

**Moses Kotane
Research Institute**

Research · Innovation · Excellence

ANNUAL PERFORMANCE PLAN

2025/2026



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LIST OF ACRONYMS

APP	<i>Annual Performance Plan</i>
BI	<i>Business Intelligence</i>
CEO	<i>Chief Executive Officer</i>
CFO	<i>Chief Financial Officer</i>
CPI	<i>Consumer Price Index</i>
CSD	<i>Central Supplier Database</i>
DDM	<i>District Development Model</i>
EDTEA	<i>Economic Development Tourism and Environmental Affairs</i>
EEP	<i>Employment Equity Plan</i>
EMC	<i>eThekweni Maritime Cluster</i>
GBV	<i>Gender Based Violence</i>
GDP	<i>Gross Domestic Product</i>
GNU	<i>Government of National Unity</i>
ICT	<i>Information Communication Technology</i>
IGR	<i>International Relations</i>
IMF	<i>International Monetary fund</i>
IP	<i>Intellectual Property</i>
KZN	<i>KwaZulu-Natal</i>
KZN PT	<i>KwaZulu-Natal Provincial Treasury</i>
MKRI	<i>Moses Kotane Research Institute</i>
MTDP	<i>Medium Term Development Plan</i>
MTSF	<i>Medium Term Strategic Framework</i>
NDP	<i>National Development</i>
PDGS	<i>Provincial Development Growth Strategy</i>
PDI	<i>Previously Disadvantaged Individuals</i>
PFMA	<i>Public Finance Management Act</i>
PGU	<i>Provincial Government of Unity</i>
PHD	<i>Doctor of Philosophy</i>
QLFS	<i>Quarterly Labour Force Survey</i>
SARB	<i>South African Reserve Bank</i>
SWOT	<i>Strength Weakness Opportunity Threat</i>
USA	<i>United States of America</i>

Executive Authority Statement: Moses Kotane Research Institute



The Annual Performance Plan (APP) of the Moses Kotane Research Institute (MKRI) for the 2025/2026 financial year represents the strategic direction of the MKRI and its commitment to contributing to the socio-economic development of KwaZulu-Natal and in turn, South Africa. As the MEC for Economic Development, Tourism, and Environmental Affairs, I am deeply encouraged by the focus and determination that MKRI continues to show in carrying out its mandate to provide evidence-based research and innovative solutions that address some of the most pressing challenges in our province.

MKRI is a key institution that supports government efforts to develop inclusive economic growth. This performance plan highlights the specific outputs and key performance indicators that MKRI aims to achieve, all of which are aligned with the broader objectives of the KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) and the National Development Plan (NDP).

The work of MKRI is vital in addressing several priority areas:

Youth and Graduate Skills Development - As our province continues to battle high levels of unemployment, MKRI's research-driven approach provides the provincial government with the critical data and insights needed to design effective interventions. This APP demonstrates the institute's focus on identifying and developing sustainable solutions to upskill young people who remain the future of our economy.

Economic Transformation - MKRI is playing a key role in ensuring that research and capacity-building efforts are channeled toward creating a more inclusive economy. This involves empowering women, supporting entrepreneurship, and fostering innovation in sectors that offer significant growth potential, such as technology and environmental sustainability. The objectives set out in this plan align with our mission to ensure that no one is left behind.

Technological Innovation - As we step into a rapidly changing technological landscape, MKRI's focus on leveraging technology to advance research is commendable. This APP outlines several initiatives aimed at enhancing skills development and ensuring that KwaZulu-Natal remains competitive in the global knowledge economy. MKRI's work will directly support our province's ambition to become a leader in research and innovation in South Africa.

Furthermore, MKRI's commitment to sustainability and environmental research continues to be a core component of its work. As we confront the realities of climate change and the need to balance economic growth with environmental stewardship, MKRI's research will provide vital insights into how we can achieve sustainable development in KwaZulu-Natal.

As we move forward, I am confident that the Moses Kotane Research Institute, guided by the objectives laid out in this Annual Performance Plan, will continue to be a driving force in shaping the province's policies and initiatives.

I look forward to witnessing the impact of the important work that MKRI will undertake in the coming year and the positive changes it will bring.



REVEREND MUSA ZONDI

MEC FOR ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

DATE: 19/02/2025

ACCOUNTING AUTHORITY STATEMENT



I am pleased to present the Moses Kotane Research Institute's (MKRI) Annual Performance Plan for 2025/26. This year marks a significant milestone for MKRI following our listing as a Schedule 3C public entity under the Public Finance Management Act (PFMA), made possible by the promulgation of the MKRI Act in 2024. This transition highlights our unwavering commitment to fulfilling our mandate with transparency, accountability, and a continued focus on advancing socio-economic development through research and innovation.

MKRI remains steadfast in its mission to contribute to the South African National Development Plan (NDP) 2030. We focus on areas that drive national progress in research, development, and innovation. Our research efforts are integral to shaping the future of the province, and our commitment to impactful research will ensure that we contribute meaningfully to achieving the objectives of the KwaZulu-Natal Provincial Medium Term Development Plan (MTDP).

Countries that prioritize research and development (R&D) consistently experience stronger economic growth. For example, South Korea invests over 4.5% of its GDP into R&D, positioning itself as a global leader in technology and innovation. Similarly, Finland, investing 3.5% of its GDP, has fostered growth in sectors like technology and education. These nations show that R&D investments enhance productivity, innovation, and GDP growth, underlining the importance of research in driving long-term economic prosperity.

MKRI is committed to supporting entrepreneurs, innovators, and youth—future drivers of our economy. We equip them with the tools, knowledge, and support needed to succeed, particularly in marginalized communities, where entrepreneurship and innovation can significantly transform lives, promote sustainable development, and create job opportunities.

Our 2025/26 Performance Plan channels our resources toward delivering services that benefit government departments, the public, entrepreneurs, innovators, and youth. We are dedicated to achieving tangible outcomes that will improve the livelihoods of our citizens and contribute to broader provincial and national development goals.

We invite all stakeholders—government, private sector partners, academic institutions, and civil society—to collaborate with us in making a lasting impact on the lives of the people of KwaZulu-Natal and South Africa. The year ahead promises exciting opportunities, and MKRI is well-positioned to continue its vital work in support of the national and provincial development agendas.

A handwritten signature in black ink, appearing to read 'Thinta Cibane', enclosed within a hand-drawn oval.

Mr. Thinta Cibane
Board Chairperson

ACCOUNTING OFFICER STATEMENT



As we enter the 2025/26 financial year, I am pleased to share our Annual Performance Plan, which is aligned with the Medium-Term Development Plan (MTDP) and focused on key strategic pillars: research and development in priority economic sectors, supporting innovation and entrepreneurs, research students, and skills development programmes. This approach underpins our continued commitment to sustainable economic growth and positive

impact in KwaZulu-Natal.

Our research is crucial in informing decision-making across various sectors, particularly for our primary clients, including provincial government departments, provincial entities, and district municipalities. Government relies on our research to shape policies, allocate resources, and design interventions that address critical challenges. By providing data-driven insights, we help ensure that decisions are effective, efficient, and aligned with long-term provincial development goals.

This year, a primary focus is the development of digital centres in rural municipalities, which are key to addressing the digital divide and promoting digital literacy. We are also dedicated to supporting innovators and entrepreneurs, ensuring they have the resources to protect intellectual property and commercialize ideas, thus contributing to the knowledge economy.

Collaboration remains central to our efforts, with national and international partnerships enhancing the quality and relevance of our work. Governance, accountability, and transparency guide all our actions, ensuring integrity in our operations.

Our success is driven by the dedication of our staff, and we continue to invest in their development to ensure we remain responsive and agile in meeting the evolving needs of our stakeholders.

As we move forward, we are confident that our alignment with the MTDP will enable us to drive economic progress, foster innovation, and contribute to the sustainable development of KwaZulu-Natal.

A handwritten signature in black ink, appearing to read 'T. Ellenson'.

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 Research Institute with the guidance of the Board of Directors and the KwaZulu-Natal Department of Economic Development, Tourism, and Environmental Affairs.
- considers all relevant policies, legislation, and other mandates for which the Moses Kotane Research Institute is responsible; and
- accurately reflects the outcomes and outputs which the Moses Kotane Research Institute will endeavour to achieve over the period 2025/26 financial year.

Name	Designation	Signature
Ms Nobukhosi Ndlela	Manager: Planning, Monitoring and Evaluation	
Dr Elton Chinyanga	Executive Manager (acting): Research Services	
Dr Simphiwe Buthelezi	Executive Manager: Development Services	
Adv Thembelihle Mapipa	Executive Manager: Corporate Services	
Mr Deon Govender	Chief Financial Officer	
Dr Thandeka Ellenson	Chief Executive Officer	
Mr Thinta Cibane	Chairperson of the Board	
Approved by: Rev Musa Zondi	MEC for Economic Development, Tourism and Environmental Affairs	

LEGISLATIVE MANDATE



1. PART A: MOSES KOTANE RESEARCH INSTITUTE MANDATE

1.1 Legislative and Policy Mandate

1.1.1 Constitutional Mandate

Chapter 10 of the South African Constitution (Act 108 of 1996) titled Public Administration refers to basic values and principles governing public administration. It requires that public administration be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Public administration must be development oriented.
- Services must be provided impartially, fairly, equitably and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policymaking.
- Public administration must be accountable.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.
- Good human-resource management and career-development practices, to maximise human potential, must be cultivated.
- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

1.1.2 KwaZulu-Natal Moses Kotane Research Institute Act (Act 3 of 2024)



The Institute is established in accordance with the Moses Kotane Research Institute Act 3 of 2024 with the core functions of conducting research and promoting innovation, training and skills development that respond to the needs of the provincial economy, through collaborations and coordination.

The Act further determines the following objectives to be pursued by the institute:

- a) Conduct research that responds to the needs of the provincial economy.
- b) Strategically lead innovation and maritime coordination and implementation activities.
- c) Provide economic research geared towards ensuring that the design of programmes for service delivery is evidence-based.
- d) Undertake economic modelling aimed at forecasting future economic trends.
- e) Establish and maintain a knowledge repository portal.
- f) Facilitate the gathering of market intelligence information.
- g) Undertake regular benchmarking studies with comparable economies.
- h) Undertake market analysis research.
- i) Enhance the knowledge economy through relevant sector-based research.
- j) Coordinate and facilitate the mechanisms to strengthen partnerships with academic institutions and the private sector in the province.
- k) Facilitate and promote innovation, training and skills development in all aspects contemplated in paragraphs (a) to (j).

1.1.4 The Public Finance Management Act (PFMA)

The PFMA enables accounting officers to manage the entity's resources in a transparent and sustainable manner. In addition, the Act allows for the accounting officers to be held accountable for the resources they manage. It also establishes clear lines of accountability and broad frameworks of best practices that managers can adopt or, where necessary, adapt. This Act is applicable to national and provincial spheres, and public entities under their ownership control, parliament, provincial legislatures, and independent institutions established by the Constitution are also covered in this Act.

Public finance covers the public expenditure, public revenue and financial administration all aimed at how government can create, maintain, or intervene in the existing economy. The entity receives grants in terms of the PFMA to deliver research services that are aimed at improving public policy and service delivery and thus must maintain the capacity for efficient, effective, and transparent financial management. Moses Kotane Research Institute is a schedule 3C entity.

1.1.5 Other applicable legislations:

Legislation	Purpose of the Act
Basic Conditions of Employment Act, 1997	This Act establishes and makes provision for the regulation of basic conditions of employment in compliance with the obligations of the Republic as a member state of the International Labour Organisation.
Labour Relations Act, 1995	The Act regulates the relationship between the Institute as an employer, and officials as employees, and stipulates their respective rights and obligations. It provides for the collective agreements to be concluded to regulate matters such as the conduct of employees.
Employment Equity Act, 1998	This legislation prohibits unfair discrimination in the workplace, provides for affirmative action, the submission of an Employment Equity Plan (EEP) and progress reports on monitoring the implementation of the EEP.
Electronic Communications and Transactions Act, 2002	In terms of section 28 of this Act, the Institute may specify by notice in the Gazette the manner and format wherein data messages must be filed, the type of electronic signatures required, the appropriate control processes and procedures to ensure adequate security and confidentiality of data messages or payments.
Promotion of Administrative Justice Act, 2000	In terms of this Act, all administrative decisions must be taken in accordance with the procedure prescribed in the Act or an equivalent procedure stipulated in another law. It also provides for judicial review of administrative action and remedies if any administrative action is not taken in accordance with the Act.
Promotion of Access	Provides for access to any information held by

Legislation	Purpose of the Act
to Information Act, 2000	the state or any information held by another person and that is required for the exercise or protection of any rights. It further provides for the procedure whereby information may be requested.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	This Act binds the Institute and prohibits unfair discrimination by it. It also contains a positive obligation on the Institute to promote equality.
Skills Development Act, 1998	This Act enjoins the Institute to develop a skills development strategy for the Institute, to implement the strategy and to utilize at least 1% of its payroll for the training and education of its employees with effect from 1 April 2000.

1.2 Institutional Policies and Strategies

The following policies underpin the strategy and operations of the entity.

1.2.1 The National Development Plan (NDP) 2030

MKRI plays a crucial role in supporting several outcomes outlined in the National Development Plan (NDP 2030). The institute’s mandate, which focuses on economic research, policy advisory, and capacity building, aligns closely with key outcomes in the NDP, particularly in the areas of economic growth, infrastructure development, skills enhancement, and governance. Below are the specific outcomes linked to MKRI’s work, along with references to relevant chapters in the NDP:

Outcome 4: Decent Employment through Inclusive Economic Growth

Chapter 3: Economic Infrastructure and Development

“The economy must grow at a rate that allows for the creation of sufficient decent

jobs. Growth needs to be inclusive, with opportunities for broad-based participation, including for historically marginalized communities, women, youth, and people with disabilities.”

MKRI’s focus on economic research and data collection directly supports Outcome 4. Through its impact assessments, policy briefs, and advisory services, MKRI provides timely and actionable insights to support the development of policies that foster inclusive economic growth and job creation. MKRI’s contributions are particularly evident in its capacity-building efforts, such as the establishment of digital centres in rural municipalities, which aim to equip historically marginalized communities with skills for economic participation. This ties into the NDP’s focus on inclusive growth through policies that cater to the needs of diverse groups, including youth and women.

Outcome 5: A Skilled and Capable Workforce to Support an Inclusive Growth Path

Chapter 9: Improving Education, Training, and Innovation

“An education and training system that provides the skills needed for the country to move towards a knowledge economy. The focus should be on developing skills that are relevant to the needs of the economy.”

MKRI’s emphasis on postgraduate research student funding, skills development, and the establishment of digital training centres in rural areas directly contributes to the achievement of Outcome 5. By offering capacity-building programs and facilitating the commercialization of research and innovation, MKRI helps bridge the skills gap identified in the NDP. These efforts align with the NDP’s vision of equipping South Africans with the skills necessary for a knowledge-based economy (Chapter 9). MKRI also helps develop research capacity, supporting innovation and the creation of new knowledge through its various initiatives.

Outcome 6: An Efficient, Competitive, and Responsive Economic Infrastructure Network

Chapter 4: Economic Infrastructure

“South Africa must increase investment in infrastructure, both to sustain economic growth and to reduce inequality. Infrastructure development must be responsive to

the needs of all South Africans, with a focus on improving access to key services and products.”

MKRI’s work in economic research and policy advisory plays a key role in informing the development of economic infrastructure, especially in rural and underserved areas. The institute’s digital skills centres and focus on innovative infrastructure solutions are aligned with the NDP’s emphasis on inclusive infrastructure development (Chapter 4). MKRI contributes through its impact assessments and policy analysis, which help government departments prioritize and plan infrastructure investments that improve access to critical services and enhance economic opportunities for marginalized communities.

Outcome 10: Protect and Enhance South Africa's Environmental Assets and Natural Resources

Chapter 5: Sustainable Development and Environmental Sustainability

“Economic growth and environmental sustainability must go hand-in-hand. A key focus is on ensuring that the economy is green and that it embraces sustainable practices.”

Although MKRI’s primary focus is on economic research, its policy work frequently intersects with environmental sustainability. The institute’s research and policy recommendations support green growth and sustainable economic practices, aligning with the NDP’s emphasis on environmental sustainability (Chapter 5). MKRI’s role in shaping policy, especially through impact assessments on sustainable development and infrastructure, helps ensure that economic growth is environmentally responsible and supports sustainable use of natural resources.

Outcome 12: An Efficient, Effective, and Development-Oriented Public Service and An Empowered, Fair, and Inclusive Citizenship

Chapter 13: Building a Capable State

“The public service must be effective and efficient in delivering services to citizens. Key to this is ensuring that the workforce is trained, motivated, and held accountable, and that all government departments are equipped with the resources they need to drive development.”

MKRI's research, policy briefs, and capacity-building programs are integral to strengthening the public service. By providing research-driven recommendations and supporting evidence-based policy formulation, MKRI helps improve government decision-making and the effectiveness of public sector interventions (Chapter 13). Moreover, MKRI contributes to public sector development by building research capacity and ensuring that government officials are equipped with the knowledge and tools necessary to implement development-focused policies that benefit all South Africans.

1.2.2 Medium -Term Development Plan (MTDP) 2024/25-2029/30

MKRI implements the Medium-Term Development Plan (MTDP) 2024/25-2029/30 based on the three strategic priorities: inclusive growth and job creation, reducing poverty and tackling the high cost of living, and building a capable, ethical, and developmental state.

1.2.2.1 Inclusive Growth and Job Creation:

- MKRI supports the MTDP by providing economic research and policy advisory that guides job creation strategies, particularly for vulnerable communities.
- Digital skills development and capacity-building initiatives help bridge the gap in rural areas, ensuring economic opportunities are accessible to all.

1.2.2.2 Reducing Poverty and Tackling the High Cost of Living:

- MKRI's poverty-focused research informs policies that aim to reduce poverty and address the high cost of living, especially in underprivileged areas.
- By focusing on local economic interventions and entrepreneurial capacity, MKRI helps reduce inequality and improve livelihoods, particularly in rural municipalities.

1.2.2.3 A Capable, Ethical, and Developmental State:

- MKRI contributes to strengthening governance by offering research-driven insights that enhance public sector capacity and accountability.
- The institute's work ensures that policies are not only effective but also ethical, fostering a developmental state that is responsive to citizens' needs and supports inclusive development.

1.2.3 KwaZulu-Natal Provincial Growth and Development Strategy (PGDS)

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) focuses on fostering an economy that is inclusive, competitive, and sustainable while addressing challenges related to poverty, unemployment, inequality, and governance. MKRI plays a crucial role in supporting these goals through economic research, policy development, capacity-building, and data-driven insights that assist in the effective planning and decision-making processes of the provincial government.

1.2.3.1 Inclusive Growth and Job Creation:

MKRI's economic research and policy advice inform strategies aimed at fostering inclusive economic growth and job creation, particularly in rural and marginalized areas. The institute's digital skills development programs and entrepreneurship support help empower local communities, contributing to broad-based economic participation.

1.2.3.2 Sustainable Development and Environmental Protection:

Through research on green economy and sustainable practices, MKRI supports the PGDS's goals of environmental protection and fostering a green economy. Its work ensures that economic growth in KwaZulu-Natal is balanced with environmental sustainability.

1.2.3.3 Addressing Poverty and Inequality:

MKRI provides poverty-focused research and policy recommendations to support the PGDS's efforts to reduce inequality and alleviate poverty in the province. Its programs empower disadvantaged communities, particularly in rural areas, by providing access to skills development and entrepreneurial opportunities.

1.2.3.4 Strengthening Governance and Public Sector Capacity:

MKRI strengthens governance frameworks by providing policy advisory services that promote accountability and effectiveness in government. Its capacity-building initiatives also enhance the skills of public servants, ensuring that the province's leadership can implement developmental and sustainable policies.

By aligning its work with the KwaZulu-Natal Provincial Growth and Development

Strategy, MKRI plays an essential role in driving the province's development agenda. Through research-driven insights, capacity-building initiatives, and policy advisory services, MKRI helps ensure that KwaZulu-Natal achieves inclusive growth, poverty alleviation, sustainable development, and effective governance.

1.2.4 Alignment with Economic Development, Tourism and Environmental Affairs (EDTEA)

The Moses Kotane Research Institute (MKRI) supports KZN EDTEA in these objectives through economic research, policy analysis, capacity building, and data-driven insights. The Institute is aligned to EDTEA from where the entity's strategy and operational agenda are drawn.

1.2.4.1 Economic Development and Job Creation:

- MKRI supports KZN EDTEA by providing economic research, policy advisory, and capacity-building initiatives that promote inclusive growth and job creation, particularly through entrepreneurship and digital skills training.

1.2.4.2 Tourism Development:

MKRI contributes to the growth of tourism in KwaZulu-Natal by conducting research on tourism trends and providing policy recommendations that support the development of the sector, especially in rural areas and eco-tourism.

1.2.4.3 Environmental Protection and Sustainability:

MKRI supports KZN EDTEA's focus on environmental sustainability by conducting research that promotes green growth, eco-friendly practices, and strategies to combat climate change, helping the province transition to a green economy.

1.2.4.4 Good Governance, Accountability, and Capacity Building:

MKRI strengthens governance by providing research and policy advisory services that help improve public sector decision-making, while also focusing on capacity-building for public sector officials to foster ethical leadership and accountable governance.

1.2.4.5 Innovation and Knowledge Economy:

MKRI supports KZN EDTEA's innovation goals by providing research commercialization services, IP protection, and entrepreneurial support,

contributing to the growth of KwaZulu-Natal's knowledge economy.

MKRI plays an essential role in advancing the strategic priorities of KZN EDTEA through its economic research, policy advice, capacity building, and support for innovation. Through its work, MKRI ensures that KZN EDTEA's efforts to drive inclusive growth, sustainable development, and good governance are backed by evidence-based strategies, contributing to the long-term prosperity of KwaZulu-Natal.

1.3 Relevant Court Rulings

There are no court rulings that may affect the operations of the institute.

STRATEGIC FOCUS



2. PART B: OUR STRATEGIC FOCUS

Vision

A leading and globally recognised research institute in growing the provincial economy through development and collaboration.

Mission

Developing practical innovative research-based solutions on sectors that contribute to the economy of the province.

Public value statement

Our commitment is to conduct research that stimulates provincial economic growth through innovative value-added solutions.

Values

We apply the following values in carrying out the mandate:

Collaborations	We believe in working together to achieve common goals.
Integrity	We uphold honesty and transparency in all our actions.
Ubuntu	We are guided by the philosophy of interconnectedness and compassion.
Professionalism	We conduct ourselves with competence, respect, and responsibility.
Quality	We strive for excellence in all that we do.

2.1 Situational Analysis

The Moses Kotane Research Institute Strategic Plan was developed through an iterative and interactive process. Engagements amongst the management teams and with the Board of the Institute were the nexus point for the development of this strategy. The organisation reflected on key achievements and challenges, performed an analysis of the internal and external environment through the utilization of a PESTLE, SWOT, and Stakeholder Analysis. The strategy was then defined for the institute determining the direction this organisation will embark on over the next 5 years.

2.1.1 External Environment Analysis

2.1.1.1 Pestle Analysis

The following diagram depicts the situational analysis as it pertains to the external environment within which Moses Kotane Research Institute operates, which is followed by a detailed analysis of these factors.

POLITICAL	ECONOMIC	SOCIAL
<ul style="list-style-type: none"> • Change in the political landscape influences our operations. • Political instability (e.g., elections, wars, etc.) 	<ul style="list-style-type: none"> • Cost cutting measures. • Low economic growth • Low revenue collection • Global economic instability • Deterioration and inadequate infrastructure 	<ul style="list-style-type: none"> • Social unrest / instability • High unemployment rate • Poverty • Inequality • Gender-based violence • Crime and grime • Food security • Energy security • Trust deficit • Inadequate skills • Poor education system/ curriculum • Poor health system
TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
<ul style="list-style-type: none"> • Inadequate digital & technological infrastructure e.g., connectivity • Poor access to technology • Lagging on technological advancements compared to other research institutes 	<ul style="list-style-type: none"> • The KZN MKRI Act is in existence. • PFMA 3C status implications • Good legal system in South Africa • Poor law enforcement • Inadequate laws & PFMA limitations 	<ul style="list-style-type: none"> • Events related to climate change. • Energy crises in the country • Poor waste management • Poorly implemented town planning infrastructure • Inadequate implementation of research recommendations • Poor intergovernmental coordination/DDM

POLITICAL FACTORS

On 29 May 2024, South Africa held its national and provincial general elections. No political parties secured a majority in the National Assembly, nor in the Gauteng, Northern Cape and KwaZulu Natal provincial legislatures. This outcome forced the formulation of coalitions in the National Assembly and these three provinces. This means that these political parties agree to cooperate to govern together as the ruling government. The political parties partaking in the coalition have consolidated their votes to form a majority in the legislature and from among the legislature elected the members of the executive to function as the coalition government.

This coalition is established under the Government of National Unity (GNU) for the 7th Administration. The Government of National Unity has resolved to dedicate the next five years to actions that will advance three strategic priorities:

- Drive inclusive growth and job creation
- Reduce poverty and tackle the high cost of living
- Build a capable, ethical and developmental state

Government policy will therefore need to be adjusted towards the pursuit of these strategic policies, and although the key strategic document for the country being the National Development Plan 2030 remains the departure point for all government endeavours other policy documents may need to be updated and reimagined. A key development pertaining to this relates to the discontinuation of the Medium-Term Strategic Framework (MTSF) and the move towards the Medium-Term Development Plan (MTDP).

Within the KZN context the provincial administration has adopted the GNU model of coalition in the form of a government of Provincial Government of Unity (PGU). Moses Kotane Research Institute operates within the KZN province and exists mainly to service the economic research needs of the province under the leadership of the stakeholder department being EDTEA. Political coalitions in the province have been highly volatile in the past hindering service delivery in some instances. In the case of MKRI that undertakes research within the jurisdiction of municipalities when collecting data, this issue becomes critical as disruptions caused by political disputes can negatively impact on research activities by the Institute.

In addition to the above South Africa exists within a broader global context, on a political front the Russia/Ukraine as well the Isreal/ Palestine wars continue, and possible conflict emerging between Isreal and Lebanon, as well as Isreal and Iran. These conflicts will continue to impact the political landscape. The recent conclusion of the 2024 USA presidential elections, which resulted in a non-consecutive second term for a Republican administration, has important implications for South Africa across political and economic dimensions. The anticipated shifts in USA foreign and domestic policies are likely to influence South Africa's international relations, trade, and domestic priorities. Some of the implications of the results of the USA election could be the following:

- **Foreign Policy Realignment:** The administration is expected to emphasize "America First" principles, potentially reducing U.S. engagement with multilateral institutions and initiatives that benefit South Africa. This could strain diplomatic relations, particularly given South Africa's neutral stance on issues such as the Russia-Ukraine conflict and its alignment with BRICS nations.
- **AGOA and Trade Relations:** South Africa's participation in the African Growth and Opportunity Act (AGOA) may be at risk. A reassessment of trade agreements could lead to exclusion if South Africa is perceived as aligning with geopolitical blocs opposed to USA interests.
- **Regional Influence:** A reduced USA presence in Africa may open opportunities for other global powers, such as China and Russia, to expand their influence. This shift could complicate South Africa's efforts to balance its foreign policy objectives, including promoting a rules-based international order and strengthening Africa's global standing.
- **Trade and Investment:** Protectionist trade policies could disrupt South African exports, particularly in sectors like agriculture and manufacturing that benefit from AGOA. Additionally, reduced foreign direct investment (FDI) from the USA might exacerbate existing economic challenges, such as slow growth and high unemployment.
- **Market Volatility:** Geopolitical uncertainty stemming from the administration's policies may lead to increased global market volatility, affecting the stability of

the rand and investor confidence in South Africa. This could hinder efforts to attract investment into critical sectors like energy and infrastructure.

- **Energy and Climate Policy:** The administration's scepticism toward climate change initiatives may reduce global funding for renewable energy projects, a key priority for South Africa as it seeks to transition away from coal dependency.

ECONOMIC FACTORS

Global Economic Outlook

Despite facing significant challenges, the global economy has shown resilience, with an estimated growth rate of 3.3% in 2023. Projections indicate a slight moderation to 3.2% in 2024 and a rebound to 3.3% in 2025. However, these figures remain below historical averages due to factors such as high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic, and geopolitical uncertainties. Rising global fragmentation, influenced by conflicts such as the war in Ukraine, poses a risk to trade, capital flows, and technological exchanges, potentially dampening global growth and causing volatility in commodity prices.

The economic outlook for major global economies varies. The United States is expected to experience a gradual slowdown in growth, declining from 2.6% in 2024 to 1.9% in 2025, as consumer spending weakens, and fiscal policy tightens. Germany's economy, after contracting by 0.2% in 2023, is set for a modest recovery, with projected growth of 0.2% in 2024 and 1.3% in 2025, though inflation and demographic constraints remain concerns. The United Kingdom anticipates a slow but steady improvement, with growth expected to rise from 0.7% in 2024 to 1.5% in 2025, driven by easing inflation and increasing real incomes. Meanwhile, China, despite a recovery to 5.2% growth in 2023, continues to struggle with weak domestic consumption and a fragile real estate sector, necessitating structural reforms to maintain stability in the long term.

In Africa, Namibia's economy is forecasted to grow at 2.6% in both 2024 and 2025, supported by mining and economic diversification efforts, though challenges persist in construction and financial services. Nigeria faces inflationary pressures

and currency depreciation, impacting food security and overall stability, while Egypt's economy is cautiously optimistic, with projected growth of 3.0% in 2024 and 4.4% in 2025, contingent on continued structural reforms and investment inflows.

Impact of Global Inflation on South Africa

Global inflation trends continue to shape South Africa's economic environment. The global disinflation process is underway, driven by resolving supply chain disruptions and stringent monetary policies. Inflation is expected to decline from 5.8% in 2024 to 4.4% in 2025. However, inflationary pressures persist in key economies, influencing South Africa's import costs, interest rates, and financial stability.

The South African Reserve Bank (SARB) has maintained an aggressive monetary stance, raising the repo rate to 8.25% in May 2023, its highest level in 14 years. While inflation has moderated to 4.6% as of mid-2024, it remains above the SARB's 4.5% target. Future repo rate cuts are anticipated, with National Treasury projecting inflation at 4.9% in 2024 and 4.6% in 2025. Inflation affects government spending by eroding the real value of allocated budgets, reducing public investment, and exacerbating economic inequality, disproportionately impacting low-income households.

Inflation in South Africa

South Africa's inflation rate has been on an upward trend, reaching 3.2% in January 2025, marking the third consecutive monthly increase and the highest level in four months. This rise is attributed to increases in key categories such as food and non-alcoholic beverages (+2.3%), housing and utilities (+4.5%), and restaurants and hotels (+4.9%). Despite this increase, the inflation rate remains below the SARB preferred midpoint target of 4.5%. The core inflation rate, which excludes volatile items like food and fuel, eased to 3.5% in January 2025, its lowest since February 2022.

The economic outlook for South Africa suggests that consumer price inflation is expected to average around 4.5% in 2025. This forecast aligns with the SARB's inflation target range of 3-6%. However, there are uncertainties in the medium term due to potential pressures on food, electricity, water, insurance, and wage

settlements. Historically, South Africa has experienced significant fluctuations in inflation rates, with an all-time high of 20.7% in January 1986 and a record low of 0.2% in January 2004. The current inflation environment is influenced by various factors, including demand and supply dynamics, as well as external factors such as global commodity prices.

Inflation impacts different segments of the population unevenly. The poorest households often experience higher inflation rates due to their spending patterns, which are heavily skewed towards essential goods like food and housing. In recent years, falling fuel prices have contributed to a slowdown in inflation, as seen in October 2024 when the CPI increased by 2.8% year-on-year, the lowest since June 2020. As South Africa navigates its economic challenges, managing inflation remains a critical task for policymakers to ensure economic stability and protect consumer purchasing power.

South Africa's Economic Performance

South Africa's economy grew by just 0.7% in 2023, reflecting ongoing structural constraints such as energy supply disruptions, inadequate infrastructure, high unemployment, and income inequality. Over the past decade (2014-2023), GDP growth averaged only 0.8% annually, insufficient to address unemployment and poverty. Economic recovery remains slow, with GDP per capita still 6.6% below its 2013 peak.

The Finance sector has been a key driver of growth, contributing 5.6 percentage points to the country's cumulative GDP expansion of 7.9% over the past decade, fuelled by digital transformation and financial inclusion initiatives. Agriculture saw the highest cumulative growth (36.4%) due to favourable weather conditions and strong export demand, though its overall contribution remained small. In contrast, the Construction sector declined by 27.5% due to persistent power outages, regulatory complexities, and weak investment confidence. Similarly, the Mining sector contracted by 8.0%, affected by global price fluctuations, labour unrest, and electricity shortages, while Manufacturing shrank by 6.0% due to unreliable energy supply and logistical bottlenecks.

Although GDP and employment levels have been gradually recovering post-COVID-19, growth remains sluggish due to ongoing energy crises and high interest rates. By

mid-2024, GDP had risen by 1.7% above pre-pandemic levels, with employment increasing by 1.6%, but structural challenges continue to hinder broader economic gains.

Exchange Rate and Trade Performance

The South African rand has depreciated significantly against major currencies over the past decade, weakening by 42.1% against the US dollar, 33.0% against the euro, 38.9% against the British pound, and 36.8% against the Chinese yuan. This depreciation is driven by domestic structural constraints, fluctuating commodity prices, and external economic shocks. While a weaker rand can enhance export competitiveness, it also contributes to higher inflation and economic volatility.

South Africa's trade performance remains mixed. The Manufacturing sector accounted for 52.9% of total real exports in 2022, followed by Mining (24.0%) and Agriculture (11.4%). However, despite its dominant role, Manufacturing struggled to achieve significant growth over the past decade, with key exports like motor vehicles declining by 9.7%. The Mining sector's export growth was similarly weak at just 4.3% over the period, reflecting persistent production challenges.

Current Status of the KwaZulu-Natal Economy

KwaZulu-Natal (KZN) is a critical contributor to South Africa's economy, accounting for approximately 16% of the national GDP. The province is driven by key sectors such as agriculture, manufacturing, finance, real estate, and business services. Manufacturing, contributes significantly, representing around 16% of the provincial GDP and providing substantial employment opportunities. However, the economic environment has been under strain due to global and domestic challenges, including the energy crisis, inflationary pressures, and climate-related disasters like the 2022 floods. These issues have slowed economic growth to an estimated 0.7% in 2024, with unemployment remaining high despite incremental improvements in job creation over recent years.

KZN's strategic position as a trade hub enhances its economic significance. The province hosts two of Africa's busiest ports, Durban and Richards Bay, which are vital for national and regional trade. Infrastructure projects such as the upgrades to the N2 and N3 highways and developments at the Dube TradePort and Richards Bay Special Economic Zones have also contributed to employment creation and

industrial growth. Despite these efforts, structural challenges persist, limiting inclusive growth and sustainable development.

Future Economic Plans

The provincial government has outlined ambitious plans to address economic challenges and stimulate growth. Efforts are underway to attract R4 billion in investments during the 2025/26 fiscal year, focusing on industrialization, localization, export promotion, and infrastructure development. Key initiatives include expanding the functionality of Durban and Richards Bay ports to enhance logistics capabilities and supporting emerging industries like cannabis and hemp to diversify the economy.

Additionally, there is a strong focus on addressing climate change impacts and improving service delivery. Investments in renewable energy projects are being prioritized to stabilize power supply, which is critical for economic recovery. The government is also working on aligning its economic policies with national priorities such as building inclusive industries, tackling unemployment, and reducing poverty.

MKRI has a pivotal role in shaping economic policy for KZN by conducting evidence-based research that informs decision-making processes. As a research entity aligned with the Department of Economic Development, MKRI can focus on analyzing key economic trends, evaluating policy impacts, and identifying areas for strategic interventions. Pertaining to the economic strategic direction that the KZN province is taking, MKRI has a role to play through undertaking economic research for the province, for instance research into optimizing port operations, improving industrial competitiveness, and fostering innovation in emerging sectors like green energy could provide actionable insights for policymakers.

Labour Market Performance

Below are some key labour market dynamics from the third quarter of 2024.

Table 1: Key labour market indicators

	Jul-Sep 2023	Apr-Jun 2024	Jul-Sep 2024	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand				Per cent		
Population 15–64 years	40 866	41 296	41 431	135	545	0,3	1,3
Labour force	24 594	25 036	24 957	-79	363	-0,3	1,5
Employed	16 745	16 652	16 946	294	201	1,8	1,2
Formal sector (non-agricultural)	11 616	11 467	11 589	122	-27	1,1	-0,2
Informal sector (non-agricultural)	3 058	3 129	3 295	165	237	5,3	7,7
Agriculture	956	896	935	39	-21	4,4	-2,2
Private households	1 116	1 160	1 128	-32	12	-2,8	1,1
Unemployed	7 849	8 384	8 011	-373	161	-4,5	2,1
Not economically active	16 292	16 260	16 474	214	182	1,3	1,1
Discouraged work-seekers	3 156	3 195	3 355	160	199	5,0	6,3
Other (not economically active)	13 136	13 065	13 119	54	-17	0,4	-0,1
Rates (%)							
Unemployment rate	31,9	33,5	32,1	-1,4	0,2		
Employed/population ratio (absorption)	41,0	40,3	40,9	0,6	-0,1		
Labour force participation rate	60,2	60,6	60,2	-0,4	0,0		

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

The working-age population increased by 135 000 or 0.3% in the third quarter of 2024 compared with the second quarter of 2024. The number of employed people increased by 294 000 to 16.9 million in Q3: 2024, while the number of unemployed persons decreased by 373 000 to 8.0 million compared with Q2: 2024, resulting in a decrease of 79 000 (down by 0.3%) in the labour force. The number of discouraged work-seekers increased by 160 000 (up by 5.0%), and the number of people who were not economically active for reasons other than discouragement increased by 54 000 (up by 0.4%) between the two quarters, resulting in a net increase of 214 000 in the not economically active population.

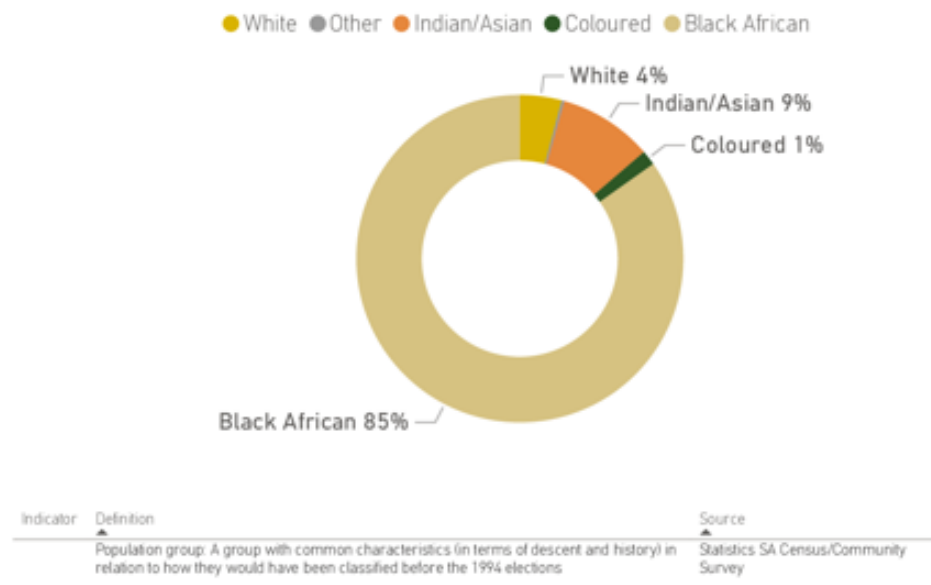
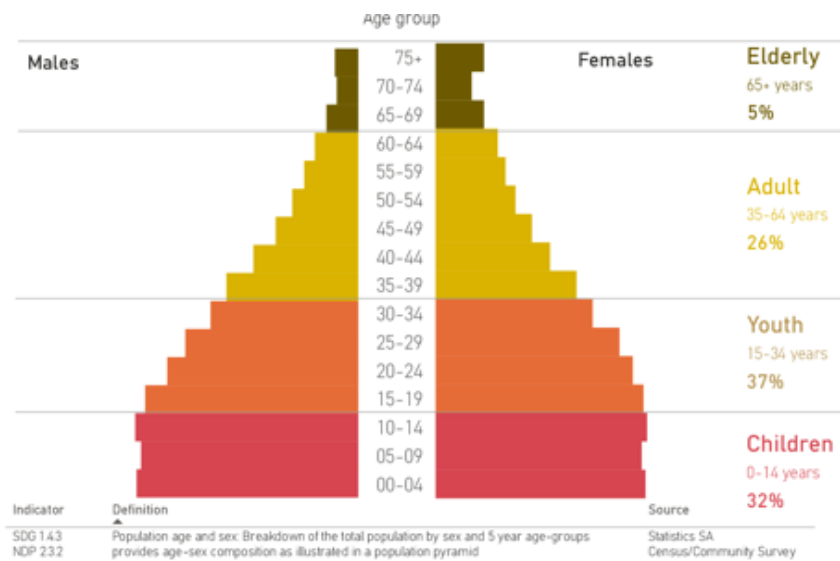
An increase in employment and a decrease in unemployment resulted in a decrease of 1.4 percentage points in the unemployment rate to 32.1% in the third quarter of 2024. The labour force participation rate decreased by 0.4 of a percentage point to 60.2%, while the absorption rate increased by 0,6 of percentage point to 40.9% between Q2: 2024 and Q3: 2024.

Employment gains were observed in the informal sector (up by 165 000), the formal sector (up by 122 000) and the Agricultural sector (up by 39 000), while Private households' employment decreased by 32 000 in Q3: 2024.

Compared with Q3: 2023, the working-age population increased by 545 000 or 1.3%. Total employment increased by 201 000 persons (or 1.2%), the number of unemployed persons increased by 161 000 (or 2.1%), and the number of persons who were not economically active increased by 182 000 (or 1.1%).

KZN demographic indicators

Population, age, gender, and population group



- KZN is home to around 12.4 million people, making it the second most populous province in South Africa.
- Large rural population, particularly in areas under traditional leadership (Ingonyama Trust land)
- High urban concentration in Durban, Pietermaritzburg, and Richards Bay.
- A large percentage of the population is under 35, representing both an opportunity for development and a challenge for youth employment.
- Black African is the dominate population, and IsiZulu the most commonly spoken language widely spoken in rural and urban areas. English is commonly used in business, education, and media.
- Indian/Asian make up significant community, concentrated in urban centres like Durban. The white population primarily of European descent reside mostly in cities and agricultural areas, coloured population at just 1%.

SOCIAL FACTORS

The social environment in which the Moses Kotane Research Institute (MKRI) operates is deeply influenced by the broader socio-economic challenges facing KwaZulu-Natal and South Africa as a whole. A discussion on the social environment within this context departs from the triple challenge of poverty, unemployment and inequality.

Poverty and Inequality

Poverty remains a significant challenge in KZN, where the population, especially in rural communities, lives below the national poverty line. The province has a high unemployment rate of which was exacerbated by the COVID-19 pandemic.

Employment Challenges

The job market in KZN is characterized by a lack of opportunities, particularly for youth and women. Illiteracy rates are high, and many households are engaged in informal economic activities due to limited access to formal employment. The high dependency ratio further complicates financial stability, as many families rely on multiple earners to make ends meet.

Health Issues

Health indicators in KZN are concerning, particularly regarding child mortality rates. Primarily due to socio-economic factors such as inadequate healthcare access and malnutrition. The leading causes of death include tuberculosis (TB) and HIV/AIDS, which are prevalent in the region and contribute significantly to the overall health burden.

Education and Skills Development

Educational Attainment

Education levels in KZN are low, this lack of educational attainment limits job prospects and perpetuates cycles of poverty. The MKRI has recognized this challenge and is focusing on enhancing skills development through various programs aimed at empowering unemployed graduates.

Gender Disparities

Gender inequality is another critical factor affecting social dynamics in KZN. Women often face barriers to education and employment opportunities, which exacerbates economic disparities. Initiatives that promote women's participation in the economy are essential for fostering inclusive growth.

Social Cohesion and Community Dynamics

Community Engagement

The MKRI actively engages with local communities to address socio-economic challenges through research and innovation. By focusing on community-driven solutions, the institute aims to enhance social cohesion while tackling issues like gender-based violence (GBV) that have surged in recent years.

Impact of Social Unrest

The social unrest experienced during July 2021 had profound implications for community stability and economic activity. The violence resulted in significant loss of life and property, with economic losses estimated at R50 billion. This unrest highlighted underlying tensions related to poverty and inequality that require urgent attention.

Infrastructure and Access

Digital Divide

Access to technology remains limited in rural areas due to inadequate infrastructure. This digital divide hinders educational opportunities and economic participation, particularly among young people who could benefit from digital skills training.

Basic Services Access

Many communities still lack access to basic services such as clean water, sanitation, and healthcare facilities. This lack of infrastructure contributes to poor health outcomes and limits economic opportunities.

Transformation of Rural/Township Economies

MKRI's focus on innovation, research, and skills development in rural and township economies aligns with government initiatives to drive Radical Economic Transformation, providing opportunities to positively impact these communities.

Community Awareness and Education

Challenges in raising awareness and educating communities, especially in rural areas, may limit the effectiveness of MKRI's digital centres and other initiatives aimed at digital inclusion.

TECHNOLOGICAL FACTORS

Embracing Emerging Technologies

The Moses Kotane Research Institute (MKRI) has a significant opportunity to leverage **emerging technologies** to enhance its impact, particularly through the establishment of **Digital Centres**. These centres aim to address **ICT inequalities** and foster innovation in rural areas, which is crucial for socio-economic development. Recent studies highlight that the digital economy's prominence has increased, emphasizing the necessity for equitable access to digital tools and infrastructure. This is particularly relevant in the context of post-pandemic recovery, where digital technologies can be pivotal in improving livelihoods and reducing existing socio-economic disparities.

Navigating Complex Commercialization Processes

The **commercialization of research** and the protection of intellectual property (IP) present ongoing challenges for MKRI. The complexity of these processes can hinder the timely introduction of innovations to the market. As the landscape of technology evolves, MKRI must develop robust strategies that not only address these complexities but also incorporate expertise in navigating the intricacies of IP laws. Recent trends indicate that a proactive

approach in forming partnerships and fostering collaboration can mitigate these challenges, enabling a smoother transition from research to market.

LEGAL FACTORS

Adapting to Evolving Regulations

A key deliverable for MKRI is supporting and enabling innovators in commercialising novel ideas within the province of KZN. The rapid evolution of **intellectual property laws** and technology regulations poses additional risks for MKRI's ongoing and future projects. Continuous adaptation is essential for compliance and to safeguard innovations from potential legal challenges. The dynamic nature of these regulations necessitates that MKRI remains vigilant and responsive to changes, ensuring that its strategies align with current legal frameworks. This adaptability will be crucial in maintaining a competitive edge and securing funding opportunities in an increasingly regulated environment.

Public Finance Management Act

MKRI has recently been established as a Schedule 3C public entity in terms of the south African constitution, through the promulgation of the Moses Kotane Research Institute Act 2 of 2024 to which all its operations must adhere to. This necessitates a move away from the Companies Act, in its financial operations, planning, governance and compliance matters and requires strict adherence to the **Public Finance Management Act** which mandates stringent compliance measures related to financial management and reporting. This classification necessitates that MKRI develops robust internal policies, standard operating procedures and internal controls. The MKRI act provides the Institute with a grace period of a year to establish itself and set up compliant systems that will support the transition to being a fully-fledged public entity.

Delayed Payments and Reputational Risk

Timely payments to external stakeholders are crucial for maintaining service delivery and safeguarding MKRI's reputation. Recent amendments to the **PFMA** require public entities to adhere strictly to financial protocols, including timely disbursement of funds. Delays in payments could not only disrupt service delivery but also expose MKRI to reputational risks, especially as it is now under increased scrutiny due to its public entity status. Compliance with these legal obligations is essential; failure to meet them could result in penalties or sanctions from oversight bodies.

ENVIRONMENTAL FACTORS

Impact of Natural Disasters

- **Recent Floods:** KwaZulu-Natal has experienced severe flooding events in recent years, exacerbated by climate change. These floods have led to significant loss of life, displacement of communities, and damage to infrastructure. The increased frequency and intensity of such disasters highlight the urgent need for effective disaster management and mitigation strategies.
- **Drought Conditions:** Alongside flooding, the region has also faced periods of drought, affecting agriculture and water supply. This duality of extreme weather events poses challenges for food security and necessitates adaptive strategies for local communities.

Biodiversity Threats

- **Ecosystem Vulnerability:** Climate change poses significant threats to South Africa's rich biodiversity. Changes in temperature and precipitation patterns can disrupt ecosystems, leading to habitat loss and species extinction. This is particularly concerning in KwaZulu-Natal, which is home to diverse flora and fauna.
- **Conservation Challenges:** The pressure on natural resources from climate change, coupled with human activities such as urbanization and agriculture, increases the urgency for conservation efforts. Protecting vulnerable species and habitats is critical for maintaining ecosystem services that support local communities.

Resource Management

- **Water Scarcity:** Climate change is expected to exacerbate water scarcity issues in the region. Increased evaporation rates and altered rainfall patterns can lead to reduced water availability for both agricultural and domestic use, necessitating improved water management practices.
- **Soil Degradation:** Extreme weather events can lead to soil erosion and degradation, impacting agricultural productivity. Sustainable land management practices are essential to maintain soil health and ensure food security.

Climate Adaptation Strategies

- **Research Initiatives:** The Moses Kotane Research Institute can play a pivotal role in developing and promoting climate adaptation strategies tailored to local conditions. This includes researching resilient agricultural practices, sustainable land use planning, and community-based adaptation measures.

- **Ecosystem-Based Approaches:** Implementing ecosystem-based adaptation strategies can enhance resilience against climate impacts. This involves restoring natural habitats, promoting biodiversity, and utilizing ecosystem services to buffer against climate-related risks.

Moses Kotane’s Research Institute Sustainability Initiatives

MKRI’s efforts to innovate and support economic growth through research and technology can also contribute to sustainable development, especially in addressing climate change-related challenges in rural areas. The institute has upcoming research projects for the medium term that will be concerned with climate change and the issues of sustainability.

2.1.2 Internal Environment Analysis

MKRI is a public entity, funded by the KwaZulu-Natal Provincial Government through EDTEA. The Institute was established in terms of the Companies Act. The Institute has recently been listed as a schedule 3c entity in terms of the constitution and will now be required to be fully compliant with the Public Finance Management Act (PFMA). The Institute will continue to have a strong focus on economic research, in support of the national and provincial goals of fostering economic development and radical economic transformation.

MKRI will demonstrate the following characteristics:

- Work to be conducted through in-house capacity, partnerships and research network.
- Importance of independence to ensure objectivity and critical thought.
- Research Advisory Committees composed of academics/activists/intellectuals/businesspeople
- Entities invariably led (at executive level) by an academic or prominent intellectual.
- Serve as platforms for strategic and critical reflection and engagement; and
- Can combine research with direct delivery of capacity building courses.

Entity structure and status:

- Consists of representatives of EDTEA, its public entities, universities, intellectuals and activists.
- Is supported by Advisory Committees, on Research and development, innovation and technology and maritime and economics whose members should be skilled and serve on a voluntary basis. Advisory Committees should comprise academics, activists and intellectuals from partners in universities, non-profit sector,

government and the private sector.

Developing Research Capacity:

MKRI strengthens its research capacity in terms of human and financial resources by employing staff who are highly qualified in research and development, experiential learners with postgraduate degrees to work in research and development, innovation and technology programmes. This capacity also includes experts in the field of oceans economy. As this area of work is core to the positioning of MKRI, Senior researchers are prominent academics in their field who easily attract funding for specific research projects. The use of research experiential learners has the dual purpose of supporting MKRI in the production of research and a training ground for young researchers under the guidance of senior researchers. MKRI hosts PHD/Masters students who are conducting research of relevance to its core goals and objectives.

Potential Sources of Funding for Research:

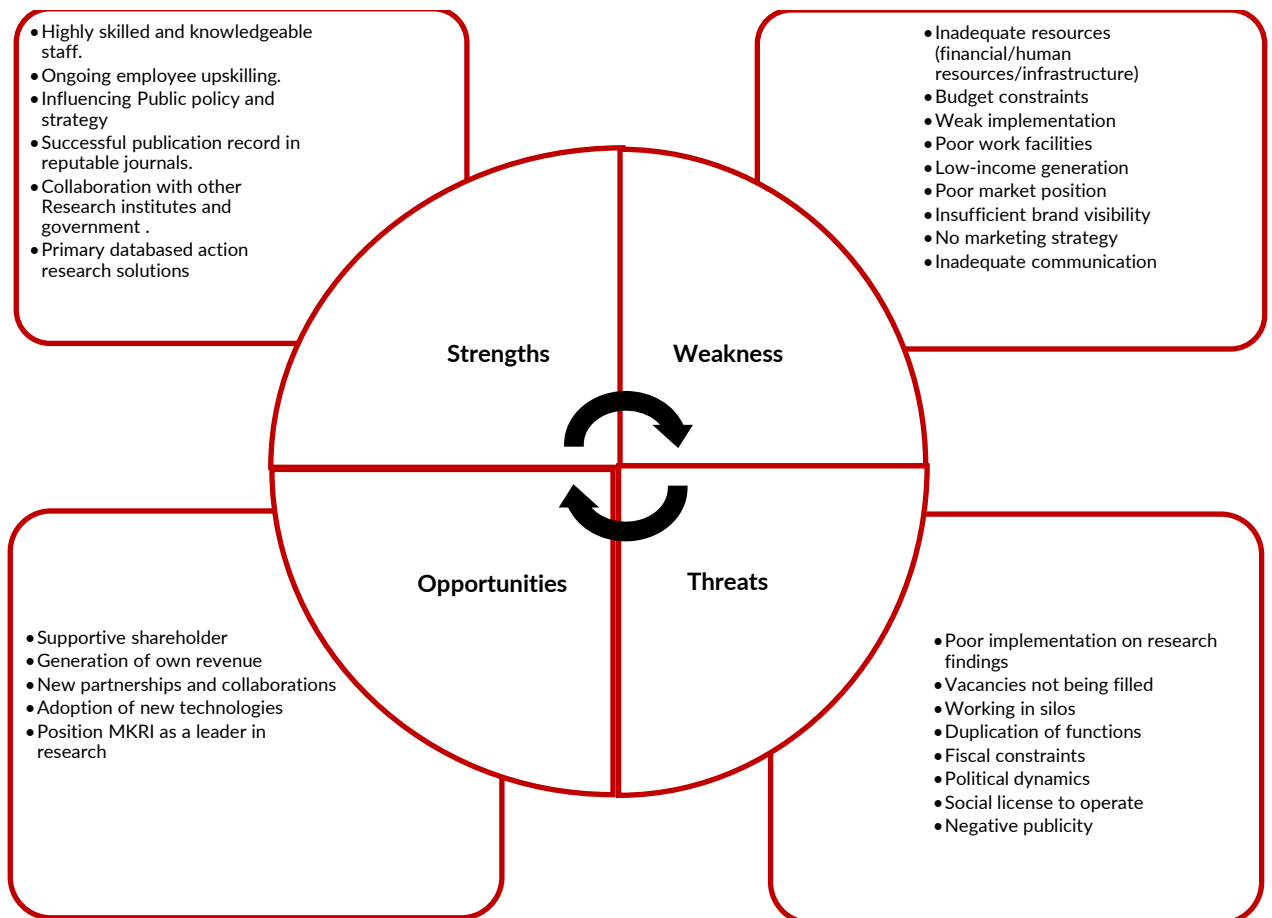
Sources of funding for research include core funding from EDTEA, as MKRI focuses on strategic research to supply information to address government needs. Through stakeholder collaboration, MKRI will also leverage research funds provided by other public, private and non-governmental organizations.

MKRI's role in Innovation and technology

The innovation system analysis is not restricted to the formal sector. MKRI's role will be to include rural and township communities in innovation and technology. This will address the challenge of South Africans living in resource-constrained environments and need to adapt technologically to function in the current fourth industrial revolution era. This line of enquiry may lead to intervention pathways that leverage the capabilities vested in the informal sector and may also provide ways to bolster the inclusiveness of our policies and interventions.

SWOT Analysis

The following depicts the analysis of the internal environment for the organisation.



Strengths

MKRI's staff expertise is a cornerstone of its effectiveness, contributing significantly to research excellence and the Institute's reputation. Skilled researchers produce high-quality outputs that inform policy and practice, while experienced staff provide mentorship opportunities for junior researchers, fostering professional growth. This knowledgeable workforce enhances MKRI's credibility, attracting partnerships and funding. Continuous professional development is also prioritized, ensuring that staff remain adaptable to changes in research methodologies and technologies. This commitment to upskilling not only encourages innovation but also promotes employee retention, creating a stable workforce dedicated to the Institute's mission.

The MKRI plays a vital role in influencing public policy through research-based recommendations and stakeholder engagement. By actively participating in policy

discussions, the Institute positions itself as a trusted advisor, contributing to effective policy formulation that addresses societal challenges. A strong publication record in reputable journals further enhances MKRI's status, facilitating knowledge dissemination and attracting funding opportunities. Collaboration with other research institutes amplifies research capabilities through resource sharing and networking, while primary database action research solutions provide real-time data that informs decision-making and ensures relevance to community needs.

Weaknesses

The MKRI faces several challenges that hinder its operational effectiveness, primarily stemming from inadequate human resources and insufficient synergy among divisions. A shortage of personnel can lead to overburdened staff, resulting in burnout and reduced productivity. This staffing issue limits the Institute's research capacity and complicates talent acquisition, impeding growth and innovation. Additionally, siloed operations within divisions can stifle creativity and lead to duplicated efforts, further exacerbating inefficiencies. The lack of collaboration prevents valuable insights from being shared, which is essential for fostering innovative research.

Budget constraints and under-capacity issues also significantly impact MKRI's ability to conduct research and attract talent. Financial limitations restrict the scope of projects and hinder the Institute's ability to offer competitive salaries, making it difficult to recruit skilled researchers. Furthermore, a lack of investment in modern technology can leave MKRI at a competitive disadvantage, while complex commercialization and intellectual property processes may deter researchers from pursuing valuable opportunities. Limited community awareness about MKRI's work reduces engagement and collaboration prospects, ultimately diminishing the potential impact on public policy. Ineffective internal communication exacerbates these challenges by causing misalignment on goals and lowering staff morale, which can lead to higher turnover rates and wasted potential within the organization.

Opportunities

Investing in advanced business intelligence (BI) solutions can significantly enhance the MKRI's operational capabilities by improving data analysis and refining research methodologies. With effective BI tools, the Institute can analyse large datasets more efficiently, leading to informed decision-making and strategic planning. This data-driven

approach not only improves research outcomes but also positions MKRI as a leader in research innovation, attracting valuable partnerships and funding opportunities. Collaborations with higher education institutions and other research entities further amplify these advantages by providing access to additional resources, fostering joint research initiatives, and facilitating global knowledge exchange.

Strategically positioning MKRI as an internationally recognized research institute can open doors for global collaborations and increase funding access, enhancing its credibility. Sourcing external research funding through grants, corporate sponsorships, and crowdfunding initiatives is crucial for sustainability and expanding research efforts. Aligning with government initiatives on innovation and digital inclusion not only supports national goals but also enhances MKRI's relevance in shaping public policy. Additionally, leveraging emerging technologies such as AI and blockchain can unlock new opportunities for research accuracy and transparency, while improving community engagement through modern communication tools.

Threats

The Moses Kotane Research Institute (MKRI) faces several significant threats that could hinder its effectiveness and impact. A lack of collaboration among divisions leads to inefficiencies, such as resource waste and missed opportunities for innovation, as teams may duplicate efforts instead of leveraging diverse perspectives. This fragmentation can result in less comprehensive research outcomes, diminishing the overall societal impact of MKRI's work. Additionally, competition for limited resources poses challenges in securing funding and attracting skilled researchers, which can create conflicts over project priorities and strain the Institute's ability to deliver high-quality research.

Economic uncertainty, including inflation and fiscal constraints, further complicate operational sustainability by potentially leading to budget cuts and rising costs that force difficult decisions on project prioritization. Political instability introduces unpredictability in funding availability and policy shifts, which can disrupt operations and erode public trust. The ongoing energy crisis, characterized by frequent load shedding, interrupts critical research processes and increases operational costs, negatively impacting staff morale. Moreover, regulatory changes regarding intellectual property and technology can complicate compliance efforts and stifle innovation. Delayed payments to stakeholders pose reputational risks by eroding trust and complicating future collaborations, while poor

implementation of research findings results in wasted resources and diminished societal benefits, ultimately undermining MKRI's credibility as a leading research institution.

Stakeholder Analysis

The institute has key stakeholders involved in the services that it delivers. The stakeholders include are varied but can be classified as service beneficiaries, service providers, collaborators and partners, as well as oversight institutions. The table below details these stakeholders, the roles, interests, influence & impact as well as the communication mechanisms between MKRI and stakeholders.

MOSES KOTANE RESEARCH INSTITUTE STAKEHOLDERS' ANALYSIS

Stakeholder	Role of Stakeholder	Stakeholder Interests and needs	Stakeholder Influence and Impact	Engagement and Communication
KwaZulu Natal Economic Development, Tourism and Environmental Affairs (KZN EDTEA)	KZN EDTEA is the shareholder Department that provides mandates to the Institute and grants operational funding on an annual basis.	Shareholder Funder	High	Meetings Dialogues Emails
KwaZulu Natal Provincial Treasury (KZN PT)	This is an oversight intuition that oversees all budget, expenditure and compliance matters in accordance with legislated financial prescripts. In particular the PFMA.	Governance Oversight	High	Meetings Dialogues Emails
KwaZulu Natal Department of Social Development (KZN DSD)	This is an oversight institution that collaborates with the MKRI in projects related to Research and Development, Innovation and Knowledge Management, as well as 4th and 5th Industrial Revolution and skills development related programmes.	Research & Development	High	Workshops Conferences Meetings Dialogues Emails
The Manufacturing Engineering and Related Services Sector, Education and Training Authority (Mer SETA)	MerSETA provides funding to MKRI for the facilitation of skills development in the province.	Skills development and capacity building.		Workshops Conferences Meetings Dialogues Emails
KZN Higher Institutions of Learning i) University of KwaZulu Natal (UKZN) ii) University of Zululand (UNIZULU) iii) Mangosuthu University of Technology (MUT) iv) Durban University of Technology (DUT) v) Workers College	These are academic institutions where students who are funded through MKRI bursaries undertake their studies. As academic institutions these organisations will be key partners in collaborative efforts aimed at making MKRI an internationally recognised research institute.	Research & Development and bursaries	High	Workshops Conferences Meetings Dialogues Emails
Entrepreneurs and Innovators	Certain MKRI interventions are designed to provide support to Entrepreneurs and Innovators within the province in bringing their innovative products or solutions to life either through prototyping or product testing.	Funding solutions for Intellectual Property registration	Medium	Workshops Conferences Meetings Dialogues Emails

MOSES KOTANE RESEARCH INSTITUTE STAKEHOLDERS' ANALYSIS

Stakeholder	Role of Stakeholder	Stakeholder Interests and needs	Stakeholder Influence and Impact	Engagement and Communication
KZN Municipalities (All districts)	KZN municipalities are key collaborators towards the implementation of MKRI strategic activities that occur within their municipal jurisdiction.	Key projects being undertaken in the municipal space.	High	Workshops Conferences Meetings Dialogues Emails
Training Providers	MKRI partners up the training service providers who provide pro bono services to the institute such as providing digital skills training and conducting related research on digital innovation centres across the KZN province.	Skills development and capacity building.	Medium	Workshops Conferences Meetings Dialogues Emails
Amafa Research Institute Technology Innovation Agency CSIR HRDC	MKRI collaborates with the Amafa Research Institute on projects related to Research and Development.	Research & Development	High	Workshops Conferences Meetings Dialogues Emails
Department of The Premier	DOTP guides the overall strategic direction using various means, e.g. SOPA, to set the rules of engagement in whatever we pursue research on.	Strategic guide	High	Engagement typically occurs through meetings, workshops and seminars.
eThekweni Maritime Cluster (EMC)	Supports and promotes the maritime industry in Durban	Collaboration opportunities for Maritime related activities.	Medium	Engagement typically occurs through meetings, workshops and seminars.
South African International Maritime Institute (SAIMI)	Coordinating and facilitating skills development and capacity building within the maritime industry.	Collaboration partners – facilitating skills development and capacity building within the maritime industry.	High	Engagement typically occurs through meetings, workshops and seminars.
Department of Cooperative Governance and Traditional Affairs (COGTA)	Support integrated planning and implementation of projects that involve traditional leaders.	Collaboration partners – educating and creating maritime	Medium	Engagement typically occurs through meetings, workshops and

MOSES KOTANE RESEARCH INSTITUTE STAKEHOLDERS' ANALYSIS

Stakeholder	Role of Stakeholder	Stakeholder Interests and needs	Stakeholder Influence and Impact	Engagement and Communication
			awareness for traditional leaders	seminars.
South African Maritime Safety Authority (SAMSA)	Implement current international and national regulations regarding the maritime industry.	Collaboration opportunities for Maritime related activities.	Medium	Engagement typically occurs through meetings, workshops and seminars.
Statistics South Africa (Stats SA) – KZN Provincial Office	Stats SA plays a crucial role in enhancing MKRI's capacity in data and analysis. As a national institution responsible for official statistics, Stats SA organizes workshops, seminars, and training programs to improve the usability of national statistics to advance economic growth, development and democracy.	Stats SA has a vested interest in ensuring that provincial institutions, such as MKRI, are equipped to contribute to a robust national data ecosystem.	Medium	Engagement typically occurs through meetings, workshops and seminars.
Provincial Government entities	Provincial entities guide the areas to be researched via research requests that come from them	Clients in our research work and in some instances collaboration partners	High	Engagement typically occurs through meetings, workshops and seminars.
Tertiary Institutions	Tertiary institutions which collaborate with MKRI and in some instances offer technical expertise in areas relevant to MKRI research	Collaboration partners	Medium	Mostly through the terms of engagement set.
Office of the Premier	OTP guides the overall strategic direction using various means, e.g. SOPA, to set the rules of engagement in whatever we pursue research on.	Strategic guide	High	Engagement typically occurs through meetings, workshops and seminars.
Data vendors	Provision of data resources	Supplier of data and tools to improve efficacy of our research	Medium	Engagement typically occurs through e-mail and sometimes workshops

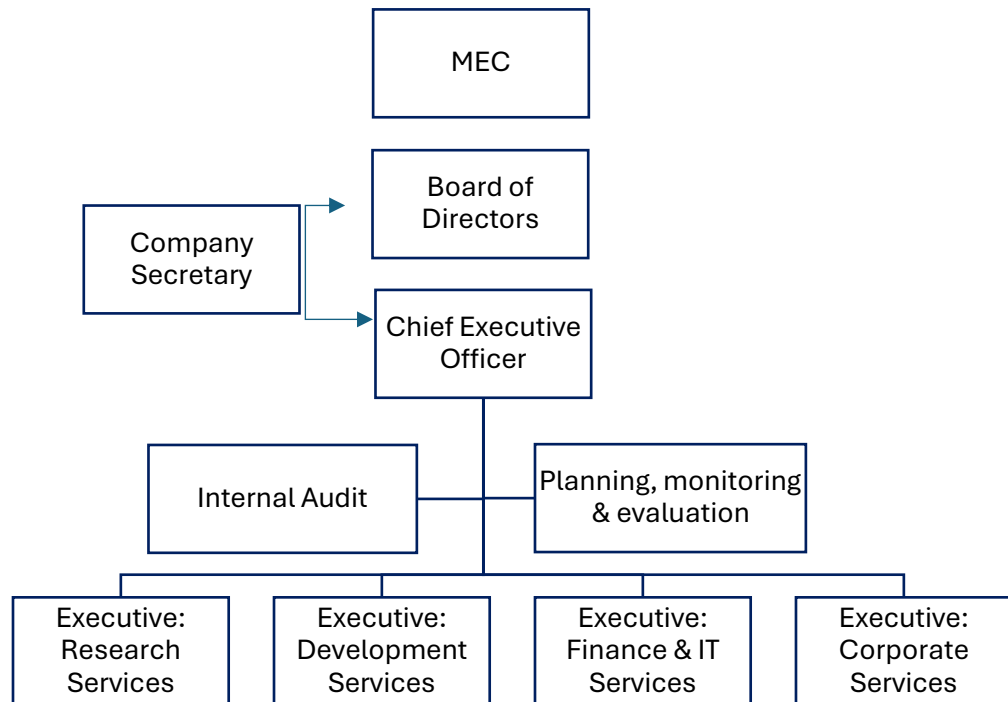
Organisational Environment

The organisational structure of MKRI was reviewed and revised in terms of the 2025/26 – 2029/30 Strategic Plan. The total establishment as per revised organogram following the revised mandate, envisaged that the Institute will undertake job evaluation and restructure itself to align with research mandate. Furthermore, in the 2024/25 financial year the organisation will be undergoing an OD investigation to ascertain the suitability of the current organisational structure in accordance with the newly established MKRI Act.

Organisational Structure

The Moses Kotane Research Institute (MKRI) operates under a structured leadership hierarchy that ensures effective governance and operational efficiency. At the top of the organogram is the MEC (Member of Executive Council), who provides strategic oversight. The Board oversees the Institute's activities, ensuring alignment with its mandate and objectives. The CEO leads the Institute and is supported by a team of executives responsible for key areas, including Research, Development, Finance & IT, and Corporate Services. Supporting these leadership roles are the Company Secretary, who ensures compliance and governance standards, and the Internal Audit function, which maintains transparency and accountability. Additionally, the Planning, Monitoring, and Evaluation unit plays a critical role in tracking performance and ensuring the Institute's initiatives are impactful and aligned with its strategic goals. This structure fosters an efficient, collaborative environment aimed at achieving MKRI's mission of driving economic development and research excellence.

High level organogram



Environmental Trends

Global warming has significantly impacted economic growth through property and infrastructure damage, reduced productivity, mass migration, and security threats. As temperatures continue to rise, the balance between economic gains and losses increasingly shifts toward negative outcomes. The frequency and intensity of extreme weather events are expected to escalate, leading to widespread destruction of homes, businesses, and infrastructure.

In KwaZulu-Natal (KZN), severe flooding and landslides caused by heavy rainfall resulted in the loss of hundreds of lives, the displacement of thousands, and extensive damage to roads, health facilities, and schools. Rising sea levels further threaten economic stability, as businesses face operational disruptions and communities endure the loss of homes and livelihoods. While initial recovery efforts may contribute to short-term economic growth, the long-term challenge lies in managing these recurring disasters. Without proactive measures to mitigate future damage or relocate businesses to safer areas, capital stock and economic output could face irreversible losses.

A global survey on long-term risks highlights climate change as the most critical challenge of the coming decade. From failure to mitigate climate change to biodiversity loss and ecosystem collapse, environmental risks dominate future concerns. To address these challenges, the Institute has played a key role in fostering dialogue by co-hosting a provincial summit on energy transition. This initiative aimed to promote the adoption of low-carbon technologies, improve industrial production, enhance competitiveness, and reduce pollution—ultimately benefiting KZN residents, the environment, and food security.

Additionally, the Institute will explore alternative energy sources such as solar and wind power, while considering investments in on-site generation to supplement the primary power grid. By implementing energy-efficient technologies, businesses and communities can reduce their environmental footprint and build resilience against climate-related disruptions.

Governance

The entity is adhering to using the principles of King IV Code of governance for

government, and that includes having a board of directors which is appointed by the Member of Executive Council of EDTEA, which is the shareholder department. The board oversees the functioning of the entity. With the introduction of the Moses Kotane Research Institute Act No 3 of 2024, an interim board was appointed to oversee the transition of the Institute from the compliance to the Companies Act and moving towards full compliance to the PFMA.

Cross-cutting focus areas

The NDP Vision 2030 and the PGDS prioritises the significant role of women, youth, and people with disabilities in our society and their importance in ensuring a strong society. The Institute remain committed in support of women, youth, and people with disabilities by contributing towards the objectives of Radical Economic Transformation setting a percentage of 70% towards procurement by designated group. Promoting digital skills through digital centres is mostly benefited by youth, the commercialisation of innovation and bringing research to life, has a high participation involvement from KZN youth. In addition, MKRI provides temporary job opportunities which targets vulnerable groups, specifically youth. There is a 50 percent involvement of women in the Senior Management Service level, led by females. The Institute conducted research studies that covers the topics such as digital divide and GBV in the place of worship. Findings of research with recommendation were disseminated to the province for decision making to curb the discrimination of vulnerable groups. The institute will support and promote skills development that empowers vulnerable groups through partners with the key stakeholders. MKRI is committed that going forward the establishment of digital centres will cater for people with disabilities.

Human Resources

The Institute requires research capacity and expertise that can only be achieved by human capital. The migration from an old mandate of STEM in 2019 to the new entity rightfully attracts an increase in staff. The existing organogram caters for 42 staff, whereas the work requires 100 staff. The entity will consider the expansion of the organogram once the listing process is finalised. It is proposed that the Institute be listed in the public finance management schedule of entities as a 3C. As of the 31 March 2023, there were 7 vacancies, 42% (3/7) being critical (middle-management), this had contributed to slow performance productivity. Nevertheless, the entity currently has full complement of executives assisting the accounting officer in

fulfilling the mandate and ensuing a lean and mean structure to drive successful and meaningful service delivery. It is strongly believed that MKRI's growth and ongoing success depends on employing skilled and motivated employees. The Institute invest in its human capital through staff training on various key strategic areas to enhance their skills and ability to thrive towards excellence.

Financial Resources

The Institute adheres to the Public Finance Management Act which covers the public expenditure, public revenue and financial administration all aimed at how government can create, maintain, or intervene in the existing economy. The Institute receives grants in terms of the PFMA to deliver research services that are aimed at improving public policy and service delivery and thus maintains the capacity for efficient, effective, and transparent financial management. Even though the entity is not listed as a public entity, it operates as a schedule 3C entity as it receives all its revenue from Vote 4.

Audit Outcomes

The entity works towards achieving clean audits in each financial year. For the 2024/25 financial year, the Institute has once again achieved a clean audit opinion, awarded by Auditor-General, this has been an exceptional consecutive outcome and contributes towards Build a caring and incorruptible government. The International Framework for Reporting Standards (IFRS) is used by the Institute. IFRS are a set of accounting standards that govern how particular types of transactions and events should be reported in financial statements. The standards were developed and are maintained by the International Accounting Standards Board (IASB).

Information Services and Technology (IST)

The Institute opted to insource the IST and established an internal unit which was set to grow over the five years. This unit is charged with establishing, monitoring, and maintaining information technology systems and services. It oversees the installation and maintenance of computer network systems within the Institute. The unit started off with one employee in 2018 and grew to a fully-fledged unit by end of 2019. The service offering has also been growing, and migration from different service providers was gradual. By 2020, the services were cloud-hosted by the Dube Trade Port.

PERFORMANCE

44.1 %

29.0 %

MEASURING OUR PERFORMANCE

9.0 %



3. PART C: MEASURING OUR PERFORMANCE

1.1 Institutional Programme Performance Information

Moses Kotane Research Institute delivers on its mandate as defined in Part A above, through the impact and outcomes articulated in its 2025/26 – 2029/2030 Strategic Plan. The vision of the Moses Kotane Research Institute is to be a leading and globally recognised research institute in growing the provincial economy through development and collaboration. We do this by developing practical research-based solutions on priority sectors that contribute to the provincial economy. To give effect to this desired vision and mission, the Institute has identified an impact statement and three strategic outcomes that guide towards the realisation of change in the 5-year Strategic Plan.

Impact Statement

Innovative and inclusive KZN knowledge Economy

MKRI Strategic outcomes

- Institutional excellence
- Sustainable economic policy environment supported
- Capacity developed for economic growth

The organisation further responds to strategic focus areas which are economic research, enhance innovation, maritime coordination, capacity building and skills development, stakeholder coordination, as encapsulated in the MKRI Act.

Broader Strategic Imperative	Intent	Contribution
National Development Plan	To create a prosperous, equitable, and sustainable South Africa by addressing systemic issues in the economy, society, and governance.	MKRI provides evidence-based research to support inclusive growth, job creation, and poverty reduction, aligning with the NDP's vision.
Medium Term Development Plan	To guide KwaZulu-Natal's development over the medium term, focusing on	MKRI contributes data-driven insights and policy advice to help

Broader Strategic Imperative	Intent	Contribution
	infrastructure, job creation, and economic diversification.	shape KZN’s medium-term goals, focusing on economic diversification, job creation, and innovation.
Provincial Growth and Development Strategy	To promote sustainable development and economic growth in KwaZulu-Natal, addressing challenges such as poverty and unemployment.	MKRI supports the PGDS by conducting economic research that drives sustainable growth in KZN, focusing on industrial development, tourism, and poverty reduction.
EDTEA Strategy	To foster economic growth, tourism, and environmental sustainability while improving governance in KwaZulu-Natal.	MKRI helps inform EDTEA's strategies by providing research on economic growth, tourism, and environmental sustainability, supporting innovation, capacity building, and governance.

In view of the situational context defined in Part B, and the strategic outcomes above, the MKRI will work towards the delivery of the outputs defined in this section of the document. The section below outlines the planned outputs and indicators which will be carried out over the medium-term expenditure period.

1.1 PROGRAMME 1: CORPORATE SERVICES

1.1.1 PURPOSE

The purpose of programme 1 is to support core programmes through institutional excellence. Firstly, the office of the chief executive provides **leadership** and strategic direction for the Institute, ensuring alignment with MKRI's mandate and objectives. This office ensures overall governance, performance management, and effective execution of the Institute's strategy.

Secondly, the office of the chief financial officer is responsible for **financial stewardship**, ensuring the Institute's financial health and sustainability. This function provides strategic financial oversight, including budgeting, financial planning, supply chain management, information systems and technology, and ensuring compliance with applicable financial regulations.

Thirdly, the corporate office oversees the efficient **management of internal services**, ensuring that human resources, legal compliance, communication, branding, facilities management, and public relations support the operational needs of the Institute, creating a conducive work environment and enhancing its public image.

1.1.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS FOR 2025/26

PROGRAMME 1 – CORPORATE SERVICES & ADMINISTRATION

Outcome			Institutional Excellence						
No.	Outputs	Output Indicators	Actual Performance			Estimated	MTEF Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
1.1	Strategic partnerships coordinated	Number of Strategic partnerships coordinated	4	10	9	4	4	4	4
1.2	Clean audit opinion	Clean audit opinion achieved annually	1 Clean audit opinion	1 Clean audit opinion	1 Clean audit opinion	1 Clean audit opinion	1 Clean audit opinion	1 Clean audit opinion	1 Clean audit opinion
1.3	Valid invoices paid within 30 days	Percentage of valid invoices paid within 30 days	100%	26.42%	95%	100%	100%	100%	100%
1.4	Procurement awarded to BBBEE service providers	Percentage of procurement spend awarded to BBBEE	70%	70%	88,75%	70%	70%	70%	70%

		service providers							
1.5	Jobs created	Number of temporary employment opportunities created	Revised	Revised	Revise	Revised	500	500	500

1.1.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS FOR 2025/26

PROGRAMME 1 – CORPORATE SERVICES & ADMINISTRATION

No.	OUTPUT INDICATORS	ANNUAL TARGETS	QUARTERLY TARGETS			
		2025/26	Q1	Q2	Q3	Q4
1.1	Number of Strategic partnerships coordinated	4	1	1	1	1
1.2	Clean audit opinion achieved annually	Clean audit opinion	-	Clean audit opinion	-	-
1.3	Percentage of valid invoices paid within 30 days	100%	100%	100%	100%	100%
1.4	Percentage of procurement spend awarded to BBEE service providers	70%	70%	70%	70%	70%
1.5	Number of temporary employment opportunities created	500	125	125	125	125

1.1.4 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Office of the CEO

Over the medium-term period, the Office of the CEO will play a central role in providing strategic leadership and driving MKRI’s mission. As the Chief Communicator, the CEO will be responsible for articulating the Institute’s vision, research outputs, and strategic direction both internally and externally. This involves maintaining open lines of communication with the Board, shareholder (EDTEA), government agencies, industry partners, and the public to ensure alignment with MKRI’s mandate. The CEO will also oversee the Institute's research publications, ensuring that MKRI’s research findings are shared with key stakeholders and contribute to the broader discourse on economic development, innovation, and policymaking.

A critical function of the CEO as Chief Communicator is to foster relationships with the Board and the shareholder (EDTEA), ensuring ongoing collaboration and the smooth flow of information between MKRI and these key entities. Regular communication and reporting will be crucial for strengthening governance, securing alignment with provincial strategies, and ensuring that MKRI’s research outputs

inform policy and decision-making processes. Additionally, the CEO will maintain communication channels that foster strategic partnerships, ensuring that MKRI's research and development activities continue to contribute to both regional and national development objectives.

The Office of the CEO will work towards achieving a clean audit opinion by prioritizing governance, compliance, and accountability in all operations. This, along with strengthening stakeholder relations and communication, will help MKRI maintain a positive reputation and continue to drive innovation and development in the province.

CFO (Chief Financial Officer)

The CFO will play a critical role in strengthening the Institute's financial management practices. Over the medium term, the CFO's office will focus on ensuring that MKRI achieves clean audit opinions by rigorously monitoring financial systems and ensuring compliance with financial regulations. A key performance area will be improving invoice payment processes, ensuring that valid invoices are settled within the stipulated 30-day period. The CFO will also prioritize spending 70% of the budget on BBBEE (Broad-Based Black Economic Empowerment) service providers, contributing to the broader economic goals of promoting inclusive growth in KwaZulu-Natal. This will involve working closely with the procurement team to ensure that suppliers comply with BBBEE criteria, thereby supporting the provincial transformation agenda. Furthermore, the CFO will oversee the Information Systems and Technology function, ensuring the development and maintenance of robust IT infrastructure to support operational efficiency, data security, and financial systems. This will involve upgrading technology to ensure seamless financial reporting and data analysis. The CFO's office will also continue to provide robust financial planning and risk management services to enhance the Institute's financial sustainability and operational efficiency.

Corporate Services Executive

The Corporate Services Executive will continue to drive the efficient management of internal services to support MKRI's operational effectiveness over the medium-term period. A key priority will be the effective management of human resources, ensuring that the Institute has the right talent and skills to achieve its strategic goals. The Compliance and Legal Services functions will play a vital role in ensuring that MKRI adheres to all legal and regulatory requirements. This includes managing risks and

ensuring that the Institute operates within the framework of relevant laws and policies. The Corporate Services Executive will ensure that MKRI maintains a high standard of governance and compliance, contributing to achieving the Institute’s clean audit goal and fostering a culture of accountability and transparency.

In addition to compliance and legal services, the Corporate Services Executive will oversee Facilities Management, ensuring that MKRI’s physical infrastructure is well-maintained, safe, and conducive to a productive work environment. This function will also ensure that resources and space are optimized to meet the operational needs of the Institute.

Another key responsibility of the Corporate Services Executive will be Stakeholder Relations. This includes managing communications and engagement with both internal and external stakeholders to ensure that MKRI’s goals and achievements are well understood and supported. Effective Stakeholder Relations will help promote MKRI’s visibility and strengthen its collaboration with strategic partners, including government departments, private sector entities, and research institutions. Additionally, the Corporate Services Executive will oversee communications and branding, ensuring that MKRI’s public image aligns with its values and strategic objectives.

Furthermore, the outputs identified within this programme are aimed at providing a corporate support services framework and assist in prioritising the interventions that are most cost-effective and impactful, especially regarding jobs and inclusive growth. Improved efficiency and effectiveness are becoming increasingly essential given limited financial resources faced by the Institute and the province. This includes reducing regulatory red tape, while ensuring compliance to appropriate regulatory frameworks that assists the Institute to monitor and combat corruption and fraud. The table below, outlines the strategic importance of each indicator.

Outcome	Intervention	Outputs	Strategic Importance
Outcome 1: Institutional Excellence	Facilitation of functional, efficient, and integrated government	Partnerships agreements concluded	By adopting integrated systems and best practices, MKRI can contribute to building a more efficient and accountable institution aligned with PGDS 2, 5, and 7.
		Clean audit opinion achieved	Achieving a clean audit opinion is crucial for

Outcome	Intervention	Outputs	Strategic Importance
(PGDS Priority 1, 5 and 7)			demonstrating credibility and ensuring public resources are managed effectively. It can also attract new funders and strengthen institutional reputation.
		Valid invoices paid within 30 days	Timely payments to service providers, particularly those in KZN, boost local economic growth and incentivise suppliers to continue providing goods and services. This contributes to the provincial economy by ensuring cash flow for local businesses, fostering a positive business environment, and encouraging investment in the province.
		Procurement awarded to BBBEE service providers	Supporting BBBEE is a key mechanism for promoting inclusive growth by empowering historically disadvantaged groups. By focusing on BBBEE-compliant providers, MKRI contributes to economic empowerment, creates opportunities for marginalised communities, and stimulates economic growth and job creation in KZN.

1.2 PROGRAMME 2: RESEARCH SERVICES

1.2.1 PURPOSE

The Research Services function at the Moses Kotane Research Institute (MKRI) is critical in generating evidence and insights to inform decision-making, shape policies, and drive socio-economic development within the province. At the institutional level, it ensures the delivery of high-quality, ethical, and timely research that supports MKRI's mandate to influence provincial and national policy, offering practical recommendations for development initiatives. Research Services also fosters an environment of research excellence and capacity building, equipping researchers with the tools and resources necessary to conduct impactful studies.

In the broader context of KwaZulu-Natal, MKRI's research directly contributes to the Provincial Growth and Development Strategy (PGDS), Medium-Term Development Plan (MTDP), and other provincial frameworks. Through evidence-based research, MKRI helps shape policies that promote inclusive growth, job creation, and poverty alleviation, while addressing provincial challenges. Additionally, MKRI's research capacity-building initiatives support skills development, particularly in areas like

digital skills and innovation, helping to create a more skilled workforce for the province's sustainable development.

1.2.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS FOR 2025/26

PROGRAMME 2: RESEARCH SERVICES

Outcome			Sustainable economic policy environment						
No.	Outputs	Output Indicators	Actual Performance			Estimated	MTEF Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2.1	Sector-based economic research conducted	Number of sector-based economic research conducted	10	10	12	6	16	16	16
2.2	Research articles submitted on journals	Number of research articles submitted for publication	New	New	New	2	10	10	10
2.3	Advisory reports	Number of advisory reports produced	New	4	3	4	2	2	2
2.4	Market Insights reports	Number of market insight reports published	New	New	New	New	1	1	1
2.5	Business intelligence reports	Number of business intelligence reports published	New	New	New	New	1	1	1
2.6	Conferences hosted	Number of conferences hosted	New	New	New	New	1	1	1
2.7	Research outputs disseminated	Number of research outputs disseminated to stakeholders	Revised	Revised	Revised	Revised	4	4	4

1.2.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS FOR 2025/26

PROGRAMME 2: RESEARCH SERVICES

No.	OUTPUT INDICATORS	ANNUAL TARGETS	QUARTERLY TARGETS			
		2025/26	Q1	Q2	Q3	Q4
2.1	Number of sector-based economic research conducted	16	4	4	4	4
2.2	Number of research articles submitted for publication	10	-	3	3	4
2.3	Number of advisory reports produced	2	-	-	-	2
2.4	Number of market insight reports published	1	-	-	-	1

No.	OUTPUT INDICATORS	ANNUAL TARGETS	QUARTERLY TARGETS			
		2025/26	Q1	Q2	Q3	Q4
2.5	Number of business intelligence reports published	1	-	-	-	1
2.6	Number of conferences hosted	1	-	-	-	1
2.7	Number of research outputs disseminated to stakeholders	4	1	1	1	1

1.2.4 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Moses Kotane Research Institute (MKRI) has made substantial contributions to sector-based economic research, producing valuable insights across various industries. The Institute has conducted numerous in-depth studies, analysing key sectors to inform policy decisions, business strategies, and economic development efforts. In addition, MKRI has actively contributed to the academic and professional community, submitting several research articles for publication, ensuring that its findings reach a wider audience and contribute to the global discourse.

MKRI has also produced a variety of advisory reports, offering actionable guidance to policymakers, businesses, and other stakeholders. These reports provide evidence-based recommendations on strategic decisions and policy formulation. The Institute has published several market insight and business intelligence reports, equipping organizations with crucial data to navigate market trends, assess competition, and make informed business choices. Furthermore, MKRI has hosted multiple conferences, serving as a platform for sharing research, fostering collaboration, and engaging with experts in the field.

Looking forward, the Institute is set to implement a comprehensive five-year strategic plan, designed to align with the National Development Plan (NDP), the Medium-Term Development Plan (MTDP), and the KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS). This strategic plan will focus on driving sustainable economic growth, addressing critical challenges within key sectors, and supporting the province's development objectives. The plan will also prioritize enhancing MKRI's research capacity, expanding its stakeholder engagement, and fostering collaboration with government, business, and academic institutions. By aligning its efforts with national and provincial frameworks, MKRI aims to strengthen

its role as a leader in economic research and development, ensuring that its work continues to drive meaningful impact and inform policy decisions for years to come.

The Institute ensures that its research outputs reach a broad audience by disseminating findings through reports, presentations, and digital platforms, enhancing the impact of its work. Through these efforts, MKRI plays a vital role in advancing knowledge and supporting informed decision-making across sectors, contributing to the realization of South Africa's long-term development goals.

Outcome	Intervention	Outputs	Strategic Importance
<p>Outcome 2: Sustainable economic policy environment supported</p> <p>Transformation (PGDS Priorities 2, 5 and 7)</p>	<p>Economic Research that supports Sustainable economic policy environment</p>	<p>Research Conducted</p>	<p>The strategic importance of conducting research by the Moses Kotane Research Institute (MKRI) for the KwaZulu-Natal provincial government lies in its role in providing evidence-based insights that inform policy and support the province's development objectives. MKRI's research aligns with key regional strategies, such as the KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS), ensuring that government policies and programs are grounded in reliable data to drive effective local development.</p> <p>Through its sector-based research, MKRI helps the provincial government identify emerging trends, opportunities, and challenges within various industries, enabling informed decision-making. The Institute's work supports the provincial government in fostering economic growth, innovation, and investment in KwaZulu-Natal. Additionally, by collaborating with government, business, and academic sectors, MKRI ensures that its research outputs are disseminated effectively, contributing to the province's long-term sustainability and prosperity.</p>

1.3 PROGRAMME 3: DEVELOPMENT SERVICES

1.3.1 PURPOSE

The purpose of the development services at the Moses Kotane Research Institute (MKRI) is to enhance human capital, foster innovation, and support entrepreneurship in KwaZulu-Natal. Through key initiatives such as the Graduate Development Programme, Skills Development Programme, and Innovation Incubation Programme, MKRI aims to equip individuals with essential skills, provide practical work experience, and nurture innovative businesses.

The Graduate Development Programme helps recent graduates transition into the workforce by providing valuable hands-on experience. The Skills Development Programme focuses on upskilling individuals to meet the demands of the labour market, enhancing employability and entrepreneurship. The Innovation Incubation Programme supports start-ups by offering mentorship and resources to help entrepreneurs turn ideas into successful businesses.

Together, these initiatives contribute to the province’s economic growth, job creation, and long-term sustainable development by building a skilled workforce and fostering innovation.

1.3.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS FOR 2025/26

PROGRAMME 3: DEVELOPMENT SERVICES

Outcome			Capacity developed for economic development						
No.	Outputs	Output Indicators	Actual Performance			Estimated 2024/25	MTEF Targets		
			2021/22	2022/23	2023/24		2025/ 26	2026/ 27	2027/ 28
3.1	Skills and capacity development interventions implemented	Number of training programmes coordinated	New	New	New	New	4	4	4
3.2		Number of capacity building workshops implemented	New	New	New	New	4	4	4
3.3		Number of digital centres established	4	4	3	2	1	1	1
3.4	Graduate Development opportunities provided	Number of graduates placed into work integrated learning positions	New	New	New	New	15	15	15
3.5		Number of postgraduate students funded	150	115	30	40	10	10	10
3.6	Innovation development opportunities provided	Number of innovations and technology summits held	New	New	New	New	2	2	2
3.7		Number of innovation projects funded	Revised	Revised	Revised	Revised	4	4	4
3.8		Number of new intellectual property (IP)	New	New	4	4	4	4	4

Outcome			Capacity developed for economic development						
No.	Outputs	Output Indicators	Actual Performance			Estimated	MTEF Targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
		or patents filed							
3.9		Number of innovation funding proposals submitted to funders	New	New	New	New	4	4	4
3.10		Number of hackathons coordinated	New	New	New	New	4	4	4

1.3.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS FOR 2025/26

PROGRAMME 3: DEVELOPMENT SERVICES

No.	OUTPUT INDICATORS	ANNUAL TARGETS	QUARTERLY TARGETS			
		2025/26	Q1	Q2	Q3	Q4
3.1	Number of training programmes coordinated	4	1	1	1	1
3.2	Number of capacity building workshops implemented	4	1	1	1	1
3.3	Number of digital centres established	1	-	-	-	1
3.4	Number of graduates placed into work integrated learning positions	15	-	-	15	-
3.5	Number of postgraduate students funded	10	-	-	-	10
3.6	Number of innovations and technology summits held	2	-	1	-	1
3.7	Number of innovation projects funded	4	-	4	-	-
3.8	Number of new intellectual property (IP) or patents filed	4	-	-	4	-
3.9	Number of innovation funding proposals submitted to funders	4	1	1	1	1
3.10	Number of hackathons coordinated	4	1	1	1	1

1.3.4 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Over the medium term, the organization will implement a comprehensive strategy focused on enhancing skills development, capacity building, and innovation, with a particular emphasis on digital technologies, maritime skills, and workforce readiness. This strategy will address both the immediate and long-term needs of the workforce, enabling individuals to thrive in an increasingly digital and innovation-driven economy. The following initiatives will be operationalized:

Training programs and capacity-building workshops will be coordinated to enhance both general and specialized skills. These programs will be designed to address the needs of the workforce in various sectors, particularly focusing on innovation, digital literacy, maritime and other skills. The establishment of Digital Centres provides physical spaces equipped with technology and tools, facilitating hands-on training, digital skilling, and access to critical resources. These centres will serve as hubs for digital skilling, reskilling, and upskilling. They will offer structured programs on emerging technologies, including AI, data science, machine learning, cybersecurity, and digital marketing. Partnerships with tech companies will be explored to ensure access to state-of-the-art tools and platforms. Additionally, the centres will be open to communities, promoting inclusivity and widespread access to digital learning.

Work-Integrated Learning for graduates bridges the gap between academic learning and industry needs, graduates will be placed in work-integrated learning positions to gain real-world experience. Partnerships will be established with industry leaders and organizations to offer internships, apprenticeships, and job placements that integrate classroom knowledge with practical experience.

Postgraduate funding program will support students pursuing advanced studies, particularly in fields critical to driving economic development and in priority economic sectors. The funding will be made available with a focus on supporting research and projects that contribute to economic development. Innovation-focused events encourage collaboration, foster knowledge exchange, and create networking opportunities among innovators, entrepreneurs, and researchers. These events will include hackathons, innovation summits, product showcases, and networking meetups. They will provide a platform for sharing new ideas, collaborative problem-solving, and pitching innovative solutions to potential funders and partners. The events will focus on emerging areas such as digital transformation, green technologies, and maritime innovations. Added to this will be funding innovation projects which helps in prototyping or product development.

MKRI will support the creation of intellectual property (IP) and patents, protecting the innovations that emerge from research and development activities. Innovation

Funding Proposals are submitted to external funders to secure financial support for high-impact projects and innovations.

Hackathons are issued themes centred on solving real-world problems using digital tools. Participants will have access to mentors and resources, and the best solutions will be recognized with awards or opportunities for further development. Digital skilling, reskilling, and upskilling will be a cornerstone of capacity development, ensuring that individuals can adapt to the fast-evolving technological landscape.

Training programs will be offered across different skill levels, from basic digital literacy to advanced coding, cybersecurity, and data analysis. These programs will be delivered through digital platforms, blended learning, and in-person sessions, with a particular focus on equipping people with the skills necessary to thrive in the digital economy.

MKRI will also focus on building maritime skills, ensuring that the workforce is equipped to meet the challenges and opportunities in the maritime and logistics sectors. Collaborations with maritime industry leaders and educational institutions will ensure the relevance and quality of these programs.

Outcome	Intervention	Outputs	Strategic Importance
Outcome 3: Capacity developed for economic growth PGDS Priorities 3, 4, 5, and 6) MTDP	Capacity development programme	Skills and capacity development interventions implemented	By implementing skills and capacity development initiatives, MKRI ensures that its current and future workforce is equipped with the necessary competencies to adapt to emerging technologies and industry trends. This empowers individuals to take on more complex roles, increase productivity, and drive innovation within their respective fields. A highly skilled workforce is crucial for enhancing organizational performance, competitiveness, and sustainability in the face of rapid technological change.
		Graduate development opportunities provided	Offering graduate development opportunities bridges the gap between academic learning and industry requirements. These opportunities ensure that graduates gain practical experience and acquire the soft and hard skills necessary for success in the workforce. This also helps to reduce

Outcome	Intervention	Outputs	Strategic Importance
			unemployment and underemployment rates, contributing to a stronger, more capable talent pool.
		Innovation development opportunities provided	Innovation development opportunities foster a culture of creativity and problem-solving, enabling individuals and teams to contribute to the development of new products, services, and technologies. By providing these opportunities, the organization ensures it remains competitive, responsive to market changes, and capable of addressing complex challenges through innovation. It also strengthens the entrepreneurial or innovator's capacity to commercialise ideas and intellectual property, leading to increased economic output.

2 PROGRAMME RESOURCE CONSIDERATIONS

TOTAL BUDGET FOR 2025/26 AND MEDIUM-TERM EXPENDITURE ESTIMATES

Overview of the 2025/26 expenditure estimates

Table 8: Expenditure estimates (x '000)

MKRI BUDGET 2021/22 - 2027/28							
Programme	Actual Audit Outcomes		Baseline	Main Appropriation	Medium term estimates		
	R	R			R	R	R
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
P1. Corporate services	23 279	26 387	54 668	73 315	31 716	33 013	34 497
P2. Research services	60 287	32 664	27 913	16 834	17 501	18 551	18 024
P3. Development services	10 016	11 408	11 090	17 349	14 518	14 909	15 306
Total	93 582	70 459	93 671	107 498	63 735	66 472	67 828

MKRI BUDGET 2021/22 - 2027/28							
Programme	Actual Audit Outcomes		Baseline	Main Appropriation	Medium term estimates		
	R	R			R	R	R
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Support	23 279	26 387	54 668	73 314	31 716	33 013	34 497
Compensation of employees	16 177	13 625	15 477	17 936	18 809	19 680	20 565
Operations	7 102	12 762	39 191	55 378	12 907	13 333	13 932

MKRI BUDGET 2021/22 - 2027/28							
	Actual Audit Outcomes		Baseline	Main Appropriation	Medium term estimates		
	70 303	44 072			39 003	34 183	32 019
Core Programmes							
P2. Research services	47 211	18 983	13 617	4 365	4 246	4 766	4 450
P2. Compensation of employees	13 076	13 681	14 296	12 469	13 255	13 785	13 574
P3. Development services	1 578	2 580	1 864	9 303	4 580	4 580	4 580
P3. Compensation of employees	8 438	8 828	9 226	8 047	9 938	10 328	10 727
Subtotal	93 582	70 459	93 671	107 498	63 735	66 472	67 828

Direct charges - EDTEA	89 331	65 928	60 618	61 773	61 796	64 450	65 715
Other Transfers			29 110	43 220			
Sundry income	4 251	4 530	3 943	2 505	1 939	2 022	2 113
Total	93 582	70 458	93 671	107 498	63 735	66 472	67 828

Table 9: Economic classification (x '000)

Classification	Actual Audit Outcomes		Baseline	Main Appropriation	Medium term estimates		
	R	R			R	R	R
Economic classification	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current payments	34 680	29 209	33 179	38 452	40 323	42 189	44 088
Compensation of employees	34 680	29 209	33 179	38 452	40 323	42 189	44 088
Goods and services of which:	58 902	41 249	60 492	69 046	23 412	24 283	23 740
Auditing expenses	763	729	767	828	871	916	1 311
Board expenses	2 033	2 193	2 193	2 307	2 427	2 553	2 686
Communication	628	645	645	681	717	754	1 078
Computer services	685	972	972	800	842	885	1 266
Consultants, contractors and special services	228	1 441	200	245	258	271	388
Marketing	559	1 578	600	607	639	672	961
Operating leases	701	37	37	743	782	823	1 176
Other operating expenses	2 785	7 492	7 492	4 389	4 617	4 857	6 946
Training and development	1 000	1 941	1 941	1 000	1 052	1 107	1 583
Travel and subsistence	400	2 495	390	400	421	443	633
Programme expenses	48 620	21 726	45 255	56 546	10 260	10 449	4 921
Payment for capital assets	500	-	-	500	526	553	791
Total	93 582	70 458	93 671	107 498	63 735	66 472	2.1.3

3. Key Risks and Mitigation from SP

Strategic Outcome	Key Risk	Risk Mitigation
Outcome 1: Institutional Excellence	Over-reliance on Government Funding	<ul style="list-style-type: none"> • Maintain strict measures of control in expenditure vs income • BBEE act should include points for investments in Research and Development. • MKRI to market its ability to assist corporates with their CSI. • MKRI to pursue skill fundings to project manage skills development in the province.
Outcome 2: Sustainable economic policy environment supported	Data Security and Privacy Risks	<ul style="list-style-type: none"> • Adequate data access controls to Knowledge Repository. • Centralized system administration • Unified Traffic • Compatible With Popular Similar CMSs • Regular web application intrusion prevention systems (IPS) are being used to mitigate known vulnerabilities. • These intrusion prevention systems are: • Web application Firewall • DDos Protection • SSL/TLS encryption is in place
Outcome 2: Sustainable economic policy environment supported	Forecasting Inaccuracy	Capacity development through training and collaborations with relevant expert partners
Outcome 2: Sustainable economic policy environment supported	Misalignment with Provincial Needs	Proactive engagement with province and other stakeholders to remain abreast of information. Constant sector development analysis to aid focus.
Outcome 2: Sustainable economic policy environment supported	Data Quality and Access Risks	Research, link with and acquire credible data sources
Outcome 2: Sustainable economic policy environment supported	Resource Constraints	Innovative approach to research that aids partnership and collaboration to plug inadequacy gaps.
Outcome 2: Sustainable economic policy environment supported	Innovation Lag and Technological Change	<ul style="list-style-type: none"> • Develop strategic partnerships with academic institutions, research bodies and technology hubs to access the latest innovations and shared resources. • Implement ongoing training programs to upskill staff in emerging technologies and innovation trends. • Establish a dedicated innovation fund to support continuous investment in new technology and infrastructure.
Outcome 1: Institutional Excellence	Stakeholder Engagement Risks	<ul style="list-style-type: none"> • Managed partnerships to ensure that the objectives of MKRI and stakeholders are aligned. • Improve governance structures and stakeholder engagement, by institution regular project meetings.
Outcome 3: Capacity developed for economic growth	Collaboration Dependency and Conflict of Interest	<ul style="list-style-type: none"> • Limit decency on partners by allocating sufficient funding for all capacity development programmes. • Engage a broader pool of partners, including academic institutions, industry experts, and independent consultants, to minimise dependency on a single entity.

This table illustrates the outcomes and strategic risks for MKRI for 2025/26-2029/30 and how they could be mitigated, these were articulated taking into account the MKRI risk register.



Top 10 Global Risks as per WEF

Source: World Economic Forum, Global Risks Perception Survey 2023 -24

The report uses data from the Global Risks Perception Survey 2022-2023 to understand the risks the world is likely to face over the coming 10 years. The survey identifies the cost-of-living crisis as the most severe threat facing us over the next two years. Next is natural disasters and extreme weather events while goeconomic confrontation also features in the top 3 most severe risks in our most immediate future.

Contrast this to a 10-year view and the long-term risk of failure to tackle climate change emerges as the biggest set of risks. From failure to mitigate climate change to biodiversity loss and ecosystem collapse, the top 4 most severe risks over the next 10 years are all environmental. Indeed, the cost-of-living crisis drops out of the top 10 entirely, while goeconomic confrontation drops to 9.

Sale Report

Summary

TECHNICAL INDICATOR DESCRIPTIONS



4. PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: CORPORATE SERVICES

Indicator Title	1.1 Number of Strategic partnerships coordinated
Definition	To establish strategic partnerships that will assist MKRI to implement its mandate
Source of data	Stakeholder database
Method of calculation/Assessment	Simple count
Means of Verification	Signed MOU/ MOA/SLA
Assumptions	Strategic partners will buy-in into the partnership.
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where application)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	4 partnerships established
Indicator responsibility	Executive Manager: Corporate Services

Indicator Title	1.2 Clean audit opinion achieved annually
Definition	This refers to the outcome of AG audit on the Annual Report being free from material misstatements and no material findings on the Annual Financial Statements, performance information and compliant with legislation.
Source of data	Templates provided by PT, BAS Reports, HR Stats, SCM Stats, Financial Reports, Performance Reports.
Method of calculation/Assessment	Simple count
Means of Verification	<ul style="list-style-type: none"> AG approved Audit Report. One Set of Financial Statement.
Assumptions	The entity will be able to comply with all pertinent regulations and governance requirements.
Disaggregation of beneficiaries (where applicable)	KwaZulu-Natal province
Spatial Transformation (where application)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	1 clean audit opinion achieved
Indicator responsibility	Chief Financial Officer

Indicator Title	1.3 Percentage 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	Purchase orders, Supplier Invoices.
Method of calculation/Assessment	<p>Percentage</p> $\frac{\text{Number of suppliers/invoices paid within the thirty-day period}}{\text{Total number of suppliers/invoices who were due to be paid}} \times 100$
Means of verification	Age analysis report
Assumptions	The project managers will provide the invoices timeously to finance Unit to facilitate payments.

Indicator Title	1.3 Percentage of valid invoices paid within 30 days
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	100% valid invoices paid within 30 days of receipt.
Indicator responsibility	Chief Financial Officer

Indicator Title	1.4 Percentage of procurement spend awarded to BBBEE service providers
Definition	Prioritizing SMMEs, Co-operatives, Townships/Rural Enterprises, Women, Youth, and people with disabilities in the procurement processes.
Source of data	Central Suppliers Database (CSD)
Method of calculation/Assessment	Percentage Number of awards made to procurement awarded to designated groups divided Total number of procurement awards
Means of verification	<ul style="list-style-type: none"> Valid invoices within 30 days of receipt Schedule of invoices reviewed with dates. POP of Invoices paid within 30 days
Assumptions	The service providers from previously disadvantaged background will bid for tenders.
Disaggregation of Beneficiaries (where applicable)	SMMEs, Co-operatives, Townships/Rural Enterprises, Women Youth and people with disabilities (PDI)
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	70% spent towards companies owned by spends on BBBEE/HDI SMMEs.
Indicator responsibility	Chief Financial Officer

Indicator Title	1.5 Number of temporary employment opportunities created
Definition	Temporary jobs create that focuses on unemployed graduates to participate in research field work.
Source of data	Graduates Database
Method of calculation/Assessment	Simple count
Means of Verification	Reports on temporary job created for unemployed graduates
Assumptions	The unemployed of graduates will submit their application.
Disaggregation of Beneficiaries (where applicable)	Youth
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative (Year-End)
Reporting cycle	Annual
Desired performance	500 temporary jobs created
Indicator responsibility	Executive Manager: Corporate Services

PROGRAMME 2: RESEARCH SERVICES

Indicator Title	2.1 Number of sector-based economic research conducted
Definition	To conduct economic research for the KZN provincial government.
Source of data	Research articles (publications), databases, analytical software tools
Method of calculation/Assessment	Simple count
Means of Verification	Approved Final Research Report
Assumptions	Capabilities and quality research resources are available to conduct research for the provincial government's consumption
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	16 Research reports
Indicator responsibility	Executive Manager: Research Services

Indicator title	2.2 Number of research articles submitted for publication
Definition	Contribution to the body of knowledge and to be internationally recognised quality research Institute. In addition, MKRI seeks to shape policy perspectives and improved service delivery interventions and to disseminate research findings and recommendations to various stakeholders.
Source of data	Research Reports
Method of calculation /Assessment	Simple count
Means of verification	Research articles submitted for journal publication (email submission, confirmation of receipt of submission)
Assumptions	There are available research articles for publication.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	10 research articles submitted for publication
Indicator responsibility	Executive Manager: Research Services

Indicator title	2.3 Number of advisory reports produced
Definition	To maximise the level of policy-relevant knowledge to support economic development and growth in the KZN province.
Source of data	Research reports, government reports (strategies and policies), and industry reports.
Method of calculation /Assessment	Simple Count
Means of verification	Signed Advisory Reports

Indicator title	2.3 Number of advisory reports produced
Assumptions	There is available research, government reports, industry reports, and expertise to produce advisory reports.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	2 Advisory reports
Indicator responsibility	Executive Manager: Research Services

Indicator Title	2.4 Number of market insight reports published
Definition	To maximise the level of policy-relevant knowledge to support economic development in the KZN province.
Source of data	Gathering sector trends data and analysis; and report writing
Method of calculation/Assessment	Simple count
Means of Verification	Report
Assumptions	Availability of sector data and information.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	1 market insight report
Indicator responsibility	Executive Manager: Research Services

Indicator Title	2.5 Number of business intelligence reports published
Definition	To maximise the level of policy-relevant knowledge to support economic development in the KZN province.
Source of data	Published macroeconomic data; databases
Method of calculation/Assessment	Simple count
Means of Verification	Signed Business Intelligence Report
Assumptions	Availability of latest published macroeconomic data and other vendor databases
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	1 business intelligence report
Indicator responsibility	Executive Manager: Research Services

Indicator Title	2.6 Number of Conferences Hosted
Definition	Research conference hosted to disseminate research findings and discuss topics of interests and latest developments in the research fields presented.
Source of data	Research reports, conference paper submissions and expert knowledge
Method of calculation/Assessment	Simple count
Means of Verification	Conference report; Video graphics and photographs
Assumptions	There will be budget available to host the conference. Conference papers will be received, and target audience will participate in the conference event.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	1 conference held
Indicator responsibility	Executive Manager: Research Services

Indicator Title	2.7 Number of research outputs disseminated to stakeholders
Definition	Disseminate research outputs in various modes including commentaries, infographics, lectures and/or workshops.
Source of data	Research reports
Method of calculation/Assessment	Simple count
Means of Verification	Commentaries, infographics, reports and photographs
Assumptions	Available research reports, human resources and budget to host lectures/workshops.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	4
Indicator responsibility	Executive Manager: Research Services

PROGRAMME 3: DEVELOPMENT SERVICES

Indicator Title	3.1 Number of training programmes coordinated
Definition	The indicators will focus on capacity building and skills development pertaining to the core functions of MKRI, such as innovation, maritime, research etc. The primary beneficiaries of the indicator will be people from previously disadvantaged backgrounds especially people residing in townships and rural areas in the province of KwaZulu Natal.
Source of data	Research reports Call for applications and applications submitted by potential beneficiaries. KZN Digital Transformation Strategy
Method of calculation/Assessment	Simple Count

Indicator Title	3.1 Number of training programmes coordinated
Means of Verification	Quarterly report and attendance register/s
Assumptions	That funding will be available to conduct training programmes. The skills are relevant to the intended beneficiaries at the time of offering the training. The intended beneficiaries will apply for the training programmes.
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable (Province Wide)
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	4 Training Programmes
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.2 Number of capacity building workshops implemented
Definition	The total number of capacity building workshops organised and implemented to enhance skills, knowledge, or competencies of stakeholders within KZN
Source of data	Workshop attendance records, event reports, training materials, and feedback surveys.
Method of calculation/Assessment	Simple count
Means of Verification	Attendance registers, training reports, event evaluations, and feedback forms.
Assumptions	Assumes workshops are conducted as planned and attendance records are accurately maintained.
Disaggregation of Beneficiaries (where applicable)	By gender, age, geographic location, in KZN.
Spatial Transformation (where applicable)	Geographic area where the workshops were conducted (e.g., urban vs. rural areas, or regional focus).
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	4 workshops conducted, indicating successful capacity building efforts within the province
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.3 Number of Digital Centres established
Definition	To establish digital technologies that will improve ICT completeness throughout the province
Source of data	Request received from stakeholders
Method of calculation/Assessment	Simple Count
Means of Verification	Signed MOU /SLA with project partners
Assumptions	<ul style="list-style-type: none"> Identified partners will be willing to go into partnership with the Institute. Financial Resources will be available.
Disaggregation of Beneficiaries (where applicable)	Community and Unemployed Youth
Spatial Transformation (where applicable)	Not Applicable
Calculation type	non-cumulative
Reporting cycle	Annual
Desired performance	1 Digital Centre Established
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.4 Number of graduates placed into work integrated learning positions
Definition	Provide graduates with internship opportunities through MKRIs integrated learning programme to address youth/graduate unemployment and provide necessary experience as well as skills for entering the work environment. The internship will mainly target applicants who resides in KZN and are in the field of study that are aligned to MKI strategic sector and thus contribute to the provincial economy. In addition, the target will be focused on previously disadvantaged (PDIs) and vulnerable groups (Youth, Woman & People with Disabilities).
Source of data	Statistical report of the number of students funded
Method of calculation/Assessment	Simple count
Means of Verification	Recruitment pack (Advert/Publication) and appointment letters and contract.
Assumptions	<ul style="list-style-type: none"> Budget availability to fund the graduate internship programmes. People from previously disadvantaged (PDIs) backgrounds will apply for the graduate internship opportunity.
Disaggregation of Beneficiaries (where applicable)	Women, youth, and people with disabilities (PDI)
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	15
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.5 Number of postgraduate students funded
Definition	This programme is aimed at mentoring, coaching and funded postgraduate students funded by MKRI in terms of technical skills and soft skills. Furthermore, this initiative is meant to assist students and to facilitate the completion of their studies. Moreover, this initiative seeks to groom and develop well rounded individuals who will contribute meaningfully to the economy of the province.
Source of data	MKRI funded postgraduate student's database
Method of calculation/Assessment	Simple count
Means of Verification	Student Mentorship Reports
Assumptions	MKRI have a capacity to mentor the funded postgraduate. Full participation and contribution by the postgraduate students to the mentorship programme.
Disaggregation of Beneficiaries (where applicable)	Women, youth, and people with disabilities (PDI) funded by MKRI
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	10
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.6 Number of innovations and technology summits held
Definition	The total number of events organised or facilitated that are specifically focused on fostering innovation and creative solutions in KZN.

Indicator Title	3.6 Number of innovations and technology summits held
Source of data	Event records, event feedback, and attendance logs.
Method of calculation/Assessment	Simple Count
Means of Verification	Event reports, attendance records and event summaries.
Assumptions	Events were designed with a focus on innovation and creativity, and there was proper documentation of the events held.
Disaggregation of Beneficiaries (where applicable)	Number of participants by sector, age group, gender, or any other relevant categories within KZN.
Spatial Transformation (where applicable)	Events held in multiple locations, with a focus on a provincial outreach.
Calculation type	Cumulative
Reporting cycle	Bi-Annually
Desired performance	2 Summits
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.7 Number of innovation projects funded
Definition	The total number of innovation projects that have received funding within a specified period.
Source of data	Financial records, project funding applications, and approval documents.
Method of calculation/Assessment	Simple Count
Means of Verification	Funding approval documents, project tracking systems, and financial reports.
Assumptions	All funded projects are properly documented, and funding has been allocated according to the project guidelines.
Disaggregation of Beneficiaries (where applicable)	Number of projects funded by sector, region, or project type within KZN
Spatial Transformation (where applicable)	Funding allocation across different areas in KZN, focusing on underserved or innovative regions.
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	4
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.8 Number of new intellectual property (IP) or patents filed
Definition	The total number of intellectual property rights (patents, trademarks, copyrights, designs, etc.) filed by innovators, because of innovation activities of local product development.
Source of data	Project reports, patent/trademark filings, M&E reports from innovation programs, legal and IP department records.
Method of calculation/Assessment	Simple Count
Means of Verification	IP application receipts, filed IP documentation (e.g., patent office receipts, registration certificates), M&E reports, legal department records.
Assumptions	Innovators or organizations are aware of the IP filing process and have access to resources for filing applications. <ul style="list-style-type: none"> - The innovations are novel and meet the criteria for IP protection. - The IP filing process is accurately documented and reported.
Disaggregation of Beneficiaries (where applicable)	Innovator demographics and geographic distribution (district and metro).

Indicator Title	3.8 Number of new intellectual property (IP) or patents filed
Spatial Transformation (where applicable)	Geographic location of IP filings (e.g., local vs. international filings, urban vs. rural innovators).
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	4
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.9 Number of innovation funding proposals submitted to funders
Definition	The total number of innovation funding proposals that have been formally submitted to external or internal funding organisations.
Source of data	Submission records from development services, and signed funding agreements
Method of calculation/Assessment	Simple Count
Means of Verification	Submission confirmation emails, funding agency email receipts, list of submitted proposals with dates, meeting records, funding confirmation letters (if received), or meeting records with innovators and organizations
Assumptions	Proposals are submitted according to the guidelines and timelines provided by the funders. The count is based on actual submissions.
Disaggregation of Beneficiaries (where applicable)	Beneficiaries can be disaggregated by sector, type of innovation, within KZN.
Spatial Transformation (where applicable)	Proposals may be submitted to funders based on specific regional or geographical targets.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	4 proposals submitted, reflecting active engagement in seeking funding opportunities for innovation within KZN
Indicator responsibility	Executive Manager: Development Services

Indicator Title	3.10 Number of hackathons coordinated
Definition	The total number of hackathons organised or coordinated within a specific period, which aim to foster innovation, problem-solving, and collaboration.
Source of data	Event registers, registration records, feedback surveys, report
Method of calculation/Assessment	Simple Count
Means of Verification	Event documentation, registration lists, post-event reports, or photos of the events.
Assumptions	Hackathons are fully coordinated and executed within the reporting period. Coordination refers to the organisation and facilitation of the event, regardless of the number of participants or outcomes.
Disaggregation of Beneficiaries (where applicable)	Beneficiaries can be disaggregated by industry (e.g., tech, education, healthcare) or by participant type (e.g., students, professionals, entrepreneurs).
Spatial Transformation (where applicable)	Hackathons may be organized at different geographic locations, such as national or regional levels.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	4 hackathons coordinated, indicating active promotion of innovation and problem-solving through collaborative events.
Indicator responsibility	Executive Manager: Development Services

ANNEXURES TO ANNUAL PERFORMANCE PLAN

Annexure D: District Development Model

<i>Areas of intervention</i>	<i>Medium Term (3 years – MTEF)</i>					
<i>MKRI Strategic outcomes</i> <ul style="list-style-type: none"> • <i>Institutional excellence</i> • <i>Sustainable economic policy environment supported</i> • <i>Capacity developed for economic growth</i> • <i>Innovation supported for economic growth</i> 	<i>Project description</i>	<i>Budget allocation (est.)</i>	<i>District Municipality</i>	<i>Location: GPS coordinates</i>	<i>Project leader</i>	<i>Social partners</i>
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

ANNUAL PERFORMANCE PLAN

2025/2026



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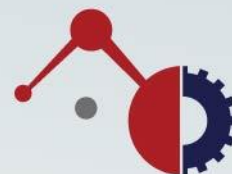
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