



Agrément South Africa  
Annual Performance Plan  
**2021/2022**

**Date of Tabling: 31 January 2021**

**innovative construction product assessments**

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## Acronyms & Abbreviations

AA	Accounting Authority
AGSA	Auditor General South Africa
ASA	Agrément South Africa
CE	Civil Engineering
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSIR	Council for Scientific and Industrial Research
EXCO	Executive Committee
GB	General Building
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDPWI	National Department of Public Works and Infrastructure
NHBRC	National Home Builders Registration Council
NIBP	National Infrastructure Build Programme
NT	National Treasury
PEP	Public Employment Programmes
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
WFTAO	World Federation of Technical Assessment Organisations

## Foreword by the Minister



I am pleased to present the 2021/22 Annual Performance Plan (APP) for Agrément South Africa (ASA).

Covid-19 resulted in deepening the economic crisis to enormous proportions, where the Construction Sector has been the hardest hit, with many people losing their jobs and businesses having to close. Statistics South Africa (Stats SA) pointed to an annual decrease of 45 000 (-7.4%) in total employment in March 2020 compared with March 2019 within the construction industry.

This severe economic recession has placed an added urgency on us to navigate a new normal where the Department of Public Works and Infrastructure, together with Infrastructure South Africa and its Public Entities, is able to partner with the private sector in the investment and implementation of social and economic infrastructure that will facilitate growth in a workable and purposeful way. The mandate of Agrément South Africa (ASA) enables it to be able to transform the infrastructure delivery environment and work within the new normal as is required by us in these exceptional times.

The 2021-2022 Agrément South Africa Annual Performance Plan addresses several key objectives to strengthen the organisation, enhance its core delivery capacity, improve its operational efficiencies and sustainability, and support the broader socio-economic objectives of the Department of Public Works and Infrastructure, to which this stand-alone public entity reports. All of these deliverables have to be grounded in ensuring that they work towards the achievement of the 7 key national priorities. I, as the Executive Authority, hold the Board of ASA as the Accounting Authority, accountable for the achievement of the targets set in the Annual Performance Plan for the 2021/2022 financial year.

The core mandate of ASA is the technical assessment and issuing of approval certificates for non-standardised construction related products and systems for which there are no South African national standards. In undertaking its core activities, ASA has committed itself to supporting the strategic goals of the Department of Public Works and Infrastructure (DPWI), specifically in contributing to the transformation of the construction and property sectors.

In accordance with the seven National Priorities I, as the Executive Authority, deemed it necessary to add a number of interventions for ASA to focus on in the 6th Administration, in order for ASA to be realigned with its legislated mandate and for it to provide the value-add that it was established for. All three initiatives need to commence in the 2021/22 financial year, in order to ensure the realisation of the Department's mandate and by extension ASA's.

During the financial year, ASA will provide technical input to the existing DPWI's technical task teams, together with Infrastructure South Africa (ISA), with an aim of promoting innovative construction technologies in the following spheres:

- Developing Modular Solutions for government facilities, in partnership with the DPWI.
- Ensure that there is alignment with ASA eco-labelling and green rating tool projects to:
  - the Photovoltaic and Water Savings Programme;
  - any other government buildings in partnership with the DPWI; and
- Research, recommend and develop a programme to certify- the following aspects as they relate and assist the built environment and DPWI's functions and assets:
  - energy-saving
  - climate change mitigation
  - water-saving technologies
  - methodologies and reporting mechanisms

The green agenda within the infrastructure environment is critical for South Africa, due to the lack of resources in our country and the need for us to do more with less. This can also be the catalyst for spatial transformation as we build in the efficiencies into the communities. It is therefore critical that from the outset of the 2021/22 financial year that ASA focuses on clear delivery within the policy direction of the 6<sup>th</sup> Administration and SA's Infrastructure Investment Plan, in order to achieve the critical role in this journey of implementation and targeted service delivery for the public good that is required.

I hereby present the 2021/22 Annual Performance Plan of Agrément South Africa.

P. de Lille

**Honourable Patricia De Lille, MP**

*Minister of the Department of Public Works and Infrastructure*

## Foreword by the Chairperson



**Dr Jeffrey Mahachi,**  
*Acting Chairperson of the Board of Agrément South Africa.*

ASA is a public entity that reports to the DPWI, established in terms of the ASA Act, 2015 (Act 11 of 2015).

ASA presents its 2021-2022 Annual Performance Plan, developed after a Board planning session. Over the next five years, ASA's focus will be on organisational development and enhanced operational efficiency, business development and the building of partnerships and support for the NDPWI's objectives in respect of the transformation of the built environment. Therefore, this Annual Performance Plan sets out how ASA will shift its current approach by expanding its current focus to ensure that its activities support the broader transformation and socio-economic objectives of the EA. This will include more actively identifying and structuring partnerships to expand ASA's impact in the built environment sector. Additionally, ASA will endeavour to develop new revenue streams and undertake the necessary organisational, as well as certification interventions to enhance ASA's competitive position through operational efficiency.

This shift in focus has been captured in this Plan and focuses on four outcomes for the 2020-2021 period:

- Ensuring that ASA is appropriately structured, staffed and financed to meet its legislative and political mandate and render an effective professional service in a cost-efficient manner;
- Ensuring that ASA has an appropriate cost model and develops new products and services to enhance its own revenue-generating capacity;
- Ensuring that ASA is more visible in the built environment sector and that the organisation develops strategic partnerships to pursue its mandate and expand its impact; and
- Identifying and supporting appropriate projects and interventions in pursuit of the broader built environment transformation objectives.

**Dr Jeffrey Mahachi,**  
*Acting Chairperson of the Board of Agrément South Africa.*  
On behalf of the Accounting Authority.



## Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the Executive Management of ASA under the guidance of the ASA Board and its Executive Authority, the NDPWI;
- Takes into account all the relevant policies, legislation and other mandates for which ASA is responsible; and
- Accurately reflects the Impact, Outcomes and Outputs which ASA will endeavour to achieve over the period 2021-2022.

**Ms Lerato Magalo**

*Executive Technical Services*

Signature: \_\_\_\_\_



**Ms Sophy Molete**

*Executive Corporate Services*

Signature: \_\_\_\_\_



**Mr Richard Somanje**

*Chief Financial Officer*

Signature: \_\_\_\_\_



**Mr Joe Odhiambo**

*Chief Executive Officer  
(Accounting Officer)*

Signature: \_\_\_\_\_ (Acting CEO)



**Dr Jeffrey Mahachi**

*Acting Chairperson, Board of Agrément South Africa*  
On behalf of the Accounting Authority

Signature: \_\_\_\_\_



**Hon. Patricia De Lille**

*Minister of the Department of Public Works and Infrastructure*  
Executive Authority

Signature: \_\_\_\_\_



## Part A: Our Mandate

### 1. Constitutional mandate.

The Constitutional mandate of ASA is derived from its Executive Authority, the NDPWI. The Constitutional mandate for the NDPWI is provided in Schedule 4, Part 4, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The NDPWI is mandated to be the custodian and portfolio manager of national government's immovable assets. The NDPWI is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the Expanded Public Works Programme (EPWP) as well as transformation and regulation of the built environment sector.

In executing its mandate, ASA must observe the principles of good cooperative governance and intergovernmental relations, as provided for in Section 41 of the Constitution.

### 2. Legislative and policy mandates.

#### Primary legislative mandate

The ASA derives its primary legislative mandate from ASA Act No. 11 of 2015 (hereafter the "Act").

In terms of the Act the objects of ASA are to:

- Provide assurance to specifiers and users of the fitness-for-purpose of non-standardised construction related products or systems;
- Support and promote the process of integrated socio-economic development in the republic as it relates to the construction industry;
- Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market;
- Support policy makers to minimize the risk associated with the use of a non-standardised construction related product or system; and
- Be an impartial and internationally acknowledged South African centre for the assessment and confirmation of fitness-for-purpose of non-standardised construction related products or systems.

ASA is an entity of the NDPWI, and its mandate is within the domain of the built environment and as such, the legislation and mandates that its impact on the built environment and public works guide the functioning and operations of ASA.

In undertaking its work, ASA must have regard to the key legislation that underpins the mandate of its Executive Authority, the NDPWI as well as generally applicable legislation that impact ASA's core business.

- **NDPWI White Paper:** Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999. The White Paper (1999), sets out Government's policy objectives for the construction industry and focuses on the need to

enhance delivery, achieve greater stability, improve industry performance, create value for money and facilitates growth of the emerging construction sector.

- **Construction Sector Transformation Charter, 2006.** The Charter 2006 aims to:
  - provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment targets and thereby contributing to ending the malpractice of fronting;
  - expand the employment potential and absorption capacity of the sector by using labour-intensive approaches where, economically feasible and possible; and
  - address skills development in a manner that accelerates the advancement of black people, women and designated groups with emphasis on learner-ships, as well as technical and management training.
- **Property Sector Transformation Charter, 2007.** The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as these relate to the Property Sector including, to:
  - promote economic transformation in the Property Sector to enable meaningful participation of black people and women;
  - unlock obstacles to property ownership and participation in the property market by black people;
  - promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and
  - facilitate the accessibility of finance for property ownership and property development.
- **Green Building Framework, 2001.** This Framework outlines the NDPWI 's commitments to address key elements in the New Growth Path and the Industrial Policy Action Plan by promoting sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.

There are several pieces of legislation which deal with, or have an impact upon, certification of innovative and non-standard construction products for infrastructure development. The relevant legalisation and regulations are as follows:

- Committee of Land Transport Officials (COLTO). Committee of Land Transport Officials recommend the use of ASA certificated products for product for which there are no national standards.
- Environmental Conservation Act of 1989 (Act No. 73 of 1989). It provides for the protection and controlled utilization of the environment.
- National Building Regulations and Building Standards (Act No. 103 of 1977). National Building Regulations and Building Standards Act No. 103 of 1977 provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and the prescribing of building standards.

- Occupational Health and Safety (Act No. 85 of 1993). The Occupational Health and Safety Act No. 85 of 1993 provides for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery and the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work.
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000). The Preferential Procurement Policy Framework Act among other things seeks to promote socio-economic transformation, small enterprises, cooperatives, rural and township enterprises development and local industrial development.
- Prevention and Combating of Corrupt Activities Act (Act No. 12 of 2004). Provides for the strengthening of measures to prevent and combat corruption and corrupt activities and to place a duty on certain persons holding position of authority to report certain corrupt activities.
- Promotion of Administrative Justice (Act No. 3 of 2000). ASA is required to ensure that any administrative process conducted, or decision taken in terms of ASA Act is in accordance with the Promotion of Administrative Justice Act No. 3 of 2000.
  - Provides for the establishment of a legislative framework for the promotion of black economic empowerment;
  - Empowers the Minister to issue codes of good practice and to publish transformation charters; and
  - Establishes the Black Economic Empowerment Advisory Council.
- The Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003). The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy.
- The Construction Industry Development Board Act, 2000 (Act 38 of 2000) provides for establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.
- The Council for the Built Environment Act, 2000 (Act No. 43 of 2000) makes provision for the establishment of a juristic person known as the Council for the Built Environment, the composition, functions, powers, assets, rights, duties and financing of that Council and for matters connected thereto.
- The Employment Equity Act (Act No. 55 of 1998). Aims to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups.
- The Labour Relations Act (Act No. 66 of 1995). Aims to promote economic development, social justice, labour peace and democracy in the workplace. It applies to all employers, workers, trade unions and employers' organisations.
- The National Regulator for Compulsory Specifications (Act No. 5 of 2008). It enables the National Regulator for Compulsory Specifications (NCRS) to issue compulsory

specifications (technical regulations) that require conformity of a product or service to health, safety or environmental protection requirements of a standard, or specific provisions of a standard. No person may import, sell or supply a commodity, product or service to which a compulsory specification applies unless such commodity, product or service complies with and / or has been manufactured in accordance such specification and, if applicable, marked in the prescribed manner with a distinctive mark, which constitutes a declaration of conformity to requirements.

- The National Treasury Regulations. The regulations, institute good financial governance including ensuring that government departments and State-Owned Entities (SOEs) efficiently and effectively manage public resources and corruption is prevented and detected.
- The Promotion of Access to Information Act (Act No. 2 of 2000). Gives effect to the constitutional right of access to any information held by the State, and any information held by private bodies that is required for the exercise and protection of any rights.
- The Public Finance Management Act (Act No. 1 of 1999) promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources.

### 3. Institutional Policies and Strategies over the five-year period.

As an entity reporting to NDPWI and operating in the built environment sector, ASA also needs to consider the following policy mandates that are crucial for interventions and will assist ASA realise its contribution in achieving the aims of the MTSF and its mandate.

Agrément South Africa Act	Strategies over the five-year period.
To achieve its objects in terms of the Act:	<p>Empowers ASA to exercise its powers as follows:</p> <ul style="list-style-type: none"> <li>● Assess and, if satisfied, certify the fitness-for-purpose of a non-standardised construction related product or system;</li> <li>● Issue, amend, suspend, reinstate, withdraw or renew an ASA Certificate;</li> <li>● Enter into an agreement with a person, entity or organ of state, whose services are required to achieve an object or perform a function of ASA or the Board;</li> <li>● Provide services in relation to the objects of ASA to a person, entity or organ of state; and</li> <li>● Exercise any other power as may be prescribed or necessary to achieve the objects of ASA.</li> </ul>

Agrément South Africa Act	Strategies over the five-year period.
<p>ASA is required to:</p>	<ul style="list-style-type: none"> <li>● Create appropriate structures to execute its executive and operational functions;</li> <li>● Develop any rules, processes, procedures, criteria or guidelines necessary to achieve the objects of ASA and the execution of its duties;</li> <li>● Monitor and evaluate the quality management systems of a certified construction related product or system, in its manufacture, application, installation or erection processes;</li> <li>● Communicate relevant information to stakeholders in respect of the technical, socio-economic and regulatory aspects of a non-standardised construction related product or system certified by ASA;</li> <li>● Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market;</li> </ul> <p>Establish and maintain international links with peer organizations; and</p> <ul style="list-style-type: none"> <li>● Encourage research and development of non-standardised construction related products or systems.</li> </ul>
<p>A key element of the mandated functions is the process of certification as required by Section 6, 7 and 8 of the Act.</p>	<p>This requires ASA to:</p> <ul style="list-style-type: none"> <li>● Make rules, determine the processes, procedures and forms for and relating to the (a) issuing; (b) amendment; (c) suspension; (d) reinstatement; (e) withdrawal; or (f) renewal, of an ASA Certificate;</li> <li>● Subject to the payment of the required fees, ASA issues a certificate in the prescribed form, if it is satisfied that a non-standardised construction related product or system is fit-for-purpose;</li> <li>● Monitor such certificates and manage the renewal of certificates; and</li> <li>● Establish and maintain a public register of the applications rejected and certificates issued, amended, suspended, reinstated, withdrawn and renewed.</li> </ul>

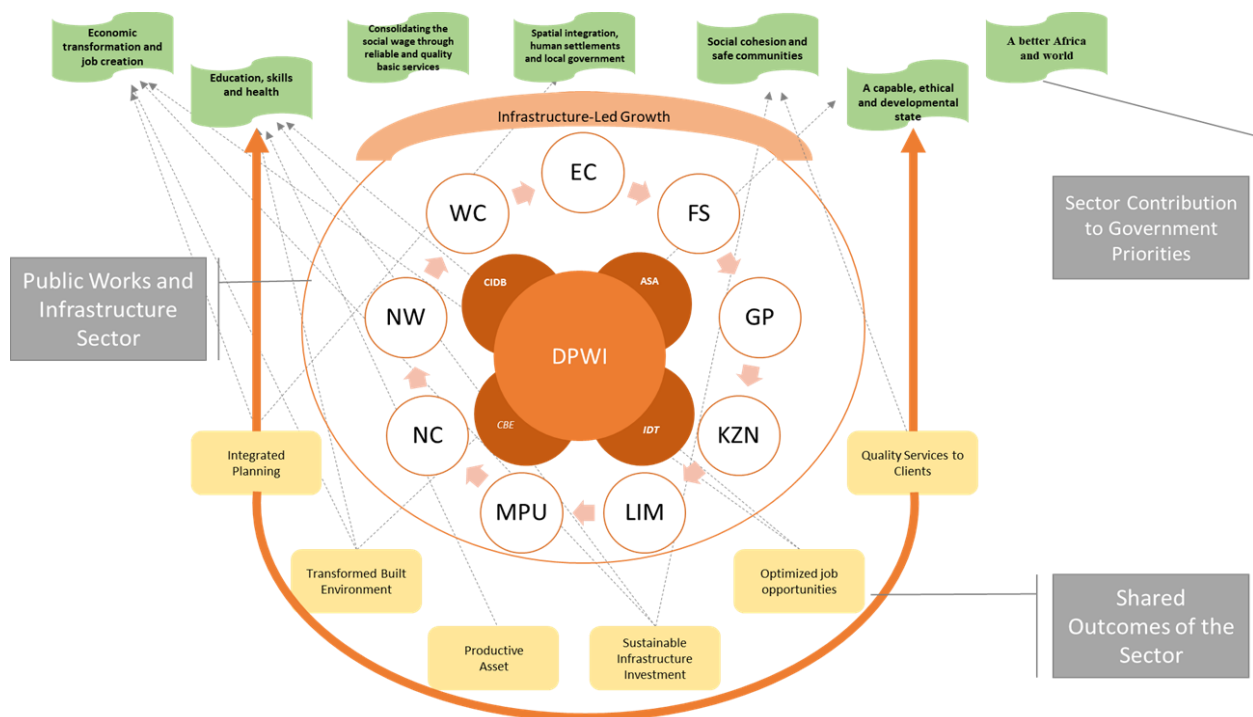
Table 1: Institutional Policies and Strategies over the five-year period.

ASA will review the Act and engage the executive authority to put in regulations to enable the implementation of the ASA Act within medium to long term period.



#### 4. Alignment to National Development Plan (NDP), New Growth Path (NGP) and Medium-Term Strategic Framework (MTSF).

In support of its Executive Authority, ASA aligns to the government-wide plans identified in the seven priorities of Government as stated by the President at the State of the Nation Address on the 20 June 2019. The priorities are meant to address the current harsh economic challenges facing the country. These seven priorities aimed at fast tracking South Africa's path to prosperity. The implementation of the plans will enable the country to realise the vision of the National Development Plan (NDP) and Vision 2030. The priorities will focus on actions with the greatest impact which will foster quick short-term and long-term benefits over the next 10 years. The stagnant economy will rely on the following seven priorities to kick-start the economy:



**Figure 1: Direct Links to Sectoral, Provincial and Entity Priorities.**

Source: NDPWI, <http://www.publicworks.gov.za>

In this regard, ASA will contribute to the mandate of the DPWI in addressing the issues of poverty alleviation and unemployment reduction in the country. The certificates awarded by ASA grant the users with an opportunity to build infrastructure within the country. The ASA certificates have been deemed to satisfy status within the National Building Regulations and thereby comply with the requirement of the National Building Standards. These ASA approved products will be used to deliver social infrastructure in the country. The construction of these social infrastructure will provide those involved in the delivery of these infrastructure with employment opportunities for the duration of the implementation of the projects and thereby contribute towards poverty alleviation and unemployment reduction amongst the beneficiary communities.

The ASA has identified four strategic outcomes for the 2020-2025 while the functions of ASA cut across the entire built environment sector its primary alignment is with the DPWI's strategic

outcomes as summarised below:

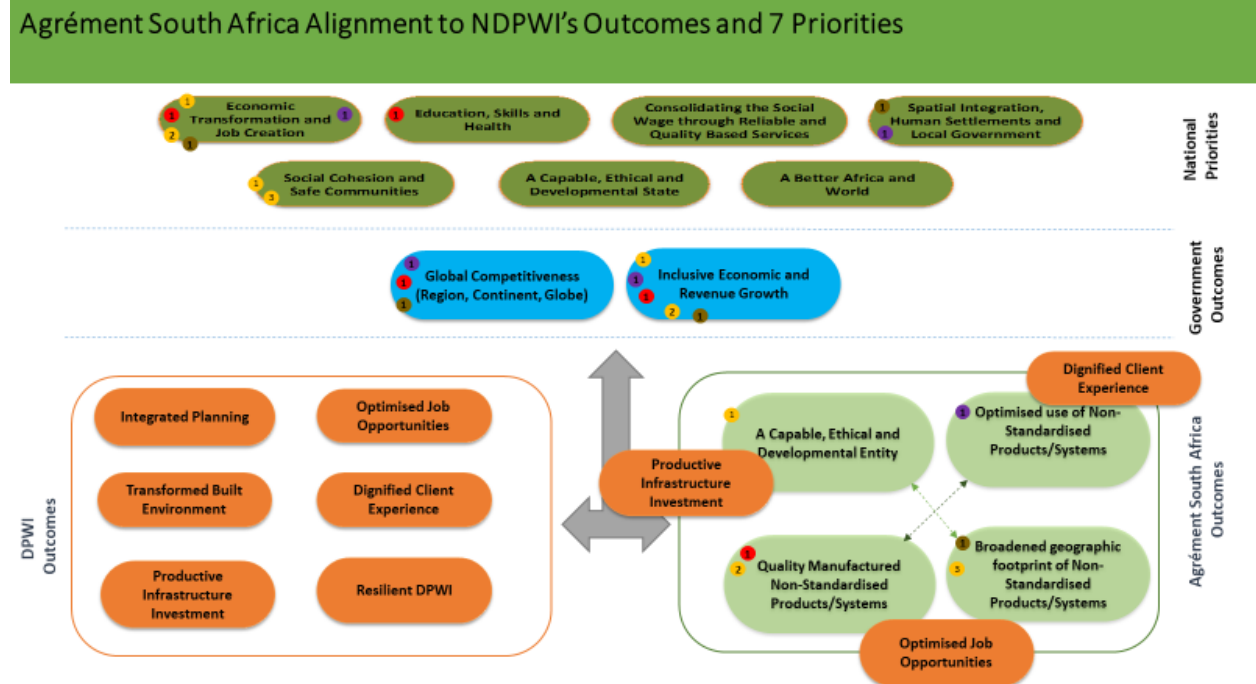


Figure 2: ASA alignment to NDPWI outcomes, NDP and MTSF 7 Priorities.

Source: Agrément South Africa Strategy Workshop.

Below is the Agrément South Africa Strategy Map linked to DPWI and aligned to the DPWI outcomes, National outcomes and National priorities.



Figure 3: ASA Strategy Map linked to DPWI.

Source: Agrément South Africa Strategy Workshop.

## 5. Relevant Court Rulings

There are currently no court rulings which are relevant to ASA.

## Part B: Our Strategic Focus

### 6. Vision

Centre of excellence for non-standardised construction products and systems.

### 7. Mission

To enhance ASA's position as the internationally acknowledged South African centre of excellence for technical assessment, certification, quality assurance and research & development activities to ensure fitness-for-purpose of non-standardised construction related products and systems.

### 8. Values

ASA's values are aligned with the values espoused in the Constitution. The core values that underpin the culture of ASA are:

- **People** – Respect people for who they are, their knowledge, skills and experience as individuals and team members.
- **Reputation** – Upholding ASA's brand through excellence, integrity and quality.
- **Ingenuity** – Inspiring innovative solutions.
- **Diversity** – Embracing a dynamic and multi-cultural environment that respects the individual.
- **Enthusiasm** – Embracing a positive atmosphere through passion, drive and agility.

## 9. Situational analysis

### 9.1 External Environment Analysis

ASA operates within the built environment sector, of South Africa (SA). The Board of ASA is the Accounting Authority. ASA reports to Parliament through the office of the Executive Authority, the Minister of NDPWI in terms of the Public Finance Management Act (PFMA). The activities of ASA are aligned to the mandate of the organisation which, in turn, are aligned to the NDPWI and national priorities. The activities of ASA are impacted by the macro-economy as well as the state of the built environment industry generally and the construction sector (especially housing construction) in particular.

As noted in the NDPWI's strategic review there are several critical environmental issues that need to be considered including the economic context, the unemployment challenge and the need for transformation of the built environment sector are critical factors that need attention. One could add to this the related challenge of housing delivery both in respect of private and public housing programmes.

#### 9.1.1 Economic growth

After rebounding by a revised 3,2% in the second quarter of 2019, activity in the South African economy slipped slightly in the third quarter. According to Stats SA (December 2019) Mining, manufacturing and transport were the biggest drags on growth in gross domestic product (GDP). The quarter-on-quarter economic growth performance measured by production, seasonally adjusted and annualised is illustrated below in Figure 1. The poor performance of the construction industry will have a direct impact on the performance of ASA, as the organisation relies on applications from the public to assess innovative construction products and systems. Any downward economic performance of the construction industry in SA will have an immediate downward impact in the performance of ASA.

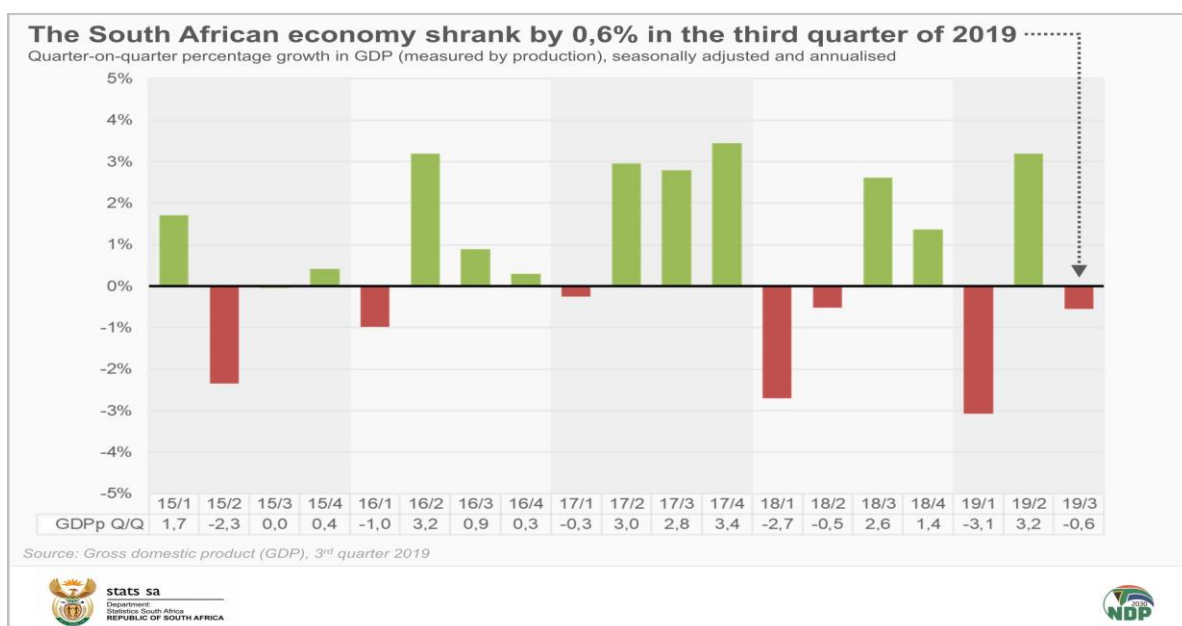


Figure 4: South Africa Growth in GDP (%).

Source: Stats SA, <http://www.statssa.gov.za>.

The positive contributors to GDP growth in the third quarter were trade, government and finance. Positive growth in wholesale, motor trade and accommodation lifted the trade industry by 2,6%. A rise in civil service employment in provincial government and higher education institutions pushed general government services up by 2,4%.

According to Stats SA (December 2019), the third quarter of 2019 between July to September 2019 saw mining was down by 6,1%, driven largely by a fall in the production of platinum group metals, coal and iron ore. The quarter-on quarter economic growth performance measured by production, seasonally adjusted and annualised is illustrated below in Figure 5.

Manufacturing fell by 3,9%, but being a bigger industry than mining, its contribution to total GDP growth was just as large (-0,5 of a percentage point in both cases). The contraction was mainly due to decreases in the manufacturing of basic iron, steel, and machinery products, as well as products related to the petroleum, chemicals and plastics division. Positive gains were reported in the third quarter for the food & beverages and transport manufacturing divisions.

The transport, storage and communication industry also found itself on the back foot, falling by 5,4%. This is the biggest quarter-on-quarter fall for the industry since 1993. A slowdown in activity related to freight and passenger transport dampened growth in the third quarter.

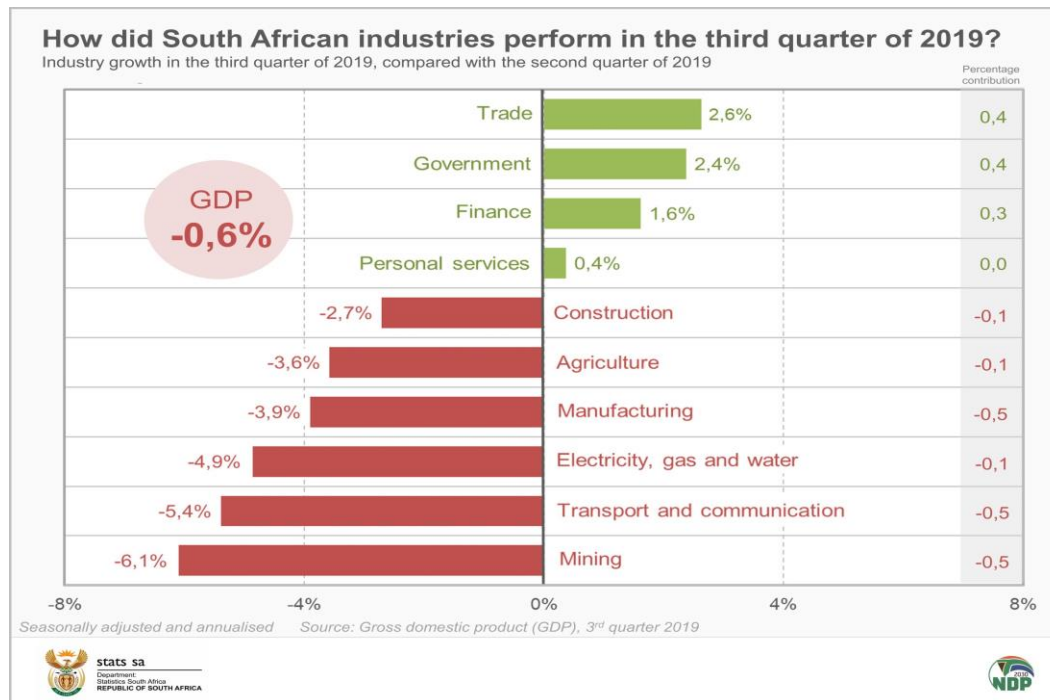
Agriculture saw its third consecutive quarter of contraction. Lower production was recorded for field crops such as maize, wheat, sunflower seeds, tobacco and soya beans.

The construction industry failed to pull itself out of recession, registering its 5<sup>th</sup> consecutive quarter of negative growth. Decreases were reported for activities related to residential and non-residential buildings, as well as construction works. The industry contributed R106 billion to total value added in the third quarter of 2019, lower than the R110 billion high recorded in the fourth quarter of 2016 (constant 2010 prices, annualised).

Construction's poor performance is mirrored in other data. Stats SA recently reported that public-sector investment in fixed assets such as buildings, vehicles, land and equipment fell by 8,2% between 2017 and 2018 (current prices), while spending on new construction works dropped by 11,3% over the same period.

The poor performance of the construction industry will have a direct impact on the performance of ASA, as the organisation relies on applications from the public to assess innovative construction products and systems. Any downward economic performance of the construction industry in SA will have an immediate downward impact in the performance of ASA.

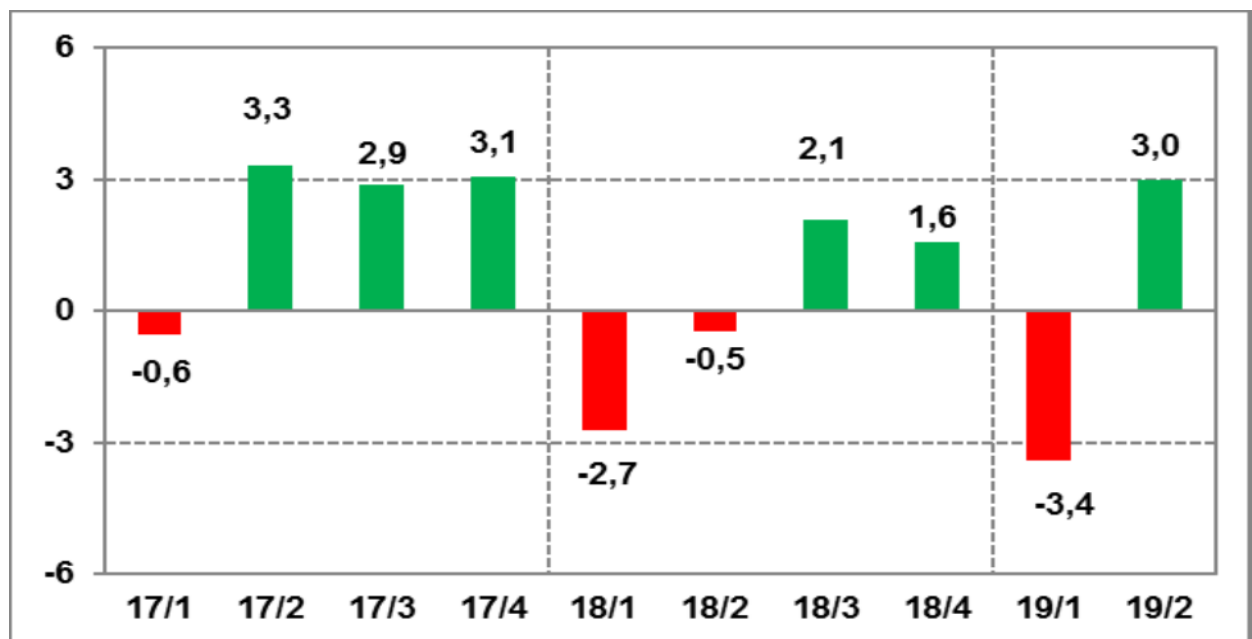
As noted in the NDPWI review, worsening economic conditions have been coupled with a reduction in fiscal expenditure. The outcome has been a downward revision of expected GDP growth rates. Although there are forecasts that GDP will improve in the medium term there are too many uncertainties to enable projections to be anywhere near the 6% growth target in the NDP.



**Figure 5: Contributions to growth in GDP, Q3 2019 (% points).**

Source: Stats SA, <http://www.statssa.gov.za>.

The current account adjustment remains slow, with the deficit expected to widen further, see figure 6 below. The financing of the deficit will also be more challenging in an environment of persistent capital outflows from emerging markets. The global economic crisis further places a burden on emerging market economies. The spat between the United States and China continues to have a negative effect on global economic growth. The emerging markets are hardest hit during times of global economic uncertainty as jittery investors withdraw their investments from emerging markets.



**Figure 6: Growth in expenditure on GDP (%).**

Source: Stats SA, <http://www.statssa.gov.za>.



Government debt has also been rising since the economic crisis of 2008 and stood at R 2.23 trillion during the financial year 2016/2017 or some 50.7 % of GDP then. According to Stats SA, the government debt is expected to grow to 56% of GDP by the 2021/2022 financial year. This level of debt is unhealthy for a growing economy and will place a heavy burden on economy of the country.

End of period R billion	2017/18 Outcome	2018/19 Estimate	2019/20	2020/21	2021/22
			Medium-term estimates		
Domestic loans <sup>2</sup>	2 272	2 494	2 748	3 029	3 311
Short-term	311	324	350	385	420
Long-term	1 961	2 170	2 398	2 644	2 891
Fixed-rate	1 455	1 603	1 759	1 921	2 136
Inflation-linked	506	567	639	723	755
Foreign loans <sup>2</sup>	218	320	295	329	372
Gross loan debt	2 490	2 814	3 043	3 358	3 683
Less: National Revenue Fund bank balances <sup>2</sup>	-229	-292	-214	-211	-212
Net loan debt	2 261	2 522	2 829	3 147	3 471
As percentage of GDP:					
Gross loan debt	52.7	55.6	56.2	57.8	58.9
Net loan debt	47.9	49.9	52.3	54.1	55.5

**Table 2: Total national government debt.**

1. A longer time series is given in Table 10 of the statistical annexure at the back of the Budget Review.

2. Estimates include revaluation based on National Treasury's projections of inflation and exchange rates.

Source: National treasury, 2019 Budget Review.

The current economic situation and consequent reductions in budget allocations will require that the NDPWI and its entities exercises increased fiscal restraint. The Department and its entities will need to consider ways of prioritising and restructuring its programmes to meet its spending needs. There will also need to be a reallocation of resources towards more urgent priorities as defined in the NDP and the MTSF, with a focus on efficiency and effectiveness improvements. Programmes and projects that are no longer key priorities will need to be reviewed.

Government has begun implementing growth-enhancing reforms in line with the President's economic stimulus and recovery plan. Additional steps to strengthen policy certainty, improve the effectiveness of infrastructure spending and rebuild public institutions will encourage private-sector investment and bolster confidence. The economic stimulus and recovery plan will have the greatest impact on youth, woman and small businesses. The economic stimulus and recovery plan have five broad parts:

- Implementation of growth enhancing economic reforms;
- Reprioritisation of public spending to support job creation;
- The establishment of an Infrastructure Fund;
- Addressing urgent and pressing matters in education and health; and
- Investing in municipal social infrastructure improvement.

Infrastructure is a critical pillar to strengthen key value chains across the economy. Strong infrastructure strengthens the domestic demand for local capital goods, industries, services and products. Ultimately, the more locally produced inputs the National Infrastructure Build Programme (NIBP) utilises, the more the country can grow its manufacturing industry and expand businesses to



create much-needed jobs. Gainful and consistent employment is one of the most certain ways in which to ensure the increase in a population's living standards.

In response to the current economic setting, the NDPWI and its entities need to expedite infrastructure development, reduce the current backlogs on infrastructure projects and significantly improve the condition of the State's Immovable Asset Portfolio. This will act as a stimulus for contractor development, employment creation and ultimately economic growth. In addition, the SCM system will be subject to an extensive review, customisation and business process re-engineering to meet business needs, improve efficiencies and turnaround times in the delivery of infrastructure projects.

### 9.1.2 Employment

South Africa's unemployment rate remained the same at 29,1% in Q4 of 2019 (figure 7). According to the Quarterly Labour Force Survey (QLFS) released by Statistics South Africa, this is the highest unemployment rate since Stats SA started measuring unemployment using the QLFS in 2008.

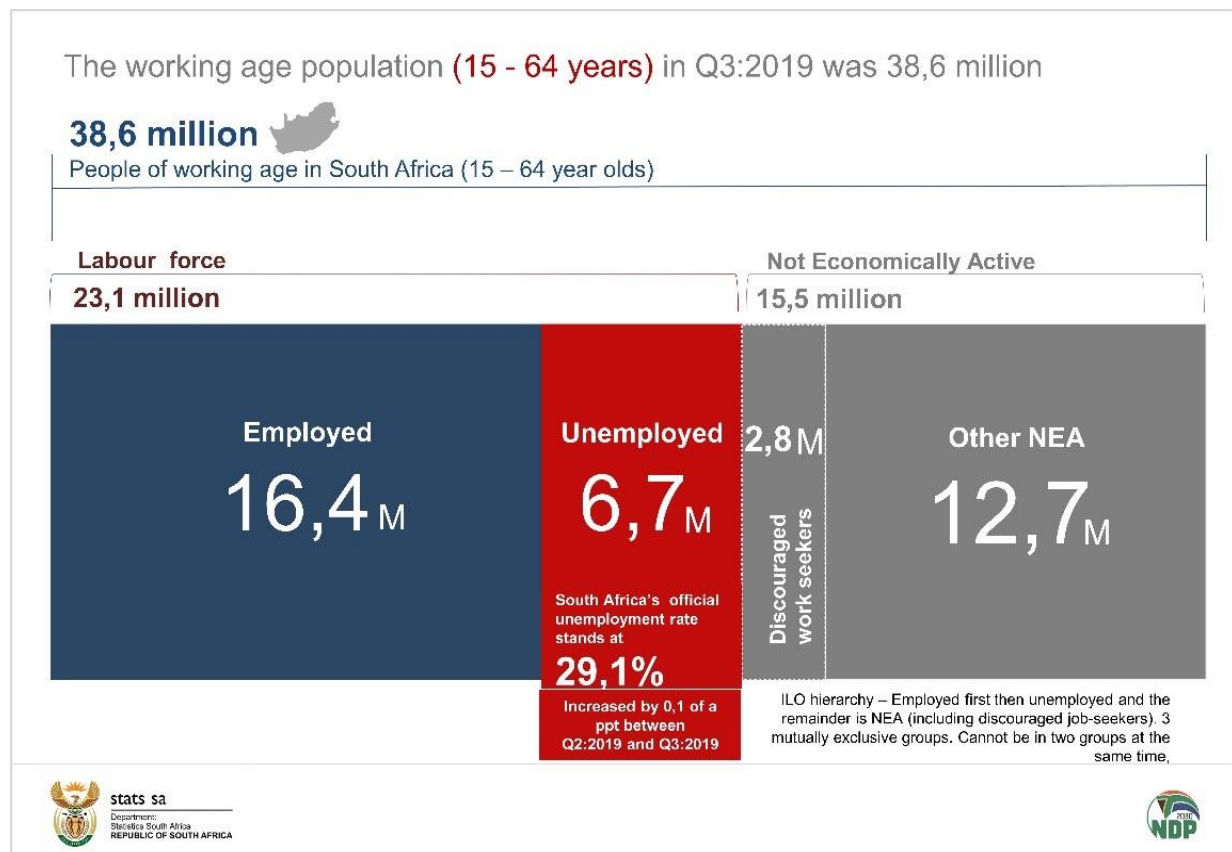


Figure 7: Unemployment rises slightly in third quarter of 2019.

Source: Stats SA, <http://www.statssa.gov.za>.

Figure 8 shows that increases in employment have been observed in the fourth quarters of each year, except in 2017 where a decrease of 21 000 jobs was observed. The largest increase in fourth quarter employment was observed in Q4: 2016 at 235 000. Between the third and the fourth quarters of 2019, employment increased by 45 000 for the third consecutive quarter following a decline of 237 000 in Q1: 2019.

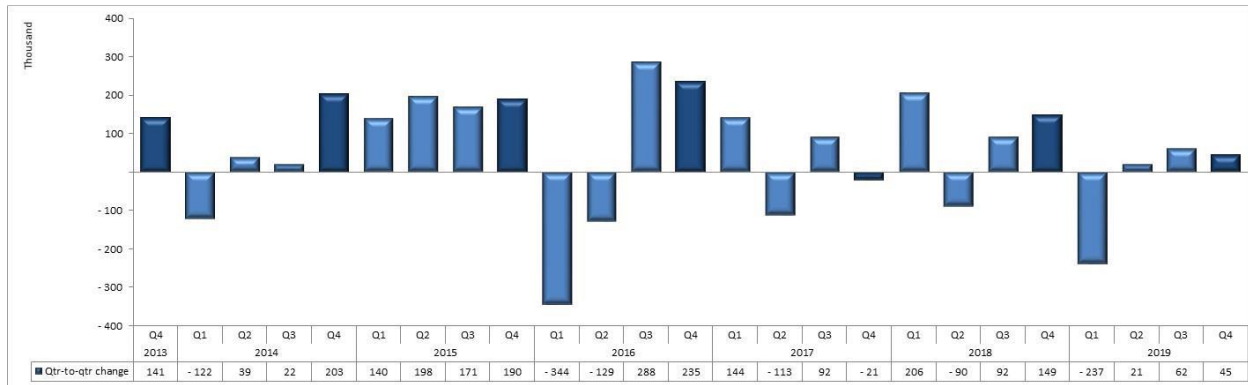


Figure 8: South Africa Quarter-to-quarter changes in unemployment, Q4: 2013 to Q4: 2019.

Source: Stats SA, <http://www.statssa.gov.za>.

Figure 9 shows that the formal sector quarterly increase of 117 000 jobs in the formal sector employment was mainly due to Community and Social services (120 000), Finance & other business services (57 000) and Construction (38 000) in Q4: 2019 compared to Q3: 2019. Unfortunately, Trade, Manufacturing and Utilities contributed negatively to the observed net change in formal sector employment, shedding 61 000, 35 000 and 19 000 jobs, respectively in the same period.

Compared to the same period last year, a loss of 15 000 jobs in the formal sector employment was mainly driven by Finance and other business services (69 000), Construction (42 000) and Manufacturing (41 000) in Q4: 2019. Formal sector employment increased only in Community and Social services (189 000) during the same period.

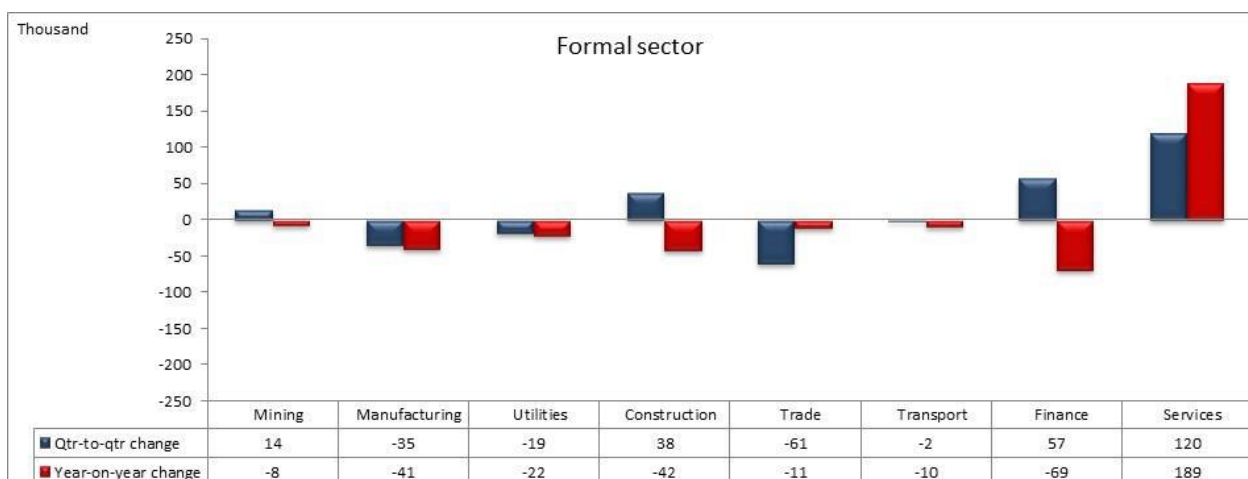


Figure 9: South Africa Quarter-to-quarter and year-on-year changes in the formal sector by industry.

Source: Stats SA, <http://www.statssa.gov.za>.

In the fourth quarter of 2019, the informal sector employment decreased by 77 000 persons compared to the third quarter of 2019. The loss in the informal sector employment was mainly driven by the Trade (98 000), Construction (27 000) and Community and social services (7 000) industries. Employment gains were recorded in Transport (38 000), Finance and other business services (19 000) and Utilities (6 000).

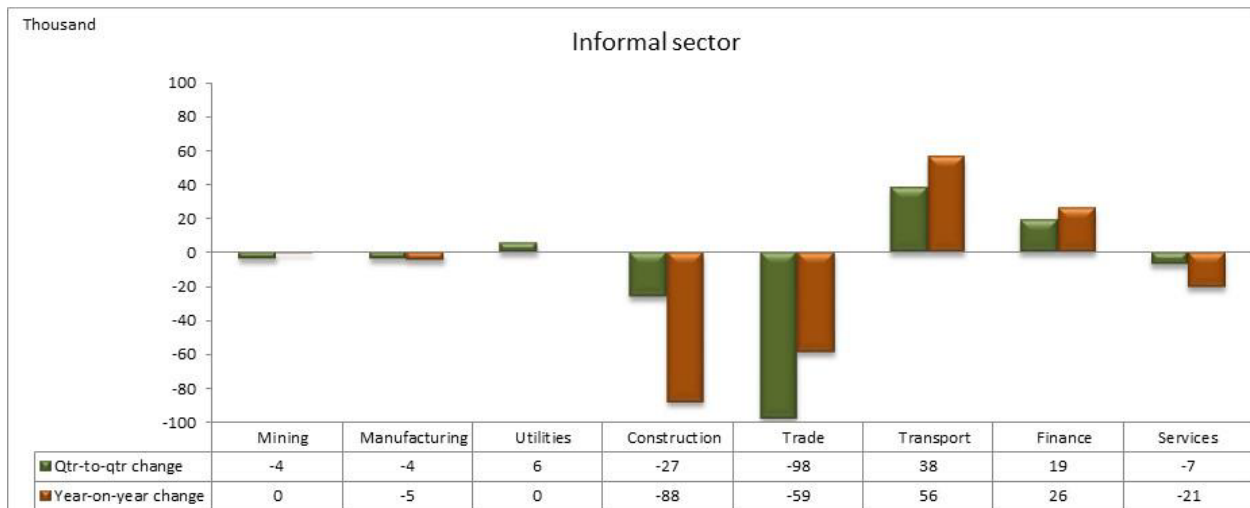


Figure 10: South Africa quarter-to-quarter and year-on-year changes in the informal sector by industry.

Source: Stats SA, <http://www.statssa.gov.za>.

The percentage of young persons aged 15–24 years who were not in employment, education or training (NEET) increased from 31,1% in Q4: 2018 to 32,0% in Q4: 2019. In this age group, 15–24 years the NEET rate for males increased by 1,5 percentage points, while the rate for females increased by 0,3 percentage points. The NEET rate for females was higher than that of their male counterparts in both years (Figure 11). In both Q4: 2018 and Q4: 2019, more than three in every ten young females aged 15–24 years were not in employment, education, or training (Figure 11). This is a very high percentage.

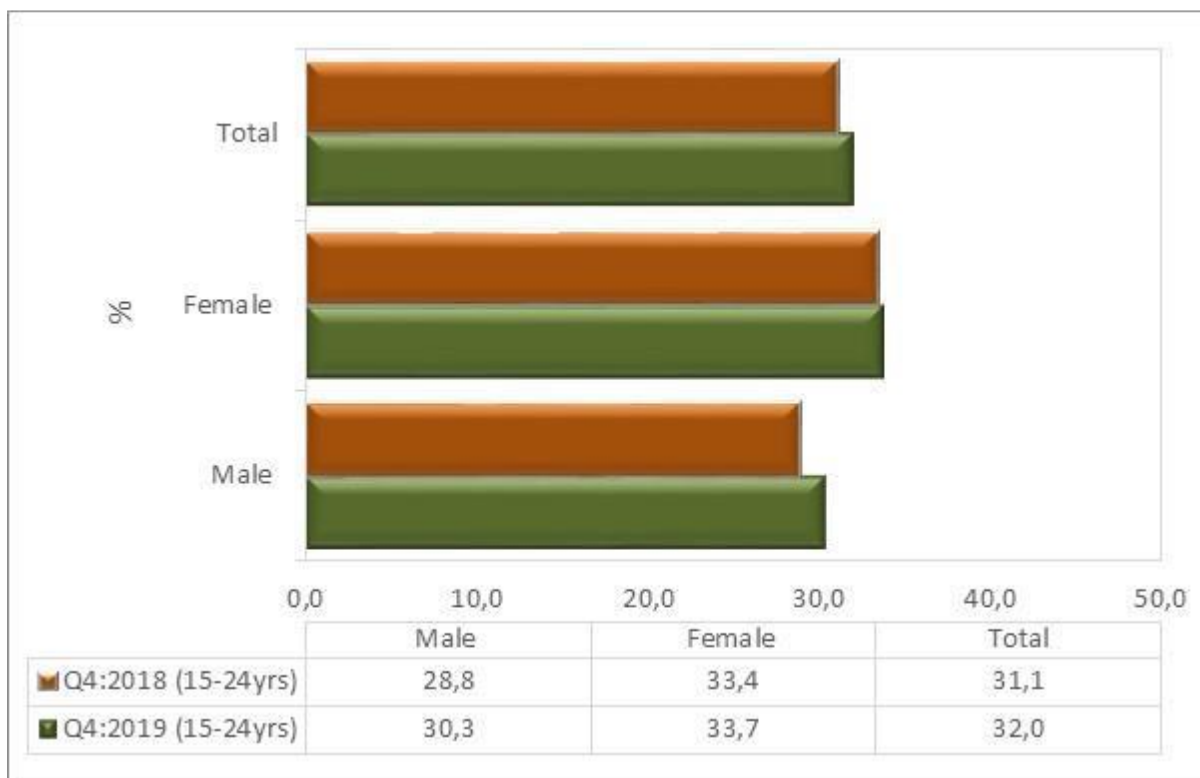


Figure 11: NEET rates for youth aged 15–24 years by sex.

Source: Stats SA, <http://www.statssa.gov.za>.

Compared to Q4: 2018, the percentage of young persons aged 15–34 years who were not in employment, education or training (NEET) increased by 1,0 percentage point from 38,9% to 40,1% in Q4: 2019. The NEET rate for males increased by 1,5 percentage points while for females, the rate increased by one percentage point in Q4: 2019. In both Q4: 2018 and Q4: 2019, more than four in every ten young females aged 15–34 years were not in employment, education, or training (Figure 12).

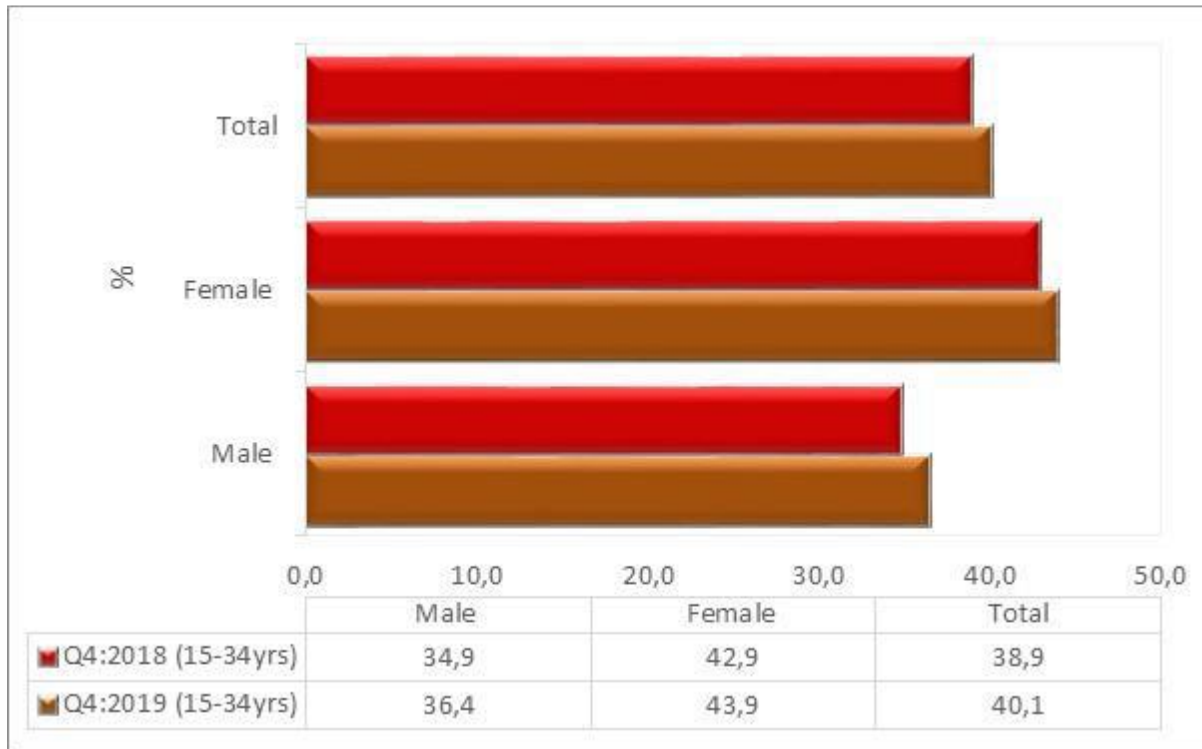


Figure 12: NEET rates for youth aged 15–34 years by sex.

Source: Stats SA, <http://www.statssa.gov.za>.

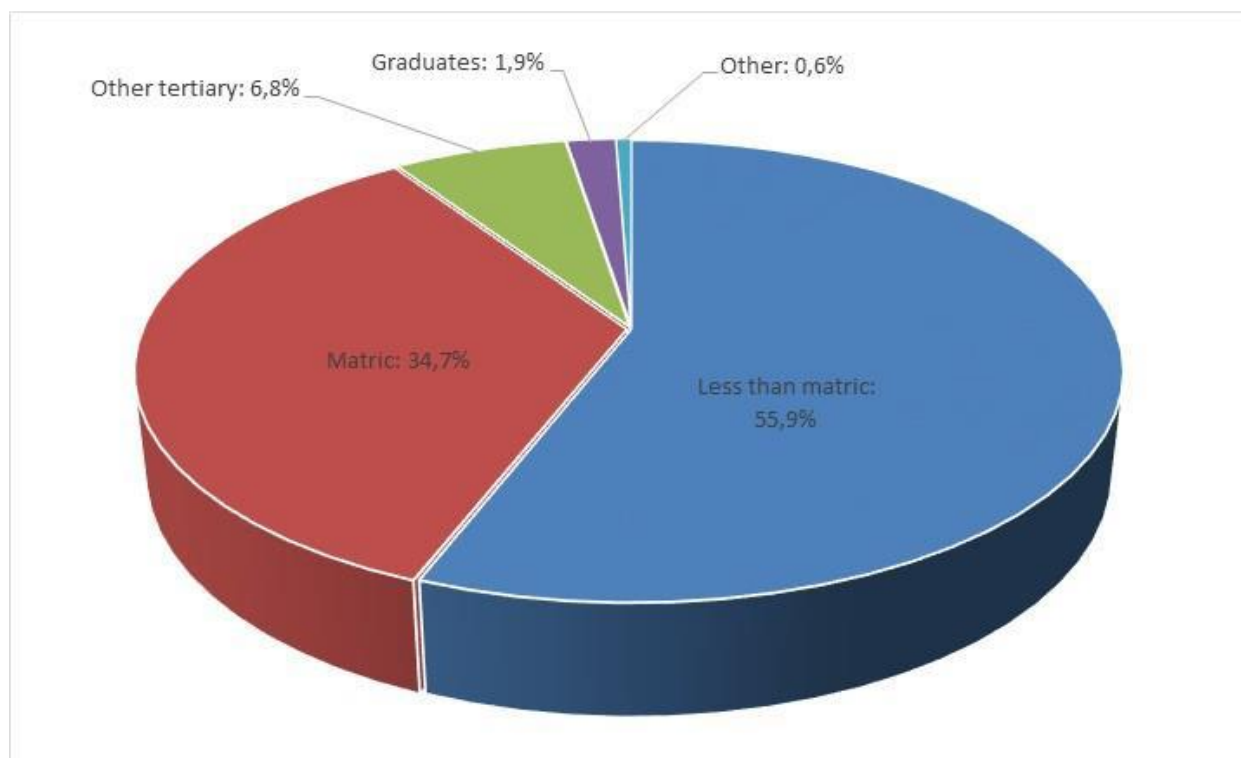


Figure 13: Proportion of the unemployed by education level, Q4: 2019.

Source: Stats SA, <http://www.statssa.gov.za>.

Figure 13 shows that of the 6,7 million unemployed persons, 55,9% had an education level below matric, followed by those with matric at 34,7% in the fourth quarter of 2019. Only 1,9% of the unemployed persons were graduates while 6,8% had other tertiary qualifications as their highest level of education.

### 9.1.3 Transformation.

The NDPWI, and its entities, are committed to transforming the construction industry and built environment sector more broadly to contribute to the enhancement of skills and reducing poverty.

The pace of transformation in the construction industry shows little signs of improvement, according to the 2020 Construction Industry Development Board (cidb) Construction Monitor: Transformation covers empowerment issues in the construction industry, focusing on Quarter 1 of 2019 to Quarter 4 of 2019. The Monitor presents an assessment of the state of transformation of the construction industry, with a focus on the consulting engineering (or professional service providers) and contracting sectors. The Monitor draws largely on information obtained from the cidb Register of Contractors, the cidb Register of Projects and the Consulting Engineers South Africa (CESA) Bi-annual Economic and Capacity Survey.

Targets for the transformation of the construction industry are, in effect, established and agreed to in the Construction Sector Codes (CSCs). The cidb's vision of transformation is that 90% or more of the capacity of the construction industry is 90% or more black-owned and delivers 90% or more of construction contracts by value.

These trends necessitate that emerging contractors be empowered to transact at higher levels of business and to integrate into the broader economy. Transformation requires the commitment from the established industry to transform from within, as well as from the public sector through developmental support and procurement interventions.

The NDPWI has identified the need to prioritise the development of Cooperatives and SMME's as part of the broader Social Plan of Government which is targeted at addressing the unemployed, with a focus on women, youth and people with disabilities, and part of this process involves skills development.

Contractor development aims to boost the delivery capacity and capability, as well as sustainability, of emerging contractors, who constitute an estimated 80% of cidb registered contractors. Sustainability includes improving access by these contractors to Government infrastructure projects.

#### 9.1.4 Socio-cultural environment

While all areas of infrastructure development and the built environment face challenges, the issue of social settlements is particularly pertinent to the work of ASA and a key focus area for government. South Africa is confronted with a shrinking tax base and a widening national expenditure as well as increasing numbers of people depended on government for housing assistance, provision of basic services and upkeep of their residential areas.

Census 2011 reported that while more than 77, 7% of the 14.4 million households live in formal dwellings, there is about 13.6% that reside in informal dwellings and 7.9% in traditional dwellings. Stats SA estimates that the demand for adequate housing is about 2.2 million households, which includes households in informal settlements and backyard shacks. These households are depended on the intervention of the state for housing. Of these, 1.7 million have registered in the Needs Database of the Department of Human Settlements.

Although there have been increases to the average annual household income (i.e. about R 103,204 in 2017), the levels are not enough for households to be able to house themselves. A total of about 3.5 million households with income between R 3,501 and R 15,000 per month do not qualify for full government subsidy. While households with a monthly income of between R 3,500 and R 7,500 may qualify for a mortgage loan of between R 140,000 and R 300,000, the supply of stock is limited and mortgage finance for households with a monthly income below R 7,500 is almost non-existent. This means, there is an increasing number of households that do not qualify for a government subsidy or mortgage finance due to several reasons that include non-availability of stock and inability to access mortgage finance. This requires a more adequate support response that include incremental (self-build) housing. (National Department of Human Settlements Strategic Plan 2015 to 2020).

The National Development Plan (NDP) as South Africa's blueprint for eliminating poverty and reducing inequality by 2030, acknowledges that the fundamental reshaping of the apartheid spatial form may take decades but directs that South Africa should strive for a meaningful progress in creating urban settlements that are functionally integrated, balanced, and vibrant, including the revival of the rural areas. The NDP also recommended that to address the current weaknesses of human settlements and housing policies and programmes, several actions be taken including:

- Systematically respond to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency;
- Take account of the unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region before making decisions on developments;
- Reviewing State housing policies to better realize constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households;
- Support active citizenry and develop incentives through a range of interventions, which includes the establishment of social compacts; and
- Planning for human settlements be guided by a set of normative principles that will create liveable, equitable, sustainable, resilient and efficient spaces including supporting economic opportunities and social cohesion. (National Department of Human Settlements Strategic Plan 2015 to 2020).

The NDPWI has committed itself and its entities to more efficient ways of working and utilising their core activities in support of the country's broader socio-economic objectives.

Within this context ASA - while retaining its core certification function – needs to consider ways in which it can utilise resources more efficiently (given the fiscal constraints evident), and more critically seek ways to support opportunities for socio-economic impact and built environment transformation.

#### 9.1.5 Strategies responding to the External Environment

Aligned with its mandate, ASA 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. ASA is also the only internationally acknowledged and objective facility in South Africa that assesses and certifies non-standardised construction products.

In the next MTSF period the entity will continue to focus on the following areas:

- Issue, amend, suspend, reinstate, withdraw or renew an ASA Certificate;
- Awareness programmes on non-standardised construction related product or system certified by ASA;
- Encourage innovation in respect of the technical, socio-economic and regulatory aspects of a non-standardised construction related product or system certified by ASA;
- Monitor and evaluate the quality management systems of a certified construction related product or system; and
- Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market.



**The entity will embark on the following initiatives:**

*Eco-Labelling*

ASA has been appointed as the competent body to undertake Eco-Labelling for government's buildings and products for the period of five years. The Eco-Labelling system will address aspects such as indoor air quality, comfort; environmental; material and energy resource conservation and will be incorporated in the NDPWI's Standard Specifications for construction related works. ASA serves national and continental interests by being internationally acknowledged as an independent South African entity serving the building and engineering communities by providing assurance to manufacturers, suppliers and users through technical approvals for the fitness-for-purpose of non-standardised and/or unconventional products, materials and systems.

*Green rating tool for Public building*

ASA has been mandated to rate public sector buildings using the green building rating tool as currently being used to rate private sector buildings. This presents an opportunity not only to rate the current public buildings, but also new buildings, which must be built according to set standards and thus contribute towards the green economy. This initiative enhances the health of all South Africans and ensures sustainable development in transport, energy and water which are the backbone of construction related products and systems. The expected outcome of this initiative is efficient use of resources and low carbon emission, thus leading to sustainable developments. This opportunity that will be implemented for the period of over five years.

*Strategic links with members of the World Federation of Technical Assessment Organisations, CIDB, CBE, NHBRC, SABS and National Government*

ASA has and maintains strong strategic links with members of the World Federation of Technical Assessment Organisations (WFTAO) and shares technical information for mutual benefit. The NDPWI continues to provide the strategic policy direction for the entities reporting to it. These sister entities include the Construction Industry Development Board (CIDB), the Industrial Development Trust (IDT) and the Council for the Built Environment (CBE). The ASA plays a role in some of the South African Bureau of Standards (SABS) Standards Generation Committees as well as the Industry Advisory Council of the National Home Builders Registration Council (NHBRC). Overall, ASA plays a key role in the safe introduction of fit-for-purpose innovative construction technologies for the built environment. The National Department of Human Settlements continued to rely on the technical assessments undertaken by the organisation in the selection process of non-standardised building systems and products. ASA 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 most of the population of South Africa.



## 9.2 Internal Environment Analysis.

Agrément South Africa has used a combination of SWOT analysis and Results-based methodology to inform the development of the Annual Performance Plan. The external factors that impact on the operations of Agrément South Africa include strengths, weaknesses, opportunities and threats are discussed below:

**Below is ASA's internal analysis as it seeks to improve its effectiveness in the built environment:**

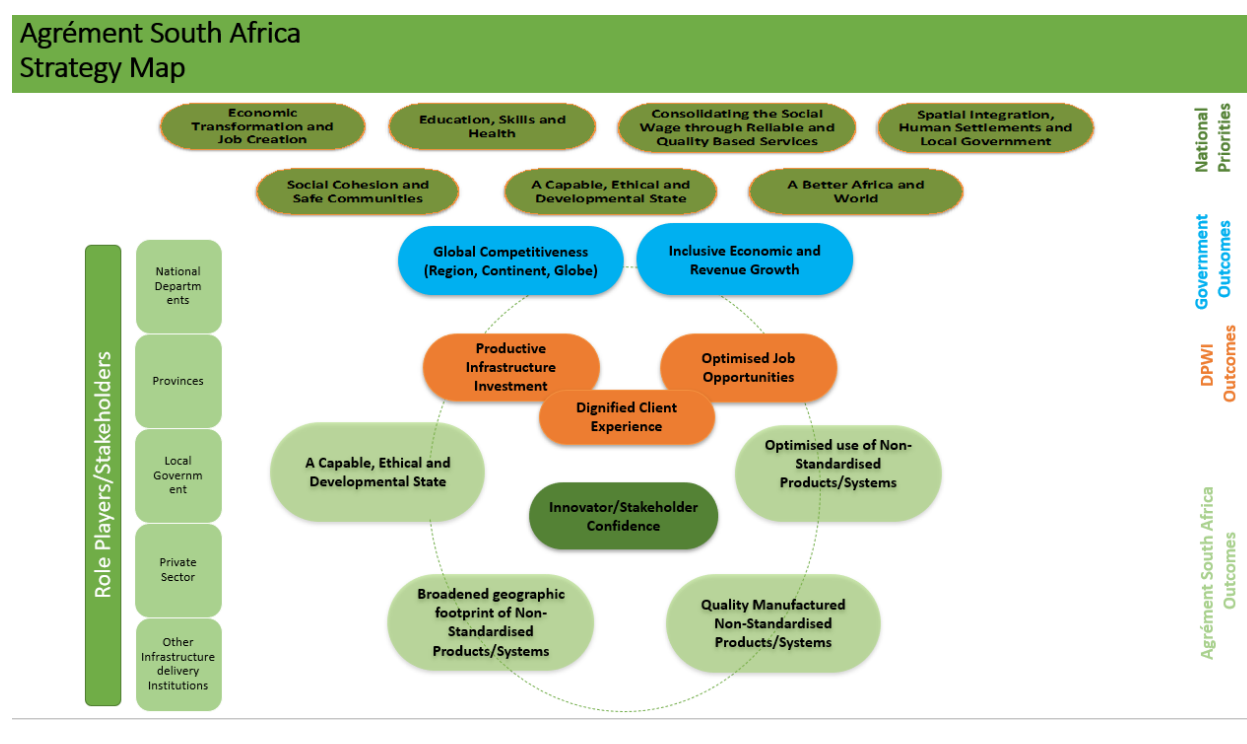


**Figure 14: ASA SWOT Analysis.**

From above internal analysis (see Figure 13), ASA executes its mandate by evaluating the fitness-for-purpose of a variety of innovation, construction products and systems. This includes not only building systems, construction related materials and products but also several sanitation products and various types of plumbing pipes and fittings, bathtubs, bathroom and toilet units, as well as sanitary disposal systems.

**The following pathways to change were developed:**

- Conduct technical assessment of innovative and non-standardised construction related products and systems and ensure that such products and systems are used for the intended purpose;
- Research the market on innovative ideas and participants, share information and empower new and emerging innovators on non-standardised construction related product or system;
- Develop any rules, processes, procedures, criteria or guidelines necessary for the manufacturing of quality Non-Standardised Products/Systems that are fit for purpose; and
- Promote the use of certified non-standardised construction related products or systems in most (where applicable) public social-economic infrastructure programmes ranging from refurbishment, replacement, upgrades to construction of public infrastructure across the country.



**Figure 15: ASA Strategy Map linked to DPWI.**

Source: Agrément South Africa Strategy Workshop.

### 9.2.1 Trend Analysis on Prior Performance

As previously stated, Agrément South Africa fulfils its mandate through the assessment and certification of innovative and non-standardised products and systems. During the 2018-2019 financial year 27 certificates were issued. Certificated products/systems include road products, building systems, wall insulation material, roofing insulation systems, ceilings, damp-proof courses, traffic monitoring systems, paints, roof tiles, toilet systems, energy analysis software and water proofing systems.

The performance of products and systems were assessed against set performance criteria while manufacture and, where applicable, installation or erection were assessed in terms of documented and approved quality management systems. The Technical Committee of the Board satisfied itself that due diligence was exercised during the assessment process. It involved confirmation that evaluations were completed as per assessment sub-programmes/contracts with favourable test results and assessments from external specialists and testing laboratories; ensuring that an approved, documented quality system was in place and on record with Agrément South Africa; and reviewing draft certificates.

Innovation can lead to efficiency and this has been proven in several countries around the world. In the context of the built environment this means reduced construction cost and construction time. Innovation can act as an agent of reform in the construction industry through job creation, assisting in the creation of a green economy, reducing the effectiveness of monopolies that may occur in certain sectors of the industry, material beneficiation etc. Most of the Agrément South Africa certified products and systems come with the above advantages.

## 9.2.2 Key stakeholders

The table below analyses the stakeholders with whom ASA interacts.

Stakeholder	Nature of Interest	Source of Power	Additional Comments
<b>Building professionals.</b>	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.
<b>Certificate holders.</b>	Facilitation of approvals and marketing.	ASA certification is deemed to satisfy the requirements of the building regulations.	The local authority, NHBRC and the bank ultimately accept the innovation. ASA intercedes on behalf of the certificate holder should certification not be accepted, which is seldom necessary.
<b>Department of Human Settlements Water and Sanitation. (DHSWS).</b>	The provision of housing subsidy.	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.
<b>Department of Public Works and Infrastructure (DPWI).</b>	Tasked with encouraging the use of innovative products and systems to the benefit of South Africa.	Funding the day-to-day operations of ASA.	Enhance working relationship; continue support to employment creation, such as the use of a compressed earth building system at the Gombani village in Limpopo.
<b>Homeowners.</b>	Benefits associated with innovative construction technologies.	Financial sustainability.	Innovative construction systems can be erected faster and usually cheaper than conventional construction, which increases return on investment.
<b>Local authorities.</b>	Plan approval is required by law. Promote uniformity in the understanding and implementation of National Building Regulations (NBR) made in terms of the National Building Regulations & Building Standards Act No. 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.

Stakeholder	Nature of Interest	Source of Power	Additional Comments
<b>National Home Builders Registration Council (NHBC).</b>	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 homeowner can provide adequate guarantees, which is often not possible by the applicant.
<b>National Regulator for Compulsory Specifications (NRCS).</b>	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.
<b>Roads Agencies.</b>	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.
<b>South African Bureau of Standards (SABS).</b>	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 No. of 1993; provide for transitional provisions and related matters.
<b>South African Local Government Association (SALGA).</b>	Acts as an employer body representing all municipal members and by agreement associate members.	Represents, promotes and protects the interests of local government and to raise the profile of local government.	To enter into a Memorandum of Understanding (MOU) to formalise our relationship. <ul style="list-style-type: none"> <li>Efficient service delivery.</li> </ul>

Table 3: Table 3: Agrément South Africa Stakeholders.

### 9.3 Organisational Structure

The ASA's organisational structure has changed over time as the business model evolved. The figure below details ASA's current functional structure. ASA will continue to review its structure to ensure proper resourcing and implementation of its mandate.

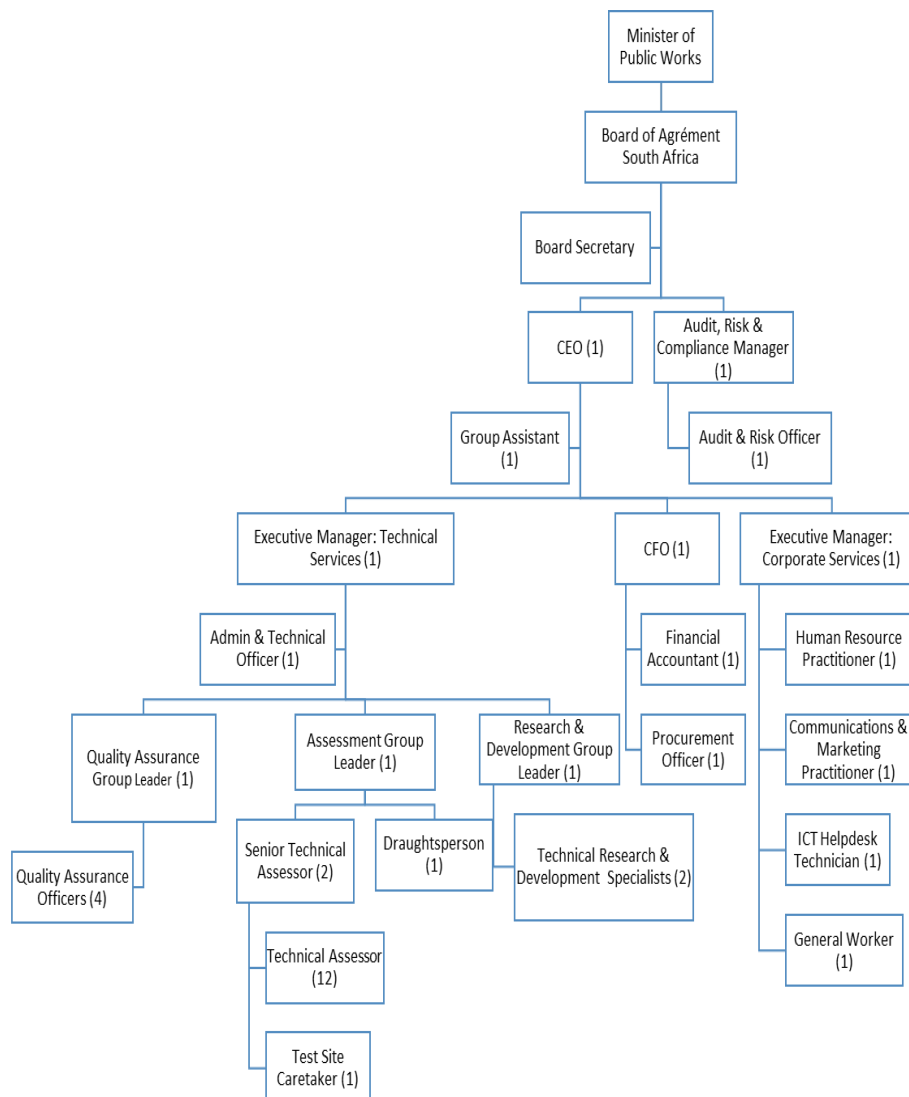


Figure 16: Current Agrément South Africa functional structure.

In order to address the above, Agrément South Africa will, amongst other things:

- Continue to review organisational design to implement these strategies.

Continuous improvements in implementing our mandate and any other additional mandate from executive authority. ASA is managed by the Chief Executive Officer (CEO) assisted by an Executive Management team made up of the Chief Financial Officer (CFO), Executive Manager: Corporate Services and the Executive Manager: Technical Services.

The above organisational structure reflects the current operational functions as well as the key support capabilities to deliver on its mandate. However, given the mandate set out in the Act and additional mandate, ASA embarked on an Organisational Diagnostic process, which, one of the

objectives is to review the structure and staffing to ensure the achievements of the mandate over short to long term.

ASA requires additional staff to assist in evaluating, assessing and approving existing infrastructure development technologies to better direct housing and human settlement investments, fast track delivery and ensure affordability and diversity of the products available in the market through enhanced quality and quantity of innovative construction technologies as well as supporting and encouraging the certification of products that utilise waste materials. As the evaluation and certification base of ASA grows, the need for additional technical evaluators/quality assurance, research and development and environmental specialists together with support functions will grow over the medium to long term.

Additionally, as the organisation seeks to address its legislated mandate (for instance, augmenting and promoting research and development) as well as broader socio-economic imperatives as determined by its Executive Authority, new sets of skills and competencies and additional staff will be required. This will necessitate a review of the current organisational structure and staffing approach in the short to medium term.

- Invest in information technology in order to respond to digital transformation and artificial intelligence.

ASA will keep abreast with changes in technologies and embraces digital transformation and artificial intelligence. This adaptation will ensure that the organisation is not only agile, but its human capital is fully capacitated to respond to the changing environment.

In addition to this, ASA will embark on a Business Impact Analysis (BIA) which is a critical process in business continuity and disaster recovery planning.

- Review facilities to ensure fit-for-purpose as the organisation changes.

With the current and anticipated growth in the short to medium term, ASA will require additional office space, in line with Ergonomics best practice. This will ensure improved collaboration among internal teams.

- Effective and impactful marketing and communication strategies.

ASA will be embarking on a rigorous marketing and brand awareness process in the short to medium term. This will be achieved through strategic partnerships and collaboration with other built environment stakeholders.



The table below reflects progressive organisational staff in the short to medium term period.

Position	Filled	Vacant posts	Total (Filled & Vacant)	Current vacancy rate (%)
Administrative and Technical Officer	1	0	1	0%
Audit & Risk Officer	1	0	1	0%
Audit Risk and Compliance Manager	1	0	1	0%
Board Secretary	1	0	1	0%
Chief Executive Officer	1	0	1	0%
Chief Financial Officer	1	0	1	0%
Communication and Marketing Practitioner	1	0	1	0%
Draughtsperson	1	0	1	0%
Executive Manager: Corporate Services	1	0	1	0%
Executive Manager: Technical Services	1	0	1	0%
Financial Accountant	1	0	1	0%
General Worker	1	0	1	0%
Group Assistant	1	0	1	0%
Human Resources Practitioner	1	0	1	0%
ICT Helpdesk Technician	1	0	1	0%
Procurement Officer	1	0	1	0%
Quality Assurance Officers	3	1	4	25%
Senior Technical Assessor	2	0	2	0%
Technical Assessor	6	6	12	50%
Technical Group Leader: Assessments	1	0	1	0%
Technical Group Leader: Quality Assurance	1	0	1	0%
Technical Group Leader: Research & Development	1	0	1	0%
Technical Research & Development Specialists	2	0	2	0%
Test Site Caretaker	0	1	1	100%
<b>Total</b>	<b>32</b>	<b>8</b>	<b>40</b>	<b>20%</b>

**Table 4: Agrément South Africa - Staff Establishment.**

Agrément South Africa has a total staff establishment of **40** posts of which **32** are filled permanently, 3 are filled additionally as Interns and **8** are vacant. The entity currently has a vacancy rate of **20%**. The entity has embarked on the organisational structure to ensure that ASA achieves its mandate. The prioritised posts will be filled through an intensive recruitment drive. The process is aligned to the integrated Human Resource Plan to ensure that ASA is capacitated to deliver on its mandate and respond to Government's policy agenda taking into consideration the financial position of ASA.



## 10. Annual performance planning process

The strategic planning process was a combined ASA Board and Executive Management exercise and comprised one-on-one engagements with members of the ASA Board and the Executive Management, as well as a workshop to formulate and agree on the strategic direction for ASA.

The following are key steps undertaken by Agrément South Africa:

Activity	Timeframe
• Develop environmental scanning guidelines and templates and obtain Executive Committee endorsement.	30 June 2020
• Execute the environmental scanning process by undertaking research and business intelligence gathering.	30 June 2020
• Conduct Operational Planning workshop to develop departmental operational plans.	30 June 2020
• Conduct Executive Committee annual performance planning session to process the environmental scan, strategy proposals, recommendation on proposals.	07 July 2020
• Conduct Board Committee annual performance planning session to process the environmental scan, strategy proposals, recommendation on proposals.	14 July 2020
• Conduct Follow-up Executive Committee Annual Performance planning session to develop impact statement, outcomes, outputs and output indicators.	14 August 2020
• Develop the draft annual performance plan and present to Executive Committee for consideration in preparation for tabling to the Board for consideration.	21 August 2020
• Finalise the annual performance plan and budget (MTEF) and submit to the NDPWI.	30 October 2020
• Received comments on annual performance plan documents.	30 November 2019
• Update annual performance planning document.	30 November 2020 to 6 January 2021
• Discuss the updated annual performance plan document.	7 January 2021
• Submit the document for editing.	7 January 2021
• Present annual performance plan document to Executive management.	13 January 2021
• Submit annual performance document to Audit and Risk Committee for approval.	22 January 2021
• Special EXCO to review annual performance plan.	23 January 2021
• Submit annual performance plan document to the Board on or approval before final submission to Executive authority.	21 January 2021 (Board) 31 January 2021 (EA)
• Received approval by executive authority.	End February 2021
• Implement the Annual Performance Plan.	1 April 2021
• Report annual performance implementation progress on a quarterly basis.	Quarterly

Table 5: Description of the annual performance planning process.

## Part C: Measuring ASA's Performance.

### 11. Institutional Programme Performance Information.

In line with the requirements of the PFMA Agrément South Africa plans to implement the following budget programmes in 2021/2022 to 2024/25.

Programme	Sub-Programmes
Administration.	Technical Services.
	Financial Services.
	Corporate Services.

## Programme: Administration of Agrément South Africa.

### 11.1 Sub-Programme 1: Technical Services.

**Purpose:** The certificates granted promote improved methods of construction thereby contributing towards the impact of innovative non-standard construction related products and systems for which there are no South African national standards. Sub-Programme comprises the core service delivery functions of ASA. It includes Products / Systems Certification, Quality Audits and Research and Development.

- *Products / Systems Certification:* The purpose is to promote the introduction and use of innovative and non-standardised construction related products and systems through technical assessment of fitness-for-purpose and subsequent certification.
- *Quality Audits:* The purpose is to ensure that good-quality materials and satisfactory standards of design, manufacture and where appropriate, erection, installation or application of all ASA's certificate holders and licensees' systems or products are consistently maintained within defined ASA parameters.
- *Research and Development:* The purpose is to encourage and support business activities of ASA, in partnership with other sector stakeholders, as well as encourage development of non-standardised construction related products and systems.

### 11.1.1 Outcome, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Audited / Actual performance			Estimated performance 2020/2021	MTEF Targets		
			2017/2018	2018/2019	2019/2020		2021/2022	2022/2023	2023/2024
<b>Optimised use of Non-Standardised construction related Products and Systems.</b>	Implementation of Eco Label Scheme.	Number of Eco Label Scheme specification approved by the Board.	New Indicator.	Terms of reference for the Eco Label Scheme developed and approved by the Executive committee.	Approved Business model on Eco Label scheme.	2 Eco Label Scheme specifications approved by the Board.	3 Eco Label Scheme specification approved by the Board.	6 Eco Label Scheme specifications approved by the Board.	3 Eco Label Scheme specification approved by the Board.
	Agrément certification projects managed and finalised within timeframes.	Percentage of Agrément certification projects managed and finalised within timeframes.	31 non-standardised construction related products and systems certificates approved by the board of ASA.	27 applications of non-standardised construction related products and systems approved.	100% of Agrément non-standardised construction related products and systems processed.	82% of projects assessed and completed as per the project timeframes.	85% of projects assessed and completed as per the project timelines.	87% of projects assessed and completed as per the project timeframes.	89% of projects assessed and completed as per the project timeframes.

Outcome	Outputs	Output Indicators	Audited / Actual performance			Estimated performance 2020/2021	MTEF Targets		
			2017/2018	2018/2019	2019/2020		2021/2022	2022/2023	2023/2024
<b>Quality Assurance.</b>	Quality Assurance on all certificates in use.	Percentage of quality and compliance inspections conducted for certificates in use.	71 Quality Assurance inspections of active Agrément certificates.	76 Quality Assurance inspections of active Agrément certificates.	82% Quality Assurance inspections of active Agrément certificates.	Quality and compliance audits conducted for 50% of certificates in use.	Quality and compliance audits conducted for 85% of certificates in use.	Quality and compliance audits conducted for 90% of certificates in use.	Quality and compliance inspections conducted for 91% of certificates in use.
<b>Broadened geographic footprint of Non-Standardised construction related products and systems.</b>	Public Buildings Green Building Certification Framework and Rating tool developed.	Approved Public Buildings Green Building Certification framework and rating tool.	New Indicator.	New Indicator.	New Indicator.	Public Buildings Green Building Certification framework and Rating tool developed and approved by the Board.	Public Buildings Green Building Certification framework and rating tool implemented.	-	-

Table 6: Sub-programme 1: Technical Services: Strategic objectives and medium-term targets for 2021/2022 – 2023/2024.

### 11.1.2. Output Indicators, Annual and Quarterly Targets.

Performance Indicator	Annual Target 2021/2022	Quarterly Targets			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Outcome: Optimised use of Non-Standardised construction related products and systems.					
Number of Eco Label Scheme specification approved as per the business model.	3 Eco Label Scheme specification approved by the Board.	3 Eco Label Scheme specification drafts presented to TECO.	Public Consultation concluded for the 3 draft specifications.	TECO approval of the 3 specifications.	Board approval of the3 specifications.
Percentages of Agrément Non standardised construction related products and systems certified and issued.	85% of projects assessed and completed as per the project timelines.	85% of projects approved as per the project timelines.	85% of projects approved as per the project timelines.	85% of projects approved as per the project timelines.	85% of projects approved as per the project timelines.
Outcome: Quality Assurance.					
Percentage of certificates audited for compliance and quality management.	Quality and compliance audits conducted for 85% of certificates in use.	Quality and compliance audits conducted for 15% of certificates in use.	Quality and compliance audits conducted for 40% of certificates in use.	Quality and compliance audits conducted for 65% of certificates in use.	Quality and compliance audits conducted for 85% of certificates in use.
Outcome: Broaden geographic footprint of Non-Standardised construction related products / systems.					
Approved Public Buildings Green Building Certification framework.	Public Buildings Green Building Certification framework implemented.	Consultation with stakeholders on Green Building Certification framework implementation.	1 <sup>st</sup> Draft Public Buildings Green Building Certification framework implementation presented to the Board.	2 <sup>nd</sup> Draft Public Buildings Green Building Certification framework implementation presented to the Board.	Approved Public Buildings Green Building Certification framework implementation.

Table 7: Sub-Programme 1: Technical Services: Indicators, Annual and Quarterly Targets for 2021/2022.

### 11.1.3. Explanation of planned performance over the planning period.

#### **a) Contribution of its outputs achieving the intended outcomes and Impact.**

In order to create jobs and transform the economy of South Africa, ASA endeavours to process 80% of non-standardised construction products and systems certification requests, within reasonable timeframes, as agreed to with clients. ASA further endeavours to ensure that the quality and terms and conditions against which all certificates are issued are upheld. For this, we are targeting to inspect 80% of issued certificates, for their validity and compliance to quality management. These activities are expected to increase the confidence of stakeholder confidence in ASA certified products and systems.

#### **b) A description of planned performance in relation to the programme's outputs.**

The built environment has witnessed market dominance by the same stakeholders and inventors, with very few new market entrants. This is at times seen in the difficulty with which new market entrants and innovators manage to have their products and systems certified. New innovators' products and systems fail more often, resulting in continuous re-development of the products and systems, thus delaying introduction of the invention to the market. ASA endeavours, through its research and development programme, to support new innovators in getting their products and systems certified and ready for market. We plan to host country-wide education and awareness programmes and encourage new entrants to the innovative built environment market. We will educate new innovators on minimum performance standards to consider in development of their products and systems.

## 11.2. Sub-Programme 2: Financial Services.

**Purpose:** To provide overall financial and supply chain management, strategic leadership, operational efficiency and service excellence and providing organisational support services to operate and function as an organisation with a track record of quality, effective delivery and professional service.

### 11.2.1. Outcome, Outputs, Performance Indicators and Targets.

Outcome	Outputs	Output Indicators	Audited / Actual performance			Estimated performance 2020/2021	MTEF Targets		
			2017/2018	2018/2019	2019/2020		2021/2022	2022/2023	2023/2024
<b>Resilient, ethical and capable entity.</b>	To ensure effective implementation of corporate governance across the board.	Clean external audit report without compliance issues.	Unqualified audit report with Emphasis of matter.	Unqualified external audit report, with Emphasis of matter.	Unqualified audit report, with possible compliance issues.	Clean audit report without compliance issues.	Clean external audit report without compliance issues.	Clean external audit report without compliance issues.	Clean external audit report without compliance issues.
	To monitor compliance with the prescript of supply chain to ensure approved invoices are paid within 30 days.	Approved expenditure spent against approved budget must be paid within 30 days.	N/A	N/A	N/A	92% of approved expenditure spent of the approved budget must be paid within 30 days.	95% of approved expenditure spent of the approved budget must be paid within 30 days.	96% of approved expenditure spent of the approved budget must be paid within 30 days.	98% of approved expenditure spent of the approved budget must be paid within 30 days.



Outcome	Outputs	Output Indicators	Audited / Actual performance			Estimated performance 2020/2021	MTEF Targets		
			2017/2018	2018/2019	2019/2020		2021/2022	2022/2023	2023/2024
	To monitor compliance with the prescript of supply chain to ensure zero irregular expenditure in implementing the budget.	Zero percent of irregular expenditure incurred of the approved budget.	N/A	R3,159,536.00	R103,420.00	92% of approved budget spent with zero irregular expenditure.	95% of approved budget spent with zero irregular expenditure.	96% of approved budget spent with zero irregular expenditure.	98% of approved budget spent with zero irregular expenditure.
	To monitor compliance with the prescript of supply chain to ensure zero percent of fruitless and wasteful incurred of the approved budget.	Zero percent of fruitless and wasteful incurred of the approved budget.	N/A	R50,955.00	R9,239.00	92% of approved budget spent with zero fruitless and wasteful expenditure.	95% of approved budget spent with zero fruitless and wasteful expenditure.	96% of approved budget spent with zero fruitless and wasteful expenditure.	98% of approved budget spent with zero fruitless and wasteful expenditure.

**Table 8: Sub-Programme 2: Financial Services: Strategic objectives and medium-term targets for 2021/2022 - 2023/2024.**

11.2.2. Output Indicators, Annual and Quarterly Targets.

Performance Indicator	Annual Target 2020/2021	Cumulative Quarterly Targets			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Outcome: Resilient, ethical, and capable state					
Clean audit.	100% of audit findings are addressed.	N/A as audit finalises in August 2021.	35% of audit findings addressed,	67% of audit findings addressed.	100% of audit findings addressed.
Approved expenditure spent against approved budget must be paid within 30 days.	95% of approved expenditure spent of the approved budget must be paid within 30 days.	Minimum of 15% of approved expenditure spent of the approved budget must be paid within 30 days.	Minimum 30% of approved expenditure spent of the approved budget must be paid within 30 days.	Minimum of 65% of approved expenditure spent of the approved budget must be paid within 30 days.	Minimum 95% of approved expenditure spent of the approved budget must be paid within 30 days.
Zero percent of irregular expenditure incurred of the approved budget.	95% of approved budget spent with zero irregular expenditure.	Minimum of 15% of approved expenditure spent of the approved budget with zero irregular expenditure.	Minimum 30% of approved expenditure spent of the approved budget with zero irregular expenditure.	Minimum of 65% of approved expenditure spent of the approved budget with zero irregular expenditure.	Minimum 95% of approved expenditure spent of the approved budget with zero irregular expenditure.
Zero percent of fruitless and wasteful incurred of the approved budget.	95% of approved budget spent with zero fruitless and wasteful expenditure.	Minimum of 15% of approved expenditure spent of the approved budget zero fruitless and wasteful expenditure.	Minimum 30% of approved expenditure spent of the approved budget with zero fruitless and wasteful expenditure.	Minimum of 65% of approved expenditure spent of the approved budget with zero fruitless and wasteful expenditure.	Minimum 95% of approved expenditure spent of the approved budget with zero fruitless and wasteful expenditure.

Table 9: Sub-Programme 2: Financial Services: Indicators, Annual and Quarterly Targets for 2021/2022.

### 11.2.3 Explanation of planned performance over the planning period.

**a) Contribution of its outputs achieving the intended outcomes and Impact**

To ensure resilient, ethical and capable entity, ASA will continue to maintain the standards set of achieving unqualified audit opinion. In terms of ASA's total approved budget, a minimum procurement spends, of 95% of the total approved budget shall have a zero-irregular expenditure, fruitless and wasteful expenditure.

**b) A description of planned performance in relation to the programme's outputs**

Since its establishment, ASA has achieved unqualified audit opinion and will continue to maintain the standards set, by putting in place internal financial controls to improve control environment and monitor compliance with applicable laws and regulations.

### 11.3 Sub-Programme 3: Corporate Services.

**Purpose:** To provide overall strategic leadership, operational efficiency and service excellence and providing organisational support services to operate and function as an organisation with a track record of quality, effective delivery and professional service.

#### 11.3.1. Outcome, Outputs, Performance Indicators and Targets.

Outcome	Outputs	Output Indicators	Audited / Actual performance			Estimated performance 2020/2021	MTEF Targets		
			2017/2018	2018/2019	2019/2020		2021/2022	2022/2023	2023/2024
A capable, ethical and developmental entity.	Empowered human capital.	Percentage of training implemented in line with the approved training plans and budget.	New Indicator.	New Indicator.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.

Table 10: Sub-Programme 3: Corporate Services: Strategic objectives and medium-term targets for 2021/2022 - 2023/2024.

### 11.3.2 Output Indicators, Annual and Quarterly Targets.

Performance Indicator	Annual Target 2021/2022	Cumulative Quarterly Targets			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Outcome: A resilient, ethical and capable entity.					
Percentage implementation of planned training in line with the approved training plans and budgetary constraints.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.

Table 11: Sub-Programme 3: Corporate Services: Indicators, Annual and Quarterly Targets for 2021/2022.

### 11.3.3. Explanation of planned performance over the planning period.

#### **a) Contribution of its outputs achieving the intended outcomes and Impact.**

In ensuring ASA's achievement of its mandate, the entity aims to fill prioritised critical vacancies to enable achievement of strategic objectives. ASA will continue to develop its staff to keep abreast of the trends and ensure the organisation is agile to respond to the changing demands.

#### **b) A description of planned performance in relation to the programme's outputs.**

With current competition for Talent, ASA will ensure that it attracts and employs experienced individuals from designated groups to address the transformation challenge in the built environment. Furthermore, ASA aims to create its own pool of talent by developing its staff to become experts in the built environment.

## 12. Programme Resource Consideration.

At present ASA is funded from two main sources: an annual government grant and own revenues. In this regard, during the 2020/21 financial year, ASA had total revenues of R 36.6 million comprising R 31.1 million in the annual transfer from NDPWI (85.0% of total income) and R 5.5 million in own revenue. The latter comprised R 4.2 million for the rendering of services and a further R 1,3 million from return on investments.

The table below summarises the MTEF budget for ASA. A key challenge evident in the medium term is the reduced budget allocation which will require ASA to be more cost efficient and seek to increase its own revenues going forward.

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Approved budget	Approved budget	Medium Term Estimate		
R thousand	2016/17		2017/18		2018/19		2019/20		2020/21	2021/22	2022/23	2023/24
<b>Revenue</b>												
<b>Tax revenue</b>	–	–	–	–	–	–	–	–	–	–	–	–
<b>Non-tax revenue</b>	<b>3,540</b>	<b>4,493</b>	<b>4,463</b>	<b>3,453</b>	<b>3,292</b>	<b>4,323</b>	<b>3,972</b>	<b>3,972</b>	<b>4,300</b>	<b>4,570</b>	<b>4,666</b>	<b>4,899</b>
Sale of goods and services other than capital assets	3,310	4,229	4,120	2,281	2,442	2,643	2,634	2,634	2,966	3,154	3,349	3,516
<i>of which:</i>												
<i>Administrative fees</i>	530	586	632	632	655	0	1,160	1,160	1,418	1,529	1,643	1725
<i>Sales by market establishment</i>	2,780	3,643	3,488	1,649	1,787	2,643	1,474	1,474	1,548	1,625	1,706	1791
<i>Other non-tax revenue</i>	230	264	343	1,172	850	1,680	1,338	1,338	1,335	1,416	1,317	1,383
<b>Transfers received</b>	<b>12,383</b>	<b>12,434</b>	<b>29,045</b>	<b>29,045</b>	<b>29,988</b>	<b>29,988</b>	<b>31,062</b>	<b>31,062</b>	<b>31,164</b>	<b>32,564</b>	<b>33,413</b>	<b>35,084</b>
<b>Total revenue</b>	<b>15,923</b>	<b>16,927</b>	<b>33,508</b>	<b>32,498</b>	<b>33,280</b>	<b>34,311</b>	<b>35,034</b>	<b>35,034</b>	<b>35,464</b>	<b>37,134</b>	<b>38,079</b>	<b>39,983</b>
<b>Expenses</b>												
<b>Current expenses</b>	<b>14,166</b>	<b>16,352</b>	<b>33,508</b>	<b>20,224</b>	<b>33,280</b>	<b>29,893</b>	<b>35,034</b>	<b>35,034</b>	<b>35,464</b>	<b>37,134</b>	<b>38,079</b>	<b>39,983</b>
Compensation of employees	8,002	7,866	15,014	10,975	19,541	15,127	20,810	20,810	21,175	22,510	23,455	24,628
Goods and services	5,886	8,249	17,860	9,000	13,099	11,237	13,974	13,974	9,916	14,178	14,178	14,887
Depreciation	278	237	634	249	640	3,624	250	250	0	446	446	468
Solidarity Fund	–	–	–	–	–	–	–	–	3,578	–	–	–
COVID-19 Expenses	–	–	–	–	–	–	–	–	795	–	–	–
<b>Total expenses</b>	<b>14,166</b>	<b>16,352</b>	<b>33,508</b>	<b>20,224</b>	<b>33,280</b>	<b>29,893</b>	<b>35,034</b>	<b>35,034</b>	<b>35,464</b>	<b>37,134</b>	<b>38,079</b>	<b>39,983</b>
<b>Surplus/(Deficit)</b>	<b>1,757</b>	<b>575</b>	<b>–</b>	<b>12,274</b>	<b>–</b>	<b>4,418</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Table 12: Budget Allocation for programme as per the ENE.



### 13. Updated Key Risks

There are several attendant risks associated with the strategy. ASA has undertaken a comprehensive risk review and formulated a risk register aligned to the outcomes set out above. This is presented below.

#### ***Risk management***

ASA can be adversely affected by a variety of business risk and economic developments. A structured risk management process helps Executive management to better understand how risks might impact the organisation and to take appropriate risk mitigation initiatives. Doing business inherently involves taking risks. ASA strives for a culture of openness and transparency in which identified risks are disclosed pro-actively and unexpected events are reported as soon as they occur.

Executive management is responsible for designing, implementing and operating an adequately functioning risk management. The main objective is to identify and manage the strategic, operational, financial, performance and financial reporting and compliance risks which ASA is exposed, to promote effectiveness and efficiency in the ASA operations, to promote reliable performance and financial reporting and to promote compliance with laws and regulations. Executive management is aware that such a framework can neither provide absolute assurance that its objectives will be achieved, nor can it entirely prevent material errors, losses, fraud and the violation of laws and regulations.

***For proper implementation of risk management framework, the accounting authority, the Board is supported by the following pillars:***

#### ***Executive management.***

This function owns and manage risk and are responsible for maintaining effective controls and for executing risk and control procedures daily. It involves identification and assessing risks being undertaken and establishing appropriate controls to mitigate the risks. There are adequate management controls in place to monitor ongoing compliance and to highlight control breakdown.

#### ***Audit and Risk Committee***

This is an Oversight Committee of the board and support Executive management and help ensure that the risk and control procedures are operating as intended.

#### ***Internal Audit***

This function report to Audit and Risk Committee and provide independent objective assurance on the effectiveness of governance, risk management and internal controls including the way management manage and control risks. Internal Audit bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In implementing our mandate, we are faced with several risks that may interfere with our business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial conditions, economic conditions and results of operations. Some of the more relevant risks are described below, which may not be in order of likelihood or materiality. These risks are not the only ones we face, some risks may not yet be known to us and certain risks that we do not currently believe to be material could become material in the future.

***The outcome together with significant risks currently considered relevant and applicable mitigation measures are outlined as follows:***

Output Indicators	Key Risks	Risk Mitigation
Number of Eco Label Scheme specification approved by the Board.	Inadequate business model.	Inclusion of ECOASA in the DPWI standards specification.
Percentage of Agrément certification projects managed and finalised within timeframes.	Insufficient market penetration model and structure.	Upskilling of Technical staff to specialist.  Implementation of Roadshows and annual conventions for ASA.  Implementation of exemptions programs for designated groups.
Percentage of quality and compliance inspections conducted for certificates in use.	ASA not being ISO 9001 certified.	ASA to be ISO 9001 certified.
	Inability to get accreditation.	Appointment of ISO accreditation service provider.
Development of public green building rating tool.	No mandate for development of green building rating tool.	Approved shareholders compact.
	limited market penetration.	Approved green building certification framework.
Clean external audit report without compliance issues.	Ineffective internal control environment.	Diagnostic review of the operational processes and current equipment.
Approved expenditure spent against approved budget must be paid within 30 days.	Ineffective internal control environment.	Diagnostic review of the operational processes and current equipment.
Zero percent of irregular expenditure incurred of the approved budget.	Ineffective internal control environment.	Diagnostic review of the operational processes and current equipment.
Zero percent of fruitless and wasteful incurred of the approved budget.	Ineffective internal control environment.	Diagnostic review of the operational processes and current equipment.

Output Indicators	Key Risks	Risk Mitigation
Percentage of training implemented in line with the approved training plans and budget.	Budget constraints.	Business case in relation to expansion of mandate and funding.
	Inefficient attraction of appropriate skill.	Awareness roadshows and building skill pool through internships programmes.
	Lack of interest and initiative from employees in relation to training and development.	Approved training plan and performance development plans.

**Table 13: Risk management.**

#### **14. Infrastructure Projects**

There are no Infrastructure Projects planned.

#### **15. Public Private Partnerships.**

There are no Public Private Partnerships planned.

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### Sub-programme 1: Technical Services.

Indicator 1: Optimised use of Non-Standardised construction related products and systems.

<b>Outcome.</b>	Optimised use of Non-Standardised construction related products and systems.
<b>Indicator Title:</b>	<b>Number of Eco Label Scheme specification approved by the Board.</b>
<b>Definition:</b>	The indicator seeks to ensure development of specifications against which ASA will assess products' environmental impact, therefore eco-labelling, in line with the business model.
<b>Source of data:</b>	Approved ecoASA specifications.
<b>Method of calculation:</b>	Count the number of ecoASA specifications approved by the Board.
<b>Means of verification:</b>	Approved ecoASA Specifications. Board Resolutions.
<b>Assumptions:</b>	Correctness of market predictions in business model. Availability of technical experts to peer review.
<b>Disaggregation of Beneficiaries (where applicable):</b>	None.
<b>Spatial Transformation (where applicable):</b>	None.
<b>Calculation type:</b>	Non-Cumulative.
<b>Reporting cycle:</b>	Annually.
<b>Desired performance:</b>	3 Eco Label Scheme specifications. .
<b>Indicator Responsibility:</b>	Executive Manager: Technical Services.

Outcome.	Optimised use of Non-Standardised construction related products and systems.
Indicator Title:	<b>Percentage of Agrément Non-Standardised construction related products and systems processed.</b>
Definition:	The indicator seeks to clarify the timeframes within which the organisation conducts technical assessment of innovative and non-standardised construction related products and systems.
Source of data:	Registered projects. Inspections Reports. Invoices. Evaluation Status Report. Technical Assessment Offers. Assessment reports. Projects Committee Minutes. TECO minutes.  The data will be collected from the Technical Assessments Department as well as from the Board Secretary (TECO Secretary).
Method of calculation:	Count the number of Agrément certification projects approved within the project timelines and express this as a percentage of a total number of Agrément certification projects due during the quarter in review. The project timelines are as per the project offer and any approved extensions. TECO approved projects.  <i><u>Total number of projects approved within project timelines.</u></i> <i><u>Total number of certification projects due during the quarter in review.</u></i>
Means of verification:	List of Certificates presented to TECO (approved, deferred and nonapproved).
Assumptions:	Completeness of data.
Disaggregation of Beneficiaries (where applicable):	None.
Spatial Transformation (where applicable):	None.
Calculation type:	Non-Cumulative.
Reporting cycle:	Quarterly.
Desired performance:	85%
Indicator Responsibility:	Executive Manager: Technical Services.

Indicator 3: Quality Assurance.

Outcome	Quality Assurance.
Indicator Title:	<b>Percentage of quality and compliance inspections conducted for certificates in use.</b>
Definition:	This indicator seeks to ensure that quality of certified products and systems is upheld.
Source of data:	Quality management inspections report.
Method of calculation:	<p>Count the number of quality and compliance inspections conducted for certificates in use, plus the number of validity reviews conducted and express as a percentage of total number of Agrément certificates in use.</p> <p><i><u>The number of quality and compliance inspections conducted + the number of validity reviews conducted for certificates in use.</u></i></p> <p><i>Total the number of Agrément certificates in use.</i></p>
Means of verification:	Annual inspections reports. Validity review reports.
Assumptions:	All active certificates are in use.  Completeness of data.
Disaggregation of Beneficiaries (where applicable):	None.
Spatial Transformation (where applicable):	None.
Calculation type:	Cumulative.
Reporting cycle:	Quarterly.
Desired performance:	85%
Indicator Responsibility:	Executive Manager: Technical Services.

Indicator 4: Broadened geographic footprint of Non-Standardised construction related products and systems.

<b>Outcome</b>	Broadened geographic footprint of Non-Standardised construction related products and systems.
<b>Indicator Title:</b>	<b>Approved Public Buildings Green Building Certification framework.</b>
<b>Definition:</b>	This indicator seeks to achieve geographic footprint through partnership with the GBCSA and development of Public Buildings Green Building Certification framework implementation.
<b>Source of data:</b>	Approved Tools (New Buildings & Existing Building Performance).
<b>Method of calculation:</b>	Quantitative.
<b>Means of verification:</b>	Approved Tool.
<b>Assumptions:</b>	Certification Co-Branding with GBCSA.
<b>Disaggregation of Beneficiaries (where applicable):</b>	All South African citizens.
<b>Spatial Transformation (where applicable):</b>	None.
<b>Calculation type:</b>	Non-Cumulative.
<b>Reporting cycle:</b>	Annually.
<b>Desired performance:</b>	Public Buildings Green Building Certification framework and Rating tool implemented.
<b>Indicator Responsibility:</b>	Executive Manager: Technical Services.



## Sub-Programme 2: Financial Services.

### Strategic Outcome: Resilient, ethical and capable entity

Outcome:	Resilient, ethical and capable entity.
Indicator Title:	Address 100% of the audit findings.
Definition:	External audit management report.
Source of data:	Annual financial statement and annual report.
Method of calculation:	<p>Count the cumulative number of audit issues raised over the quarter and divided by the number of audit issues for the same period and expressed as a percentage.</p> <p><u>Count the cumulative number of audit issues raised over the quarter.</u></p> <p><i>Number of audit issues for the same period.</i></p>
Means of verification:	External audit report.
Assumptions:	<p>Accounting and reporting system availability.</p> <p>Availability of support staff.</p>
Disaggregation of Beneficiaries (where applicable):	None.
Spatial Transformation (where applicable):	None.
Calculation type:	Cumulative.
Reporting cycle:	Quarterly.
Desired performance:	100%
Indicator Responsibility:	Chief Financial Officer.

<b>Outcome:</b>	Resilient, ethical and capable entity.
<b>Indicator Title:</b>	Approved expenditure spent against approved budget must be paid within 30 days.
<b>Definition:</b>	This indicator seeks to measure a percentage of approved expenditure spent against approved budget must be paid within 30 days.
<b>Source of data:</b>	Quarterly Management and 30-Day payment period, irregular, fruitless, and wasteful expenditure reports.
<b>Method of calculation:</b>	<p>Count the cumulative actual amount spent over the quarter and divided by the approved budget for the same period and expressed as a percentage.</p> <p><i><u>Count the cumulative actual amount payment made after 30 days over the quarter.</u></i></p> <p><i>Approved budget for the same period.</i></p>
<b>Means of verification:</b>	Accounting information and records.
<b>Assumptions:</b>	<p>Accounting and reporting system availability.</p> <p>Availability of support staff.</p>
<b>Disaggregation of Beneficiaries (where applicable):</b>	None.
<b>Spatial Transformation (where applicable):</b>	None.
<b>Calculation type:</b>	Cumulative.
<b>Reporting cycle:</b>	Quarterly.
<b>Desired performance:</b>	100%
<b>Indicator Responsibility:</b>	Chief Financial Officer.

Outcome:	Resilient, ethical and capable entity.
Indicator Title:	Zero percent of irregular expenditure incurred of the approved budget.
Definition:	This indicator seeks to measure a percentage of approved expenditure against approved budget with zero irregular expenditure.
Source of data:	Quarterly Management and 30-Day payment period, irregular, fruitless, and wasteful expenditure reports.
Method of calculation:	<p>Count the cumulative actual amount spent over the quarter and divided by the approved budget for the same period and expressed as a percentage.</p> <p><i><u>Count the cumulative actual amount irregular expenditure over the quarter.</u></i></p> <p><i>Approved budget for the same period.</i></p>
Means of verification:	Accounting information and records.
Assumptions:	<p>Accounting and reporting system availability.</p> <p>Availability of support staff.</p>
Disaggregation of Beneficiaries (where applicable):	None.
Spatial Transformation (where applicable):	None.
Calculation type:	Cumulative.
Reporting cycle:	Quarterly.
Desired performance:	100%
Indicator Responsibility:	Chief Financial Officer.

<b>Outcome:</b>	Resilient, ethical and capable entity.
<b>Indicator Title:</b>	Zero percent of fruitless and wasteful incurred of the approved budget.
<b>Definition:</b>	This indicator seeks to measure a percentage of approved expenditure against approved budget with zero percent of fruitless and wasteful expenditure.
<b>Source of data:</b>	Quarterly Management and 30-Day payment period, irregular, fruitless, and wasteful expenditure reports.
<b>Method of calculation:</b>	<p>Count the cumulative actual amount spent over the quarter and divided by the approved budget for the same period and expressed as a percentage.</p> <p><u>Count the cumulative actual amount of fruitless and wasteful expenditure over the quarter.</u></p> <p><u>Approved budget for the same period.</u></p>
<b>Means of verification:</b>	Accounting information and records.
<b>Assumptions:</b>	<p>Accounting and reporting system availability.</p> <p>Availability of support staff.</p>
<b>Disaggregation of Beneficiaries (where applicable):</b>	None.
<b>Spatial Transformation (where applicable):</b>	None.
<b>Calculation type:</b>	Cumulative.
<b>Reporting cycle:</b>	Quarterly.
<b>Desired performance:</b>	100%
<b>Indicator Responsibility:</b>	Chief Financial Officer.

## Sub-Programme 3: Corporate Services.

**Strategic Outcome: resilient, ethical and capable entity**

<b>Outcome:</b>	A resilient, ethical and capable entity.
<b>Indicator Title:</b>	<b>Percentage implementation of planned training in line with the approved training plans, and budget.</b>
<b>Definition:</b>	This indicator seeks to measure the training undertaken in improving the entity's capabilities to achieve its mandate.
<b>Source of data:</b>	Training Plan.
<b>Method of calculation:</b>	Count the cumulative actual number of training over the quarter and divided by the total training for the same period and expressed as a percentage.  <i><u>Count the cumulative actual number of training over the quarter.</u></i>  <i>Total training for the same period.</i>
<b>Means of verification:</b>	Attendance registers, and certificates.
<b>Assumptions:</b>	Availability of budget.  Procurement turn-around time in appointing training providers.
<b>Disaggregation of Beneficiaries (where applicable):</b>	None.
<b>Spatial Transformation (where applicable):</b>	None.
<b>Calculation type:</b>	Cumulative.
<b>Reporting cycle:</b>	Quarterly.
<b>Desired performance:</b>	100%
<b>Indicator Responsibility:</b>	Executive Manager: Corporate Services.



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Fit-for purpose, Doelmatug, E loketse morero, E siametse morero, Ho loketse morero, Ukungqamelana nenjongo, E lungeie injongo, Yi ringanele xikongomelo.

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