

## Annual Performance Plan.



2016/2017

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## Minister's Foreword

The Annual Performance Plan (APP) of Agrément South Africa which is an entity of the Department of Public Works sets out the strategic outcome for the period 2016/2017. The strategic outcomes are goal oriented and are aligned to the APP of the department which in turn has aligned its APP to the National Treasury requirements and to the overall Medium Term Strategic Framework of the Government.

Outcomes-based priorities are therefore reflected as well as the short, medium and long-term planning initiatives of the national government. The policy priorities of Agrément South Africa are also reflected in its day to day operational plans.

Agrément South Africa's 2016/2017 annual performance plan is based on the broad frameworks set by the Government's National Development Plan, the Medium-Term Strategic Framework and the Minister of Public Work's policy statement issued by myself. In completing this plan Agrément South Africa carefully analyzed what had changed in the last year and incorporated what needs to be done differently.

To achieve this Agrément will review its internal processes, rules, regulations and procedures and make changes where necessary in order to achieve priority areas and also achieve the Department's and the national governments outcomes.

I am encouraged by the advances achieved by Agrément South Africa in the construction industry. The Board of Agrément South Africa was established through a delegated authority by the Minister of Public Works in 1969. The Board of Agrément South Africa is mandated to, among others, evaluate the fitness-for-purpose of non-standardised construction related products or systems for use in the construction industry, and for which a national standard does not exist. The Board of Agrément South Africa serves a national interest by being an internationally acknowledged as an independent South African centre serving the building and engineering communities by providing assurance to specifiers and users through technical approvals of the fitness-for-purpose of such non-standardised construction related products or systems.

Several projects in the country nowadays use Agrément Approved building systems.

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**ANNUAL PERFORMANCE PLAN - PART A: STRATEGIC OVERVIEW |**

Agrément ... Fit for purpose / Doornstig / E tshekhe marero / E etemako marero /  
Ho tshekhe marero / Injengo e behulekilo / E tshekhe umfatho



Millions of ordinary South Africans face the triple crisis of unemployment, inequality and poverty. Agrément South Africa strives to alleviate this plight by facilitating and helping to fast track the introduction of innovative and non-standard building systems and products that are healthy, safe and fit-for-purpose. More modern and efficient forms of construction benefit ordinary South Africans by reducing costs and reducing construction times. Agrément South Africa is a world-class technical assessment agency adopting internationally recognised assessment methods.

The Board of Agrément South Africa serves a national interest by being internationally acknowledged as an independent South African centre serving the building and engineering communities by providing assurance to specifiers and users through technical approvals of the fitness-for-purpose of such non-standardised construction related products or systems.

A review of the performance of the Board of Agrément South Africa revealed that its lack of legal status, as well as it reporting to two Ministries (that of Public Works and of Science and Technology), has negatively impacted on the effective discharge of its mandate. The Board of Agrément South Africa's lack of legal status has, in addition, created ongoing audit challenges regarding the classification of the financial transfers made to it, through the Department of Public Works. Due to the Board's current lack of legal status, transfers made by the Department of Public Works to Agrément South Africa, under transfers and subsidies, are being classified by the office of Auditor-General as irregular expenditure.

The Bill seeks to establish Agrément South Africa as a juristic person and make the Public Finance Management Act, 1999 (Act No 1 of 1999), as amended, applicable to it. The objects of Agrément South Africa are reaffirmed in the Bill. The Agrément South Africa Bill B 3B – 2015 – Act No 11 of 2015 was assented to and signed by President on 13 December 2015. The CSIR and the Departments of Public Works and Science and Technology are currently busy with the Transitional arrangements to create Agrément South Africa as a fully-fledged public entity.

The Board of Agrément South Africa is mandated to, among others, assess the fitness-for-purpose of non-standardised construction related products or systems for use in the construction industry, and for which a national standards do not exist. Certification of



products and systems found to be fit-for-purpose will contribute to their acceptance and use and assist in the creation of a dynamic and innovative construction industry that positively impacts on job creation while contributing to Governments infrastructure plans.

The key strategic objectives of Agrément South Africa outlined in the Annual Performance Plan are to support and promote the process of integrated socio-economic development in South Africa; facilitate the introduction, application and utilisation of satisfactory innovation and technology development and at the same time minimising associated risks and enhance Agrément South Africa's position as the internationally acknowledged, objective South African centre for the assessment and certification of non-standardised construction products.

Agrément South Africa is committed to sustainable construction and provides assurance of fit-for-purpose of innovative and non-standard products and systems not covered or fully covered by a South African Bureau of Standards (SABS) or generally accepted codes of practice. Agrément certificates demonstrate compliance with national building regulations, as specified in the certificate and enjoy deemed-to satisfy status in the National Building Regulations.

I would like to thank the entire Board of Agrément South Africa under the chairmanship of Mr Pepl Silinga and the CEO Mr Joe Odhiambo and the rest of the technical team for their contribution to the work of Agrément South Africa and to wish them well as they take the organisation forward. I look forward to working with them again. Agrément South Africa is committed to the successful implementation of its Annual Performance Plan.

As the Executive Authority, I therefore take this opportunity to endorse this Annual Performance Plan and provide my assurance that I am committed to its implementation.



Honourable TW Nxesi (MP)

Minister of Public Works

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## ANNUAL PERFORMANCE PLAN - PART A: STRATEGIC OVERVIEW |

**Official sign-off**

It is hereby certified that this Annual Performance Plan:

- was developed by the management of Agrément South Africa under the guidance of the Honourable Minister of Public Works, Mr T.W. Nxesi (MP) Minister;
- accurately reflects the strategic outcome-orientated goals and objectives that Agrément South Africa will endeavour to achieve during the 2016/2017 financial years.

**Signature**

PP Mkhombeni Date 10/2/16

Louise Opperman, Finance Manager

[Signature] Date 18/2/2016

Sammy Skosana, Technical Assessor Group Leader, Agrément South Africa

[Signature] Date 10 FEB 2016

Joe Buhlambo, CEO, Agrément South Africa

**Approved by:**

[Signature] Date 07/03/2016

The Honourable Minister of Public Works, Mr T.W. Nxesi (MP)

## **ANNUAL PERFORMANCE PLAN - PART A: STRATEGIC OVERVIEW**

### **1. Vision**

Agrément South Africa's vision is to be a world-class Technical Assessment Agency.

### **2. Mission**

Agrément South Africa's mission is to promote government's objectives of economic development, good governance and raising living standards and prosperity in South Africa. This will be achieved by encouraging and facilitating the use of innovative and non-standard construction products through its certification scheme, thereby capitalising on the benefits to be gained.

#### **2.1 Strategic intent**

Agrément South Africa's strategic intent is consistent with the Minister's policy statement and the above vision. The Board has identified five overarching long-term goals for the 2016/2017 year. These are to:

- provide active support to the Minister's strategic programmes and initiatives, aimed generally at turning around the National Department of Public Works and specifically at increasing South African innovation and emerging creativity development;
- consolidate Agrément South Africa into a viable and cutting edge organisation with sound corporate governance, risk management profile and world-class processes and systems with a strong technological intellectual base;
- drive the growth and progress of Agrément South Africa as a leading state-owned, internationally acknowledged centre for the assessment and certification of non-standardised construction products;
- build a centre that enhances SA's position, leadership and strong global presence through innovation, research and development;
- promote a human capital strategy that enables Agrément South Africa to address its current and future human resource challenges, including the shortage of critical skills in the construction industry.



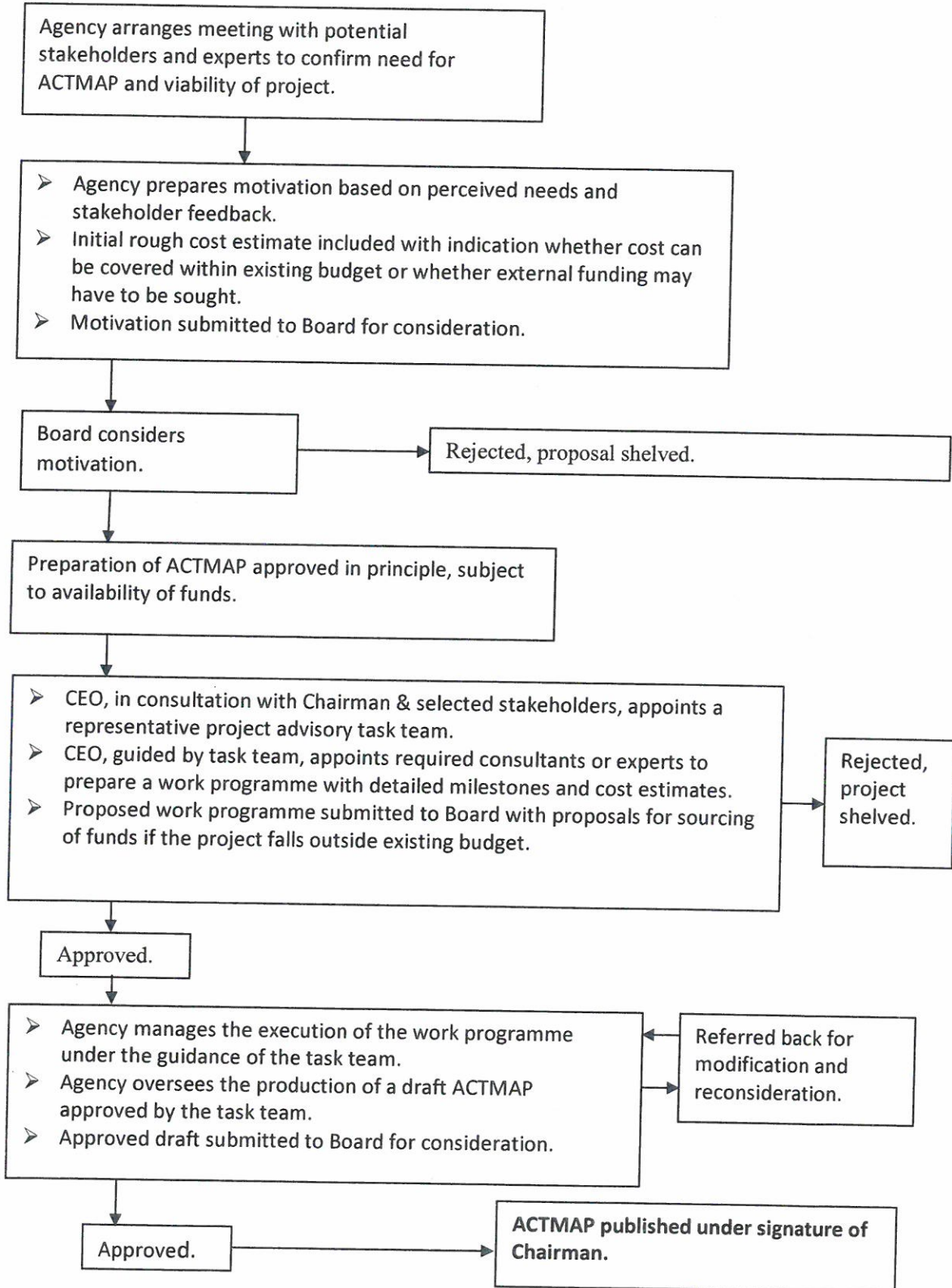
This strategic intent will permeate the centre's Annual Performance Plan and inform its strategic objectives from which all its divisions will develop specific objectives and supporting key performance areas (KPA's).

Agrément South Africa's strategy is guided by the strategic goals established and included in the current delegation of authority from the Minister of Public Works. The key principles of the strategy, namely to elevate the strategic role of the centre's technical assessment capabilities, enhance human capital development and focus on promoting the use of innovative construction technologies require an appropriate balance between fundamental and applied research.

The fundamental research focus will be on various technical assessment criteria, while strategic basic and applied research will look at developing technical assessment criteria and carrying out technical assessments and technology transfer and implementation. The research on technical criteria will be done by research centres like the Council for Scientific and Industrial Research (CSIR). The CSIR is South Africa's central and premier scientific research and development organisation. THE CSIR was established by an act of parliament in 1945 and is situated on its own campus in the city of Pretoria. It is the largest research and development (R&D) organisation in Africa and accounts for about 10% of the entire African R&D budget. The CSIR has a staff of approximately 2,800 technical and scientific researchers, often working in multi-disciplinary teams some of whom offer technical support to Agrément South Africa. In developing Agrément Criteria and Test Methods Applicable to Products (ACTMAP) the following flow chart illustrates the process followed.

## AGRÉMENT: FLOW CHART

### Preparation and development of ACTMAPs





Under present legislation each local authority has discretion in the acceptance of Agrément certified building systems or products, nor is there any statutory requirement for building innovations, to be covered by a certificate. Notwithstanding this situation, most local authorities and a large percentage of clients, including government and non-governmental bodies, will only consider approving or using innovations covered by Agrément certificates. The National Building Regulations give formal recognition to the technical opinions expressed in Agrément certificates.

Agrément South Africa will accept for evaluation any unconventional building techniques or system not covered by existing building legislation or SABS codes of practice provided that it has reasonable chance of meeting the Board's performance criteria. Building products, materials or components which are not covered by standard specification or codes of practice are also suitable subjects for evaluation and the novel use of conventional building materials and components can also be considered for evaluation.

Once there are several Agrément South Africa certificate holders of a particular product range the industry then approaches the South African Bureau of Standards (SABS) standards generation committee to develop a national standard for the product. The SABS is a South African statutory body that was established in terms of the Standards Act, 1945 (Act No. 24 of 1945) and continues to operate in terms of the latest edition of the Standards Act, 2008 (Act No. 29 of 2008) as the national institution for the promotion and maintenance of standardisation and quality in connection with commodities and the rendering of services.

As the national standardisation authority, the SABS is responsible for maintaining South Africa's database of more than 6,500 national standards, as well as developing new standards and revising, amending or withdrawing existing standards as required. Internationally, SABS experts represent South Africa's interests in the development of international standards, through their engagement with bodies such as the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). South Africa has a long and proud history of involvement with these bodies and was a founder member of ISO. On a regional level, the SABS currently holds the Secretariat for SADCSTAN, the standardisation body for the Southern African Development Community of 14 nations.



SABS Commercial (Pty) Ltd, a self-financing division within the SABS, offers certification, testing, consignment inspection and other services, mostly to industry. Apart from offering systems certification and product testing against the requirements of South African National Standards (SANS), SABS Commercial also operates its proprietary product certification scheme – the SABS Mark of Approval, assuring buyers that products are safe, fit for purpose and offer redress.

THE National Regulator for Compulsory Specifications (NRCS) is responsible for protecting the health and safety of citizens, the environment, and for ensuring fair trade. The NRCS is a public entity responsible to the Minister of Trade and Industries for administration of technical regulations including compulsory specifications based on standards that protect human health and safety, and the environment. Government is also obliged to ensure that National and International trade is fair and based on reliable measurements. NRCS administers the Trade Metrology Act on behalf of the Minister of Trade and Industries. The Act and regulations set requirements for measurements of quantity for trade purposes. The most common measurements in trade are for Mass, Volume, Length and Area. There are very closely defined requirements for the most common trade measurements of products offered for sale in South Africa that are fully aligned with International requirements. NRCS applies best practice and is a leader in Regional and International Metrology.

NRCS protects the consumer by enforcing compulsory specifications that set minimum standards for amongst others the Building and construction industry

The NRCS protects the environment by enforcing compulsory specifications for:

- plastic bags;
- vehicle emissions and
- energy efficiency and labelling of electrical appliances and vehicles.

New compulsory specifications are being developed for:

- lighting,
- electric motors and
- buildings.

NRCS supports industry through:

- approving products regulated by means of compulsory specifications so that they can be sold, imported or exported.
- Protecting South African industry against unfair competition.

Compliance with the compulsory specifications and regulations is a legal requirement for the sale, manufacture, import and in some cases export of certain products. NRCS administers compulsory specifications on behalf of the Minister of Trade and Industry. The NRCS is the consumer and industry watch dog. A variety of sanctions are applied where products and services do not meet minimum standards. These range from stopping the sale of non-conforming products, to seizure, destruction and prosecution of offenders.

These distinct and separate responsibilities of the research function by organisations like the CSIR, the technical assessment and ongoing use a standard product under the SABS code mark are illustrated diagrammatically in Figure 1 in the typical product development cycle.

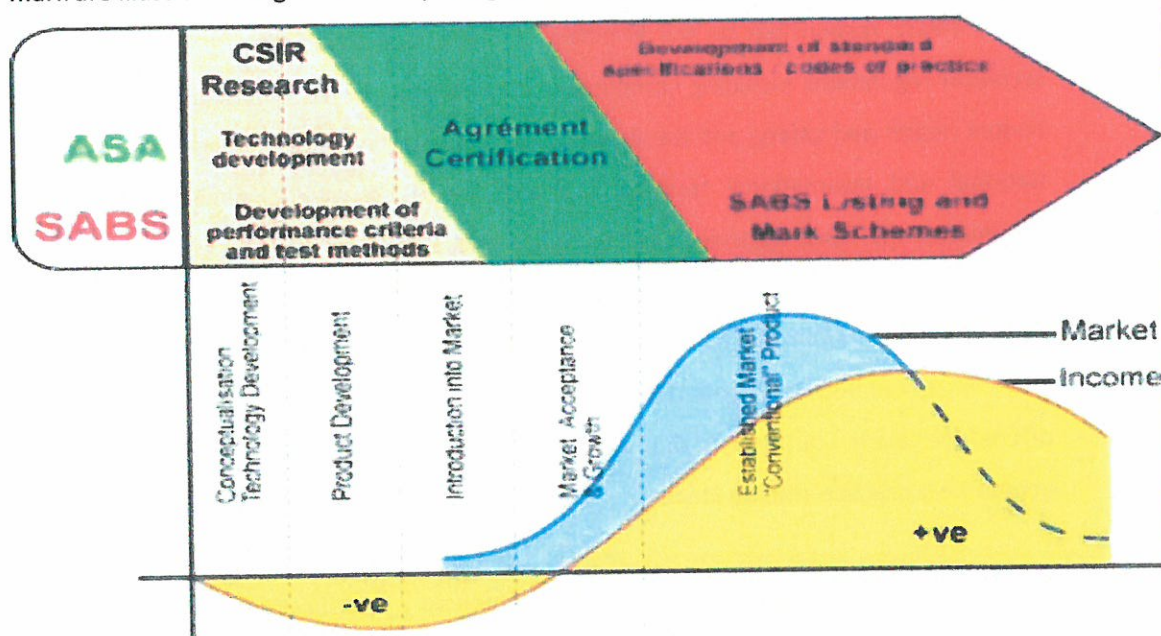


Figure 1: Typical Product Development Cycle.

Agrément certification procedures, from application to certification, are described below.

### Applications for evaluation

Applications for evaluation, on the Agrément South Africa's application form, should be lodged together with the prescribed application registration fee and all the necessary supporting technical documentation to the CEO's office. Agrément South Africa considers the application and should it be accepted then Agrément commences with the preparation of an evaluation offer. The offer contains details of the programme, such as specifying the various aspects to be assessed, tests to be carried out, test specimens required, as well as quoting a cost for the service and giving an estimate of the time required to complete the



certification process. Should the applicant accept the Agrément's offer the investigation is carried out and, if satisfied with the results, Agrément South Africa issues an Agrément certificate. At a preliminary meeting it could be apparent that the subject of the application may not meet certain of the Agrément South Africa's criteria, in which case the applicant could consider entering into a direct contract with a product developer for a limited investigation of the questionable aspects of the subject or he may even contemplate engaging in a development contract with the technical expert. Where the result of such preliminary investigations is pertinent these would be used in the subsequent evaluation for Agrément certification and the preliminary work would not be repeated. Agrément certification is concerned with the performance-in-use of the building innovation for specific applications. To ensure that the evaluation programme is framed to cover the particular uses envisaged as efficiently as possible it is important that applicants specify the uses to which their product will be put precisely and that the technical information submitted relates specifically to these uses, covering all relevant aspects. For example, for a building system, careful consideration must be given to the types of buildings to be covered by the certificate, bearing in mind that the wider the scope of the evaluation programme, the more costly and time consuming it is likely to be.

Technical information required is as follows:

- a comprehensive technical description of the subject, including full specifications of all the materials used in its manufacture.
- a detailed description of the manufacturing process.
- A detailed description of the erection, installation or application procedures.
- fully dimensioned and annotated drawings, preferably on A4 sheets but not larger than A3, to a standard normally accepted in the building industry, detailing all salient aspects of the subject to be evaluated.
- a statement of the quality assurance procedures applied in all phases of the production of the subject (i.e. manufacture, installation, application or erection).
- any relevant technical reports or certificates on the subject by other recognized local or overseas testing authorities.



Should applicants wish to keep certain details of their innovation confidential this may be arranged by omitting these from the certificate but including them in a confidential document which is approved and retained by Agrément South Africa. The existence of this confidential specification would be acknowledged in the published Agrément certificate but it would only be released to bona fide enquirers on express permission from the applicant.

Innovations developed or produced outside South Africa can be evaluated for use in South Africa under local conditions, but prospective applicants should note that a local resident representative, competent to provide all the necessary technical information, answer any queries which may arise during the evaluation and if required produce, erect or install full-scale prototypes of the subject for inspection and testing, should be appointed.

Agrément certificates are comprehensive advisory documents, intended to assist building authorities and other interested parties to decide, on technical grounds, whether a particular innovation will be suitable for a specified purpose in a given situation.

The certificate contains an objective assessment of the performance-in-use of the subject to allow designers and specifiers to acquaint themselves with its likely performance. There is a detailed technical description which enables building inspectors and other interested parties to check the manufacture, installation or erection of the subject.

Three types of Agrément certificates are issued:

- normal,
- interim,
- confirmation.

#### **Normal certificates**

Normal certificates are issued where it has been possible to contemplate a comprehensive evaluation programme covering all aspects of the manufacture, installation or erection, and performance-in-use of the subject, and where the result obtained from the programme provide sufficient evidence of the adequacy of the subject for the stated use in terms of the Board's performance criteria.

Normal certificates are printed on white paper and can either be 'first-issue' certificates, which are those issued for the first time to an applicant in respect of a particular innovation and which have a validity of three years, or 'renewal' certificates which are issued on expiry

of a first issue certificate and on application for a renewal by the certificate holder after re-appraisal of the initial evaluation.

The re-appraisal of the initial evaluation usually involves inspection of examples of the innovation which have been in use for some time to establish whether the anticipated performance of the innovation has been confirmed , and a study of the assessed performance in the light of current and possibly revised performances criteria. Certificates renewed for the first time usually have a three year period of validity.

#### **Interim certificates**

Interim certificates are issued where a sufficiently significant portion of an evaluation programme has been completed and the information obtained from this work is of such a nature that an assessment of the suitability of the subjects for certain limited uses can be made. Interim certificates indicate the assessment of those aspects of performance which have been established as a result of the evaluation work done and also contain details of those aspects of performance of the subject which require further evaluation before a normal certificate can be issued. An interim certificate could, for instance, be issued where the evaluation programme for a particular subject calls for both short and long term testing and where the short term tests only have been completed but where the result of these tests are favourable and sufficiently indicative of the performance of the subject to enable an assessment to be made of its suitability for certain purposes.

#### **Confirmation certificates**

Confirmation certificates are granted to confirm the validity in South Africa of certificates issued by recognised authorities abroad under the conditions stated and for the purpose specified. They apply to building innovations which can be marketed in South Africa without any local processing or change being made.

Certificates from abroad are not confirmed automatically; each confirmation is based on an evaluation carried out.

#### **Amendment of certificates**

An Agrément certificate may be amended at the request of the certificate holder to cover any proposed change in use or change in technical specification during the currency of the certificate.



Provided the proposed amendment is acceptable to the Board, effect is given to the amendment by the publication of an amending document. In certain cases, where the amendment is of a very simple nature Agrément South Africa may write to the certificate holder advising him of the acceptability of the proposed amendment.

### **Distribution of certificates**

Agrément certificates are available either directly from the certificate holders or from Agrément South Africa.

Agrément South Africa's assessment of the likely performance of an innovation is based on the results of a comprehensive technical investigation carried out on the innovation by technical experts. The investigation covers, amongst other things, the design aspects of the innovation as well as the standard of manufacture, assembly, erection, installation or application achieved by the applicant. Any change in these standards or deviation from the condition of the certificate can lead to a deterioration in the performance of the innovation and thus invalidate the assessment contained in the certificate. Agrément South Africa's post-certification inspection scheme provides a mechanism whereby it can satisfy itself that the certificate holder is maintaining the standard of production and that the conditions of certification are being adhered to. It must be stressed, however, that Agrément South Africa does not guarantee the quality or performance of any certificated innovation and no such guarantee is intended or implied in the granting of a certificate or in the implementation of the post-certification inspection scheme.

### **3. Values**

Agrément South Africa's values are aligned with the CSIR values and based on excellent management principles. Encouraging value-driven employee behaviour drives effective service delivery and ensures a high standard of assessing innovative construction products and systems.

The values are:

**People** – striving to attain full potential in support of science.

**Reputation** – enhancing relevance, integrity, quality and delivery.



**Ingenuity** – realising the full intellect of our people in creating solutions.

**Diversity** – embracing an environment that respects the individual and multi-cultural heritage.

**Energy** – working together to achieve impact through passion, drive and agility.

#### 4. Mandate

##### 4.1. Policy mandates

Agrément South Africa is mandated by the Minister of Public Works to *“support and promote the process of integrated socio-economic development in South Africa as it relates to the building and construction industry by facilitating the introduction, application and utilisation of satisfactory innovation and technology development”*.

The mandate is reflected on page 2 of the revised Delegation of Authority signed on 21 November 1970 and amended in February 1999. According to the mandate, the Board of Agrément South Africa will:

- support and promote the process of integrated socio-economic development in South Africa;
- facilitate the introduction, application and utilisation of satisfactory innovation and technology development;
- enhance Agrément South Africa’s position as the internationally acknowledged, objective South African centre for the assessment and certification of non-standardised construction products.

Aligned with its mandate, Agrément South Africa supports the construction industry by facilitating the introduction, application and utilisation of satisfactory innovation and technology development, in a manner that adds value to the process. The centre is also the only internationally acknowledged and objective facility in South Africa that assesses and certifies non-standardised construction products.

It is generally accepted that the building industry in South Africa is facing a formidable challenge in attempting to meet the need for buildings, now and in the decades ahead. Foremost among these needs are of course, that for housing where it is estimated that present production has to be quadrupled within the next few years if backlogs are to be eliminated and future requirements met. However, the provision of housing alone is only a partial answer because, hand in hand with housing it is necessary to provide service buildings, i.e. educational buildings, health, care buildings and recreational, commercial and industrial buildings. It is essential, therefore, that any building innovations, be it a new material, product or building system which can improve production and increase production must be given the opportunity of proving its worth in the market place.

The use of untested innovations carries with it the risk of failure, both technical and economical. Economic failure is a risk which the entrepreneur can, and does accept, because he has the necessary expertise to be able to judge the degree of risk involved and to be able to devise appropriate strategies to deal with it. However, when it comes to technical failure the position is different. Few, if any, entrepreneurs have the time, expertise or facilities to be able to evaluate fully the technical performance of a building innovation and hence its 'suitability for purpose'. The professional builder by the nature of his training will become involved in management and, given the abovementioned scenario, it is more than likely that at some stage of his career he will be faced with having to make a decision regarding the use, purchase or development of a building innovation. It is here that the Agrément system, correctly used, can assist him in reaching a correct decision.

The eight-member Agrément South Africa Board is appointed by the Minister of Public Works for a period of three years. The core function of the Board is to set the strategic priorities and goals of the organisation.

The Board is supported by a Technical Sub-Committee that primarily approves Agrément South Africa's fitness-for-purpose certificates.

Agrément South Africa fulfils its mandate by, *inter-alia*, providing fitness-for-purpose assurance of technologies that optimise resource utilisation and realise cost savings in the industry.

In assessing fitness-for-purpose, Agrément South Africa utilises a holistic approach, which includes all technical aspects that could impact on health and safety.

Agrément South Africa's corporate governance practices commit the organisation to sound management principles framed by integrity and efficiency.

Section 29.1 of the Treasury Regulations, 2005, promulgated in terms of the Public Finance Management Act (PFMA), 1999, requires the Agrément South Africa Board to prepare and submit a Annual Performance Plan for the forthcoming Medium Term Expenditure Framework (MTEF) for approval by the Executive Authority. The approved Annual Performance Plan must be submitted to the Treasurer annually not later than 30 September of each year.

The Annual Performance Plan must:

- cover a period of one year;
- include programme objectives and outcomes as identified and agreed upon by the Minister as the Executive Authority for Agrément South Africa;
- include a Service Delivery Improvement Programme (SDIP);
- include multi-year projections of revenue and expenditure;
- include key performance measures and key indicators of the SDIP to assess the Board's performance in achieving the desired objectives and outcomes;
- be updated annually on a rolling basis;
- form the basis of an Annual Report of the Accounting Authority in compliance with Section 40(1)(d) and (e) and (55)(1) and (2) of the PFMA.

#### **4.2. Agrément South Africa's response to significant developments in the national environment**

Agrément South Africa's agenda is influenced by the national priorities identified by government, the private sector and society, while South Africa's strategic priorities are identified in the current Medium Term Strategic Framework (MTSF) (Table 1). Government priorities are defined by the national departments, with which Agrément South Africa interacts to support policy development and implementation.



**Table 1: South African strategic priorities**

Priority	Strategic intent	Level of priority relevance
1.	Sustainable resource management and use.	Very high
2.	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.	Very High
3.	Massive programme to build economic and social infrastructure.	Very High
4.	Comprehensive rural development strategy linked to land and agrarian reform and food security.	High
5.	Strengthen the skills and human resource base.	High
6.	Intensify the fight against crime and corruption.	High
7.	Build cohesive, caring and sustainable communities.	High
8.	Improve the health profile of all South Africans.	Medium
9.	Pursuing African advancement and enhanced international co-operation.	Medium
10.	Building a developmental state including improvement of public services and strengthening democratic institutions.	Medium

#### 4.3. Agrément South Africa's contributions to achieving national outcomes

The Cabinet-identified outcomes also form the basis for Ministerial performance agreements and direct departmental and interdepartmental activities. As depicted in Table 2, Agrément South Africa contributes extensively to the attainment of these outcomes in collaboration with implementing partners such as line departments, state-owned enterprises and the private sector.

Many of the contributions resulted from the application of past technical assessments, while others are new initiatives in response to new imperatives.

**Table 2: Examples of Agrément South Africa's contribution to achieving National outcomes.**

Outcome	Agrément South Africa's contribution
A long and healthy life for all South Africans	Technical certification of technologies that improve indoor thermal performance to provide a healthy living environment and contribute towards a long life and a healthier nation.

Outcome	Agrément South Africa's contribution
A responsive, accountable and efficient local government system	<p>Participate in the activities of local government, specifically:</p> <ul style="list-style-type: none"> <li>➤ undertaking presentations to local authority building inspectors nationally as well as during the annual building inspector's convention</li> <li>➤ membership of the advisory council of the National Regulator for compulsory specifications</li> <li>➤ proactive support to building inspectors at local authorities to exercise building control within their areas of jurisdiction.</li> </ul>
A skilled and capable workforce to support an inclusive growth path	<p>Undertake Human Capital Development (HCD) by encouraging staff to improve their academic qualifications and assigning challenging but relevant tasks.</p> <p>Direct HCD interventions in 2016/2017 include:</p> <ul style="list-style-type: none"> <li>➤ Vacation students placed at Agrément South Africa : 2</li> <li>➤ Undergraduate bursars supported: 1</li> <li>➤ Interns placed at Agrément South Africa: 2.</li> </ul>
An efficient, competitive and responsive economic infrastructure network	<p>As part of the CSIR, participate in the Association of Southern African National Roads Agencies and SANRAL (the South African National Roads Agency) projects aimed at revising national guidelines for road materials and structural design of roads.</p>
Decent employment through inclusive economic growth	<p>Undertaking technical certification of several new, labour-intensive construction methods, such as developing criteria for using thin concrete technology in road construction similar to the technology developed and implemented in communities in Gauteng and the Eastern Cape.</p> <p>Assist in facilitating the development of technologies that improve the competitiveness of the construction industry</p>
Environmental assets and natural resources that are well protected and continually enhanced	<p>Include environmental assessment as part of contributing towards environmental sustainability, such as thermal performance, energy efficiency software and developing a database of the environmental impact of construction materials.</p>



Outcome	Agrément South Africa's contribution
Improving the quality of basic education	Technically assessing innovative technologies that can be used to construct modern schools. The Independent Development Trust (IDT) has used innovative technologies in constructing schools, especially in rural areas.
Sustainable human settlements and an improved quality of household life	Participate in the activities of the Department of Human Settlements, including research and development, such as awarding an Agrément South Africa certificate of fitness-for-purpose for a new design for a low-income house. Compared to the standard RDP house, the house has better indoor air quality, utilises 'zero wastage' and modular construction approaches and has an innovative thin concrete foundation that saves one tonne of concrete per house significantly reduces construction time.
Vibrant, equitable and sustainable rural communities and food security for all	Technically assessing technologies that can improve the performance of dwellings and therefore the living environment in rural areas, such as improved traditional building methods and the use of light-weight building construction technologies and materials that are easier and cheaper to transport than conventional materials and are therefore suitable for remote rural areas.

#### 4.4. Agrément South Africa's contribution to job creation

The Government identified job creation as a key driver in achieving many social and economic objectives. In line with its mandate, Agrément South Africa engages with government and the private sector to assist in maintaining a competitive South African economy and stimulate new economic development to create new employment opportunities.

The role of Agrément South Africa – as informed by the Cabinet-approved New Growth Path – is to technically assess innovative construction technologies and promote their use to stimulate the creation of sustainable short- and long-term job opportunities.



#### 4.5. Key strategic objectives

Agrément South Africa will emphasise the following key strategic objectives during the next financial year:

- Strategic Human Capital Development (HCD) through three initiatives:
  - an accelerated career development programme to develop the technical and managerial skills of at least one young black technical assessor;
  - special programme to accelerate the development of young built environment professionals (two staff members) towards professional registration within four years;
  - a programme to plan and manage graduate studies for at least one staff member to complete their studies during the 2016/2017 financial year.
- Transform the demographics of its SET base with specific focus on:
  - increase the number of young black technical assessors in the unit;
- Strengthen relationships with the Departments of Transport (DoT), Human Settlements (DHS), Public Works (DPW), Trade and industry (DTI) and Science and Technology (DST) to create technical assessment partnerships and establish Agrément South Africa as a leader in the technical assessment of innovative construction technologies for and on behalf of all South Africans;
- Strengthen its technical assessments base and maintain the technical assessments pipeline.
- Focus on technical assessments of innovative products, which include environmental assessments in accordance with SANS 10400-XA, to improve the thermal performance of buildings in adapting to climate change and reducing the carbon footprint in the construction industry.
- Deliver and transfer key technical assessment solutions that have a social and public good impact.
- Manage cost control and containment prudently to position itself for significant growth in the near future.

#### 4.6. Key implementation activities

These include:

- developing strategic relationships with several government departments, selected state-owned entities and private sector companies through a number of dedicated task teams;

- promoting or recruiting at least one black South African technical assessor to senior or group leader technical assessor level;
- strategically partnering with other materials and manufacturing units of the CSIR in advanced building construction materials development and mechatronics;
- implementing key solutions for government and communities through social and public good projects;
- enhancing internal project management and technical assessment methodology.

#### **4.7. Key measures of success**

- Protect and grow technical assessment income from applicants for technical assessments and private sector companies.
- Maintain the pipeline of new young black technical assessors and appoint at least two assessors.
- Fill in the shared services posts identified by the Transitional Task Team which may include finance, administration, human resources, legal, audit and facilities staff members amongst other post.
- Maintain financial sustainability by increasing total technical assessment income to at least R2 436 000 in 2016/2017.
- Achieve a total income of at least R14 819 000 in 2016/2017.
- Achieve a positive operational margin of at least R350 000 in 2016/2017.

## 5. Situation analysis

### 5.1. General

As major drivers of the economy, the built environment and infrastructure play a fundamental role in supporting other sectors and industries to meet national strategic objectives. The South African government has set a target to reduce poverty. In order to achieve this, the government's growth path strategy calls for the reduction of unemployment, and has set growth targets for the economy of around 6%. However, the economic downturn of our major trading partners has seen South Africa going into a recession in recent times and markets are still very volatile.

Infrastructure remains important, as highlighted in the Medium Term Strategic Framework (MTSF), the diagnostic report of the National Planning Commission and the New Growth Path plan. The Minister of Finance re-emphasised the importance of infrastructure in his budget speech. At the same time, however, the new PPPFA and its stricter contracting measures will make it more difficult to do business with government departments. The introduction of a long-term plan brings greater coherence and continuity to the planning system and means that the MTSF now becomes a building block towards the achievement of the vision and goals of the country's long-term plan. In the words of President Zuma: "The Plan has been adopted as a National Plan for the whole country. It is our roadmap for the next 20 years. All the work we do in government is now part of the comprehensive National Development Plan, including all operational plans, be they social, economic or political."

The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. Performance agreements between the President and each Minister will reflect the relevant actions, indicators and targets set out in this MTSF.

Within the NDP vision, key policy instruments developed in the previous term will continue to drive government's policy agenda. These include the New Growth Path, which sets the trajectory of economic development, the National Infrastructure Plan, which guides the roll-out of infrastructure to improve people's lives and enable economic growth, and the Industrial Policy Action Plan, which focuses on promoting investment and competitiveness in leading sectors and industries. Government will also take forward key social development



initiatives, including social security and retirement reform, National Health Insurance, improvements in basic education and expansion of technical and vocational education.

In developing countries such as South Africa, an approximate increase of 3-5% in investment in gross fixed capital formation (GFCF) is required to achieve a 1% increase in GDP. The South African government is aiming at public sector investment of 8-9% in GFCF to complement private sector investment. This will yield a total investment of 25% and potentially, a GDP growth rate of 5-6%. Gross Fixed Capital Formation in South Africa increased to 627 181 ZAR Million in the first quarter of 2015 from 624 408 ZAR Million in the fourth quarter of 2014. Gross Fixed Capital Formation in South Africa averaged 278 101.13 ZAR Million from 1960 until 2015, reaching an all-time high of 640 491 ZAR Million in the fourth quarter of 2013 and a record low of 73 065 ZAR Million in the second quarter of 1962. Gross fixed capital formation in South Africa is reported by the South African Reserve Bank.

This strategy led to very high growth rates in the infrastructure construction sector in the years leading up to the economic downturn in 2009. In the civil construction works sector, for example, the annualised growth rate in infrastructure such as power stations, transport systems, roads and ports exceeded 30% over brief periods of time. During the past two years, this growth flattened off mainly due to less expenditure by government on infrastructure, despite the stated objective in the 2009 MTSF to embark on “a massive programme to build social and economic infrastructure”.

There are concerns in certain areas of the built environment sector about skills shortages, the ability of materials suppliers to cope with demand and the state of technology (such as materials, design methods and performance prediction). The infrastructure and construction sectors worldwide are notoriously slow in generating innovation and according to R&D Survey in South Africa, this sector spends less than 0.3% of turnover on innovation.

Infrastructure development remains important to government. The MTSF also highlights the following priority areas:

- the importance of socio-economic infrastructure – this is confirmed by the target of spending 25% of GDP on major infrastructure development with an emphasis on logistics, transport, water, affordable housing and maintenance;
- rural development and infrastructure;

- sustainable resource management and use, with an emphasis on the potential impact of climate change;
- a developmental state with an emphasis on improving public services (including municipal service delivery).

A review of the document “*Measurable performance and accountable delivery: Outcomes and Measures*” affirms the significant importance of infrastructure. In all instances specific decision-support challenges and performance indicators are required.

Agrément South Africa is ideally placed to assist, specifically as regards the following outcomes:

#### **5.4. Outcome 8: Sustainable human settlements and an improved quality of household life**

- Output 1: Upgrading 400 000 units of accommodation within informal settlements.
- Output 2: Improving access to basic services.
- Output 3: Facilitating the provision of 600 000 accommodation units within the gap market for people earning between R3 500 and R12 800.
- 

#### **5.6. Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced**

- Output 1: Enhanced quality and quantity of water resources.
- Output 2: Reduced greenhouse gas emissions, climate change impacts and improved air/atmospheric quality.
- Output 3: Sustainable environmental management.

#### **5.7. Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship**

- Output 1: Service delivery quality and access.

National, provincial and local governments currently face major challenges, particularly in service delivery, provision of housing, apartheid-era spatial planning and city layout, sustainable development and poverty alleviation.



As mandated, Agrément South Africa's role is to ensure that its technical assessments address these priorities and challenges. The diversity and complexity of the priorities and stakeholders are challenging factors in the centre's external environment and are reflected in the issues discussed below.

#### 5.8. Performance environment

The strategic review of Agrément South Africa will continue to guide organisational endeavours during the period 2016/2017 as it gives effect to its strategic mandate.

The review confirmed the existing strategic goals, highlighting the need to:

- focus on excellence in technical assessments;
- focus on transformation to ensure continued representation of women and black people in all its operations;
- increase the impact of our work and improve the related communication;
- develop significant numbers of highly skilled people;
- strengthen internal operations, monitoring and evaluation, as well as control mechanisms to continuously improve performance in executing our mandate and strategic intentions;
- safeguard financial sustainability and our good corporate governance record.

Globally, the attraction and retention of sufficient highly skilled people in the construction industry has become challenging, similar to securing stable and adequate long term funding streams. Although responsive to its business environment and perhaps not as quickly and dramatically affected by the recent economic downturn as many private sector organisations, the impact of the centre's business has still been negative. The buffer possibly resulted from the continuation of technical assessments.

Currently, the indications are that the effects may be more pronounced in the years ahead. Within that context, Agrément South Africa has carefully considered its financial parameters and many activities may be fully or partially curtailed to ensure financial sustainability despite a challenging economic climate.

Agrément South Africa's Annual Performance Planning is supported by ongoing benchmarking against similar technical assessment organisations, and trend analyses of key



performance indicators. A selection of key performance indicator trends is presented later in this document.

### **5.9. Organisational environment**

A major drive within the organisation in the 2016/2017 financial year will be the improvement of the organisation's focus and the impact of its work. In this regard Agrément South Africa continues to adhere to strict internal operations and procedures aimed at improving its activities. This strategy will guide the organisations operational decisions.

Agrément South Africa will review its activities during the forthcoming year to improve efficiency. This will result in some degree of re-organisation.

### **5.10. Organisational structure**

The proposed organisational structure is derived from the Board's mandate and is a delivery mechanism to give effect to the current ministerial delegation of authority. The proposed ideal human resources structure is illustrated in the organogram reflected overleaf. This proposed structure will see the recruitment of additional staff members to handle work that was previously handled by the shared services model under the auspices of the CSIR. Agreement South Africa will fill in the shared services posts identified by the Transitional Task Team (TTT) which may include finance, administration, human resources, legal, audit and facilities staff members amongst other posts. In filling the posts the budgetary allocations will have to be made prior to the posts being filled, as the current financial amounts allocated in the budget does not cover or cater for the additional staff members required to run the organisation.

### **5.11. Main drivers in the built environment**

The CSIR Built Environment conducted an infrastructure and construction industry foresight sight study recently that defined 12 main drivers in the built environment:

- globalisation,
- conjuncture of the economy,
- an innovation economy,
- regulation and legislation,

- sustaining humanity,
- environmental and energy impact,
- infectious diseases and HIV/Aids,
- urbanisation, urban sprawl and smart growth,
- housing needs,
- skills for today and tomorrow,
- job creation and job quality and
- advances in technology.

Agreement South Africa will have to take cognisance of main drivers in the built environment in carrying out its mandate of undertaking technical assessments by coming up with technical reports and certificates of “fitness for purpose” of successfully assessed and certified results of non-standardised or unconventional products, construction systems, components, materials or devices for which no South African national standard or codes of practice exists. This they will do by broadening the scope of the technical assessments to ensure these main drivers of the built environment are taken care of as part of the technical assessment work. These drivers and the related trends play a role in social, political, legislative, economic, environmental and technical (SPLEET) issues, as indicated below:

#### **5.12. Social factors.**

Social factors include population growth and urbanisation, continued challenges with crime, traffic safety and personal security, poverty alleviation, the impact of HIV/Aids, the back-log in the provision of basic services (water, sanitation, electricity, access, health care) and housing, lack of public transport, health and education facilities, and human resource development to address the critical skills shortage in the built environment disciplines.

#### **5.13. Political factors.**

Political factors including the current financial policy regarding infrastructure investment, the need for improved service delivery, the lack of institutional capacity, a growing emphasis on implementation and the focus on national strategies and priorities.

#### 5.14. Legislation.

Legislation particularly issues such as the new carbon tax, B-BBEE legislation and the PPFA will affect the way Agrément South Africa carries out its day to day business. This is due to the fact that when there is a change in the legislation Agrément is obliged to amend its technical assessment criterion to make it compliant with the revised legislation. In this regard the current legislation allows for the validity of an Agrément certificate to be reviewed every three years. An Agrément certificate shall remain valid as long as Agrément South Africa is satisfied that:

- the certificate holder complies with the general and specific conditions of certification and the technical requirements stipulated in the certificate
- the performance-in-use of the building system is acceptable
- any changes in building legislation, regulations, relevant standards or Agrément performance criteria have not invalidated the technical assessment that formed the basis of certification.

Agrément South Africa reserves the right to withdraw the certificate at any time, should reasonable cause exist.

Notices affecting the validity of this certificate will be published in the Government Gazette.

#### 5.15. Economic factors.

Economic factors such as planned economic growth complemented by targeted investment, the current state of the construction and transport industries, the fluctuating level of spending by government on infrastructure, continued globalisation of markets and production, the second economy and growing regional cooperation in Africa and SADC.



### 5.16. Environmental factors.

Environmental factors including climate change and its relation to the built environment, growing concern about CO<sub>2</sub> emissions, the demands on energy efficiency, water availability and growing pressure on the built environment to ensure environmental and socio-economic sustainability.

### 5.17. Technological factors and trends.

Technological factors and trends including advanced and intelligent materials, advances in systems analysis and thinking, new methods of construction, rapid construction, advanced port operations, advanced water infrastructure and sanitation provision, technologies for climate change mitigation, technologies for use of waste and recycling, renewable resources, advances in energy and energy-related aspects in the built environment, futuristic transport infrastructure, operations and vehicle technology, the adoption of ICT and advances in complex problem solutions through mathematical modelling.

In addition, the construction industry foresight project identified the following potential opportunities in terms of enhanced or new development focus areas:

- *'smart' buildings and infrastructure*: 'intelligent' products, standardised pre-assembled components, advanced materials, intelligent transport systems;
- *advanced materials*: nanotechnology, biomaterials; materials based on biometrics, lighter 'smart' materials, substitution of conventional materials, recycling of materials;
- *supply-chain integration*: supply-chain optimisation across the whole life cycle of a facility, seamless customer solutions;
- *networked systems*: sensors and systems that connect people and infrastructure;
- *environmental issues*: infrastructure design and construction materials design for environmental friendliness, ecological buildings, sustainable construction approaches and methods;

- *changes in transport patterns* demanding advanced public transport systems;
- *prefabrication and off-site fabrication* of infrastructure;
- *intelligent urban design*: optimisation of resource and waste flows and minimising the need for travel;
- *ICT in construction*: simulation, sensors and communications systems, robotics, computer-controlled automation in design and construction, virtual prototyping and e-business;
- *improvement of health and safety*, such as the introduction of safety-driven construction automation;
- *optimisation of industry processes*: training, education, codes of conduct and best practices;
- *alternative energy sources* for the built environment, and
- *distributed service provision for communities*, including electricity and sanitation.

These drivers must also be seen in the context of the recent increase in government expenditure on infrastructure (albeit fluctuating and in a low cycle currently), which has been necessitated by an increase in economic growth and the need for social infrastructure.

### 5.18. Stakeholders

Agrément South Africa is involved with stakeholders at various levels in fulfilling its mandate.

These include:

#### Building industry

- Home owners.
- Building professionals - architects, quantity surveyors, engineers.
- Certificate holders - building concerns, product manufacturers, industry groups such as the Concrete Manufacturers Association and local authorities.
- National Home Builders Registration Council.
- Financial organisations.
- Departments of Human Settlements and Public Works.

### Construction industry

- End users.
- Construction professionals - civil and structural engineers.
- Certificate holders - building concerns and product manufactures.
- National and provincial roads agencies.
- Local authorities.
- Departments of Water & Environmental Affairs, Transport, Human Settlements and Public Works.

Agrément South Africa deals with innovative construction products and systems, which are tested and certificated. The centre needs to increase its visibility and the benefits of innovative construction to a broader customer base that should include the majority of the population of South Africa. Table 3 (role map) analyses the stakeholders with whom Agrément South Africa interacts.



**Table 3: Stakeholder information list.**

STAKEHOLDER	NATURE OF INTEREST	SOURCE OF POWER	ADDITIONAL COMMENTS
Building professionals	Benefits associated with innovative construction technologies	Innovative technology, products and systems are usually not specified	Innovative construction systems can be safely introduced as they have been successfully assessed as being fit-for-purpose.
Certificate holders	Facilitation of approvals and marketing	Agrément certification is deemed to satisfy the requirements of the building regulations	The local authority, NHBRC and the bank ultimately accept the innovation. Agrément South Africa intercedes on behalf of the certificate holder should certification not be accepted, which is seldom necessary.
Department of Human Settlements (DHS)	The provision of subsidy housing	The Department is mandated to decide where human settlements will be located and which construction technology/ methodology to employ	The NHBRC acts as the DHS field agent, and in effect has to approve and monitor non-standard subsidy housing.
Department of Public Works (DPW)	Tasked with encouraging the use of innovative products and systems to the benefit of South Africa	Funding the day-to-day costs of maintaining Agrément South Africa	Enhance working relationship; continue support to employment creation, such as the use of a compressed earth building system.

STAKEHOLDER	NATURE OF INTEREST	SOURCE OF POWER	ADDITIONAL COMMENTS
Home owners	Benefits associated with innovative construction technologies	Financial	Innovative construction systems can be erected faster and usually cheaper than conventional construction, which increases return on investment.
Local authorities	Plan approval is required by law. Promote uniformity in the understanding and implementation of National Building Regulations (NBRs) made in terms of the National Building Regulations & Building Standards Act, 103 of 1977.	The withholding of building plan approval; when present, professional architects and engineers are required to perform specific functions.	Tasked to ensure that buildings erected in their jurisdictions comply with NBR requirements. Responsible for NBR administration and the control of on-site activities on construction projects.
National Home Builders Registration Council (NHBR)	Management of risk associated with their structural and water penetration warranty scheme	Refusal to register contractor and building, thereby denying insurance cover	Registration is legislated unless the developer or home owner can provide adequate guarantees, which is often not possible by the applicant.
National Regulator for Compulsory Specifications (NRCS)	Government is responsible for protecting the health and safety of citizens, the environment and for ensuring fair trade	Government is obliged to ensure that national and international trade is fair and based on reliable measurements	NRCS is a public entity responsible to the Minister of Trade and Industry for administration of technical regulations, including compulsory specifications based on standards that protect human health and safety, and the environment.

STAKEHOLDER	NATURE OF INTEREST	SOURCE OF POWER	ADDITIONAL COMMENTS
Roads Agencies	Benefits associated with innovative construction technologies	Innovative construction technologies and products and systems are usually not specified	The aim is to keep the economic "arteries" of South Africa's economy in good condition without harm to our environment; enhance citizens' travel experience and improve and maintain the national road network for the social development and economic growth of South Africa.
South African Bureau of Standards (SABS)	Promotes South African national standards to facilitate international trade and enhance South Africa's economic performance and transformation	Develops, promotes and maintains standardisation and quality for commodities and the renders related conformity assessment services	Ensure the continued existence of the SABS, as the prime national institution in its field; establish the SABS Board; provide for the repeal of the Standards Act, 1993; provide for transitional provisions and related matters.



**Table 4: Strategic outcomes-oriented goals: Agrément South Africa budget programmes**

<b>STRATEGIC OUTCOME-ORIENTED GOALS</b>	<b>TO PROMOTE GOVERNMENT'S OBJECTIVES OF ECONOMIC DEVELOPMENT, GOOD GOVERNANCE AND RAISING LIVING STANDARDS AND PROSPERITY IN SOUTH AFRICA</b>
<b>Baseline</b>	Total number of Agrément South Africa certificates granted to date is over 550 with an average of 12 certificates granted per annum. This is in line with annual trends of technical assessments carried out world-wide by the technical assessment organisations that are members of the World Federation of Technical Assessments Organisations (WFTAO).
<b>Goal statement</b>	To facilitate the safe introduction of innovative and non-standard construction products for which there are no SABS standards through world-class technical assessment evaluations to determine fitness-for-purpose. Once successfully assessed, certification is provided to meet accepted global standards within accepted global time frames. This is done using excellent project management principles to meet stakeholder expectations.
<b>Justification</b>	An increase in the number of certificated innovative construction products will increase the uptake of innovation, which in turn will promote and enhance the use of innovative and non-standard construction products. This is aligned with Agrément South Africa's mandate.
<b>Key policy priority</b>	Sustainable resource management through testing, evaluation, confirmation and certification of fitness-for-purpose of non-standard construction products and systems.
<b>Links</b>	To be a world class technical assessment agency for innovative and non-standard construction products.

## ANNUAL PERFORMANCE PLAN - PART B: STRATEGIC OBJECTIVES

### 6. Agrément South Africa strategic thrusts

Agrément South Africa shall:

- serve consumer and user interests by providing assurance of fitness-for-purpose and value for money of innovative, non-standardised construction technology as well as on-going quality assurance,
- work with the construction sector to facilitate the introduction of cost effective technology and non-standardised construction technology,
- disseminate correct, objective and relevant information to all concerned in respect of the technical, socio-economic and regulatory aspects of innovative technology and non-standardised construction technology,
- support policy makers at all levels and minimise the risk associated with the use of innovations,
- support the application of the National Building Regulations,
- actively maintain international links with peer organisations and support the South African construction industry in its export activities by facilitating the approval of South African innovative construction products in foreign countries,
- facilitate the acceptance of innovative products within the context of the government's new priorities and policies.

**Table 5: Strategic objectives**

STRATEGIC OBJECTIVE	ANNUAL PERFORMANCE PLAN TARGET. ACHIEVED IF EITHER ANNUAL TARGET IS ACHIEVED OR 3 QUARTERLY TARGETS ARE MET.	FORECAST 2016/2017
<p>Ensure effective corporate governance processes and sound resource management and increase technical assessment outputs. Agreement South Africa will manage cost control and containment prudently to position itself for significant growth in the near future. Agreement South Africa will contribute towards renewing its Africa strategy as part of the CSIR initiative.</p>	<p>% amount of revenue collected.</p> <p>Expenditure to income ratio equal or better than budget.</p>	<p>100% revenue collection.</p> <p>Comply 100%.</p>
<p>Certification of products and systems as being fit for purpose.</p>	<p>% of Evaluation offers processed and accepted / rejected within seven days from date of receipt. Excludes in-completed submissions.</p>	<p>90%.</p>
<p>[% of certificates processed = number of applications / offers/ certificates processed (approved or rejected) within specified period divided by total number of applications received in a year].</p>	<p>% of Agrément offers issued within 15 working days of receiving such applications.</p>	<p>90%.</p>
	<p>% of Agrément certificates issued within Board approved contract period.</p>	<p>90%.</p>



<p>Agreement will undertake Strategic Human Capital Development (HCD) through various initiatives:</p> <p>Agreement South Africa will transform the demographics of its technical staff base with specific focus on:</p> <ul style="list-style-type: none"> <li>➤ short- and long-term strategies for technical staff members;</li> <li>➤ increase by at least one the number of young black technical assessors in the unit;</li> </ul>	<p>% improvement in employee satisfaction.</p> <ul style="list-style-type: none"> <li>➤ develop the technical and managerial skills of at least one young black technical assessor;</li> <li>➤ accelerate the development of young built environment professionals (two staff members) towards professional registration within a period of 4 years;</li> <li>➤ plan and manage graduate studies for at least one staff member to complete their studies.</li> </ul>	<p>Achieve 90% compliance in regards to career development 90%.</p>
<p>Ensure sustainability and stability of the Agrément South Africa technical agency. Agreement will strengthen relationships with Government departments to create technical assessment partnerships and establish Agrément South Africa as a leader in the technical assessment of innovative construction technologies for and on behalf of all South Africans;</p>	<p>Assemble at least 4 Board Technical Committee meetings including industry experts as per Board approved schedule.</p> <p>Review and make reference to latest published national standards and technical requirements including the latest edition of the Standards Act, 2008 (Act No. 29 of 2008)</p>	<p>Comply 100%.</p> <p>Comply 100%</p>
<p>Improve technical assessments through participation in the World Federation of Technical Assessments Organization (WFTAO) and international research organizations to contribute towards Study tours and active participation in projects undertaken by other developmental states.</p> <p>Ensure improved service delivery to meet client expectations and leverage stakeholder relations. Agreement South Africa will deliver and transfer key technical assessment solutions that have a social and public good impact.</p>	<p>Devise innovative construction technologies suitable for development in South Africa by introducing appropriate systems which have been used successfully in other parts of the world. Target of at least one system annually.</p> <p>% improvement in customer satisfaction.</p> <p>% of certificate holders subjected to quality audit.</p>	<p>Participated in the Annual General Meeting of the WFTAO. Have at least one overseas product approved.</p> <p>Conduct customer satisfaction survey and achieve a minimum of 64%.</p> <p>100%.</p>

**Table 6: QUALITY MANAGEMENT QUARTERLY TARGETS FOR 2016/2017 FINANCIAL YEAR in R'000.**

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	ANNUAL TARGET OUTPUTS (2016/2017)	TECHNICAL PERFORMANCE INDICATOR. TARGET ACHIEVED IF EITHER ANNUAL TARGET IS ACHIEVED OR 3 QUARTERLY TARGETS ARE MET.	% TARGETS PER QUARTER				% ANNUAL TARGET.
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	
Facilitate and monitor the implementation of the Quality inspections on all Agrément South Africa's Certificate Holders.	Completion and monitoring of Quality Inspection Implementation Plan.	Annual Quality inspection report compiled, submitted and approved by the CEO and the Board of Agrément South Africa.	Annual Quality inspection report compiled, submitted and approved by the CEO and the Board of Agrément South Africa.	75	80	90	100	100
				50	60	75	100	100
Conduct and monitor Annual quality inspections and collect annual fees.	Compilation of all annual Quality Inspection. Monitoring the payment of the annual fee by the certificate holder	Submission of compiled inspection reports which includes confirmation of the payment of the annual fee to the CSIR. Proof submitted to the CEO for verification. Submission of inspection report to the Board of Agrément South Africa.	Submission of compiled inspection reports which includes confirmation of the payment of the annual fee to the CSIR. Proof submitted to the CEO for verification. Submission of inspection report to the Board of Agrément South Africa.	50	60	75	100	100
				50	65	70	100	100
Approval of the certificate holder's licensees or qualified installers.	Monitoring the registration of licensees and qualified installers	Registration of all licensees and qualified installers with Agrément South Africa.	Registration of all licensees and qualified installers with Agrément South Africa.	50	65	70	100	100
				45	50	60	100	100
Following up on certificates.	Follow up on issues concerning the use of Agrément certificates.	Attending to all complaints within five days of receiving such complaints.	Attending to all complaints within five days of receiving such complaints.	45	50	60	100	100
				55	65	75	100	100
Facilitate and monitor the three yearly validity reviews.	Compilation of all validity review schedules.	Submission of validity review reports to the Board of Agrément	Submission of validity review reports to the Board of Agrément	55	65	75	100	100

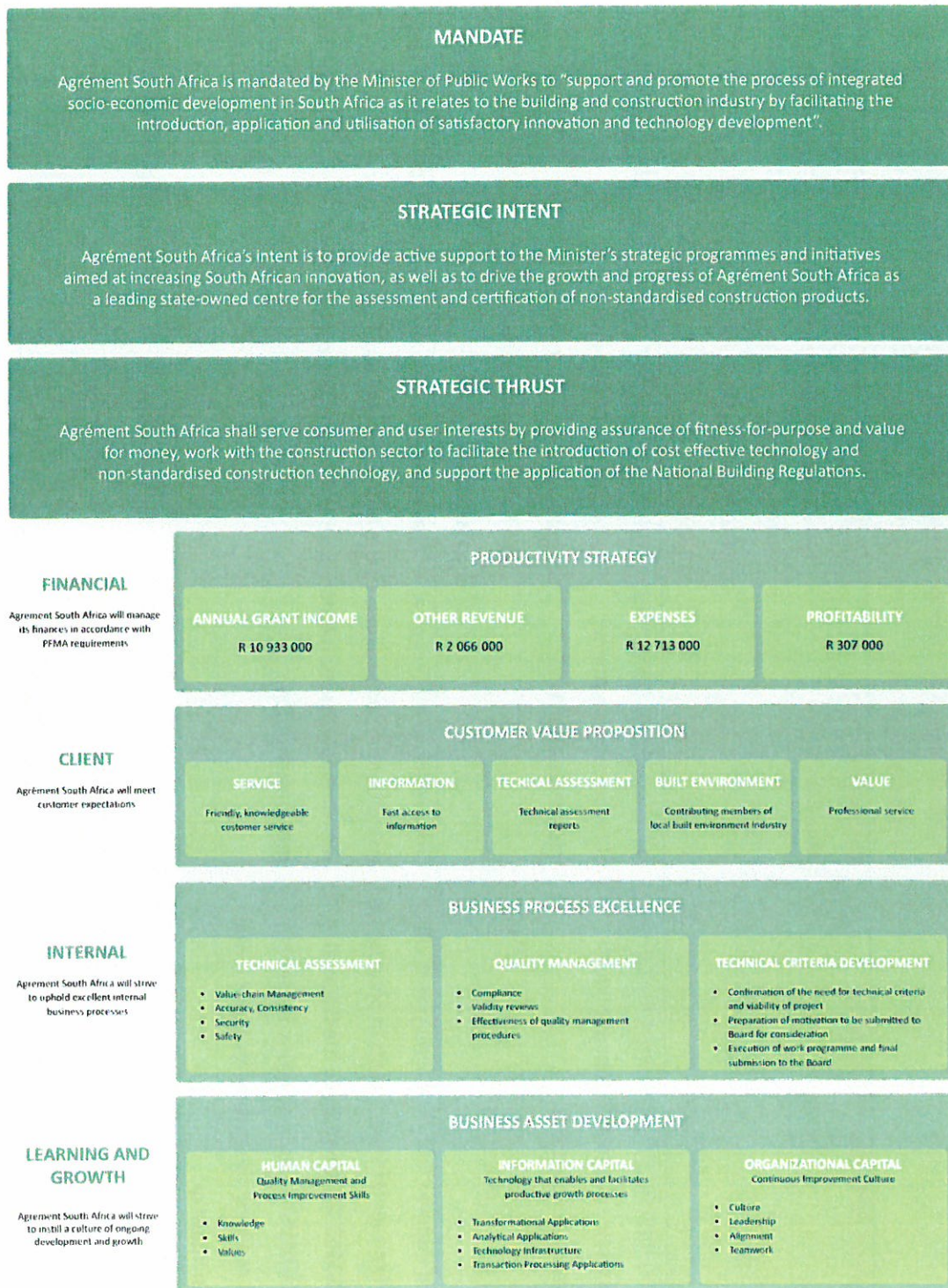


**TABLE 7: TECHNICAL ASSESSMENT QUARTERLY TARGETS FOR 2016/2017 FINANCIAL YEAR in R'000.**  
**GOAL STATEMENT.**

KEY RESULT AREA (STRATEGIC OBJECTIVES).		ANNUAL OUTPUTS (2016/2017).		PERFORMANCE INDICATOR. TARGET ACHIEVED IF EITHER ANNUAL TARGET IS ACHIEVED OR 3 QUARTERLY TARGETS ARE MET.	% TARGETS PER QUARTER				% ANNUAL TARGET
		1 <sup>st</sup>	2 <sup>nd</sup>		3 <sup>rd</sup>	4 <sup>th</sup>			
Facilitate and monitor the implementation of the technical assessments on all Agrément South Africa's Certificate applicants.	Completion and monitoring of technical assessment	100	100	100	100	100	100	100	
	Implementation Plan.								
Conduct and monitor Technical assessments which include environmental assessments in accordance with SANS 10400-XA, to improve the thermal performance of buildings in adapting to climate change and reducing the carbon footprint in the construction industry.	Compilation of all Technical assessment reports taking environmental assessments into consideration.	100	100	100	100	100	100	100	
	Publish synopsis of the certificates.								
Publish certificates on the Agrément South Africa Web site, government gazette and the Agrément South Africa Annual Report.	100% compliance.	100	100	100	100	100	100	100	



## 7. Strategy map



**TABLE 8: FINANCIAL TARGETS FOR 2016/2017 FINANCIAL YEAR in R'000.**

<b>AGRÉMENT SOUTH AFRICA [R'000]</b>	<b>2016/2017</b>
<i>External Income</i>	12 383
<i>Other Income</i>	2 436
<b>Total Income</b>	<b>14 819</b>
<i>Pensionable Salaries</i>	6 283
<i>Service fees</i>	280
<i>Technical Experts</i>	140
<i>Travelling Allowance</i>	81
<i>Contribution Leave Gratuity</i>	131
<i>Pension Fund Contribution</i>	549
<i>Medical aid</i>	74
<i>Other (UIF, Skills Dev Levy)</i>	173
<b>Human Resources</b>	<b>7 712</b>
<i>Quality Management</i>	600
<i>Building, Equipment Repair &amp; Maintenance</i>	384
<i>Stationery</i>	114
<i>Technical Assessments Costs</i>	642
<i>Agency Operating Expenses</i>	1 888
<i>Year-end Accruals</i>	21
<b>Running Costs</b>	<b>3 648</b>
<i>Depreciation</i>	746
<i>Indirect Cost Recovery</i>	1 194
<i>Indirect Cost Recovery Unit</i>	1 194
<b>Other Costs</b>	<b>3 133</b>
<b>Total Costs</b>	<b>14 493</b>
<b>Surplus (loss)</b>	<b>326</b>
<i>Interest Income</i>	160
<i>Employees Remunerations</i>	136
<b>NET MARGIN AFTER INTEREST</b>	<b>350</b>



## 8. Risk analysis.

Agrément South Africa will continue to implement a structured and disciplined approach to risk management and fraud prevention. Comprehensive risk management and fraud prevention plans will be implemented during the financial year to address the following areas critical to risk management and fraud prevention in the organisation:

- Project evaluation registration.
- Internal business processes.
- Financial and internal controls.
- Fraud detection & prevention.
- Asset management.
- Information technology systems.
- Staff recruitment and retention.



**Table 9: Risk analysis**

Risk	Risk/Threats in attaining objectives	Risk Impact (description)	Risk category	Impact	Potential to	Action taken Control description	Required action	Action	Due date
1	Lack of necessity of Agrément certificate	1) Loss of business. 2) Loss of income.	Business risk Financial risk	H	H	Importance and significance of agency must be legislated through the appropriate state policies	Creating of Agrément as separate public entity.	CEO	30.12.17
2	High costs of certification	1) Loss of income. 2) Loss of business.	Business risk Financial risk.	H	H	1) Ensure the client/applicant understands the costs regarding certification.	1) Approach the Department of Public Works to consider increasing the annual grant.	CEO	30.12.17
3	Insufficient attention to innovation	1) Insufficient development of intellectual property, limited impact	Business risk	H	H	1) Creating a strong foundation of intellectual capital.	Publish articles promoting and encouraging innovation.	CEO	30.12.17

Risk	Risk/Threats in attaining objectives	Risk Impact (description)	Risk category	Impact	Potential to	Action taken Control description	Required action	Action	Due date
4	Loss of key staff	1) Perpetual training resulting in loss of revenue. 2) Low staff morale. 3) Loss of key skills. 4) Delay on projects for a period of time. 5) Dissatisfied stakeholders.	Business Risk.	H	H	1) On-going attention to staff retention. 2) Remuneration in line with other public entities and benchmarked against industry.	1) Develop a comprehensive staff retention policy.	CEO	30.12.17
5	Inability to recruit professionals due to current market demand.	1) Probable loss of staff members. 2) Reputation risk. 3) Loss of clients. 4) Loss of income. 5) Loss of business. 6) Low team morale.	Business risk Operational risk Financial risk	H	H	1) Develop graduates and mentor existing staff so as to fill these vacancies.	1) Develop a comprehensive staff attraction policy.	CEO	30.12.17

Risk	Risk/Threats in attaining objectives	Risk impact (description)	Risk category	Impact	Potential to	Action taken. Control description	Required action	Action	Due date
6	Insufficient transformation.	1) Expectations of stakeholders not met. 2) Low benefit from diversity.	Business risk.	H	H	1) Renewed focus on transformation through transformation action plan	1) Develop a comprehensive staff transformation policy.	CEO	30.12.17
7	Conflict of interest, between employees, clients and consultants.	1) Probable loss of client/s 2) Potential loss of recognition by WFTAO and Department of Public Works. 3) Loss of income.	Operational risk Business risk.	H	M	1) Consistently check and communicate with employees.	Develop organisational professional ethics and code of conduct.	CEO.	30.12.17.
8	Uncertainty/inconsistency of probable applicants.	1) Loss of income. 2) Agency can become redundant. 3) Loss of business.	Business risk Financial risk.	H	M	1) Importance and significance of agency must be legislated	1) Aggressive marketing strategy to be adopted by the agency.	CEO	30.06.17.

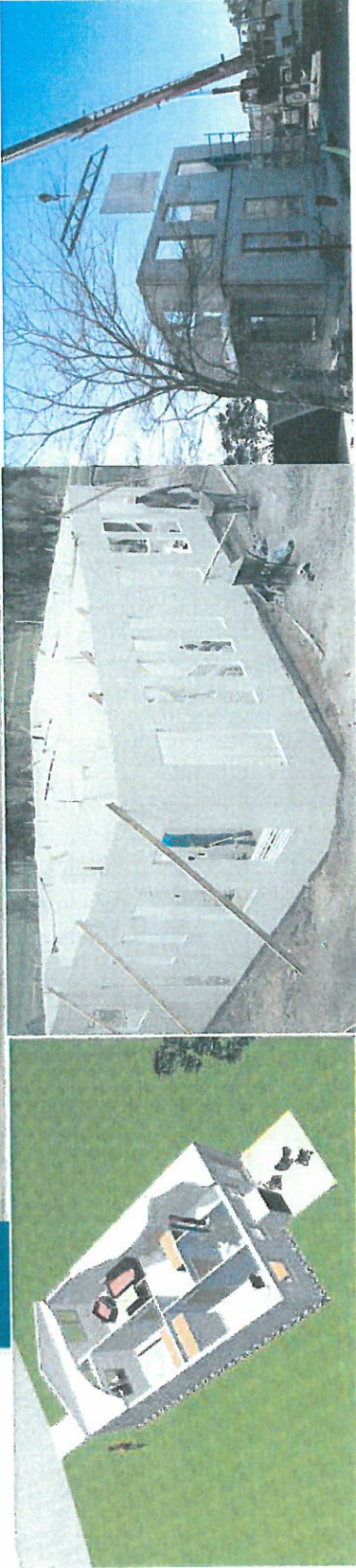
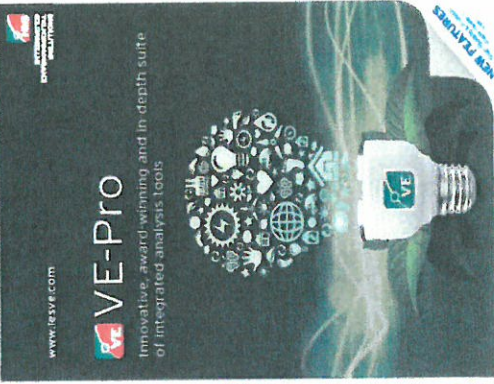


Risk	Risk/Threats in attaining objectives	Risk Impact (description)	Risk category	Impact	Potential to	Action taken Control description	Required action	Action	Due date
9	Lost/Misplaced information	1) Potential legal implications. 2) Bad publicity. 3) Loss of business. 4) Low team morale.	Legal risk Financial risk	H	M	1) Monitor and confirm all information received from clients and applicants	1) Develop a comprehensive information management system.	CEO	30.09.17
10	Nature of certification is time consuming	1) Loss of applicants. 2) Loss of income. 3) Loss of business	Business risk Operational risk Financial risk	H	M	1) On-going client relationship management, generally tending towards ensuring clients/applicants understand the intricacies of the certification process	Review entire certification process and come up with suggestions for its improvement; educate key stakeholders like the NHBRC.	CEO	30.12.17

**Table 10: Risk analysis: Technical indicator description – Agrément South Africa**

<b>NON-PROFIT ORGANISATION (NPO) FUNDED BY GOVERNMENT TO DELIVER TECHNICAL ASSESSMENTS SERVICES</b>	
<b>INDICATOR TITLE</b>	NON-PROFIT ORGANISATION (NPO) FUNDED BY GOVERNMENT TO DELIVER TECHNICAL ASSESSMENTS SERVICES
<b>Calculation type</b>	Non-cumulative
<b>Data limitations</b>	Dependent on the accuracy of the registers
<b>Desired performance</b>	% increase in the annual grant funding
<b>Indicator responsibility</b>	CEO in consultation with the executive authority
<b>Method of calculation</b>	Simple count of % achieved measured against total %
<b>New indicator</b>	No
<b>Purpose/importance</b>	% successful technical assessments successfully of innovative construction systems
<b>Reporting cycle</b>	Annual
<b>Short definition</b>	Agrément South Africa
<b>Source/collection of data</b>	% certificates approved by the Agrément South Africa Board and published in the government
<b>Type of indicator</b>	Output





End of report