the Provincial Goal Development Strategy as well as the Medium-Term Strategic Framework priorities by carrying out its mandate which is to conduct world class research that responds to the needs of provincial economy.

MKI will provide equally accessible, digital technologies, intelligent and competitive services through capacity development initiatives completed on innovation and technology. The establishment of the digital centres will be continually established in different municipalities of KZN. In addition, the completed digital centres will be launched by the MEC and be used to capacitate youth and SMMEs in the space of Innovation and Technology.

The Moses Kotane Institute for 2022/23 will focus on carrying out its mandate as the provincial thought-leader by enhancing knowledge economy, knowledge management, and promotion of innovation and technology.

The entity will continue to work with strategic partners in different industries, institutes of higher learning, other state departments and entities, labour, and civil society within the province and beyond to maintain global standards.

A handwritten signature in black ink, appearing to read 'S Khomo', written over a light blue horizontal line.

**Ms S Khomo, CA (SA),  
Chairperson of the Board**

## THE CHIEF EXECUTIVE OFFICER STATEMENT



**Dr Thandeka Ellenson, Chief Executive Officer**

The Moses Kotane Institute continues to contribute towards economic growth through developing practical research-based solutions on priority sectors that contribute to the needs of the provincial economy. Practically, we do this by providing research services, economics data and statistical services, coordination of activities related to strategic and priority sectors, evaluation of provincial strategic interventions and knowledge management.

During the past year, conducted research and produced several research reports in various sectors, including the information and communications technology, tourism, entrepreneurship, liquor, skills, future industries, manufacturing, maritime, cannabis, rural and township economy, and higher education. We also developed the knowledge repository for the province and coordinated many of the digital skilling activities including 3D printing, digital marketing, digital literacy, cybersecurity, design thinking and enterprise development for emerging, small, and micro businesses.



The outlook for the year 2022/23 is exciting. You will see the institute providing more statistical data, evaluating and producing reports on the provincial strategic interventions and commencing with data management services. These activities are critical catalysts for the service delivery and shape the economic development priority perspectives. The institute will also contribute to job creation by employing 1000 unemployed graduates for data collection throughout the province for the entire year. More importantly, all activities will be geared towards the priorities of the sixth administration as outlined in the state of the province address in 2022.

A handwritten signature in black ink, appearing to read 'T. Ellenson', written over a horizontal line.

**Dr Thandeka Ellenson  
Chief Executive Officer**

## OFFICIAL SIGN- OFF

It is hereby certified that this Annual Performance Plan was developed by management of The Moses Kotane Institute with the guidance of the Board of Directors and the Department of Economic Development, Tourism, and Environmental Affairs; was prepared in line with the mandate and revised strategic plan of the Institute; and accurately reflects the performance targets which the Moses Kotane Institute will endeavour to achieve given the resources made available in the budget for the 2022/23 financial year.

| Name                 | Designation   | Signature   |
|----------------------|---|---|
| Ms S. Khumalo        | Manager: Planning, Monitoring and Evaluation  |    |
| Mr D. Govender       | Chief Financial Officer   |    |
| Dr T. Ellenson       | Accounting Officer  |  |
| Ms S. Khomo, CA (SA) | Accounting Authority  |  |
| MEC Mr RR Pillay     | Executive Authority for the KwaZulu-Natal Economic Development, Tourism and Environmental Affairs |  |

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## PART A: MANDATE

### 1. MKI MANDATE

The Moses Kotane Institute is mandated to conduct world class research that responds to the needs of the provincial economy.

#### 1.1. Updates to the relevant legislative and policy mandates

##### 1.1.1 Legislative Mandate

The entity is subject to the following legislation:

- National Skills Development Act
- National Education Policy Act (No.27 of 1996)
- Further Education and Training Act (No. 98 of 1998)
- Preferential procurement Policy Framework Act No 5 of 2000
- Promotion of Access to Information Act No 2 of 2000
- Skills Development Act of 1998
- Companies Act 71 Of 2008
- South African Qualification Authority Act (Act 58) of 1995
- Public Finance Management Act (No.1 of 1999)
- The Annual Division of Revenue Acts
- Treasury Regulations

##### 1.1.2 Policy Mandate

The Institute is also subject to the policies contained in the following documents:

- National Development Plan (NDP)
- National Skills Development Strategy (NSDS III)
- Provincial Growth and Development Strategy (PGDS)
- Provincial Growth and Development Plan (PGDP)
- Quality for Trades and Occupations (QCTO)
- Government Job Creation Strategy
- Industrial Policy Action Plan (IPAP III)
- South African Standards of Generally Recognised Accounting Practice (GRAP)
- King IV Report on Corporate Governance
- Integrated National B-BBEE Strategy
- Provincial B-BBEE Strategy

### 1.2. Updates to Institutional Policies and Strategies

This Annual Performance Plan is aligned with key economic policies, strategies and laws that enable structural economic change particularly in industry include, SMME and Co-operatives Acts and strategies, BB-BEE Codes, Black Industrialist Programme, National Development Plan, New Growth Path, Provincial Growth & Development Strategy, PGDP, various tax and incentives schemes (e.g., APDP) that encourage localisation of production amongst others related to land, energy, minerals etc. All of these incentivise value adding production, localisation, changing distribution in terms of ownership and control patterns and promoting a knowledge-based economy. This plan is also aligned to the National Skills Development Strategy and the KZN Human Resource Development Strategy 2018-2045, the NGP and IPAP in terms of the selected manufacturing and service sectors chosen, and to support policies, laws and strategies on SMME and co-operative development.

### 1.3. Updates to Relevant Court Rulings

None



Figure 1: Research Lifecycle

## PART B: STRATEGIC FOCUS

### 1.4. Updated Situational Analysis

#### 1.4.1 Overview of Moses Kotane Institute (MKI)

Moses Kotane Institute focus for 2022/23 is to develop practical research-based solutions on priority sectors that contribute to the needs of the provincial economy. In alignment with the constitutional mandate of the Department of Economic Development, Tourism and Environmental Affairs, the Institute has committed itself to ensure that its core functions are performed for the attainment of the strategic objectives which emphasize the importance of sustainable and inclusive economic growth to ensure job creation, human resource development as well as the environmental sustainability. The Institute has committed itself in advocating and bringing a strong voice for innovation and technology in the KZN Province to meet the demands of Fourth Industrial Revolution.

#### Vision

To be the leading and globally recognised research institute in growing the provincial economy through research and development

#### Mission

To develop practical research-based solutions on priority sectors that contribute to the needs of the provincial economy.

#### Values

Our values are:

- Quality: We provide high quality research that meets the demands of our clients.
- Professionalism: Our core quality is high skill and competence.
- Ubuntu: We exhibit the quality of humanity towards others.
- Integrity: We maintain the quality of honesty and sound ethical principles.

### 1.5. External Environment Analysis

#### 1.5.1 PESTEL Analysis

- A “PESTEL” analysis is an analysis of the service delivery environment of the entity. It addresses a range of political, economic, social, technological, legal and environmental issues that are likely to impact on strategies and services of the entity.

Table 1: Pestel Analysis

|                              |   |
|------------------------------|---|
| <b>Political factors</b>     | MKI has become a public entity with a strong focus on economic research, in support of the national and provincial goals of fostering economic development. MKI will thus increasingly focus on research on the economy and the labour market and associated education and training systems. The research programme will inform government decisions on choice of economic sectors to pursue, areas to invest in, innovations and best practices that can be replicated without further research. It will guide government on what is needed to grow and transform the economy and create jobs. Much of the research will take the form of ‘action’ research that can be implemented within short time, and immediately translate into tangible programmes. |
| <b>Economic factors</b>      | The MKI has become a lead economic research institution in the province, in support of the realisation of the goals of the NDP, Outcomes 4 and 5 of the MTSF 2019-2024 <sup>1</sup> and the PGDP. The deterioration financial climate has resulted in reduced funding for research.   |
| <b>Social Factors</b>        | MKI’s current focus on research seeks to address some of the most crucial aspects of socio-economic needs. The entity supports capacity development linked to opportunities and challenges in terms of economic growth and development, and that will foster the social and economic goals of the PGDP.   |
| <b>Technological factors</b> | The advent fourth industrial revolution has both positive and negative consequences for local economies in a global context. For both advanced and developing countries alike, the potential job losses from the replacement of relatively skilled humans by intelligent machines is increasingly becoming significant. Simultaneously, the use of these machines can solve everyday problems for consumers, expand access to markets and services, lower prices, obliterate the notion of comparative advantage; and bring structural change (through digital disruption) in existing value and supply chains. A key focus of research for the MKI in the future will be advisory on the effective ICT into government systems.                            |
| <b>Environmental factors</b> | Research on environmental factors including pollution, population density, climate change and global warming issues, green economy and any other issue that has an influence on the economy of human being is considered critical by the institute.   |

|                      |  |
|----------------------|--|
| <b>Legal factors</b> | Legal issues that may affect the work of the entity and the economy province are considered very important, especially legislation has an impact on business, labour and citizens. |
|----------------------|--|

### 1.5.2 Internal Environment – A growing research entity

The entity is a growing research entity with the mandate to conduct research for provincial government under the leadership of the board of directors who have various skills and experience. The focus of operations is on research and development, innovation and technology, and econometrics. The entity has employed experts in each of these fields to lead the divisions at an executive level, and this team is led by the chief executive. This is followed by the management layer that operationalise the mandate practically.

Management has various teams and resources divided into three. The first set of resources include research and administrative teams. This set is operating in-house and conduct research while administering and coordinating research activities and logistics respectively. The second set is that of independent contractors. Due to the high demand in research, entity needs continuous project-based resources to conduct research. These contractors are independently outside of the entity and have strong linkages with in-house staff during project implementation and exit the system immediately when the project is finalised. The projects' periods range from few weeks to few months not exceeding twelve months.

The third set is the experiential learners. This set consists of the university students and unemployed graduates who mainly get involved in project proposals, data collection, data analysis, and more. The period for research based experiential learners is linked to the duration of the project. There are experiential learners that are placed temporarily in support capacity such as finance and corporate services. The geographical scope of work for all these sets is the province of KwaZulu-Natal, covering all district municipalities.

The funding sources for the entity is mainly economic development, through the transfer from voted funds, and that is the reason the entity complies with the public finance management act, despite having established in terms of the Companies Act. This non-profit entity is in the process of being listed in the PFMA once legislated. The funds are used to conduct research, and the highest cost in research is primary data collection as it requires travel to various municipalities, high volume of data collectors and data analysts.

### 1.5.3 Alignment with Provincial Growth and Development Plan

The strategic priorities of the KwaZulu-Natal Provincial Government are set out in the Provincial Growth and Development Strategy, which is aligned with the National Development Plan and the Medium-Term Strategic Framework (2020-2025). The Strategic Plan of Moses Kotane Institute is aligned with the following strategic priorities of the Provincial Growth Development Strategy of KwaZulu-Natal Government:

This alignment is outlined on the table below:

Table 2: Alignment of MKI Strategy with KZN PGDS

|   |  |
|---|--|
| PGDP Objective                                    | Enhance knowledge economy and spatial equity   |
| Impact Statement                                  | Innovative and inclusive KZN knowledge economy   |
| <b>Outcome Statement</b>                          | <b>Relevant evidence-based action research</b>   |
| Outcome indicator                                 | Produce research and analysis that address prioritised areas such as inclusive economic development    |
| Output indicators                                 | Number of research conducted   |
|   | Number of research students mentored   |
|   | Number of research articles published  |
|   | Number of conferences hosted   |
|   | Number of business intelligence reports produced   |
| Number of provincial statistical reports produced |  |
| <b>Outcome Statement</b>                          | <b>Expanded innovation support through digital technologies</b>  |
| Outcome indicator                                 | An efficient and competitive economy enabled by innovative and easily accessible digital technologies. |
| Output Indicators                                 | Number of innovation and technology projects filed for intellectual property processing                |
|   | Number of competitions and hackathons hosted   |

MKI's alignment with the Department of Economic Development, Tourism and Environmental Affairs (EDTEA)

| EDTEA Programmes                          | Description   |
|---|---|
| Programme 3: Trade and Sector development | Assists industries to access local, global value-chains and international markets   |
| Programme 5: Research and Development     | Provides timeous economic information for policy and strategy information and the identification of spatial economic interventions through gathering of economic data, micro and macroeconomic analyses and economic modelling. |

## PART C: OVERVIEW

### 1.6. Strategic Outcome Oriented Goals

The expected strategic outcomes are:

- 1) Relevant evidence-based action research.
- 2) Expanded innovation support through digital technologies.
- 3) Institutional Excellence

### 1.7. Performance Delivery Environment

The following section discusses the socio-economic factors and issues that impact on MKI's ability to deliver on its mandate.

### 1.8. Summary Global Economic Trends and Outlook

#### 1.8.1 Overview

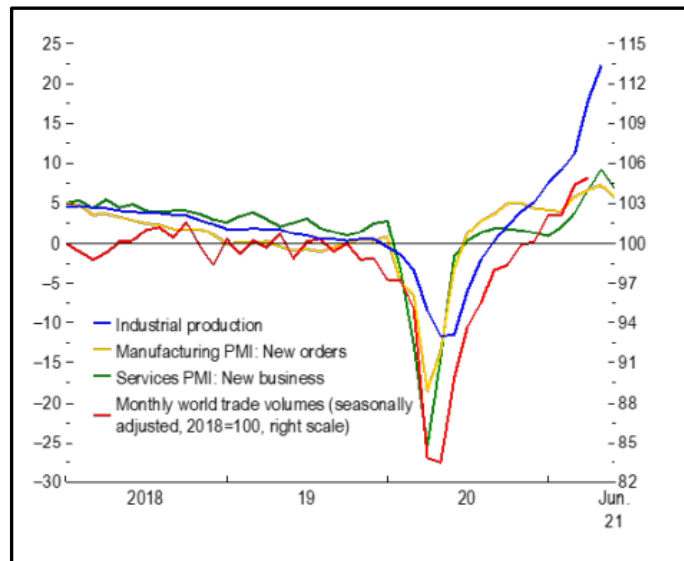
Global economic prospects exhibited a divergent path across countries since the April 2021 World Economic Outlook (WEO) forecast. The primary tenet along which the global economic recovery is split into two separate blocs has been vaccine access. These two blocs are made up of those countries that can expect a normalisation of economic activity (2021)- (made up of mostly advanced economies) and countries that would still face resurgent infections and rising COVID deaths. Recovery is still not assured even in countries where infections are currently very low because the virus still circulates elsewhere. Globally, the economy is now forecast to grow by 6.0 percent in 2021 and 4.9 percent in 2022 (IMF,2021). Growth prospects for emerging markets and developing countries have been revised downwards for 2021, especially for Emerging Asia. In contrast, advanced economies have been revised upwards. The revisions mostly reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022, from the previous WEO, derives largely from the forecast upgrade for advanced economies, most notably the United States of America (USA), reflecting the anticipated legislation of additional fiscal support in the second half of 2021 as well as the improved health metrics across the advanced economies.

#### 1.8.2 Economic Activity

The global economy is expected to exhibit a patchy recovery punctuated by new coronavirus variants, aftershocks as well as supply and demand mismatches. The first-quarter GDP outcomes, overall, surprised on the upside, especially the outcomes in Asia and Latin America. Meanwhile, the renewed lockdowns in Europe led to downside surprises. Data in the second quarter of 2021 indicates that the global recovery is widening beyond manufacturing to services as illustrated in Figure 2, especially where economies are showing better control of infections.



(Three-months moving average, annualised percentage change; deviations from 50 for PMIs, unless otherwise stated)



Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; market Economics; and IMF Staff Estimates.

Figure 2: Global Activity Indicators

Global prospects have been upwardly revised for the period 2022–23. This stems from expected further normalization in the second half of 2021 as vaccine rollout continues to be aided by additional fiscal support. A markedly improved outlook for the US economy is anchored on the anticipated legislation boosting infrastructure investment in the country and strengthening of the social safety net in the second half of 2021. The support is forecast to raise 2021 US GDP growth by 0.3 of a percentage point and 2022 growth by 1.1 percentage points, with positive spill overs to trading partners such as South Africa expected. The US shift, however, is partially offset by the forecast downgrade in 2021 for Japan, a reflection of tighter restrictions in the first half of the year as virus cases picked up. Japan is, however, anticipated to see a stronger rebound in the second half of 2021, with vaccination proceeding and their economy fully reopening, thus improving its growth forecast for 2022. A similar kind of strengthening momentum is expected in Germany, France, Italy, and Spain in the later part of the year, carrying over into 2022.

Table 3: Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise)

|   | Year over Year |             |             |            |   |            | Q4 over Q4 2/ |             |            |
|---|----------------|-------------|-------------|------------|---|------------|---------------|-------------|------------|
|   | 2019           | 2020        | Projections |            | Difference from April 2021 WEO Projections 1/ |            | 2020          | Projections |            |
|   |                |             | 2021        | 2022       | 2021  | 2022       |               | 2021        | 2022       |
| <b>World Output</b>                             | <b>2.8</b>     | <b>-3.2</b> | <b>6.0</b>  | <b>4.9</b> | <b>0.0</b>                                    | <b>0.5</b> | <b>-0.5</b>   | <b>4.8</b>  | <b>3.9</b> |
| <b>Advanced Economies</b>                       | <b>1.6</b>     | <b>-4.6</b> | <b>5.6</b>  | <b>4.4</b> | <b>0.5</b>                                    | <b>0.8</b> | <b>-3.0</b>   | <b>5.9</b>  | <b>2.6</b> |
| United States                                   | 2.2            | -3.5        | 7.0         | 4.9        | 0.6   | 1.4        | -2.4          | 8.0         | 2.8        |
| Euro Area                                       | 1.3            | -6.5        | 4.6         | 4.3        | 0.2   | 0.5        | -4.7          | 4.8         | 2.7        |
| Germany   | 0.6            | -4.8        | 3.6         | 4.1        | 0.0   | 0.7        | -3.3          | 4.9         | 1.4        |
| France  | 1.8            | -8.0        | 5.8         | 4.2        | 0.0   | 0.0        | -4.6          | 4.5         | 2.5        |
| Italy   | 0.3            | -8.9        | 4.9         | 4.2        | 0.7   | 0.6        | -6.5          | 4.7         | 2.9        |
| Spain   | 2.0            | -10.8       | 6.2         | 5.8        | -0.2  | 1.1        | -8.9          | 7.4         | 2.8        |
| Japan   | 0.0            | -4.7        | 2.8         | 3.0        | -0.5  | 0.5        | -1.0          | 2.2         | 1.6        |
| United Kingdom                                  | 1.4            | -9.8        | 7.0         | 4.8        | 1.7   | -0.3       | -7.3          | 7.3         | 2.1        |
| Canada  | 1.9            | -5.3        | 6.3         | 4.5        | 1.3   | -0.2       | -3.1          | 5.4         | 3.6        |
| Other Advanced Economies 3/                     | 1.9            | -2.0        | 4.9         | 3.6        | 0.5   | 0.2        | -0.7          | 4.1         | 2.9        |
| <b>Emerging Market and Developing Economies</b> | <b>3.7</b>     | <b>-2.1</b> | <b>6.3</b>  | <b>5.2</b> | <b>-0.4</b>                                   | <b>0.2</b> | <b>1.6</b>    | <b>3.9</b>  | <b>4.9</b> |
| Emerging and Developing Asia                    | 5.4            | -0.9        | 7.5         | 6.4        | -1.1  | 0.4        | 3.6           | 4.3         | 5.9        |
| China   | 6.0            | 2.3         | 8.1         | 5.7        | -0.3  | 0.1        | 6.3           | 4.2         | 6.2        |
| India 4/  | 4.0            | -7.3        | 9.5         | 8.5        | -3.0  | 1.6        | 1.5           | 4.2         | 4.9        |
| ASEAN-5 5/                                      | 4.9            | -3.4        | 4.3         | 6.3        | -0.6  | 0.2        | -2.7          | 4.5         | 6.3        |
| Emerging and Developing Europe                  | 2.5            | -2.0        | 4.9         | 3.6        | 0.5   | -0.3       | -0.2          | 3.4         | 3.5        |
| Russia  | 2.0            | -3.0        | 4.4         | 3.1        | 0.6   | -0.7       | -1.9          | 3.9         | 2.7        |
| Latin America and the Caribbean                 | 0.1            | -7.0        | 5.8         | 3.2        | 1.2   | 0.1        | -3.4          | 3.2         | 2.5        |
| Brazil  | 1.4            | -4.1        | 5.3         | 1.9        | 1.6   | -0.7       | -1.2          | 2.2         | 1.9        |
| Mexico  | -0.2           | -8.3        | 6.3         | 4.2        | 1.3   | 1.2        | -4.6          | 5.0         | 3.2        |
| Middle East and Central Asia                    | 1.4            | -2.6        | 4.0         | 3.7        | 0.3   | -0.1       | ...           | ...         | ...        |
| Saudi Arabia                                    | 0.3            | -4.1        | 2.4         | 4.8        | -0.5  | 0.8        | -3.9          | 4.8         | 3.5        |
| Sub-Saharan Africa                              | 3.2            | -1.8        | 3.4         | 4.1        | 0.0   | 0.1        | ...           | ...         | ...        |
| Nigeria   | 2.2            | -1.8        | 2.5         | 2.6        | 0.0   | 0.3        | -0.6          | 2.6         | 2.4        |
| South Africa                                    | 0.2            | -7.0        | 4.0         | 2.2        | 0.9   | 0.2        | -4.2          | 1.2         | 3.1        |

Source: IMF 2021

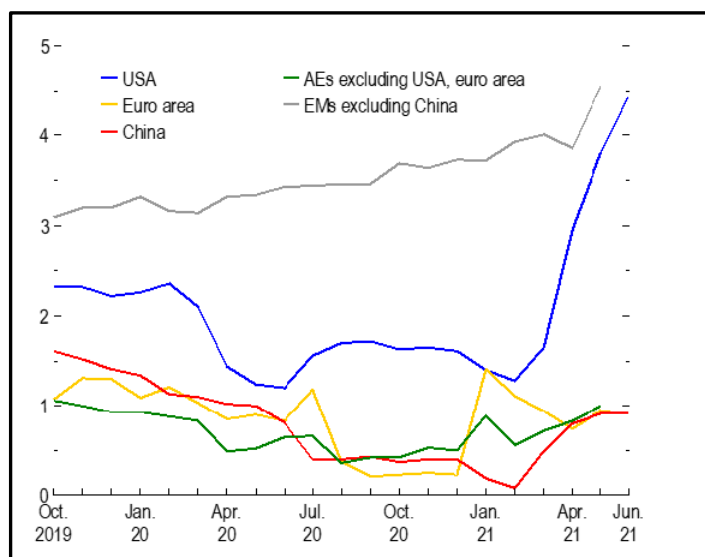
The forecast for the emerging markets and developing economies group has been revised down by 0.4 of a percentage point in 2021 compared with the April 2021 WEO forecast. This was mainly due to the growth markdowns for emerging Asian economies. Prospects for growth in India have been revised down after the severe second wave COVID that occurred during March–May this year which is expected to slow recovery in confidence. Similar dynamics are being observed in the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand, Vietnam), where recent infection waves are negatively affecting economic activity. China's 2021 forecast, on the other hand, was revised down by 0.3 of a percentage point on the back of a scaling down on public investment and overall fiscal support.

The forecast upgrade for Latin America and the Caribbean owes mostly to the upward revisions in Brazil and Mexico, reflecting better-than expected first quarter outturns and favourable spill-over effects to Mexico from the improved United States outlook and the soaring terms of trade in Brazil. Projections are revised up for the Middle East and Central Asia due to robust activity in some countries (such as Morocco and Pakistan). The non-oil growth forecast has been revised up in Saudi Arabia. However, the overall GDP forecast has been downgraded relative to the April 2021 WEO based on the subdued oil production which is below the OPEC+ quota earlier in the year. The 2021 forecast for sub-Saharan Africa (SSA) did not change from the April 2021 WEO forecast, with South Africa being upgraded following a strong positive surprise in the first quarter offset by downward revisions in other countries. The worsening pandemic developments in SSA are expected to depress the region's economic recovery.

### 1.8.3 Inflation

On the global front, there has been some pockets of elevated inflation but in most cases, inflation has been well contained thus far. In some emerging market as well as some developing

economies in the SSA, the Middle East and Central Asia, there has been food price increases in the midst of shortages and the rise in global food prices. There has also been a depreciation of currencies which has lifted prices of imported goods, thus increasing overall inflation. Core inflation (inflation after the removal of the influences of energy and food prices) remains contained for the most part. This is illustrated in the figure below.



Source: Haver Analytics & IMF Staff calculations

Figure 3: Core inflation: Annual percent change

It is noted in the figure above that the recent acceleration in core inflation for the USA which was mainly made up of increases in prices of used cars, lumber, and air travel reflects to a large extent pandemic-related disruptions rather than a rapid exhaustion of spare capacity.

#### 1.8.4 Global Outlook

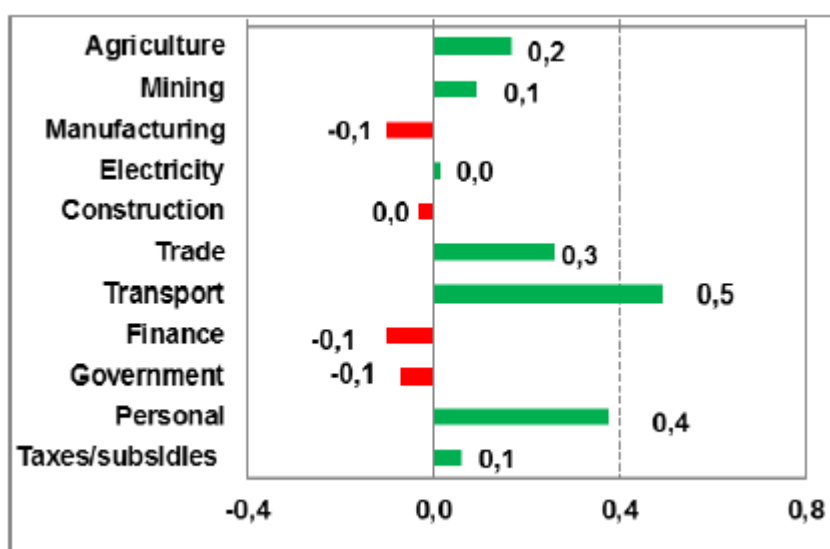
As part of preparing medium-term fiscal plans, the International Monetary Fund has urged countries to undertake risk analysis and mitigation measures. This is deemed critical given lower buffers, an uncertain economic outlook, and fiscal vulnerabilities. Fiscal vulnerabilities noted include COVID-19 loans and credit guarantees to firms that may well be realized only over several years. Much like growth, risks across countries also have also taken a divergent path. Countries with high debt and non-reserve currencies, are expected to have less room to manoeuvre if global interest rates rise more than expected.

#### 1.8.5 South Africa – Economic Developments

##### 1.8.5.1 Economic Activity

On the domestic front, developments in the second quarter are informative as a snapshot as well as going forward. Real gross domestic product in South Africa (using the production method) rose by 1,2% in the second quarter of 2021, after an increase of 1,0% in the first quarter of 2021. Six industries recorded growth between the first quarter of 2021 and the second quarter of 2021. Contributing the most to growth in GDP in the quarter were the

transport, personal services, and trade industries. Transport increased by 6,9% while contributing 0,5 of a percentage point to the economy's GDP growth. The personal services industry rose 2,5% and contributed 0,4 of a percentage point to GDP growth. The trade industry increased by 2,2% and contributed 0,3 of a percentage point to GDP growth. The figure below shows contributions to growth by the sectors.



Source: StatsSA

Figure 4: Contributions to growth in GDP, Q2 2021 (% points)

#### 1.8.5.2 Primary sector

The agriculture, forestry and fishing sector surged by 6,2% in the second quarter while adding 0,2 of a percentage point to national GDP growth. The increase was attributed to a production increase in field crops, horticulture as well as animal products. Mining and quarrying industry grew by 1,9% and contributed 0,1 of a percentage point to GDP growth. Increased production was also reported for the platinum group metals (PGMs), gold and coal.

#### 1.8.5.3 Secondary sector

The manufacturing sector declined by 0,8% in the quarter under review and contributed a negative 0,1 of a percentage point to GDP growth. Six out of the ten manufacturing sub-sectors reported negative growth rates in the second quarter. The petroleum, chemical products, rubber and plastic products division contributed most to the decrease in second quarter growth. The electricity, gas and water industry increased by 0,7%, owing mostly to increases in electricity and water distributed. The construction industry declined 1,4% in the second quarter. Decreases were also noted for residential buildings, non-residential buildings and construction works.

#### 1.8.5.4 Tertiary sector

The trade, catering and accommodation sector surged by 2,2%, and added 0,3 of a percentage point to GDP growth. There was also an increase in economic activity in wholesale, retail and motor trade, as well as increased spending on catering and accommodation services. Transport, storage and communication rose 6,9% and contributed 0,5 of a percentage point. Economic activity further increased for land transport and communication services.

### 1.8.5.5 Inflation

Inflation in South Africa is forecast at 4.4% this year (2021) and 4.2% in 2022, before reverting to the target mid-point by 2023. In relative terms, the benign medium-term inflation outlook underpins the South African central bank's decisions to hold rates lower for longer periods with reference to the recovery. With the stronger than expected recovery in the domestic economy, underlying price pressures may be stronger than what was initially assumed.

### 1.8.5.6 Labour Market Performance, Q2: 2021

Table 4: Key labour market indicators

|  | Apr-Jun<br>2020 | Jan-Mar<br>2021 | Apr-Jun<br>2021 | Qtr-to-qtr<br>change | Year-on-<br>year<br>change | Qtr-to-qtr<br>change | Year-on-<br>year<br>change |
|--|-----------------|-----------------|-----------------|----------------------|----------------------------|----------------------|----------------------------|
|  | Thousand        |                 |                 |                      | Per cent                   |                      |                            |
| <b>Population 15–64 yrs</b>            | 39 021          | 39 455          | 39 599          | 145                  | 578                        | 0,4                  | 1,5                        |
| <b>Labour force</b>                    | 18 443          | 22 237          | 22 768          | 530                  | 4 325                      | 2,4                  | 23,4                       |
| <b>Employed</b>                        | 14 148          | 14 995          | 14 942          | -54                  | 793                        | -0,4                 | 5,6                        |
| Formal sector (non-agricultural)       | 10 064          | 10 574          | 10 200          | -375                 | 136                        | -3,5                 | 1,4                        |
| Informal sector (non-agricultural)     | 2 280           | 2 502           | 2 686           | 184                  | 406                        | 7,4                  | 17,8                       |
| Agriculture                            | 799             | 792             | 862             | 69                   | 63                         | 8,7                  | 7,8                        |
| Private households                     | 1 005           | 1 127           | 1 194           | 67                   | 189                        | 6,0                  | 18,8                       |
| <b>Unemployed</b>                      | 4 295           | 7 242           | 7 826           | 584                  | 3 531                      | 8,1                  | 82,2                       |
| <b>Not economically active</b>         | 20 578          | 17 218          | 16 832          | -386                 | -3 746                     | -2,2                 | -18,2                      |
| Discouraged work-seekers               | 2 471           | 3 131           | 3 317           | 186                  | 846                        | 5,9                  | 34,3                       |
| Other (not economically active)        | 18 107          | 14 086          | 13 515          | -571                 | -4 592                     | -4,1                 | -25,4                      |
| <b>Rates (%)</b>                       |                 |                 |                 |                      |                            |                      |                            |
| Unemployment rate                      | 23,3            | 32,6            | 34,4            | 1,8                  | 11,1                       |                      |                            |
| Employed/population ratio (absorption) | 36,3            | 38,0            | 37,7            | -0,3                 | 1,4                        |                      |                            |
| Labour force participation rate        | 47,3            | 56,4            | 57,5            | 1,1                  | 10,2                       |                      |                            |

Source: Statistics South Africa, Quarter 2: 2021

Note: Due to rounding, numbers do not necessarily add up to totals.

The figures extracted from the Quarterly Labour Force Survey (QLFS) Q2: 2021, demonstrate a sharp movement from 'Other not economically active' to the category of 'employed' and 'unemployed' from the first quarter (Q1: 2021) to the second quarter (Q2: 2021). This is supported by the Unemployment and Employment statistics of South Africa since the movement was more towards Employed than Unemployed. For instance, using table 4, it can be observed that in the first quarter of 2021 (Q2: 2021) there was a rise of 1.8 percentage points in the official unemployment rate to 34.4percent.

There were gains in the labour force participation rate, though, which increased by 1.1 percentage points to 57.5percent while the absorption rate declined by 0.3 percentage points to 37.7percent, from Q1: 2021.

Labour force experienced a significant gain of 2.4 percent as presented in Table 4 above. This is while there was a decrease in the rate of Employed by 0.4 and an increase in Unemployed persons by 8.1percent in Q2: 2021. In contrast, the number of persons that are not economically active decreased by the net of 2.2percent in Q2: 2021 as compared to Q1: 2021. This may reflect people who embarked on job hunting after further opening of the economy in the second quarter.

### **1.8.5.7 Contributing towards the transformation of rural /township economy through research and development.**

The KZN Provincial government is committed to rural and township as catalysts for achieving Radical Economic Transformation. The short, medium- and long-term plan for Moses Kotane Institute is to contribute towards this initiative by conducting research and financing research studies which are aligned to these objectives. Research provides government administrative strategies with the ability to make informed decisions. Research gives the premise to almost all administration approaches in service delivery and assists in different operationalisation of strategies. It also directs the focus of the provincial government, business and industry, labour and academia.

The institute has a critical role of coordinating innovation activities in the province. Creating an enabling platform for innovators and entrepreneurs is critical because of the contribution innovators and entrepreneurs have towards to GDP of the province, and job creation to curb unemployment and poverty. Establishment of the digital centres are platforms that provide access to infrastructure and capacity development within the space of innovation, entrepreneurship and information, communication and technology. Innovation is one of the critical issues which were raised by the World Bank which must be taken into cognizance by the South African government in order to achieve its objectives on economic growth. The World Bank Report (2018) indicates that Innovation is one of the crucial aspects which caused South Africa not to meet its objectives of the National Development Plan. A premium attached to invention and innovation that will act to transform future patterns of production and consumption and similarly transform the nature of work.

Econometrics is the use of statistical and mathematical analysis of economic relationships, and this is used by governments to set economic policy and by private business to aid decisions on prices, inventory, and production. The entity has adopted the approach of using econometrics to guide provincial government on economics and statistical issues. In addition, data is managed thereafter. The uses research, innovation and econometrics information to contribute to economic development. The services are delivered through research reports, advisory services and capacity development.

### 1.9. Moses Kotane Institute Focus Areas

In 2022-23, under the directive of the provincial government, the Moses Kotane Institute focuses on implementation of the strategy on:

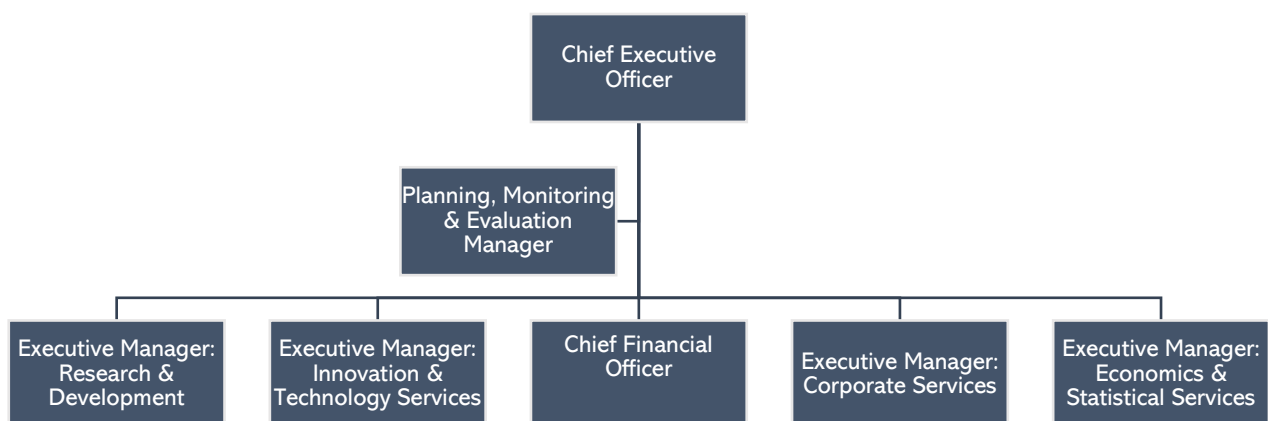
- Research and Development
- Innovation and Technology
- Economics and Statistical Services

Research focuses on commercial and economic growth and development opportunities, labour market research, strategic sector research and contemporary socio-economic issues that support the mandate of Economic Development, Tourism and Environmental Affairs. Research is conducted through in-house capacity, independent contracting and experiential learners. It would be futile to expand the organogram of the entity because no internal capacity can cater for the demand and supply of the research in the province, due to the volume and varying specialists' expertise required on short term basis. The institute also collaborates with academia and private sector in implementation of its mandate.

### 1.10. Organisational Environment

The organisational structure of MKI was reviewed and it revised in terms of the 2020-2025 strategic plan. The total establishment as per revised organogram following the revised mandate, it is envisaged that the Institute undertake job evaluation and restructure itself to align with research mandate.

### 1.11. High Level Organisational Structure





The institute uses in-house capacity, independent contractors and experiential learners in the form of masters and doctoral students to conduct research. The support statutory service including internal audit and board secretariat are outsourced.

### 1.12. Alignment: Medium Term Strategic Framework

The current MTSF (2019-24) is structured into 7 priority outcomes which cover the focus areas identified in the NDP chapters and Government’s electoral mandate. These Outcomes constitute the policy imperatives of the Government, according to which all government initiatives must be aligned.

The contribution of the MKI towards their achievement is outlined below.

*Table 5: Alignment of MKI Strategy with MTSF Outcomes*

|                        |   |
|------------------------|---|
| MTSF Priorities        | Economic transformation and job creation  |
| Sub-outcomes           | Economic opportunities for historically excluded and vulnerable groups are expanded and the growth and development in small business and cooperatives is improved markedly.                   |
|                        | Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and supporting the development of new industries. |
| MKI Strategic outcomes | <b>Strategic outcome 1:</b><br>Relevant evidence-based action research.   |
|                        | <b>Strategic outcome 2:</b><br>Expanded innovation support through digital technologies.  |
|                        | <b>Strategic outcome 3:</b><br>Institutional excellence   |

## 2. OVERVIEW OF 2022-23 BUDGET AND MTEF ESTIMATES

Table 6: Expenditure Estimates

| MKI BUDGET 2019/20 - 2025/26 |   |                         |               |               |                    |                                   |               |               |
|------------------------------|---|-------------------------|---------------|---------------|--------------------|-----------------------------------|---------------|---------------|
| MKI BUDGET 2020/23           |   | Actual audited outcomes |               |               | Main Appropriation | Medium-term Expenditure Estimates |               |               |
|                              |   | 2019/20                 | 2020/21       | 2021/22       | 2022/23            | 2023/24                           | 2024/25       | 2025/26       |
| <b>Programme 1</b>           | <b>Administration</b>                       | 34 013                  | 45 050        | 47 889        | 41 643             | 42 199                            | 44 193        | 46 094        |
|                              | 1.Compensation                              | 20 841                  | 35 396        | 33 015        | 30 611             | 30 611                            | 32 203        | 33 587        |
|                              | 2.Operations                                | 12 272                  | 6 754         | 10 003        | 10 532             | 11 088                            | 11 465        | 11 958        |
|                              | 3.Capital expenditure                       | 900                     | 2 900         | 4 871         | 500                | 500                               | 526           | 549           |
| <b>Programme 2</b>           | <b>Research &amp; Development Services</b>  | 37 610                  | 23 244        | 18 471        | 6 000              | 6 111                             | 6 359         | 6 474         |
|                              | 1. Strategic Sector Research                | 20 599                  | 2 533         | 2 873         | 3 287              | 3 262                             | 3 368         | 3 513         |
|                              | 2. Strategic Sector Development             | 17 011                  | 20 711        | 15 598        | 2 713              | 2 849                             | 2 991         | 2 961         |
| <b>Programme 3</b>           | <b>Innovation &amp; Technology Services</b> | 14 815                  | 1 580         | 3 484         | 3 668              | 3 761                             | 4 073         | 4 334         |
|                              | 1. Innovation & Technology Research         | 14 815                  | 1 550         | 2 257         | 1 478              | 1 600                             | 1 868         | 1 948         |
|                              | 2. Innovation & Technology Development      | -                       | -             | 1 227         | 2 190              | 2 161                             | 2 205         | 2 386         |
| <b>Programme 4</b>           | <b>Economics &amp; Statistical Services</b> | 3 900                   | 1 200         | 2 150         | 6 987              | 7 052                             | 7 176         | 7 571         |
|                              | 1. Economics & Statistical Research         | 1 950                   | 660           | 1 477         | 4 650              | 4 791                             | 4 871         | 5 080         |
|                              | 2. Economics & Statistical Development      | 1 950                   | 540           | 916           | 2 337              | 2 261                             | 2 305         | 2 490         |
|                              | <b>Sub-total</b>                            | <b>90 338</b>           | <b>71 074</b> | <b>71 994</b> | <b>58 298</b>      | <b>59 122</b>                     | <b>61 803</b> | <b>64 473</b> |
|                              | Direct charges from EDTEA                   | 87 538                  | 67 066        | 69 449        | 55 109             | 55 770                            | 58 280        | 60 786        |
|                              | VAT refund                                  | 1 500                   | 2 558         | 1 509         | 1 584              | 1 664                             | 1 747         | 1 834         |
|                              | Interest and other earnings                 | 1 300                   | 1 450         | 1 036         | 1 605              | 1 688                             | 1 776         | 1 852         |
| <b>Total budget per year</b> |   | <b>90 338</b>           | <b>71 074</b> | <b>71 994</b> | <b>58 298</b>      | <b>59 122</b>                     | <b>61 802</b> | <b>64 473</b> |

Table 7: Economic Classifications

| Economic classification                       | Audited Outcome |               |               | Main Appropriation | Medium term expenditure estimates |               |               |
|---|-----------------|---------------|---------------|--------------------|-----------------------------------|---------------|---------------|
|   | 2019/20         | 2020/21       | 2021/22       |                    | 2022/23                           | 2023/24       | 2024/25       |
| <b>Current payments</b>                       | <b>20 841</b>   | <b>35 396</b> | <b>33 015</b> | <b>30 611</b>      | <b>30 611</b>                     | <b>32 203</b> | <b>33 587</b> |
| Compensation of employees                     | 20 841          | 35 396        | 33 015        | 30 611             | 30 611                            | 32 203        | 33 587        |
| <b>Goods and services</b>                     | <b>69 497</b>   | <b>35 678</b> | <b>38 979</b> | <b>27 687</b>      | <b>28 511</b>                     | <b>29 600</b> | <b>30 886</b> |
| <b>of which:</b>                              |                 |               |               |                    |                                   |               |               |
| Auditing expenses                             | 635             | 668           | 763           | 777                | 828                               | 871           | 916           |
| Board expenses                                | 383             | 2 033         | 2 033         | 2 033              | 2 033                             | 2 139         | 2 250         |
| Communication                                 | 217             | 550           | 628           | 645                | 681                               | 717           | 754           |
| Computer services                             | 594             | 600           | 685           | 710                | 800                               | 842           | 885           |
| Consultants, contractors and special services | 2 814           | 200           | 228           | 245                | 245                               | 258           | 271           |
| Marketing                                     | 846             | 490           | 559           | 590                | 607                               | 639           | 672           |
| Operating leases                              | 846             | 600           | 701           | 750                | 743                               | 782           | 823           |
| Other operating expenses                      | 840             | 1 150         | 2 785         | 3 232              | 4 389                             | 4 617         | 4 857         |
| Training and development                      | 318             | 1 000         | 1 000         | 1 000              | 1 000                             | 1 052         | 1 107         |
| Travel and subsistence                        | 91              | 355           | 400           | 550                | 400                               | 421           | 443           |
| Programme expenses                            | 59 649          | 27 132        | 28 696        | 16 655             | 16 284                            | 16 737        | 17 354        |
| Payment for capital assets                    | 900             | 900           | 500           | 500                | 500                               | 526           | 553           |
| <b>Total</b>                                  | <b>90 338</b>   | <b>71 074</b> | <b>71 994</b> | <b>58 298</b>      | <b>59 122</b>                     | <b>61 802</b> | <b>64 473</b> |

## 2.1. Key Risks

Table 8: Risk Management

This table illustrates the outcomes and strategic risks for MKI for 2020-25 and how they could be mitigated.

| Outcome   | Key risks  | Risk mitigation   |
|---|--|---|
| Relevant evidence-based action research.                  | Research discrepancies, inaccuracies, unethical conduct, plagiarism and fabrication, conflict of interest, exceeding project time estimation, lack of confidentiality, student dropouts; unavailability or delays with data. | <ul style="list-style-type: none"> <li>• Research control committee</li> <li>• Research Ethics Committee</li> <li>• Research review panel</li> <li>• Research editing</li> <li>• Contract management</li> <li>• Confidentiality clauses to be signed by all involved</li> <li>• Research students' capacity development</li> </ul>                        |
| Expanded innovation support through digital technologies. | Rapid advancements on innovation, mismanagement of innovation projects, conflict of interest, breach of confidentiality and disclosures, lack of support for innovation in the province.                                     | <ul style="list-style-type: none"> <li>• Implementation of Standard Operating Procedures</li> <li>• Oversight committee establishment</li> <li>• Confidentiality clauses to be signed</li> <li>• Contract Management</li> <li>• Performance management</li> <li>• Delivering within the mandate</li> <li>• Visibility on innovation activities</li> </ul> |
| Institutional Excellence                                  | Funding: Use of public funds in areas that are not mandated and that are not contributing to the provincial economic development.  | <ul style="list-style-type: none"> <li>• Effective financial management resulting in achievement of clean governance through compliance with relevant legislation, regulations and policies.</li> <li>•</li> </ul>  |
|   | Reputational: Potential for negative publicity or uncontrollable events that have an adverse impact on a company's reputation, thereby affecting its revenue and operations.   | <ul style="list-style-type: none"> <li>• Deliberate engagements with strategic partners, effective stakeholder management, promotion of ubuntu, integrity, accountability and professionalism.</li> </ul>   |
|   | Human resources: high attrition of talent, poor performance, unethical conduct.  | <ul style="list-style-type: none"> <li>• High quality recruitment and selection process, training and development, performance management, consequence management based on code of conduct, promote the culture of innovation.</li> </ul>   |

## 2.2. Reconciling Expenditure to Strategic Outcomes (R'000)

| PROGRAMMES |                                     | GOAL STATEMENT  | SUB-PROGRAMMES |   | BUDGET (R'000) |
|------------|-------------------------------------|---|----------------|---|----------------|
| 1          | Corporate Services & Administration | Responsive, efficient, and effective administration and governance. | 1.1            | Governance services                       | 41,643         |
|            |                                     |   | 1.2            | Financial services                        |                |
|            |                                     |   | 1.3            | Corporate services                        |                |
| 2          | Research & Development services     | Relevant evidence-based action research.                            | 2.1            | Strategic sector research and development | 6,000          |
|            |                                     |   | 2.2            | Development on strategic sectors          |                |
| 3          | Innovation & Technology services    | Expanded innovation support through digital technologies            | 3.1            | Emerging technologies research            | 3,668          |
|            |                                     |   | 3.2            | Development on innovation and technology  |                |
| 4          | Economics & Statistics services     | Relevant evidence-based action research                             | 4.1            | Economic research & statistics            | 6,987          |
|            |                                     |   | 4.2            | Development on economics and statistics   |                |
|            |                                     |   |                |   | 58,298         |

Table 9: MKI Programmes and Sub-programmes

| PROGRAMMES |                                     | SUB-PROGRAMMES |  | STRATEGIC OBJECTIVE   |
|------------|-------------------------------------|----------------|--|---|
| 1          | Corporate Services & Administration | 1.1            | Governance services                      | To ensure that the entity is providing responsive, efficient and effective administration and governance and to maintain institutional excellence.                                  |
|            |                                     | 1.2            | Financial services                       |   |
|            |                                     | 1.3            | Corporate services                       |   |
| 2          | Research & Development services     | 2.1            | Strategic sector research                | To conduct research and analysis that responds to the provincial needs, contributes to economic growth and to promote evidence-based decision-making in the public sector.          |
|            |                                     | 2.2            | Development on strategic sectors.        | To develop of capacity of business, academia, government and citizens through information dissemination sessions, funding of research students, and publishing of research reports. |
| 3.         | Innovation & Technology services    | 3.1            | Emerging technologies research           | To conduct emerging technologies and innovation research that drives provincial economic activities towards the smarter province.   |
|            |                                     | 3.2            | Development on innovation and technology | To promote innovation in the province and to promote technology use in the public sector.   |

|   |                                 |     |                     |  |
|---|---------------------------------|-----|---------------------|--|
| 4 | Economics & Statistics services | 4.1 | Economic research   | To provide business intelligence reports that inform and influence policy and interventions in the province.                         |
|   |                                 | 4.2 | Statistics Services | To collect, process, analyse and disseminate provincial socio-economic statistical information, and to maintain statistical records. |

## PART D: MEASURING PERFORMANCE

### 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

To carry out its mandate efficiently, the Moses Kotane Institute operates a four-programme structure. The four programmes and associated sub-programmes are summarised below.

#### 3.1. PROGRAMME 1: CORPORATE SERVICES & ADMINISTRATION

##### Purpose

The purpose of programme 1, corporate administration is to ensure that the entity provides responsive, efficient and effective administration and governance. The support offered includes providing strategic direction, integrating and co-ordinating activities, supporting sub-programmes on finance and supply chain activities, performance-based monitoring and evaluation, human resource management services, facilities management services and communication services. It is a transversal programme aimed at improving and maintaining the effective and efficient functioning of the operational activities and ensuring good governance.

| PROGRAMMES                            | SUB-PROGRAMMES      | STRATEGIC OBJECTIVES  |
|---------------------------------------|---------------------|---|
| Corporate Services and Administration | Governance services | The governance services provide overall strategic direction, leadership and management, monitoring and evaluation for MKI.  |
|                                       | Financial services  | To provide effective, efficient and transparent financial management, with SCM practices that support radical economic transformation and information technology systems that support efficient service delivery. |
|                                       | Corporate services  | To provide human resource and administration, legal, facilities management, digital communication functions.  |

### 3.1.1 Sub-programme: Governance Services

The governance services provide overall strategic direction, leadership and management, monitoring and evaluation for MKI. It ensures that there is alignment across the operational programmes, is responsible for the implementation of strategy, policy and directives of the Board and has direct oversight over legal services. This office is responsible for the development of the Annual Performance Plans, Annual Reports, monitoring and evaluation and directing the research and development activities.

### 3.1.2 Sub-programme: Financial services

This sub-programme provides financial management services including but not limited to finance control, procurement, auditing process management, risk management, contract management, entity performance monitoring, budgetary and financial reporting.

### 3.1.3 Sub-programme: Corporate services

This sub-programme enhances strategic implementation by providing human resource and administration, legal, facilities management, digital communication functions.

The following tables illustrate the strategic objectives, programme performance objectives, annual and quarterly targets to be pursued through the corporate administration programme by sub-programme.

#### Outcomes, Outputs, Performance Indicators and Targets: Programme 1 – Corporate Administration & Administration

| Outcome                  | Output                 | Output Indicator                                | Audited/actual performance |             |             | Estimated performance | Medium Term targets |             |             |
|--------------------------|------------------------|---|----------------------------|-------------|-------------|-----------------------|---------------------|-------------|-------------|
|                          |                        |   | 2019/20                    | 2020/21     | 2021/22     | 2022/23               | 2023/24             | 2024/25     | 2025/26     |
| Institutional Excellence | Strategic partnerships | Number of strategic partnerships established    | 4                          | 4           | 4           | 2                     | 2                   | 2           | 2           |
|                          | Clean audit opinion    | Clean audit                                     | Clean Audit                | Clean Audit | Clean Audit | Clean Audit           | Clean Audit         | Clean Audit | Clean Audit |
|                          | Age Analysis Report    | 100% payment of valid invoices within 30 days.  | 100%                       | 100%        | 100%        | 100%                  | 100%                | 100%        | 100%        |
|                          | Procurement Report     | 70% procurement spend on BBEE service providers | 72%                        | 70%         | 70%         | 70%                   | 70%                 | 70%         | 70%         |
|                          | Promotion of MKI       | New   | New                        | New         | New         | 4                     | 4                   | 4           | 4           |
|                          | Job creation           | Number of temporary jobs created                | New                        | New         | New         | 1000                  | 1000                | 1000        | 1000        |

|  |                          |  |  |  |     |     |     |     |     |
|--|--------------------------|--|--|--|-----|-----|-----|-----|-----|
|  | Funded research students | Number of students funded for research |  |  | 146 | 100 | 100 | 100 | 100 |
|--|--------------------------|--|--|--|-----|-----|-----|-----|-----|

### Quarterly and Annual targets for 2022/23: Corporate Services and Administration

| Output Indicator                                 | Annual target 2022/23 | Quarterly targets |                 |                 |                 |
|--|-----------------------|-------------------|-----------------|-----------------|-----------------|
|  |                       | Q1<br>Apr - Jun   | Q2<br>Jul - Sep | Q3<br>Oct - Dec | Q4<br>Jan - Apr |
| Number of strategic partnerships established     | 2                     | -                 | 1               | 1               | -               |
| Clean audit opinion obtained                     | Clean audit           | -                 | Clean audit     | -               | -               |
| 100% payment of valid invoices within 30 days.   | 100%                  | -                 | -               | -               | 100%            |
| 70% procurement spend on BBBEE service providers | 70%                   | -                 | -               | -               | 70%             |
| Number of temporary jobs created                 | 1000                  | -                 | -               | -               | 1000            |
| Number of students funded for research           | 100                   | -                 | -               | 100             |                 |

### Budget: Corporate Services and Administration

|   | Actual audited outcomes |               |               | Main Appropriation | Medium-term Expenditure Estimates |               |               |
|---|-------------------------|---------------|---------------|--------------------|-----------------------------------|---------------|---------------|
| <b>Programme 1: Corporate Services &amp; Administration</b> |                         |               |               |                    |                                   |               |               |
| Years   | 2019/20                 | 2020/21       | 2021/22       | 2022/23            | 2023/24                           | 2024/25       | 2025/26       |
| 1.Compensation  | 20 841                  | 35 396        | 33 015        | 30 611             | 30 611                            | 32 203        | 33 587        |
| 2.Operations  | 12 272                  | 6 754         | 10 003        | 10 532             | 11 088                            | 11 465        | 11 958        |
| 3.Capital expenditure                                       | 900                     | 2 900         | 4 871         | 500                | 500                               | 526           | 549           |
| <b>Total</b>  | <b>34 013</b>           | <b>45 050</b> | <b>47 889</b> | <b>41 643</b>      | <b>42 199</b>                     | <b>44 193</b> | <b>46 094</b> |





### 3.2. PROGRAMME 2: RESEARCH AND DEVELOPMENT SERVICES

#### Purpose

The purpose of programme 2 is to research that responds to the provincial needs, contributes to economic growth and to promote evidence-based decision-making in the public sector. This programmes also serves as an information platform on strategic sectors in relation to the latest research findings, trends and policies through strategic fora, workshops, published findings and reports.

| PROGRAMME 2                       | SUB-PROGRAMMES                   | STRATEGIC OBJECTIVES   |
|-----------------------------------|----------------------------------|--|
| Research and Development Services | Strategic Sector Research        | To conduct research that responds to the provincial needs, contribute to economic growth and to promote evidence-based decision-making in the public sector.                               |
|                                   | Development on strategic sectors | Serves as an information platform on strategic sectors in relation to the latest research findings, trends and policies through strategic fora, workshops, published findings and reports. |

#### Outcomes, Outputs, Performance Indicators and Targets: Programme 2 – Research and Development Services

| Outcome                                  | Output                                  | Output Indicator                              | Audited/actual performance |         |         | Estimated performance | Medium Term targets |         |         |
|--|---|---|----------------------------|---------|---------|-----------------------|---------------------|---------|---------|
|  |   |   | 2019/20                    | 2020/21 | 2021/22 | 2022/23               | 2023/24             | 2024/25 | 2025/26 |
| Relevant evidence-based action research. | Conduct strategic sector research       | Number of strategic sector research conducted | 8                          | 8       | 10      | 10                    | 10                  | 10      | 10      |
|  | Mentored postgraduate students          | Number of postgraduate students mentored      | New                        | New     | New     | 30                    | 30                  | 30      | 30      |
|  | Published research articles on journals | Number of research articles published         | New                        | New     | New     | 4                     | 4                   | 4       | 4       |
|  | Hosted a strategic sector conference    | Number of conferences hosted                  | New                        | New     | New     | 1                     | 1                   | 1       | 1       |
|  | Host strategic sector dialogues         | Number of strategic sector dialogues hosted   | New                        | New     | New     | 4                     | 4                   | 4       | 4       |

#### Quarterly and Annual targets for 2022/23: Research and Development Services

| Output Indicator                              | Annual target 2022/23 | Quarterly targets |                 |                 |                 |
|---|-----------------------|-------------------|-----------------|-----------------|-----------------|
|   |                       | Q1<br>Apr - Jun   | Q2<br>Jul - Sep | Q3<br>Oct - Dec | Q4<br>Jan - Apr |
| Number of strategic sector research conducted | 10                    | 3                 | 3               | 2               | 2               |

|   |    |   |   |    |   |
|---|----|---|---|----|---|
| Number of postgraduate students mentored    | 30 |   |   | 30 |   |
| Number of research articles published       | 4  | 1 | 1 | 1  | 1 |
| Number of conferences hosted                | 1  |   |   | 1  |   |
| Number of strategic sector dialogues hosted | 4  | 1 | 1 | 1  | 1 |

### Budget: Research and Development Services

|  | Actual audited outcomes |               |               | Main Appropriation | Medium-term Expenditure Estimates |              |              |
|--|-------------------------|---------------|---------------|--------------------|-----------------------------------|--------------|--------------|
| <b>Programme 2 : Research &amp; Development Services</b> |                         |               |               |                    |                                   |              |              |
| Years  | 2019/20                 | 2020/21       | 2021/22       | 2022/23            | 2023/24                           | 2024/25      | 2025/26      |
| 1. Strategic Sector Research                             | 20 599                  | 2 533         | 2 873         | 3 287              | 3 262                             | 3 368        | 3 513        |
| 2. Strategic Sector Development                          | 17 011                  | 20 711        | 15 598        | 2 713              | 2 849                             | 2 991        | 2 961        |
| <b>Total</b>   | <b>37 610</b>           | <b>23 244</b> | <b>18 471</b> | <b>6 000</b>       | <b>6 111</b>                      | <b>6 359</b> | <b>6 474</b> |



### 3.3. ROGRAMME 3: INNOVATION AND TECHNOLOGY SERVICES

#### Purpose

The purpose of programme 3 is to conduct emerging technologies and innovation research that drive provincial economic activities towards the smarter province, promote innovation in the province, and to promote technology use in the province leading to development of public sector and citizens.

| PROGRAMME 3                        | SUB-PROGRAMMES                           | STRATEGIC OBJECTIVES   |
|------------------------------------|--|--|
| Innovation and Technology Services | Emerging Technologies Research           | To conduct emerging technologies and innovation research that drive provincial economic activities towards the smarter province        |
|                                    | Development on innovation and technology | Promote innovation in the province, and to promote technology use in the province leading to development of public sector and citizens |

#### Outcomes, Outputs, Performance Indicators and Targets: Programme 3 – Innovation and Technology Services

| Outcome   | Output  | Output Indicator  | Audited/actual performance |         |         | Estimated performance | Medium Term targets |         |         |
|---|---|---|----------------------------|---------|---------|-----------------------|---------------------|---------|---------|
|   |   |   | 2019/20                    | 2020/21 | 2021/22 | 2022/23               | 2023/24             | 2024/25 | 2025/26 |
| Expanded innovation support through digital technologies. | Conduct research on innovation and technology                                 | Number of research conducted on innovation and technology                               | New                        | 5       | 10      | 15                    | 15                  | 15      | 15      |
|   | Mentored postgraduate students  | Number of postgraduate students mentored  | New                        | New     | New     | 20                    | 20                  | 20      | 20      |
|   | Filed innovation and technology projects for intellectual property processing | Number of innovation and technology projects filed for intellectual property processing | New                        | New     | New     | 2                     | 2                   | 2       | 2       |
|   | Hosted an innovation and technology summit                                    | Number of summits hosted  | 1                          | 1       | 1       | 1                     | 1                   | 1       | 1       |
|   | Hosted an innovation and technology competition or hackathon                  | Number of innovation and technology competitions or hackathons hosted                   | 1                          | 1       | 2       | 1                     | 1                   | 1       | 1       |

## Quarterly and Annual targets for 2022/23: Innovation and Technology Services

| Output Indicator  | Annual target 2022/23 | Quarterly targets |                 |                 |                 |
|---|-----------------------|-------------------|-----------------|-----------------|-----------------|
|   |                       | Q1<br>Apr - Jun   | Q2<br>Jul - Sep | Q3<br>Oct - Dec | Q4<br>Jan - Apr |
| Conduct research on innovation and technology                                 | 15                    | 4                 | 4               | 4               | 3               |
| Mentored postgraduate students  | 20                    |                   |                 | 20              |                 |
| Filed innovation and technology projects for intellectual property processing | 2                     | 1                 | 1               |                 |                 |
| Hosted an innovation and technology summit                                    | 1                     |                   | 1               |                 |                 |
| Hosted an innovation and technology competition or hackathon                  | 1                     | 1                 | 1               | 1               | 1               |

## Budget: Innovation and Technology Services

|   | Actual audited outcomes |              |              | Main Appropriation | Medium-term Expenditure Estimates |              |              |
|---|-------------------------|--------------|--------------|--------------------|-----------------------------------|--------------|--------------|
| <b>Programme 3 : Innovation &amp; Technology Services</b> |                         |              |              |                    |                                   |              |              |
| Years   | 2019/20                 | 2020/21      | 2021/22      | 2022/23            | 2023/24                           | 2024/25      | 2025/26      |
| 1. Innovation & Technology Research                       | 14 815                  | 1 550        | 2 257        | 1 478              | 1 600                             | 1 868        | 1 948        |
| 2. Innovation & Technology Development                    | -                       | 30           | 984          | 2 190              | 2 161                             | 2 205        | 2 386        |
| <b>Total</b>  | <b>14 815</b>           | <b>1 580</b> | <b>3 241</b> | <b>3 668</b>       | <b>3 761</b>                      | <b>4 073</b> | <b>4 334</b> |



### 3.4. PROGRAMME 4: ECONOMICS AND STATISTICAL SERVICES

#### Purpose

The purpose of programme 4s is to provide economics, business intelligence and statistical reports to provincial government.

| PROGRAMME 3                        | SUB-PROGRAMMES                | STRATEGIC OBJECTIVES  |
|------------------------------------|-------------------------------|---|
| Economics and Statistical Services | Economic development Research | To provide business intelligence and economic development reports that inform and influence policy and interventions in the province. |
|                                    | Statistical Services          | To collect, process, analyse and disseminate provincial socio-economic statistical information, and to maintain statistical records.  |

#### Outcomes, Outputs, Performance Indicators and Targets: Programme 4 – Economics and Statistical Services

| Outcome                                  | Output                                   | Output Indicator  | Audited/actual performance |         |         | Estimated performance | Medium Term targets |         |         |
|--|--|---|----------------------------|---------|---------|-----------------------|---------------------|---------|---------|
|  |  |   | 2019/20                    | 2020/21 | 2021/22 | 2022/23               | 2023/24             | 2024/25 | 2025/26 |
| Relevant evidence-based action research. | Conduct research on economic development | Number of research conducted on innovation and technology | New                        | 5       | 10      | 12                    | 12                  | 12      | 12      |
|  | Mentored postgraduate students           | Number of postgraduate students mentored                  | New                        | New     | New     | 30                    | 30                  | 30      | 30      |
|  | Produced a business intelligence report  | Number of business intelligence reports produced          | New                        | New     | 1       | 1                     | 1                   | 1       | 1       |
|  | Produces statistical reports             | Number of statistical reports produced                    | New                        | New     | New     | 8                     | 10                  | 10      | 10      |
|  | Hosted a conference on Oceans Economy    | Number of oceans economy conferences hosted               | New                        | 1       | 1       | 1                     | 1                   | 1       | 1       |

#### Quarterly and Annual targets for 2022/23: Economics and Statistical Services

| Output Indicator                                  | Annual target 2022/23 | Quarterly targets |                 |                 |                 |
|---|-----------------------|-------------------|-----------------|-----------------|-----------------|
|   |                       | Q1<br>Apr - Jun   | Q2<br>Jul - Sep | Q3<br>Oct - Dec | Q4<br>Jan - Apr |
| Number of economic development research conducted | 12                    | 3                 | 3               | 3               | 3               |
| Number of postgraduate students mentored          | 30                    | -                 | -               | 30              | -               |
| Number of business intelligence reports produced  | 1                     | -                 | -               | 1               | -               |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| Number of statistical reports produced      | 8 | 2 | 2 | 2 | 2 |
| Number of oceans economy conferences hosted | 1 | - | - | 1 | - |

### Budget: Economics and Statistical Services

|   | Actual audited outcomes |                |                | Main Appropriation | Medium-term Expenditure Estimates |                |                |
|---|-------------------------|----------------|----------------|--------------------|-----------------------------------|----------------|----------------|
| <b>Programme 4 : Economics &amp; Statistical Services</b> |                         |                |                |                    |                                   |                |                |
| <b>Years</b>  | <b>2019/20</b>          | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b>     | <b>2023/24</b>                    | <b>2024/25</b> | <b>2025/26</b> |
| 1. Economics & Statistical Research                       | 1 950                   | 660            | 1 477          | 4 650              | 4 791                             | 4 871          | 5 080          |
| 2. Economics & Statistical Development                    | 1 950                   | 540            | 916            | 2 337              | 2 261                             | 2 305          | 2 490          |
| <b>Total</b>  | <b>3 900</b>            | <b>1 200</b>   | <b>2 393</b>   | <b>6 987</b>       | <b>7 052</b>                      | <b>7 176</b>   | <b>7 571</b>   |



#### 4. KEY ACTIVITIES FOR 2022/2023

The 2022/23 will be the year of focus and excellence as the province will be recovering from the COVID19 pandemic, the July 2021 social unrest, and the effects of the global challenges such as the war between Russia and Ukraine which affects the economy.

The Institute focus on providing the following services to the province:

- Research services
- Economics data and statistical services
- Coordination of activities related to strategic sectors
- Evaluation of provincial strategic interventions
- Knowledge management

This will be done through its programme of research and development, innovation and technology and economics and statistical services. The service delivery of these programmes will be driven through institutional excellence under the programme of corporate services and administration.

MKI will focus on the following activities:

- Conducting research on strategic sectors
- Promote innovation in the province
- Promote use of technology in the public sector
- Provide economics and statistics to the province
- Host conferences, summits, and dialogues
- Fund research students
- Establish and maintain fruitful partnerships with various stakeholders
- Continuous improvement as a learning organisation
- Work towards finalisation of the Bill



#### 5. TOTAL BUDGET FOR 2022/23



## Total Budget and MTEF Estimates

| MKI BUDGET 2019/20 - 2025/26 |   |                         |               |               |                   |                                   |               |               |
|------------------------------|---|-------------------------|---------------|---------------|-------------------|-----------------------------------|---------------|---------------|
| MKI BUDGET 2020/23           |   | Actual audited outcomes |               |               | Main Apprpiration | Medium-term Expenditure Estimates |               |               |
|                              |   | 2019/20                 | 2020/21       | 2021/22       | 2022/23           | 2023/24                           | 2024/25       | 2025/26       |
| <b>Programme 1</b>           | <b>Administration</b>                       | 34 013                  | 45 050        | 47 889        | 41 643            | 42 199                            | 44 193        | 46 094        |
|                              | 1.Compensation                              | 20 841                  | 35 396        | 33 015        | 30 611            | 30 611                            | 32 203        | 33 587        |
|                              | 2.Operations                                | 12 272                  | 6 754         | 10 003        | 10 532            | 11 088                            | 11 465        | 11 958        |
|                              | 3.Capital expenditure                       | 900                     | 2 900         | 4 871         | 500               | 500                               | 526           | 549           |
| <b>Programme 2</b>           | <b>Research &amp; Development Services</b>  | 37 610                  | 23 244        | 18 471        | 6 000             | 6 111                             | 6 359         | 6 474         |
|                              | 1. Strategic Sector Research                | 20 599                  | 2 533         | 2 873         | 3 287             | 3 262                             | 3 368         | 3 513         |
|                              | 2. Strategic Sector Development             | 17 011                  | 20 711        | 15 598        | 2 713             | 2 849                             | 2 991         | 2 961         |
| <b>Programme 3</b>           | <b>Innovation &amp; Technology Services</b> | 14 815                  | 1 580         | 3 484         | 3 668             | 3 761                             | 4 073         | 4 334         |
|                              | 1. Innovation & Technology Research         | 14 815                  | 1 550         | 2 257         | 1 478             | 1 600                             | 1 868         | 1 948         |
|                              | 2. Innovation & Technology Development      | -                       | -             | 1 227         | 2 190             | 2 161                             | 2 205         | 2 386         |
| <b>Programme 4</b>           | <b>Economics &amp; Statistical Services</b> | 3 900                   | 1 200         | 2 150         | 6 987             | 7 052                             | 7 176         | 7 571         |
|                              | 1. Economics & Statistical Research         | 1 950                   | 660           | 1 477         | 4 650             | 4 791                             | 4 871         | 5 080         |
|                              | 2. Economics & Statistical Development      | 1 950                   | 540           | 916           | 2 337             | 2 261                             | 2 305         | 2 490         |
|                              | <b>Sub-total</b>                            | <b>90 338</b>           | <b>71 074</b> | <b>71 994</b> | <b>58 298</b>     | <b>59 122</b>                     | <b>61 803</b> | <b>64 473</b> |
|                              | Direct charges from EDTEA                   | 87 538                  | 67 066        | 69 449        | 55 109            | 55 770                            | 58 280        | 60 786        |
|                              | VAT refund                                  | 1 500                   | 2 558         | 1 509         | 1 584             | 1 664                             | 1 747         | 1 834         |
|                              | Interest and other earnings                 | 1 300                   | 1 450         | 1 036         | 1 605             | 1 688                             | 1 776         | 1 852         |
|                              | <b>Total budget per year</b>                | <b>90 338</b>           | <b>71 074</b> | <b>71 994</b> | <b>58 298</b>     | <b>59 122</b>                     | <b>61 802</b> | <b>64 473</b> |



## 6. PART E: TECHNICAL INDICATOR DESCRIPTIONS (TID)

### 6.1. Programme 1: Corporate Services and Administration Services

|  |   |
|--|---|
| Indicator Title                                    | Number of Strategic partnerships established.                           |
| Definition   | To establish partnerships that will assist MKI to implement its mandate |
| Source of data                                     | Signed contracts including MOAs and MOUs                                |
| Method of calculation/Assessment                   | Simple count of partnerships established.                               |
| Means of Verification                              | Signed MoU/MoA  |
| Assumptions  | None  |
| Disaggregation of beneficiaries (where applicable) | All citizens  |
| Spatial Transformation (where application)         | n/a   |
| Calculation type                                   | Cumulative  |
| Reporting cycle                                    | Annual  |
| Desired performance                                | 2 partnerships established  |
| Indicator responsibility                           | Chief Executive Officer   |

|  |   |
|--|---|
| Indicator Title                                    | Clean audit opinion   |
| Definition   | To obtain unqualified opinion in both financial and performance information.  |
| Source of data                                     | Financial and performance reports   |
| Method of calculation/Assessment                   |   |
| Means of Verification                              | 1 set of financial statements   |
| Assumptions  | To give assurance to our stakeholders that the company's condition, performance and position is worth investing in. |
| Disaggregation of beneficiaries (where applicable) | N/A   |
| Spatial Transformation (where application)         | N/A   |
| Calculation type                                   | Non-cumulative  |
| Reporting cycle                                    | Annual  |
| Desired performance                                | A clean audit opinion   |
| Indicator responsibility                           | Chief financial officer   |

|                                  |  |
|----------------------------------|--|
| Indicator Title                  | 100% payment of valid invoices paid within 30 days.  |
| Definition                       | To ensure that all suppliers are paid within 30 days once the invoice has been delivered.  |
| Source of data                   | analysis report  |
| Method of calculation/Assessment | <u>Average accounts receivable</u><br>Annual sales/365 Days  |
| Means of verification            | Valid invoices within 30 days of receipt   |
| Assumptions                      | To ensure that supplier sustain their businesses through positive cashflow, and to create and maintain a trusting relationship between government and its stakeholders |

|   |  |
|---|--|
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non - accumulative                                 |
| <b>Reporting cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | All valid invoices paid within 30 days of receipt. |
| <b>Indicator responsibility</b>                           | Chief financial officer                            |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | 70% of procurement spend on BBBEE service providers   |
| <b>Definition</b>   | To increase procurement, spend towards BBBEE service providers / suppliers.   |
| <b>Source of data</b>                                     | Procurement reports   |
| <b>Method of calculation/Assessment</b>                   | % of procurement from HDIs against the total % of procurement   |
| <b>Means of verification</b>                              | 70% spent towards companies owned by HDIs in 2020-21  |
| <b>Assumptions</b>  | To empower enterprises owned by historically disadvantaged individuals as a contribution towards radical economic transformation. |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Accumulative  |
| <b>Reporting cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 70% spent towards companies owned by HDIs in 2019/20  |
| <b>Indicator responsibility</b>                           | Chief financial officer   |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Number of temporary jobs created   |
| <b>Definition</b>   | Temporary jobs created   |
| <b>Source of data</b>                                     | Validated Service Delivery Reports particularly the 4 <sup>th</sup> quarter.                             |
| <b>Method of calculation/Assessment</b>                   | Number of indicator targets achieved divided by the total number of indicator targets multiplied by 100. |
| <b>Means of Verification</b>                              | Reports  |
| <b>Assumptions</b>  | Unemployed graduates appointed for data collection and research work                                     |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Cumulative (Year-End)  |
| <b>Reporting cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | 1000 temporary jobs created  |
| <b>Indicator responsibility</b>                           | Executive Manager: Corporate Services  |

|   |  |
|---|--|
| <b>Indicator Title</b>                  | Number of students funded  |
| <b>Definition</b>                       | Students funded for research   |
| <b>Source of data</b>                   | Statistical report of students funded  |
| <b>Method of calculation/Assessment</b> | Number of indicator targets achieved divided by the total number of indicator targets multiplied by 100. |

|   |  |
|---|--|
| <b>Means of Verification</b>                              | Reports  |
| <b>Assumptions</b>  | Based on availability of funding, students will be funded on research that is directed towards provincial development. |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Cumulative (Year-End)  |
| <b>Reporting cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | 100% of the APP programme performance targets are met by the end of the strategic plan period (i.e., 2019-2020)        |
| <b>Indicator responsibility</b>                           | Chief Executive Officer  |

## 6.2. Programme 2: Research and Development Services

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | Number of strategic sector-based research conducted                               |
| <b>Definition</b>   | To conduct research towards in science and economics                              |
| <b>Source of data</b>                                     | Research reports  |
| <b>Method of calculation/Assessment</b>                   | Simple count of research reports completed over the year                          |
| <b>Means of Verification</b>                              | Research reports  |
| <b>Assumptions</b>  | To conduct relevant research and make recommendations on policy and interventions |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Cumulative  |
| <b>Reporting cycle</b>                                    | Annually  |
| <b>Desired performance</b>                                | 10 research reports and published papers in 2022/23                               |
| <b>Indicator responsibility</b>                           | Executive Manager: Research and Development                                       |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of students postgraduate mentored</b>                                 |
| <b>Definition</b>   | To capacitate youth, women, or people from previously disadvantaged backgrounds |
| <b>Source of data</b>                                     | Nil   |
| <b>Method of calculation /Assessment</b>                  | Output  |
| <b>Means of verification</b>                              | Mentorship reports  |
| <b>Assumptions</b>  | To hone research talent and address gaps which universities do not cover.       |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Non- Cumulative   |
| <b>Reporting cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Mentor 30 postgraduate students   |
| <b>Indicator responsibility</b>                           | Executive Manager: Research and Development                                     |

|   |  |
|---|--|
| <b>Indicator title</b>                                    | Number research articles published                                       |
| <b>Definition</b>   | To shape policy perspectives and improved service delivery interventions |
| <b>Source of data</b>                                     | Reports  |
| <b>Method of calculation /Assessment</b>                  | Number   |
| <b>Means of verification</b>                              | Journal publications   |
| <b>Assumptions</b>  | Maximising the knowledge of policy-relevant knowledge                    |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Cumulative   |
| <b>Reporting cycle</b>                                    | Annually   |
| <b>Desired performance</b>                                | 4 article publications   |
| <b>Indicator responsibility</b>                           | Executive Manager: Research and Development                              |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Number of conferences hosted   |
| <b>Definition</b>   | To engage public sector, business, labour and citizens on provincial strategic matters |
| <b>Source of data</b>                                     | Nil  |
| <b>Method of calculation /Assessment</b>                  | Output   |
| <b>Means of verification</b>                              | Photos and media clips   |
| <b>Assumptions</b>  | To support skills interventions that identify and address current and future needs     |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non- Cumulative  |
| <b>Reporting cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 1 conference hosted  |
| <b>Indicator responsibility</b>                           | Executive Manager: Research and Development  |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Number of dialogues implemented  |
| <b>Definition</b>   | To capacitate youth, women or people from previously disadvantaged backgrounds     |
| <b>Source of data</b>                                     | Nil  |
| <b>Method of calculation /Assessment</b>                  | Output   |
| <b>Means of verification</b>                              | Attendance registers   |
| <b>Assumptions</b>  | To support skills interventions that identify and address current and future needs |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |

|                          |   |
|--------------------------|---|
| Calculation type         | Non- Cumulative                             |
| Reporting cycle          | Quarterly                                   |
| Desired performance      | Attendance registers                        |
| Indicator responsibility | Executive Manager: Research and Development |

### 6.3. Programme 3: Innovation and Technology Services

|  |  |
|--|--|
| Indicator Title                                    | Number of research projects completed and published on innovation and technology                     |
| Definition   | To conduct relevant research and make recommendations on policy and interventions                    |
| Source of data                                     | Strategic report   |
| Method of calculation/Assessment                   | Number   |
| Means of verification                              | Research reports and publications  |
| Assumptions  | To coordinate selected sector-based interventions that identify and address current and future needs |
| Disaggregation of Beneficiaries (where applicable) | N/A  |
| Spatial transformation (where applicable)          | N/A  |
| Calculation type                                   | Non- Cumulative  |
| Reporting cycle                                    | Annually   |
| Desired performance                                | 15 research reports and publications   |
| Indicator responsibility                           | Manager: Innovation and Technology   |

|  |   |
|--|---|
| Indicator title                                    | Number of postgraduate students mentored                                  |
| Definition   | To maximise the level of policy-relevant knowledge to support development |
| Source of data                                     | Reports   |
| Method of calculation /Assessment                  | Number  |
| Means of verification                              | Reports   |
| Assumptions  | Maximising the knowledge of policy-relevant knowledge                     |
| Disaggregation of Beneficiaries (where applicable) | N/A   |
| Spatial Transformation (where applicable)          | N/A   |
| Calculation type                                   | Cumulative  |
| Reporting cycle                                    | Annually  |
| Desired performance                                | 20 Students mentored  |
| Indicator responsibility                           | Executive Manager: Innovation and Technology                              |

|                 |   |
|-----------------|---|
| Indicator Title | Number of innovation projects filed for intellectual property rights processing |
| Definition      | To assist innovators protect their rights to innovations they develop           |
| Source of data  | Nil   |

|   |  |
|---|--|
| <b>Method of calculation /Assessment</b>                  | Output   |
| <b>Means of verification</b>                              | Attendance registers   |
| <b>Assumptions</b>  | To support skills interventions that identify and address current and future needs |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non- Cumulative  |
| <b>Reporting cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 2 projects filed for intellectual property processing                              |
| <b>Indicator responsibility</b>                           | Executive Manager: Innovation and Technology                                       |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Number of competitions or hackathons hosted  |
| <b>Definition</b>   | To capacitate youth, women or people from previously disadvantaged backgrounds     |
| <b>Source of data</b>                                     | Nil  |
| <b>Method of calculation /Assessment</b>                  | Output   |
| <b>Means of verification</b>                              | Attendance registers   |
| <b>Assumptions</b>  | To support skills interventions that identify and address current and future needs |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non- Cumulative  |
| <b>Reporting cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 1 competition or hackathon hosted  |
| <b>Indicator responsibility</b>                           | Executive Manager: Innovation and Technology                                       |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Innovation or Technology summit hosted   |
| <b>Definition</b>   | To capacitate youth, women or people from previously disadvantaged backgrounds     |
| <b>Source of data</b>                                     | Nil  |
| <b>Method of calculation /Assessment</b>                  | Output   |
| <b>Means of verification</b>                              | Attendance registers   |
| <b>Assumptions</b>  | To support skills interventions that identify and address current and future needs |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non- Cumulative  |
| <b>Reporting cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | To host 1 summit on innovation   |
| <b>Indicator responsibility</b>                           | Executive Manager: Innovation and Technology                                       |



#### 6.4. Programme 4: Economics and Statistical Services

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | Number of economic research produced   |
| <b>Definition</b>   | To conduct relevant research and make recommendations on policy and interventions                    |
| <b>Source of data</b>                                     | Strategic report   |
| <b>Method of calculation/Assessment</b>                   | Number   |
| <b>Means of verification</b>                              | Research reports and publications  |
| <b>Assumptions</b>  | To coordinate selected sector-based interventions that identify and address current and future needs |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial transformation (where applicable)</b>          | N/A  |
| <b>Calculation type</b>                                   | Non- Cumulative  |
| <b>Reporting cycle</b>                                    | Annually   |
| <b>Desired performance</b>                                | 12 research reports and publications   |
| <b>Indicator responsibility</b>                           | Executive Manager: Economics and Statistical Services  |

|   |   |
|---|---|
| <b>Indicator title</b>                                    | Number of postgraduate students mentored                                  |
| <b>Definition</b>   | To maximise the level of policy-relevant knowledge to support development |
| <b>Source of data</b>                                     | Reports   |
| <b>Method of calculation /Assessment</b>                  | Number  |
| <b>Means of verification</b>                              | Reports   |
| <b>Assumptions</b>  | Maximising the knowledge of policy-relevant knowledge                     |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Cumulative  |
| <b>Reporting cycle</b>                                    | Annually  |
| <b>Desired performance</b>                                | 30 Students mentored  |
| <b>Indicator responsibility</b>                           | Executive Manager: Economics and Statistical Services                     |

|   |   |
|---|---|
| <b>Indicator title</b>                                    | Number of KZN business intelligence reports produced  |
| <b>Definition</b>   | To maximise the level of policy-relevant knowledge to support development on maritime and economics |
| <b>Source of data</b>                                     | Reports   |
| <b>Method of calculation /Assessment</b>                  | Number  |
| <b>Means of verification</b>                              | Reports   |
| <b>Assumptions</b>  | Maximising the knowledge of policy-relevant knowledge   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Cumulative  |



|                                 |   |
|---------------------------------|---|
| <b>Reporting cycle</b>          | Annually  |
| <b>Desired performance</b>      | 1 Research and advisory Reports produced.             |
| <b>Indicator Responsibility</b> | Executive Manager: Economics and Statistical Services |

|   |   |
|---|---|
| <b>Indicator title</b>                                    | Number of provincial statistical reports produced   |
| <b>Definition</b>   | To maximise the level of policy-relevant knowledge to support development on maritime and economics |
| <b>Source of data</b>                                     | Advisory Reports  |
| <b>Method of calculation /Assessment</b>                  | Number  |
| <b>Means of verification</b>                              | Advisory Reports  |
| <b>Assumptions</b>  | Maximising the knowledge of policy-relevant knowledge   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Cumulative  |
| <b>Reporting cycle</b>                                    | Annually  |
| <b>Desired performance</b>                                | 8 statistical reports issued  |
| <b>Indicator responsibility</b>                           | Executive Manager: Economics and Statistical Services   |

|   |   |
|---|---|
| <b>Indicator title</b>                                    | Number of conferences hosted on oceans economy  |
| <b>Definition</b>   | To maximise the level of policy-relevant knowledge to support development on maritime and economics |
| <b>Source of data</b>                                     | Advisory Reports  |
| <b>Method of calculation /Assessment</b>                  | Number  |
| <b>Means of verification</b>                              | Attendance registers  |
| <b>Assumptions</b>  | Maximising the knowledge of policy-relevant knowledge   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation type</b>                                   | Cumulative  |
| <b>Reporting cycle</b>                                    | Annually  |
| <b>Desired performance</b>                                | 1 conference hosted on oceans economy   |
| <b>Indicator responsibility</b>                           | Executive Manager: Economics and Statistical Services   |