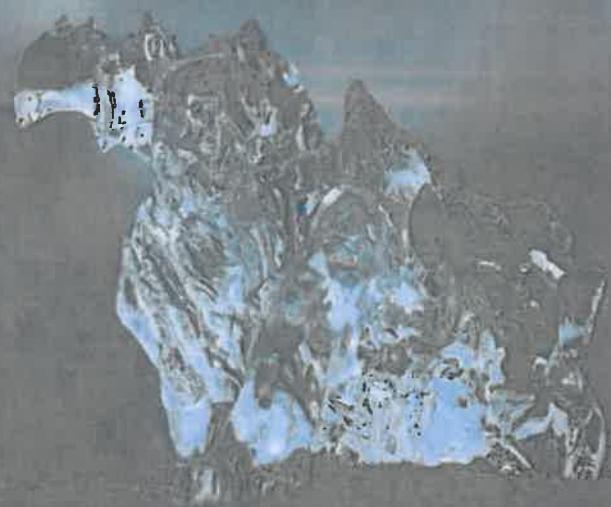




**SOUTH AFRICAN DIAMOND AND  
PRECIOUS METALS REGULATOR**



# **ANNUAL PERFORMANCE PLAN (APP) FOR 2023/24**

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## TABLE OF ABBREVIATIONS

Abbreviation	Description
APP	Annual Performance Plan
BBBEE	Broad-Based Black-Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CEO	Chief Executive Officer
DEEC	Diamond Exchange and Export Centre
DMRE	Department of Mineral Resources and Energy
GDV	Government Diamond Valuator
HR	Human Resource
ICT	Information Communication Technology
KPCS	Kimberley Process Certification Scheme
MISS	Minimum Information Security Standards
MPSS	Minimum Physical Security Standards
MSP	Master Systems Plan
NVS	National Vetting Strategy
OHSA	Occupational Health and Safety Act
PFMA	Public Finance Management Act
PGM	Platinum Group Metal
PM	Precious Metals
PMDS	Performance Management and Development System
PPPFA	Preferential Procurement Policy Framework Act
SADPMR	South African Diamond and Precious Metals (Also referred to as the Regulator)
SARB	South African Reserve Bank

## ACCOUNTING AUTHORITY STATEMENT

In preparing for the development of the 2020/2025 Strategic Plan and the Annual Performance Plan for 2023/24, the SADPMR Board and Executive management conducted several stakeholder workshops. These workshops were aimed at finding the needs of those we regulate and for our stakeholders to understand our role as the institution better. The information gathered from these workshops together with the National Development Plan priorities, the longstanding transformation imperatives of the Department of Mineral Resources and Energy (DMRE) and all other relevant government interventions guided us in revisiting, with confidence, our strategic plan and the Annual Performance Plan (APP) during a strategic planning session that we held. Being cognizant of the environment that we live in, with the high negative impact of Covid-19, we did an analysis of the scenario going forward and developed our Annual Performance Plan in a manner that will make the regulator to meet the challenges of today and those of the future.

In its planning, the Regulator recognizes that its core mandate is to issue different type of permits and licenses and to monitor compliance thereof. Through proper planning and allocation of necessary human resources, this function is prioritized in our APP. Job creation and skills development interventions focusing mainly on women, youth and other Historically Disadvantaged Persons will be further initiated through partnerships with the industry we regulate. We will be strengthening our relations with the industry for the benefit of new entrants into the industry. This will need us to work closely with those we regulate than in the past, whilst still maintaining our regulatory function, coupled with that of being a facilitator for the benefit of all.

Turning the industry around can only be achieved through collaboration and partnership with the stakeholders. Therefore, the Board will play a strategic interventionist role with a focus on beneficiation for Historically Disadvantaged Persons. Through these plans, the Board will continue to ensure that all licensees and permit holders are compliant with the objectives of the applicable pieces of legislation administered by the SADPMR. License holders will also be engaged through a collaborative enterprise development partnership project with the SADPMR to ensure that they not only train and skill the Historically Disadvantaged Persons (HDP's), but also empower them with business skills and acumen so that they can run their own businesses, as articulated in Government's National Development Plan.

The Board will also exercise its fiduciary duties to ensure that the SADPMR's funds are effectively managed and that all expenses incurred by the entity are used towards achieving its strategic outcomes as outlined in the Strategic Plan of 2020/2025 and Annual Performance Plan of 2023/24.



BOARD CHAIRPERSON  
MR ABIEL MNGOMEZULU

31 January 2023

DATE

## ACCOUNTING OFFICER STATEMENT

It is a great honour to present the Annual Performance Plan for 2023/2024 of the South African Diamond Precious Metals Regulator (SADPMR). This plan is informed by the Six Priority Areas of Government, the Medium-Term Strategic Framework (MTSF) the Twelve Strategic Outcomes as well as the National Development Plan (NDP), to which all Government Departments and State-Owned Entities must subscribe to and act upon.

The Annual Performance Plan is the result of extensive and long deliberations within the SADPMR and is in accordance with the Revised Framework for Strategic Plans and Annual Performance Plans as prescribed by the National Treasury. The Performance Plan has three budget programmes, namely:

- Programme 1: Administration
- Programme 2: Diamond Trade
- Programme 3: Regulatory Compliance

These three programmes are aligned to the activities of the SADPMR as outlined in the Estimates of National Expenditure (ENE).

In this Performance Plan, we have provided a high-level overview of how we will focus our efforts in carrying out the SADPMR's mission. We will continue to build on the achievements of the previous strategic plans and constantly evaluate our strategies to ensure their relevance and effectiveness. The annual business planning process driven by comprehensive performance metrics will complement this Annual Performance Plan, focusing our efforts and enabling us to meet the needs of our stakeholders as priorities shift over time.

It is the responsibility of the SADPMR, in partnership with stakeholders and the industry at large, to ensure the diamond and precious metals sectors thrive in these difficult times.



CHIEF EXECUTIVE OFFICER  
MR CECIL KHOZA

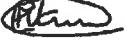
31 January 2023

DATE

## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

Was developed by management of the South African Diamond and Precious Metals Regulator. The Annual Performance Plan considers all the relevant policies, legislation and other mandates which the SADPMR is responsible for. The Annual Performance Plan accurately reflects the Impact, Outcomes and Outputs which the SADPMR will endeavor to achieve during 2023/2024.

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

31/01/2023

General Manager: Corporate Services

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

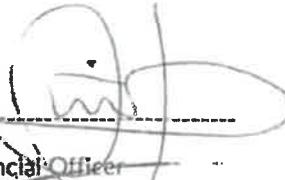
31/01/2023

General Manager: Trade

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

31.01.2023

General Manager: Regulatory Compliance

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

31/01/2023

Chief Financial Officer

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

31/01/2023

GM: Governance

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

31/01/2023

Chief Executive Officer

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

31/01/2023

Board Chairperson

## PART A: OUR MANDATE

### 1. CONSTITUTIONAL MANDATE

The SADPMR as a public entity is established in terms of the Diamond Act 1986 as amended and is legislatively mandated to regulate the downstream diamond and precious metals industries in South Africa.

The SADPMR, as a Public Entity performing a public function derives its Constitutional mandate from section 239 of the Constitution of the Republic of South Africa, 1996. Therefore, when performing its Constitutional mandate, through the Diamonds and the Precious Metals Acts, the SADPMR also promotes and give effect to the following Constitutional rights:

Section 22 – the right to freedom of trade, occupation and profession;

Section 23 – the right to fair labour practice;

Section 24 – the right environment that is not harmful to a persons' health and their well-being. (see also the National Environmental Management Act 107 of 1998)

Section 32 – the right to Access to Information (see also the Promotion of Access to Information Act 2 of 2000); and

Section 33 – the right to Just Administrative Action (see also the Promotion Administrative Justice Act 3 of 2000);

Section 36- limitation of rights.

The SADPMR also promotes and gives effect to the Protection of Personal Information Act 4 of 2013. Which Act prescribes a framework for SADPMR to manage data capture and storage process of personal information in its possession.

### 2. LEGISLATIVE AND POLICY MANDATE

The SADPMR is a regulatory authority established in terms of section 3 of the Diamonds Act, 1986 (Act No.56 of 1986), as amended (Diamonds Act as amended). The SADPMR derives its mandate from the Diamonds Act and the Precious Metals Act, 2005 (Act No. 37 of 2005) (Precious Metals Act) which is to:

- ensure that the diamonds and precious metals of the Republic are exploited and developed in the best interests of the people of South Africa;
- promote the sound development of diamond and Precious Metals undertakings in the Republic; and
- implement, administer and control all matters relating to the purchase, sale, beneficiation, import and export of Diamonds and Precious Metals of the Republic.

Apart from the aforementioned industry specific legislation that anchors SADPMR's mandate, the following key legislation and policies are also applicable to SADPMR's conduct of its business:

**Table 1.**

LEGISLATIONS	POLICIES
The Constitution of South Africa, 1996	Risk and Management Policy
Diamonds Act, 1986 (Act No.56 of 1986), as amended	Record Management Policy
Precious Metals Act, 2005 (Act No. 37 of 2005)	
Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)	

LEGISLATIONS	POLICIES
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)	
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA)	
Protection of Personal Information, 2013 (Act No. 4 of 2013) (POPIA)	
Minerals and Petroleum Resource Development Act, 2002 (Act No. 28 of 2002)	
National Environmental Management Act, 1998 (Act No.107 of 1998),	
Diamond Export Levy Act, 2007 (Act No. 15 of 2007),	
Diamond Export Levy Administration Act, 2007 (Act No. 14 of 2007)	

### 3. UPDATES TO RELEVANT COURT RULINGS

**African Shades (Pty) Ltd v/s South African Diamonds and Precious Metals Regulator ("SADPMR"), South African Revenue Services ("SARS") and South African Police Service ("SAPS")**

In October 2022, African Shades (Pty) Ltd, hereinafter referred to as the Applicant, lodged a court application against the South African Diamonds Precious Metals Regulator SADPMR, SARS and SAPS, hereinafter referred to as the Respondents. The application was brought in two parts: Part A and B. Part A was lodged on an urgent basis wherein the Applicants sought an Interdictory Order to compel the Respondents to release their confiscated goods for export. The matter was decided heard on 22/11/2022 in favour of the Applicants. Part B on the other, is an application instituted in an ordinary course wherein the Applicants seek a Declaratory Order declaring that their business (crushing of spent catalytic converters into powder for export) does not fall within the confines of the Precious Metals Act and as a result they are not legally required to apply for a Precious Metals Refining Licence. Part B of the matter is yet to be heard in court, as it is still at the pleading stage."

## PART B: OUR STRATEGIC FOCUS

### 4. VISION

#### Vision

A world-class regulator that promotes a transformed and sustainable downstream diamonds and precious metals industry

### 5. MISSION

#### Mission

To regulate and promote the diamonds and precious metals industries in the best interests of the people of South Africa by transforming downstream industries, promoting local beneficiation, ensuring equitable access and enforcing compliance with legislation.

### 6. VALUES

Excellence

Transparency

Effective Leadership

Teamwork

Respect

Integrity

Agility

Accountability

## 7. SADPMR'S STRATEGIC OUTCOMES

- 6.1 An effective, efficient, developmental and innovative orientated regulator
- 6.2 Competitive and compliant diamond and precious metals industries
- 6.3 Sustainable economic growth through local mineral beneficiation and skills development
- 6.4 Transformed diamond and precious metals industries

### Linkage of Seven Priority areas of government to SADPMR's strategic outcomes

**Table 2: The Following Four Priorities of Government Are Directly Linked to SADPMR's Strategic Outcomes and Outputs**

Priority area of government	Link to the SADPMR
A capable, ethical and developmental state	<ul style="list-style-type: none"> <li>• An effective, efficient, developmental and innovative orientated regulator</li> </ul>
Economic transformation and job creation	<ul style="list-style-type: none"> <li>• A competitive and compliant diamond and precious metals industries</li> <li>• A transformed diamond and precious metals sector</li> </ul>
Education, skills and health	<ul style="list-style-type: none"> <li>• Sustainable economic growth through local mineral beneficiation and skills development</li> </ul>
A better Africa and the World	<ul style="list-style-type: none"> <li>• An effective, efficient, developmental and innovative orientated regulator</li> <li>• A competitive and compliant diamond and precious metals industries</li> <li>• SADPMR leading participation in the KPC make an impact in the creation of a better Africa and the world</li> </ul>

## 8. SITUATIONAL ANALYSIS

### 8.1 Political Factors

The ongoing Ukraine-Russia crisis has created a turning point in international relations. South Africa, like other African countries, has adopted an independent and non-aligned foreign policy stance that saw it adopting a neutral position and advocating for peaceful resolution of the conflict through dialogue and negotiations.

The United States is currently considering the Countering Malign Russian Activities in Africa Bill which has been passed in the House of Representatives and still awaits approval in the House of Senate before being signed into law. The Bill in question, perceived to be a response by the US to penalise Africa for its reluctance to support the US-led efforts to punish Russian invasion of Ukraine could possibly have significant implications for African countries, including South Africa. Most significantly, the Bill's intention to prevent Russian efforts to invest in, engage, or otherwise control strategic sectors in Africa, such as mining and other forms of natural resource extraction and exploitation could possibly mean that any African country where a Russian company invests will likely fall within the purview of the Bill and thus trigger sanctions against such countries or withdrawal of financial aid.

The Ukraine/ Russian conflict and consequent sanctions will temporarily alter the trade route which may flood the Indian and Chinese markets resulting in the increase of diamond prices which could possibly have a positive

spin for South Africa and Africa as a whole. South Africa is the second largest producer of palladium in the world after Russia and are positioned to benefit from sanctions as supply uncertainty grows. As a result of this uncertainty, many have turned to investment in gold, which is another win for South Africa, as the Rand could strengthen due to this demand. Similarly, the international demand for South African diamonds has increased due to bans on Russian imports because of unreliable source of diamonds impedes investor confidence. Alrosa, the Russian state-owned diamond enterprise and the world's largest diamond mining company, has been sanctioned by the United States (US), Canada and the United Kingdom, to name a few, these sanctions open the door for South Africa to take the space of reliable supply.

RSA is dedicated to the activities of the African Union (AU) through the African Diamond Producers Association (ADPA). To that end, the country has developed the Synthetic Diamond Strategy in line with ADPA's objectives on acquisition of technologies in diamondiferous sector which will provide integrity in the Diamond Value Chain.

The renewal of the African Diamond Producers Association (ADPA) that is focused on improvement on internal organizational and the review of ADPA Statute will assist in the repositioning of ADPA. Currently ADPA has directed the Secretariat to work on reviewing the current Statute to accommodate observers outside Africa. Furthermore, ADPA is increasing its human capital to cover all areas of operations to be available on the ground and fulfil its mandate. The increase in human capital will also put strain on the already limited budget hence all members State are encouraged to contribute their share of membership fees.

South Africa (RSA) remains the only African country that is a member of Global 20 (G20). RSA has an advantage in participating on global policy development related to economic and sustainable growth. The G20 theme for 21st Century is 'Realizing Opportunities of the 21st Century for All'. Under this theme there are key items on the agenda, most notably, empowering people by creating the conditions in which all people, especially women and youth are supported and shaping new frontiers by adopting long term and bold strategies to share the benefits of innovation and technological advancement.

According to the Global Peace Index of 2022, South Africa has been ranked amongst the worst 25 countries in the world when it comes to safety and security, which can possibly deprive it of attracting the requisite foreign direct investment needed to unlock economic opportunities and address the triple challenges of poverty, inequality and unemployment facing South Africa.

Empowering People by creating the conditions in which all people, especially women and youth are supported is in line with RSA's priorities of empowering women and youth. This makes RSA's participation in G20 very important and strategic.

As a member of AU, RSA will remain aligned to the initiatives of the Africa Mining Vision. The country is committed to ensuring that the extraction and processing of its raw materials benefit the workers and communities. The country further ensures that sustainable jobs and entrepreneurs are created within the mining industry, with particular focus on HDP's, women and youth.

## **8.2 Economic Factors**

The Russia-Ukraine crisis and the resultant sanctions against Russia will present significant economic implications globally and locally. Russia is one of the world's leading producers of mineral commodities such as platinum group metals (PGMs), copper, aluminium, diamonds, natural gas, oil. Any significant reduction in such commodities is likely to trigger the soaring of commodity prices which will likely have both positive and negative spinoffs for countries that produce these minerals. Countries that produce mineral commodities could benefit from the rise of commodity prices as the demand for such commodities is shifted to alternative producers like South Africa, which translates to more revenue for the country to address its socio-economic challenges. Conversely, the shortage of rough diamonds and resultant high prices may be detrimental to small markets. US as a 50% consumer of global polished diamonds may possibly reject polished diamonds from Russia which may possibly lead to the shortage of polished diamond in the market and thus ultimately push diamond prices higher.

The Russia-Ukraine war has also resulted in increasing global food prices. Overall higher prices will not be conducive to long-term global economic growth and may possibly have an inflationary effect on local food and petrol prices thus eroding the disposable income and resulting in hardships for most households, particularly those that spend most of their income on food.

The South African Reserve Bank (SARB), similar to other global central banks is aggressive on raising interest rates and tightening liquidity to fight inflation, which is likely to have a negative impact on businesses that deal with luxury goods as consumers tighten their spending habits.

The SARB has adopted an aggressive approach to control inflation by hiking repo rates which translates to higher prime lending rates. High prime lending interest may possibly intensify challenges experienced by beneficiaries to access funding which is likely to impact Government's objective to promote local beneficiation of South Africa's mineral resources.

Energy generation challenges faced by South Africa are likely to impact negatively on energy intensive industries such as mining which is one of the biggest contributors to South Africa's gross domestic products. The lack of adequate energy generation capacity represents a significant risk to the economy of South Africa and the ability of government to ensure a conducive environment for businesses to operate efficiently, create jobs and contribute to eradication of poverty.

South Africa produces approximately US\$1.5 billion worth of natural diamonds a year and it is further expected that the production will remain steady in the coming year. The resilient dollar per carat and polished diamond price is expected to remain steady in the coming year due to favourable rough diamond market.

The steady rise in demand for lab-grown (synthetic) diamonds jewellery products remain a concern since they have ability to substitute the natural diamond. This economic threat posed by lab-grown prompted SADPMR to invest in technology that detect lab-grown from natural diamonds. Their near natural appearance exposed consumers to unfair trading practices, especially at the hands of exploitative traders. Their presence in the market is expected to grow more than US\$9760 million by the end of 2028, up from revenue of near to US\$ 6400 million in the year 2019. The South African Diamond and Precious Metals Regulator (SADPMR) will continue to protect consumers against non-disclosure of lab-grown/synthetic diamonds by implementing the KPCS approved 4-point prevention plan.

Sessional, lengthy and unplanned strikes in the mining sector affects the supply of natural resources for the downstream beneficiation and leads to the increased risk of stagflation. The continuous decline in rand value against the US dollar (\$) resulting from dwindling economy has positive effects on revenue for valuation and exports services.

RSA still remains one of the world's richest countries in terms of mineral reserves and also has large scale of active mining. RSA is the largest platinum producing country in the world by a significant margin.

RSA continues to do good in terms Precious Metals export. This was further confirmed by the President of the Republic when he announced on the 05th July 2021 that the South African Revenue Services (SARS) announced in June 2021 that another trade surplus to the value of R54.6 billion was recorded in May 2021. The surplus is due to a 1.5% increase in exports between April and May 2021, which is primarily driven by, amongst others, mineral and precious metals exports. High commodity prices and rising global demand is good for the RSA's economy, particularly the Precious Metals sector.

RSA's diamond production is expected to remain steady in the coming year and the dollar per carats may also maintain stability. Even though the Covid-19 pandemic had devastating effect in the mining industry, it is anticipated that RSA diamond industry will recover from the negative impact of the pandemic experienced.

Production of PGMs continued to surge in 2021 recording 285.3 tonnes from 226.5 tonnes recorded in 2020, representing a 26% increase, whilst export volumes for the entire basket recorded 264.6 tonnes in 2021 from 177.5 tonnes recorded the year before (Mineral Council of South Africa). As such, demand for PGMs is expected to continue even as prices rise.

### **8.3 Social Factors**

South Africa is characterised by high levels of poverty, unemployment and inequality. Unemployment in South Africa has an indisputable structural character which is inability of the economy to provide employment for the total (or potential) labour force. Youth in South Africa continue to be disproportionately disadvantaged in the labour market with an unemployment rate higher than the national average. According to the Statistics South Africa 2022 Quarter 1 Labour Force Survey, unemployment rate is at a staggering 34.5% whilst the unemployment rate is at 63.9% for those aged 15-24 and 42.1% for those aged 25-34 years. Unemployment among the youth continues to be a significant barrier for progress irrespective of educational attainment. Unemployment is also much higher amongst the poor and is therefore mentioned as one of the four poverty traps inherent in the socio-economic situation since the advent of democracy in South Africa.

The evolving nature of the labour market and mismatches within the education system have caused a high demand for skilled workers, while on the other hand there is a cohort of young people who lack work experience. In order to play its role in assisting with youth unemployment and skills development in the downstream diamond and precious metals sectors, the SADPMR will, through collaboration and partnerships with industry partners, pioneer meaningful enterprise development projects aimed at ensuring that youth from historically disadvantaged backgrounds acquire the requisite skills and business entrepreneurial experience to ultimately thrive in their enterprises.

Illegal mining has been a thorn in South Africa for years and seems to be increasing in scale. According to the South African Revenue Services (SARS), illegal mining is estimated to cost the South African economy R6 billion a year. South Africa has recently observed a sharp rise in criminal activities associated with illegal mining ranging from an influx of undocumented immigrants, increase in crime and illegal trade, environmental and social costs that can hardly be quantified. Ultimately, illegal mining poses a very serious risk of undermining the sustainability of the mining industry.

Social media has now become an essential component to global socialisation. It has become an instrument that can be used to influence and shape a way of thinking. It stimulates civil participation in government policies and issues, where plans, opinions and initiatives can be started through social media. The SADPMR has aligned itself with this growing trend in bridging the gap of awareness in South Africa.

### **8.4 Legal Factors**

The current Diamond and Precious Metals Acts have not been reviewed for several years. To some extent these pieces of legislation might be somewhat inhibiting the growth of the industry by providing no legal instrument to ensure transformation, leaving the SADPMR relying on voluntary participation from industry. The SADPMR has only now been afforded an opportunity to form part of a team that will be responsible for reviewing the two pieces of legislation. The SADPMR team will ensure that the process of legislative review considers legislative gaps that have been noted over the years of implementing the two pieces of legislation in question.

The Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry (Mining Charter) was developed in terms of Section 100 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) (MPRDA) with the aim of transforming the mining and minerals industry. The SADPMR has been implementing the 2018 Mining Charter which provides for the application of some elements of the Charter in the Diamond and Precious Metals downstream Industry with exemptions, subject to the turnover of the license holder.

The much-anticipated Judgement in the case of Mineral Council SA v/s DMRE and Others was issued by the North Gauteng High Court on 21 September 2021 setting aside various clauses of the 2018 Charter ('the Charter') including clauses that relate to existing or new licenses and permits issued in terms of the Diamonds Act, 1986 (as amended) and the Precious Metals Act 2005.

One further key highlight of the judgement is the issue of the so-called “once empowered, always empowered” in terms of which once an enterprise has met the threshold for black ownership of 26% as laid out in previous charters or 30% for existing or new licenses, that initial compliance will always hold even if the empowerment-holders subsequently sell their stake.

The court also found that the Minerals and Petroleum Resources Development Act, 2002, does not empower the Minister to make law, meaning that the Charter is not binding subordinate legislation but an instrument of policy. The outcome of the judgement simply means that the SADPMR will not be able to ensure that transformational values and ideals espoused in the 2018 Mining Charter are enforced to licenses issued in terms of the Diamonds Act as amended and the Precious Metals Act.

## **8.5 Environmental Factors**

The precious metals industry by its nature contributes to air emissions and hazardous waste through smelting, refining and processing, which contributes to environmental degradation. Therefore, in giving effect to section 24 of the Constitution, the SADPMR requires the applicant for precious metal's licences to comply with the National Environment Management Act, 1998 (Act No. 107 of 1998) (NEMA).

The issue of environmental compliance and regular monitoring of tailings facilities containing exploitable resources of diamonds was thrown into the spotlight in 2022 with the collapse of the tailings dam of the old Jagersfontein diamond mine in the Free State. As the exploitation of such diamond resource -containing facilities requires the licensing of the sale diamonds recovered, by the SADPMR, this may have implications for licensing of such activities in the future. It may also require stricter compliance and monitoring of precious metal refining activities in the future, with which the SADPMR may be involved in.

Internally, ongoing construction Projects within the OR Tambo Special Economic Zone where the SADPMR is situated are exposing the SADPMR employees to health and safety risks. It is also limiting access to the SADPMR offices of its clients and stakeholders in the diamond and precious metals industries.

Pursuant to the Paris Agreement on climate change there is a global shift towards decarbonisation of mining and mineral processing operations, and a shift away from fossil fuels to renewable sources of energy. This has created new demand for platinum-groups metals (PGMs) which are used in electrolyzers in hydrogen energy production, popularly known as the hydrogen economy. PGMs demand is also increasing in the fabrication of fuel cells including for powering electric vehicles.

## **8.6 Technological Factors**

RSA is still ranked in the top 10 diamond producing countries, therefore it is still important to continue to invest in advanced technology in order to prevent the undeclared synthetic diamonds to enter the market and erode jobs in the diamond industry. The advancements in technology of developing lab grown diamonds and the recent announcements that more lab-grown diamonds retail stores will be opened remains a concern since the lab-grown diamonds will pose more competition and threat to natural diamonds.

Online business of selling diamonds and precious metals jewellery is increasing, this is an alternative avenue for South African business. These new online platforms for marketing of jewellery have proved to be a major driver in online sales to reduce time, travel and costs for buyers who would previously traveled to suppliers. Growing need for virtual interactions with clients or conducting business on digital platforms

COVID-19 pandemic has created an opportunity to Fastrack the digital transformation journey through operating in remote environment. Technological developments in the workplace are constant and rapid. The 4th Industrial Revolution as well the impact of COVID-19, necessitates that alternative ways of operating and safeguarding information should be found. The SADPMR has embarked on the migration to cloud environment. This move will ensure that employees are able to operate on and off site within a secured infrastructure.

Developments globally to use hydrogen as a green energy source is positive for RSA as we move towards a more decarbonized country. As the demand for hydrogen is expected to grow seven-fold by 2050, RSA is set to be the chief supplier of platinum for this energy sector resulting in increases local beneficiation and job creation.

The steady rise in the demand for synthetic diamond jewellery products poses a threat to the natural diamonds market, especially the lack of disclosure and failure to detect thereafter. SADPMR strives to protect consumers against unfair trading practices, especially at the hands of exploitative traders. To continue with consumer protection, the SADPMR will remain to be robust with the utilization of synthetic diamond detection technology in order to provide the much-needed integrity in the diamond exchange value chain.

## **9. SWOT ANALYSIS**

### **9.1 Strengths of the SADPMR**

#### **9.1.1 Authority of diamonds and precious metals**

The SADPMR with the DEEC as a unique facilitator of import and export of diamonds in South Africa, is the only authority with exclusive regulatory powers in RSA. It is also noted that the entity is recognised by many countries within the African continent. This mandate ensures that the entity can fulfil a national and international obligation.

The SADPMR is also the only State Entity mandated to license businesses in the refining and beneficiation sub-sectors of the precious metals industry.

#### **9.1.2 Location of SADPMR at the Special Economic Zone (SEZ) O R Tambo airport**

The SADPMR is currently situated at GIDZ SEZ which is geographically designated and set aside for specifically targeted economic activity to promote economic growth that will attract diamonds and precious metals industry players to leverage on tax incentives.

#### **9.1.3 Facilitating enterprise development projects to grow black industrialists**

The SADPMR facilitates enterprise development projects with industry stakeholders that are designed to lead to growth of many small businesses by providing those entering the job market with the requisite skills and opportunities, so they are sustainable.

Enterprise Development is one of the most effective ways of delivering sustainable, Broad Based Economic Growth in local economies.

#### **9.1.4 High employee retention rate**

The SADPMR continues to invest in skills development for its employees, this ensured sustainability in service delivery over the past five years. The organisation came up with cost effective initiatives of training and developing (on the job training and in-house training) its employees with the aim of improving skills and knowledge.

Furthermore, over the past three financial years, the SADPMR has recorded a staff turnover rate of below 5%. The retention rate has enabled the entity to have consistent business continuity and offer services to its clients.

## **9.2 Weaknesses of the SADPMR**

### **9.2.1 Lack of awareness of the SADPMR**

Over the previous two financial years, the SADPMR embarked on the implementation of the Marketing Strategy with the objective of creating advocacy about the entity and its services. The services of the entity in relation to diamonds has reached significant levels, however, more awareness needs to be created for precious metals.

### **9.2.2 Monitoring and enforcement within the precious metals industry**

The SADPMR has not made any significant footprint in addressing illicit trade in precious metals due to several factors including amongst others, a lack of a coherent strategy to combat illicit trade, lack of sufficient human resources, adequate technical knowledge and experience among its staff in precious metals to effectively monitor the downstream precious metals industry. The 2023/24 strategic plan includes the formulation of a strategy to combat illicit trade in precious metals as a first step towards addressing the deficiency.

### **9.2.3 Lack of enforcement on non-compliance**

The SADPMR has recognised that its regulatory processes are lacking when it comes to enforcing compliance. One of the key functions of the SADPMR is to monitor and enforce compliance with the legislative provisions governing the downstream diamond and precious metals industry. Enforcement of compliance is a necessary component of a regulatory system which involves the action of obliging adherence to the prescribed legislative provisions to ensure that there are consequences to the violation of rules. The 2022/23 strategic plan includes the mechanism to address the deficiency. The 2023/24 strategic plan includes the necessary interventions and mechanisms to address the deficiency.

### **9.2.4 No legal instrument to ensure transformation**

The setting aside of part four (4) of the Mining Charter by the North Gauteng High Court has resulted in the absence of a legal dispensation aimed at accelerating transformation and thus ensuring the realisation of an inclusive downstream diamond and precious metals industry. In the absence of a legal dispensation requiring adherence to transformation requirements, SADPMR relies on the voluntary will of industry to embrace transformation.

## **9.3 Opportunities for the SADPMR**

### **9.3.1 Marketing of South African Minerals**

The opportunity for the SADPMR to encourage the marketing of handmade South African jewellery can increase demand for the natural resource and allows for South Africans to recognise the SADPMR's role in the mineral value chain.

### **9.3.2 Implementation of the Optimal Utilisation project**

The SADPMR embarked on the optimal utilisation of human resources at an operational level. The project optimised the resource of the organisation to meet its mandate, reduce spend and to increase capacity with the current staff compliment.

### **9.3.3 Diamond and Precious Metals Exchange Centre**

The SADPMR prides itself with a world-class DEEC, that facilitates the import and export of rough and polished diamonds. Similarly, a minerals exchange centre that would facilitate the local sales, import and export of not just diamonds but precious metals in wrought, unwrought and semi-fabricated form for licensed beneficiaries, would benefit the country and assist in regulating the industry.

### **9.3.4 Membership in BRICS**

Involvement of RSA in BRICS opens the country to a broader market. The skills and technology that these countries possess can help small role players in the sectors to benefit from RSA's involvement, especially in the diamond and jewellery manufacturing with polishing of melee (Small Diamonds).

### **9.3.5 Amendment of the legislation**

The Department of Mineral Resources and Energy has invited the SADPMR to be part of a team that will be responsible for reviewing the Diamonds Act and the Precious Metals Act, governing the downstream part of the value chain of the diamond and precious metals. The review happens against the backdrop of many years that have lapsed since the two pieces of legislation were reviewed. SADPMR will thus ensure that its experience drawn from years of administering the two pieces of legislation in question finds expression in the changes to be proposed. Most notably, the changes to be proposed will address critical legislative gaps and loopholes identified and enable the realisation of national imperatives such as the advancement of broad-based economic empowerment and local beneficiation of diamonds and precious metals. Critically, the amendment of legislation

will also enable the legal defect that led to the setting aside of some clauses of the Broad-Based Socio-Economic Empowerment Charter by the North Gauteng High Court to be corrected, and thus empower the SADPMR to continue with the transformation agenda for the downstream diamonds and precious metals industry.

## **9.4 Threats to the SADPMR**

### **9.4.1 Impact of battery metals on the demand for PGM's**

Climate change has forced many European, Asian and North American countries to start investing in electric vehicles (EV) that use battery minerals such as lithium, nickel, cobalt and manganese as opposed to the internal combustion engines (ICE) that use PGM's in their catalytic converters. The use of platinum-heavy fuel cell technology in the electric car market is currently growing slowly to offset potential steep fall in autocatalyst demand which may see a decrease in license holders and employment in South Africa.

### **9.4.2 Lab-grown or synthetic diamonds**

Lab-grown or synthetic diamonds poses a threat to the agency of the SADPMR and the attractiveness of natural diamonds. The increase in demand and the move to manufacture lab-grown or synthetic diamonds for jewellery could put strain on an already declining beneficiation industry.

### **9.4.3 Illicit trade of diamonds and precious metals**

South Africa suffers lost sales, taxes, royalties and associated social challenges. The illicit trade poses a threat to the SADPMR to regulate diamond and precious metals industries by delegitimising the legislative process.

### **9.4.4 The decline in beneficiation**

The diamond cutting and the jewellery manufacturing industries have declined over the past few years. The high numbers of retrenchments in the cutting and polishing factories and declining jewellery manufacturing output bears testimony to this. Despite the decline in diamond cutting and jewellery manufacturing and subsequent Covid-19 challenges, we have witnessed an inspiring level of resilience of the industry.

### **9.4.5 Export of melee diamonds**

The trend to export melee diamonds which are classified as uncuttable, to countries that can benefit from them pose a threat to the creation local of skilled beneficiaries in South Africa.

### **9.4.6 South Africa's lack of competitiveness**

South Africa's mining sector is riddled with challenges namely, high operational costs, high cost of labour, loadshedding, increased criminal activity, policy uncertainty and the fluctuating exchange rate have all which have impact negatively on South Africa's competitiveness globally.

### **9.4.7 Substitutions and recycling**

The practice of using scrap and other cheaper metals (PGM's) instead of using platinum group metals is a threat in the platinum sector in particular.

### **9.4.8 Budget Cuts and rationalisation of state entities**

The National Treasury has indicated and projected budget cuts to all departments and entities. Such budget cuts will potentially affect the operations of the SADPMR. Rationalisation of the SADPMR will potentially result in the entity existing in a different format.

### **9.4.9 Unsustainable financial position of the SADPMR**

Over the past financial year, the SADPMR has been impacted negatively by COVID-19 as well as the declining diamond beneficiation industry. The entity has not been able to generate sufficient funds that will cover all expenditures. The current economic conditions have a potential of affecting the entity's going concern status.

### **9.4.10 COVID-19 Impact on the Industry**

COVID-19 impacted on production levels of minerals in the country which negatively affected beneficiation and jobs thereof. As a result this will also affect SADPMR revenue generation.

## PART C: MEASURING OUR PERFORMANCE (PROGRAMME 1,2,3)

### PROGRAMME 1: ADMINISTRATION (FINANCE, CORPORATE SERVICES, INTERNAL AUDIT, GOVERNANCE, CEO'S OFFICE

#### 1. Institutional Programme Performance Information

**Purpose:** To provide efficient administration support services by ensuring Human Resources Management, Communication, Information and Communications Technology services are effectively operational and always maintained and responsive to the needs and aspirations of their stakeholders, Services and CEO's Office

##### 1.1 Sub-Programme: Finance

**Purpose:** To provide overall effective financial and supply chain management systems within the Regulator.

##### 1.2 Sub-Programme: Human Resources Management

**Purpose:** To maximize the productivity of the entity by optimizing the effectiveness of its employees

##### 1.3 Sub- Programme: Communications

**Purpose:** To promote SADPMR brand awareness with internal and external stakeholders.

##### 1.4 Sub-Programme: Information Communication and Technology

**Purpose:** Aligned ICT strategy with business strategy and automation of business processes.

##### 1.5 Sub-Programme: Security Risk Management

**Purpose:** To implement the Minimum Information Security Standards (MISS), Minimum Physical Security Standards (MPSS), National Vetting Strategy (NVS) and relevant pieces legislation

##### 1.6 Sub-Programme: Governance

**Purpose:** Provide efficient and effective general legal support by ensuring compliance with legislation; identify and mitigate legal risks; and provide well informed legal advice. It also provide support to the Board.

##### 1.7 Sub-Programme: CEO's Office

**Purpose:** To enable service delivery programmes and use of statistics in the diamond and precious metals sectors, as well as to conduct economic, policy and market research on matters pertaining to diamonds and precious metals and their products.

## 2. Outcomes, Outputs, Performance Indicators and Targets

**Table 3.**

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			Actual Performance	Forecast Baseline	MTEF				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Effective, efficient, developmental, and innovative - orientated Regulator</b>									
	Increased participation of BBBEE suppliers	% Total contracts awarded to BBBEE suppliers	N/A	N/A	N/A	100	80	85	85
	Ensured Financial Sustainability of the SADPMR	% of Financial Sustainability Strategy KPI's implemented	N/A	Not Achieved	Develop & approve	100	100	100	100
	Developed Human Resources	Number of new bursaries awarded to staff	5	9	4	8	9	10	10
		Number of graduates recruited into Internship Programme	9	10	8	12	12	12	12
		Number of leadership development programmes implemented	N/A	1	1	2	2	2	2
		% of women in the organisation	N/A	N/A	N/A	60	62	64	65
		% of youth in the organisation	N/A	N/A	N/A	13	15	15	15
		% employees with disabilities	N/A	N/A	N/A	2	2	2	2
		Ensured compliance of Performance Management and Development System	N/A	96	100	100	100	100	100
		% performance contracts concluded							

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS									
			Actual Performance	Forecast Baseline	MTEF	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Ensured Organisational Development	Number of organisational change management interventions implemented	1	1	1	1	N/A	N/A	N/A	N/A	2	2	2
Ensured promotion of gender equality	Number of gender mainstreaming awareness interventions coordinated (all employees)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	2
Promoted SADPMR brand	Number of gender mainstreaming projects coordinated (both women and men)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	2	2
Ensured business continuity	Number of engagements with stakeholders conducted	N/A	N/A	19	18	N/A	N/A	N/A	N/A	20	22	24
Developed business applications	Number of articles on the diamond and precious metals industries published	N/A	N/A	4	4	N/A	N/A	N/A	N/A	6	6	6
Secured ICT Environment	Number of collaborations with community radio stations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4	5
	Number of customer satisfaction surveys conducted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
	Number of disaster recovery tests implemented	N/A	2	2	4	N/A	N/A	N/A	N/A	4	4	4
	Number of online applications developed	N/A	N/A	N/A	1	1	1	1	1	3	3	3
	Number of strategic ICT security measures implemented	N/A	2	2	4	N/A	N/A	N/A	N/A	4	4	4

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS								
			Actual Performance	Forecast Baseline	MTEF	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Safe and secured work environment in line with the health and safety requirements	Number of occupational, health and safety initiatives implemented	N/A	N/A	6	6	6	6	6	6	6	6
Ensured security of assets of the SADPMR and that of diamonds traded at DEEC	Number of security breaches allowed	N/A	N/A	0	0	0	0	0	0	0	0
Provided effective and efficient legal support to the SADPMR	Number of Security Risk Mitigation Measures implemented	N/A	N/A	5	5	5	5	5	5	5	5
Audit Outcomes	% of referred matters addressed within 15 days	100	100	100	100	100	100	100	100	100	100
Ensured sound Corporate Governance	% of written contracts or Service level Agreements addressed within 15 days	100	100	100	100	100	100	100	100	100	100
Number of Board Assessments Conducted	N/A	N/A	N/A	N/A	Unqualified						
Number of Annual Report submitted to the Shareholder	N/A	N/A	N/A	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reviewed and updated Board Charter and Committees Terms of Reference	N/A	N/A	N/A	4	4	4	4	4	4	4	4

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS								
			Actual Performance	Forecast Baseline	MTEF	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Contributed to legislative development	Proposed legislative amendments approved by the Board and shared with the Department	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Research and analysis	Number of research and analysis reports with recommendations on feasibility of regulating metals and responsible sourcing provenance of precious metals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	2
Annual Review of the performance of the diamond and precious metals industries	Number of Industries Annual Reviews	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	2
Global diamond and precious metal regulator service and Licence Fees Benchmarking report	Number of research reports with recommendations on benchmarking global Diamond Trade Centers	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A

\* Targets were previously reflected in numbers

### 3. Indicators, Annual and Quarterly Targets

**Table 4**

	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
<b>Finance:</b>						
% Total contracts awarded to BBBEE Suppliers		80	80	80	80	80
% of Financial Sustainability Strategy KPI's implemented		100	100	100	100	100
<b>Corporate Services:</b>						
Number of new bursaries awarded to staff	9	0	0	0	0	9
Number of graduates recruited into Internship Programme	12	12	0	0	0	0
Number of leadership development programmes implemented	2	0	1	0	0	1
% women in the organisation	62	0	0	0	0	62
% youth in the organisation	<b>9</b>	0	0	0	0	15
% employees with disabilities	2	0	0	0	0	2
% performance contracts concluded	100	100	0	0	0	0
Number of Performance Assessment Moderations conducted for all employees	2	0	1	0	0	1
Number of gender mainstreaming awareness coordinated (all employees)	2	1	0	1	0	0
Number of gender mainstreaming projects coordinated (both women and men)	1	0	0	1	0	0
Number of organisational change management interventions implemented	2	0	1	0	1	1
Number of disaster recovery tests implemented	4	1	1	1	1	1

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
Number of online applications developed	1 Diamond and Precious Metals registers application	Consultation for the registers process flow	Development of the registers prototype	Testing of the registers prototype	Modification and roll out of the Diamond and Precious Metals registers application
Number of ICT security measures implemented	4	1	1	1	1
Number of engagements with stakeholders coordinated	20	5	5	5	5
Number of articles on the diamond and precious metal industries published	6	1	2	2	1
Number of collaborations with Community radio stations	4	1	1	1	1
Number of customer satisfaction surveys conducted	1	0	0	1	0
<b>Governance:</b>					
Number of security risk mitigation measures implemented	5	1	1	1	2
Number of occupational, health and safety initiatives implemented	6	2	1	2	1
Number of security breaches allowed	0	0	0	0	0
Percentage referred matters addressed within 15 days	100	100	100	100	100
Percentages of written contracts or Service Level Agreements address within 15 days	100	100	100	100	100
Number of repeat audit findings	Nil	Nil	Nil	Nil	Nil
Audit outcomes	Unqualified	N/A	Unqualified	N/A	N/A
Number of Board Assessments Conducted	2	1	0	1	0
Number of Annual Report submitted to the Shareholder	1	0	1	0	0

	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
Reviewed and updated Board Charter and Committees Terms of Reference	Proposed legislative amendments approved by the Board and shared with the Department	Approved Board document submitted to the Department	Conduct internal and external consultations	Compile document for CEO's approval	Compile document for Boards approval	Compile approved document for submission to the Department
Number of research and analysis reports with recommendations on feasibility of regulating metals and responsible sourcing provenance of precious metals	2	0	1	1	1	0
Number of industries annual reviews	2	2	0	0	0	0
Number of research reports with recommendations on benchmarking global Diamond Trade Centers	1	0	0	0	1	1

#### **4. Explanation of planned performance over medium-term period**

Over the medium term, the finance division plans to effectively support business by finalizing tenders in 90 days and award 80% of regulators' new contracts to BBBEE compliant companies. The latter will ensure compliance to the requirements of the BEE Act and contribute to the first priority of government on economic transformation.

Over the period, The CEO's Office Sub-programme will research, report on, and make recommendations relating to several strategic matters. With these the focus will be on ensuring the sustainability of the SADPMR and improving the efficiency of its business processes and service delivery programmes using actionable insights from data analysis and management of business information. The Sub-programme will also be involved with performance monitoring of the SADPMR's pursuit of its strategic objectives, viz, promotion of equitable access and local beneficiation, transformation, compliance to legislation, and diamond trade facilitation. Such performance monitoring will allow for continuous alignment of operations towards the achievement of these strategic objectives during the period.

The Human Resources division deals with the provision of human capital services within the SADPMR. As such, during the MTEF period, the division will collaborate with line function to ensure that the recommendations of the project on Optimal Utilization of Human Resources are implemented and yielding the intended results. The Human Resources division will continue to implement the training and development initiatives, organizational change management interventions and performance management. Over the MTEF period, the Human Resources division will endeavor to ensure sound relations with the employees as well as the organized labour. The employer and organized labour will engage on good faith on matters relating to matters of mutual interest.

The Communications division promotes the image of the SADPMR and also facilitates stakeholder engagements. One of the areas that need improvement is the lack of awareness of the SADPMR brand. The Communication division aims to ensure the provision of efficient and effective communication services to the SADPMR and its programmes.

Communication division implement the Marketing strategy to reach greater audience and improve stakeholder engagement. The Communications division promotes the image of the SADPMR and facilitates stakeholder engagements. In this regard it will implement the mandate, mission, vision and values of the SADPMR. Over the MTEF period, the SADPMR will implement the SADPMR Marketing strategy which will assist in creating awareness of the entity. Additionally, the division will collaborate with community radio stations in and around mining communities. This initiative is intended to create awareness of the SADPMR brand as well as career and business opportunities within the diamonds and precious metals industries. The division will continue collaborating with other stakeholders such as DMRE in reaching out to communities especially in the rural areas.

The ICT environment is rapidly changing and requires agility. The division will focus on ensuring proper business continuity through Web Admin, Disaster Recovery and deployment of applications to the ICT environment. Over the MTEF period, the ICT division will be developing applications (APPs) which will be used by both internal and external stakeholders. These APPs are intended to ensure improved service delivery and access to SADPMR offerings. Also, as part of ensuing that the SADPMR is aligned to technological changes, the entity will be migrating to the cloud environment. The division will continue to conduct research on latest technologies that can be incorporated into the entity.

As the SADPMR continues to be a litigation free entity, over the MTEF period division will strive to consistently maintain the status quo by continuing to protect the entity's legal risks and also to ensure that the entity always operates within the confines of the law.

The new trends of vandalism present a new threat towards targeting the businesses and destroy them like terrorist attacks on business. The Security Risk Management will continue to improve its short- term and liaising with government security agencies and also improve collecting, analysing the open-source information and conduct vulnerability assessment and develop proactive response during the MTEF. The SADPMR will continue to implement the Occupational Health and Safety by maintaining contingency planning and priorities the emergency evacuation drill to reduce physical harm during emergencies.

## **Programme 2: Trade (Diamond Exchange And Export Centre And Government Diamond Valuation)**

### **1. Institutional Programme Performance Information**

Purpose: The Trade Programme is responsible for the facilitation of the local trade, exports and imports of diamonds in accordance with the Kimberley Process Certification Scheme (KPCS), and to ensure that diamonds are traded at fair market value.

#### **1.1 Sub-Programme: Government Diamond Valuator (GDV)**

Purpose: To ensure that diamonds are traded at a fair market value

#### **1.2 Sub-Programme: Diamond Exchange and Export Centre (DEEC)**

Purpose: To facilitate the buying, selling, exporting and importing of diamonds.

## 2. Outcomes, Outputs, Performance Indicators and Targets

Table 5

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			Actual Performance	Forecast Baseline	MTTF				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Competitive and compliant diamond and precious metals industries</b>	Verified fair market value of diamonds	% of diamond verified for fair market value	100	100	100	100	100	100	100
	Detected undisclosed polished synthetic diamonds	% of polished diamonds subjected for verification	N/A	99	100	100	100	100	100
	Ensure protection of diamonds at the DEEC	Number of diamonds lost	N/A	N/A	N/A	N/A	N/A	0	0
<b>Job Creation, Skills Development And Value Addition To Diamond And Precious Metal Industries</b>	Trained new entrants in diamond planning, marking, sorting, valuation and pricing	Number of trained new entrants	N/A	N/A	6	6	6	7	7
		Number of impact assessment reports for former trainees	N/A	N/A	N/A	N/A	N/A	2	2
		Ensured equitable access of diamonds in the DEEC	N/A	N/A	N/A	N/A	N/A	5	6
<b>Transformed Diamond And Precious Metals Industries</b>	Number of Beneficiaries accessing the DEEC for the first time	N/A	N/A	N/A	N/A	8	8	9	10
	Number of Multilateral Engagements	N/A	N/A	N/A	N/A	5	5	5	5
	Number of bilateral Engagements	N/A	N/A	N/A	N/A	3	3	4	4

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						MTEF
			Actual Performance	Forecast Baseline	MTEF				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		Number of quarterly imports, exports statistics reports and KP annual report submitted	N/A	N/A	N/A	5	5	5	5

### 3. Indicators, Annual and Quarterly Targets

**Table 6**

Output indicators	Annual targets	Q1	Q2	Q3	Q4
% of diamonds verified for fair market value	100	100	100	100	100
% polished diamonds subjected for verification	100	100	100	100	100
Number of lost diamonds allowed	0	0	0	0	0
Number of trained new entrants	6	1	2	2	1
Number of impact assessment reports for former trainees	2	0	1	0	1
Number of dealers accessing the DEEC for the first time	5	1	1	2	1
Number of Beneficiaries accessing the DEEC for the first time	8	1	2	2	3
Number of Multilateral engagements	5	1	1	1	2
Number of bilateral engagements	3	0	1	1	1
Number of quarterly imports, exports statistics reports and KP annual report submitted	5	1	1	1	2

## 4. Explanation of planned performance over the medium-term period

The GDV mandate is to verify the fair market value of diamonds from producers who offer their production to the State Diamond Trader in terms of section 59(B) of diamond Act. It further verifies the fair market value for diamonds placed for tenders, export and import. The GDV also provides expert opinion to the SAPS on all diamond related matters.\

The GDV is determined to contribute to the transformation of the diamond industry by ensuring that the skills are impacted to the HDPs especially youth and women. This intervention of training the target group in diamond planning, marking, sorting, valuation and pricing will assist in job creating and increase the entrepreneur who can take the industry forward.

The steady rise in demand for lab-grown (synthetic) diamonds jewellery products remain a concern since they have ability to substitute the natural diamond. This economic threat posed by lab-grown prompted SADPMR to invest in technology that detect lab-grown from natural diamonds.

There is need to assess at which stages of the supply chain the dumping of lab-grown/synthetic diamonds can occur to establish preventive and monitoring mechanisms against it. Their near natural appearance exposed consumers to unfair trading practices, especially at the hands of exploitative traders. SADPMR continues to protect consumers against non-disclosure for lab-grown/synthetic diamonds by implementing the KPCS approved 4-point prevention plan.

The DEEC is mandated to facilitate equitable access to the diamond trading through the processing of tenders, exports and imports in South Africa. The key focus is to promote local beneficiation by increasing the number local diamond Beneficiators that participate in diamond DEEC tenders by allocating special viewing room for Beneficiators and also promote access of HDPs in the DEEC.

# **PROGRAMME 3: REGULATORY COMPLIANCE (LICENSING, TRANSFORMATION, DIAMOND INSPECTORATE AND BENEFICIATION, PRECIOUS METALS INSPECTORATE AND BENEFICIATION)**

## **1. Institutional Programme Performance Information**

**Purpose:** To ensure compliance with the legislative requirements in the diamond and precious metals industries, to transform, improve competitiveness, sustainable development and improve job creation in these industries. The programme comprises of the Inspectorate and Regulations divisions.

### **1.1 Sub-Programme: Regulations**

**Purpose:** To receive, process and issue diamond and precious metals licenses, permit and certificates in line with the Diamonds Act, 1986 and the Precious Metals Act, 2005.

### **1.2 Sub-Programme: Inspectorate**

**Purpose:**

- To ensure transformation through collaborative enterprise development with industry partners;
- To ensure compliance with the Precious Metals and Diamonds Acts through conducting compliance inspections;
- To ensure enforcement of compliance through issuance of non-compliance notices and recommendation for suspension/cancellation of non-compliant licenses/permits;
- To promote beneficiation though coordinating the implementation of the SADPMR Beneficiation Strategy and, receiving, recording, monitoring and assessing diamond and precious metals transactions.

## 2. Outcomes, Outputs, Performance Indicators and Targets

**Table 7**

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS					
			Actual Performance		Forecast Baseline	MTEF		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Effective, efficient, developmental, and innovative -orientated Regulator</b>	Precious metals licenses issued within legislated timeframes	% of fully completed licenses issued	N/A	60	65	100	100	100
	Diamonds licenses issued within legislated timeframes	% of fully completed licenses issued	N/A	59	65	100	100	100
	Diamond and Precious Metals beneficiation licenses issued	% of beneficiation licenses/ permits issued	67*	100	100	100	100	100
<b>Competitive and compliant diamond and precious metals industries</b>	Ensured compliance monitoring and enforcement	Number of inspections conducted in licensed precious metals premises	756	366	400	500	700	750
		Number of inspections conducted in licensed diamonds premises	844	511	500	600	700	750
		% of enforcement actions addressed relative to non-compliance incidents identified	N/A	N/A	N/A	100	100	100
<b>Reduced illicit trading in the Diamond and Precious Metals Industries</b>	Developed, approved and implemented strategy to combat illicit trade in precious metals	N/A	N/A	N/A	N/A	Developed & Approved	Implemented	Implemented
	Number of precious metals joint inspections conducted with law enforcement stakeholders	N/A	1	4	20	25	30	35

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS								
			Actual Performance	Forecast Baseline	MTEF	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Job Creation, Skills Development And Value Addition To Diamond And Precious Metal Industries</b>		Number of diamond joint inspections conducted with law enforcement stakeholders	N/A	1	1	15	20	25	30		
		Number of assisted inactive licensees through relevant interventions	N/A	N/A	N/A	2	4	5	5	6	
		Number of assisted inactive licensees through relevant interventions	N/A	N/A	N/A	2	4	5	5	6	
		Export approval evaluations to cater for local demand evaluated	N/A	20*	12*	100	100	100	100	100	
<b>Transformed Diamond And Precious Metals Industries</b>		Number of licensees assessed	N/A	N/A	N/A	160	500	550	600		
		Enterprise development/ partnership projects created/ maintained monitored	N/A	N/A	N/A	6	7	9	12		
		% of enterprises/ partnerships monitored	N/A	N/A	N/A	7* <sup>2</sup>	100	100	100		

\*Targets were previously reflected in numbers

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS									
			Actual Performance	Forecast Baseline	MTEF	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Diamond and Precious Metals licences issued to HDP's including women, youth and people with disabilities	Number of HDP licenses issued	N/A	N/A	N/A	N/A	N/A	N/A	40	45	50	55

### 3. Indicators, Annual and Quarterly Targets

**Table 8**

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
% of fully completed licenses issued	100	100	100	100	100
% of fully completed licenses issued	100	100	100	100	100
% of beneficiation licenses/ permits issued	100	100	100	100	100
Number of inspections conducted in licensed precious metals premises	700	150	200	200	150
Number of inspections conducted in licensed diamonds premises	700	150	200	200	150
% of enforcement actions addressed relative to non-compliance incidents identified	100	100	100	100	100
Developed, approved and implemented strategy to combat illicit trade in precious metals	Developed and approved	Conducted internal consultation	Conducted external consultation	Compile document for the CEO's Approval	Compile document for the Board's Approval
Number of precious metals joint inspections conducted with law enforcement stakeholders	25	5	7	8	5
Number of diamond joint inspections conducted with law enforcement stakeholders	20	5	5	5	5

Number of assisted inactive licensees through relevant interventions (Precious Metals)	4	1	1	1	1	1
Number of assisted inactive licensees through relevant interventions (Diamonds)	4	1	1	1	1	1
% of export approval applications meeting local demand	100	100	100	100	100	100
Number of licensees assessed	500	120	130	130	120	120
Number of enterprises development/ partnership created/ maintained	7	1	2	2	2	2
% of enterprises/ partnerships monitored	100	100	100	100	100	100
Number of HDP licenses issued	45	10	13	12	10	10

## 4. Explanation of planned performance over medium-term period

Regulatory Compliance outcomes have been chosen because they resonate with the SADPMR's core mandate and objectives. The core mission of SADPMR is to deliver a regulatory compliant diamond and precious metal industry to usher the industry on the path of transformation, global competitiveness, sustainable development and job creation through value addition.

The streamlining of license process is a key driver of service delivery excellence and ease-of-doing-business for SADPMR clients. To that end, the turnaround time aligned with legislated timeframes is a significant indicator of the efficiency of SADPMR's service delivery excellence. Inspections covering different areas in the country will lead to improved compliance.

The approach of zero-tolerance culture to non-compliance remains one of the long-term aspirations of the SADPMR as well as the development of a revised beneficiation strategy into concrete deliverables. Furthermore, the development, approval and implementation of a strategy to combat illicit trade in precious metals will mark the beginning of a concerted effort by the SADPMR to make a significant footprint in addressing the scourge of illicit trade in precious metals.

Notwithstanding the setting aside of the Mining Charter, Regulatory Compliance will still continue to assess transformation through collection of data on a voluntary basis to determine progress towards achieving an inclusive downstream diamond and precious metals industry to support South Africa's nation building and developmental state objectives.

Collaboration and partnerships are crucial to be able to achieve the mandate of the SADPMR with key stakeholders. To that end, SADPMR will endeavor to scale up collaborative enterprise development efforts with industry. Enterprise development is one of the most effective ways of delivering sustainable, broad-based economic growth in local economies. It is through enterprise development partnerships with industry that the potential of young entrepreneurs who lack the requisite skills is harnessed through skills transfer, assistance in funding, which ultimately contributes to the creation of a cohort of young entrepreneurs in jewellery and diamond manufacturing. The continued efforts of the programme to enhance enterprise development with the industry by promoting Historically Disadvantaged Individual's through its Enterprise Development program remains a crucial driver for transformation of the organisation.

## 5. Programme Resource Consideration

**Table 9: Budget for Programmes (Budget in R '000)**

Programme	Audited outcome 2019/20	Audited outcome 2020/21	Audited outcome 2021/22	Original adjusted/ Appropriation	Budget estimate 2023/24	Budget estimate 2024/25	Budget estimate 2025/26
Administration	63 320	69 267	72 988	69 039	74 724	76 646	63 320
Trade	13 593	13 570	13 294	15 433	15 029	15 725	16 454
Regulatory Compliance	26 552	28 871	24 697	26 054	27 515	28 792	30 128
<b>Total</b>	<b>103 465</b>	<b>111 708</b>	<b>110 979</b>	<b>110 526</b>	<b>117 268</b>	<b>121 163</b>	<b>125 404</b>

### 5.1 Administration

The programme's spending focus over the medium term will be supporting the core divisions to deliver on the mandate of the entity. As a regulatory authority, the major driver of cost is personnel. An average growth rate of 5.4 per cent increase in salaries is planned for personnel costs over the medium term to improve the conditions of services.

### 5.2 Trade

The programme's spending focus over the medium term will be conducting diamond valuations and facilitating tenders for rough diamonds. These activities will ensure competitiveness, sustainable development and job creation in the diamond industry while compliance with legislative requirements is fostered.

### 5.3 Regulatory Compliance

The spending focus over the medium term will be on issuing licenses, carrying out compliance inspections and audits. These activities will ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry while compliance with legislative requirements is fostered. The programme will focus on dealing with challenges of unemployment, inequality and creating a more inclusive society.

## 6. Key Risks and Mitigation

**Table 10.**

Outcome	Key Risk	Mitigation	Consequences of lack of mitigation of Risks	Date of Action Plan	Officials Responsible	Risk Rating
An effective, efficient, developmental and innovative orientated regulator	Failure to prevent non-compliance with legislation (Irregular, fruitless and wasteful expenditure)	Checks and balances and segregation of duties on a daily basis	Irregular; Fruitless & Wasteful Expenditure	Ongoing	All	High
		Roll out SCM Training Workshop for the entire organisation	Irregular; Fruitless & Wasteful Expenditure	Half yearly	SCM	
	Revenue shortfall	Develop strategy to maximize revenue collection	Unsustainability of Regulator	March 2022	All	High
	Non-compliance with internal policies	Conducting internal policy workshops	Irregular processes resulting in non-compliance with applicable legislation	Half yearly	All	Medium
	Reputational damage resulting from unfair audit outcome	Engage the Executive Management of the AGSA responsible for the Regulator's audit	Loss of confidence with our stakeholders	Quarterly	All	High
	Failure to prevent fraud, corruption and Non-compliance with legislation	Implement Fraud prevention plan by conducting workshops with staff	Fraud & Corruption resulting in losses being incurred by the Regulator	Half yearly	Security Risk Management	Low

	vetting of employees on commencement of employment	Fraud & Corruption resulting in losses being incurred by the Regulator	As and when employees commence employment	Security Risk Management		
	Promote anti-corruption hotline to employees and clients.	Fraud & Corruption resulting in losses being incurred by the Regulator.	Annually	Security Risk Management		
	Reduction in mineral beneficiation-diamond and precious metals	Hold special tenders specifically for beneficiaries for diamonds and for precious metals ensure local demand is met by refineries prior to exporting	There will be a continued reduction in beneficiation for both diamonds and precious metals and increased job losses	Ongoing	RC	High
	Ensure that local demand for precious metals is met prior to approving export applications.			Ongoing	RC	High
	Prioritise access for diamond beneficiaries at the DEEC.			Ongoing	RC	High
	Conduct Precious metal export approval inspections			Ongoing	RC	High

A competitive and compliant diamond and precious metals industries	Loss of diamonds in the DEEC	Comply with SOPs	Financial liability and trade loss of integrity	Ongoing	DEEC and GDV	High
	Failure to detect synthetic diamonds	Subject uncertified polished diamonds to synthetic detector	Integrity of polished diamond trade is compromised	Ongoing	GDV	High
	Failure to prevent fraud, corruption and Non-compliance with legislation	Regular inspections and monitoring, performing audits and taking corrective actions.	Loss of Revenue as export levy will not be charged as diamonds will be smuggled out the country without Regulator knowing	Ongoing	RC	High
	Implement corrective actions by internal audit annually.			Annually	RC	High
	Conduct fraud risk assessment and provide training on anti-corruption strategy.	South Africa will lose integrity when it comes to global integrity and best practices.		Annually	RC	High
	Sensitise both employees and clients on the use of the National Anti-corruption Hotline.	Corrupt activities will continue and tarnish reputation of the Regulator.		Annually	RC	High
	Implement joint inspections with law	Corrupt activities will continue and tarnish reputation of the Regulator.		Quarterly	RC	High

		enforcement agencies				
A transformed diamond and precious metals sector.	Resistance to change by the industry	Present legislative proposals to the DMRE to address implementation of the transformation imperative	There will be no transformation in the industry, dominated by Historically privileged individuals and families	Ongoing	RC	High
	Lack of new entrants, specifically HDSA women and youth in the industry.	Conducting workshops to HDSA's into promote the diamond and precious metals industry. authenticity of participation	There will be no transformation in the industry, dominated by Historically privileged individuals and families.	Half Yearly	RC	High
		Interviews with BEE beneficiaries and verification thereof	HDPs will be disadvantaged in terms financial empowerment.	Quarterly	RC	High

## PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

### 1. Finance

**Table 11.**

Indicator Title	% Total contracts awarded to BBBEE suppliers
Definition	% Total contracts awarded to BBBEE suppliers excluding Microsoft Ireland and Transversal contracts and once off orders
Source Data	Pastel and contracts register
Method of Calculation/ Assessment	Maintains a register for contracts awarded per financial year.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Women Youth People with disabilities
Spatial Transformation (where applicable)	Historically Disadvantaged Individuals
Reporting Cycle	Quarterly
Desired Performance	5 contracts awarded to BBBEE suppliers
Indicator Responsibility	Budget and Expenditure Manager

**Table 12.**

Indicator Title	% of Financial Sustainability Strategy KPI's implemented
Definition	Sustainability strategy to ensure sustainability of the SADPMR by maximising revenue and minimising costs
Source Data	reports of impact on revenue and expenditure of implementation of sustainability strategy
Method of Calculation/ Assessment	Reports of impact on revenue and expenditure of implemented sustainability strategy
Assumptions	Increased revenue and reduction in expenditure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Financial sustainability
Indicator Responsibility	Resource Economist

## 2. HUMAN RESOURCES

**Table 13.**

Indicator Title	Number of new bursaries awarded to staff
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Approved submission to award bursary
Method of Calculation/ Assessment	Number of Bursary Awarded
Assumptions	Sufficient funds and approved bursary policy
Disaggregation of Beneficiaries (where applicable)	Full time employees
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 14.**

Indicator Title	Number of graduates recruited into Internship Programme
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Internship programme submission approved by the CEO
Method of Calculation/ Assessment	Number of young graduates recruited on the internship programme
Assumptions	Sufficient funds and approved internship policy
Disaggregation of Beneficiaries (where applicable)	Female and male youth enrolled for internship programme
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 15.**

Indicator Title	% of youth in the organisation
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Payroll
Method of Calculation/ Assessment	Total number of youth employees within the Regulator at year end
Assumptions	Sufficient funds and approved skills programme
Disaggregation of Beneficiaries (where applicable)	5% of Youth
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 16.**

Indicator Title	% of employees with disabilities
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Payroll
Method of Calculation/ Assessment	Total number of employees with disabilities within the Regulator at year end
Assumptions	Sufficient funds and approved skills programme
Disaggregation of Beneficiaries (where applicable)	1% of people with disabilities
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 17.**

Indicator Title	Number of leadership development programmes implemented	Disaggregation of Beneficiaries (where applicable)	Desired Performance	Indicator Responsibility
Definition	Process to align employees to strategic objectives and priorities of the employer.	Divisional supervisors and management team	Actual performance to be higher than the set target	Human Resources Capital Manager
Source data	Attendance registers	Beneficiaries	Indicator Responsibility	Human Resources Capital Manager
Method of Calculation/ Assessment	Number of leadership development implemented	Disaggregation of Beneficiaries (where applicable)	Actual performance to be higher than the set target	Human Resources Capital Manager
Assumptions	Sufficient funds and identified relevant programme to be attended.	Disaggregation of Beneficiaries (where applicable)	Actual performance to be higher than the set target	Human Resources Capital Manager
Spatial Transformation (where applicable)	N/A	Reporting Cycle	Actual performance to be higher than the set target	Human Resources Capital Manager
Reporting Cycle	Quarterly	Desired Performance	Actual performance to be higher than the set target	Human Resources Capital Manager
Indicator Responsibility	Human Resources Capital Manager	Indicator Responsibility	Actual performance to be higher than the set target	Human Resources Capital Manager

**Table 18.**

Indicator Title	Method of Calculation/ Assessment	Source data	Payroll
Definition	Process to align employees to strategic objectives and priorities of the employer		
Assumptions	Sufficient funds and approved skills programme		
Spatial Transformation (where applicable)			
Reporting Cycle			
Desired Performance			
Indicator Responsibility			

**Table 19.**

Indicator Title	% Performance contracts concluded
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Performance Contracts register
Method of Calculation/ Assessment	% of employees entered into performance agreements vs non-submission
Assumptions	Continuous monitoring of key performance areas
Disaggregation of Beneficiaries (where applicable)	% of full-time employees
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 20.**

Indicator Title	Number of organisational change management interventions implemented
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Attendance register
Method of Calculation/ Assessment	Number of interventions implemented (workshops)
Assumptions	Sufficient funds and identified relevant programme to be attended
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 21.**

Indicator Title	Number of gender mainstreaming awareness coordinated (all employees)
Definition	Process to align employees to strategic objectives and priorities of the employer
Source data	Attendance register
Method of Calculation/ Assessment	Number of gender mainstreaming awareness coordinated
Assumptions	Approved gender mainstreaming awareness coordinated
Disaggregation of Beneficiaries (where applicable)	Full time employees and number of graduates recruited into Internship Programme
Spatial Transformation (where applicable)	Females Employees
Reporting Cycle	Reporting Cycle
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Human Resources Capital Manager

**Table 22.**

<b>Indicator Title</b>	Number of gender mainstreaming projects (both women and men) coordinated
<b>Definition</b>	Process to align employees to strategic objectives and priorities of the employer
<b>Source data</b>	Attendance register
<b>Method of Calculation/ Assessment</b>	Number of gender mainstreaming projects (men and women empowered) coordinated
<b>Assumptions</b>	Approved gender mainstreaming projects
<b>Disaggregation of Beneficiaries (where applicable)</b>	Full time employees and number of graduates recruited into Internship Programme
<b>Spatial Transformation (where applicable)</b>	All employees
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Actual performance to be higher than the set target
<b>Indicator Responsibility</b>	Human Resources Capital Manager

### 3. COMMUNICATIONS

**Table 23.**

Indicator Title	Number of engagements with stakeholders conducted
Definition	Engage stakeholder on matters that affect SADPMR and stakeholders through meetings, workshops, reports, and interactions with SADPMR stakeholders.
Source of data	Attendance register/minutes/ reports/virtual meeting invites.
Method calculation/assessment	Count number of engagements with external and internal stakeholders and brand promotion activities conducted
Assumptions	Stakeholders heed the call to engage with the employer
Disaggregation beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	Actual performance to be higher than the set target
Indicator responsibility	Manager: Economic Resources
Desired performance	Actual performance to be higher than the set target

**Table 24.**

Indicator Title	Number of articles on the diamond and precious metals industries published
Definition	Publications about the services of SADPMR for internal and external stakeholders
Source of data	Publications (articles/internal newsletter) for internal and external stakeholders
Method calculation/assessment	of Publications (articles/internal newsletter)
Assumptions	Articles reach all the diamond and precious metals beneficiaries.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	Actual performance to be higher than the set target
Indicator responsibility	Manager: Economic Resources
Desired performance	Actual performance to be higher than the set target

Indicator responsibility	General Manager: Corporate Services
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**Table 25.**

Indicator Title	Number of Collaboration with Community radio station
Definition	To conduct radio interview with community radio station
Source Data	Attendance register
Method of Calculation/Assessment	Count number of Community radio station interviews conducted
Assumptions	Stakeholders heed the call to engage with the employer
Disaggregation of Beneficiaries (where applicable)	General public.
Spatial Transformation (where applicable)	Historically Disadvantaged Individuals
Reporting Cycle	Quarterly
Desired Performance	Public to aware of the services of the SADPMR
Indicator Responsibility	GM: Corporate Services

**Table 26.**

Indicator Title	Number of customer satisfaction survey conducted
Definition	To conduct customer satisfaction survey within the diamond and precious metals industries
Source Data	Survey
Method of Calculation/Assessment	Report
Assumptions	Clients will respond to the survey
Disaggregation of Beneficiaries (where applicable)	Diamond and precious metals industries
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Levels of customer satisfaction determined
Indicator Responsibility	GM: Corporate Services

**Table 27.**

<b>Indicator Title</b>	Number of articles on the diamond and precious metals industries published
<b>Definition</b>	Publications about the services of SADPMR for internal and external stakeholders
<b>Source of data</b>	Publications (articles/internal newsletter) for internal and external stakeholders
<b>Method calculation/assessment</b>	Publications (articles/internal newsletter)
<b>Assumptions</b>	Articles reach all the diamond and precious metals beneficiaries.
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance to be higher than the set target
<b>Indicator responsibility</b>	General Manager: Corporate Services

## 4. INFORMATION COMMUNICATION & TECHNOLOGY

**Table 28.**

Indicator Title	Number of disaster recovery tests implemented
Definition	Replication of information from the primary to the secondary site to ensure business continuity if a disaster occurs.
Source Data	Users sign off forms
Method of Calculation/ Assessment	Results from the DR tests performed.
Assumptions	Network outage
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Technology

**Table 29.**

Indicator Title	Number of online applications developed
Definition	Implementation of the online license applications, submission of diamond register and bidding functionality.
Source Data	User requirements
Method of Calculation/ Assessment	Business Technical Documents
Assumptions	System outage and power failure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Technology

**Table 30.**

<b>Indicator Title</b>	<b>Number of ICT security measures implemented</b>
Definition	Implementation of system vulnerability assessment.
Source Data	User requirements
Method of Calculation/ Assessment	The results of the security assessment conducted.
Assumptions	System outage and power failure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Bi-annually
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Technology

**Table 31**

<b>Indicator Title</b>	<b>No. of security breaches</b>
Definition	Prevent security breaches from occurring in the SADPMR premises
Source Data	All reported /recorded security breaches
Method of Calculation/ Assessment	Count number of physical security incidents
Assumptions	<ul style="list-style-type: none"> <li>Security incidents will be reported /recorded</li> </ul>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance be zero
Indicator Responsibility	General Manager: Diamond Trade

## 5. GOVERNANCE

**Table 32.**

Indicator Title	Number of security risk mitigation measures implemented
Definition	Number of Fraud and Corruption awareness programmes as listed below: training /workshops and posters/pamphlets (2 times per year) and conduct bi- annual physical security risk assessment
Source Data	<ul style="list-style-type: none"> <li>• Workshop presentation material or distributed material / posters</li> <li>• Physical security risk assessment reports</li> </ul>
Method of Calculation/ Assessment	<ul style="list-style-type: none"> <li>• Count number of workshops and or publications</li> <li>• Count number of physical security risk assessment</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>• Officials will be able to attend and apply skills learned from training and workshops</li> <li>• Physical security measures will be implements</li> </ul>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	General Manager: Governance

**Table 33.**

Indicator Title	Number of Occupational Health and Safety initiatives implemented
Definition	Conduct Occupational Health and Safety audits/assessment and evacuation drills
Source Data	Record for emergency evacuation drills reports
Method of Calculation/ Assessment	<ul style="list-style-type: none"> <li>• Contingency planning (Quarterly inspections and audits/assessment reports</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>• Count number of Occupational Health and Safety audits/assessments reports</li> </ul>
Disaggregation of Beneficiaries (where applicable)	All role players will participate
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	General Manager: Governance

**Table 34.**

Indicator Title	Percentage of written contract and SLA addressed within 15 days.
Definition	All proposed contracts or SLAs to be entered into between the SADPMR and external or internal stakeholders for vetting
Source Data	Contracts and SLAs to be vetted
Method of Calculation/ Assessment	Percentage of contracts and SLAs referred vetting
Assumptions	100% of external opinions obtained
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Twice a year
Desired Performance	100%
Indicator Responsibility	General Manager: Governance

**Table 35.**

Indicator Title	Percentage referred matters addressed within 15 days
Definition	All proposed contracts or SLAs to be entered into between the SADPMR and external or internal stakeholders for vetting
Source Data	Contracts and SLAs to be vetted
Method of Calculation/ Assessment	Percentage of contracts and SLAs referred vetting
Assumptions	100% of external opinions obtained
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Twice a year
Desired Performance	100%
Indicator Responsibility	General Manager: Governance

**Table 36**

Indicator Title	Audit Outcome
Definition	Unqualified audit outcome opinion obtained from the Auditor General of South Africa (AGSA)
Source Data	AGSA Audit Outcome
Method of Calculation/ Assessment	N/A
Assumptions	AGSA audit process completed by 31 July
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	2023/24 (Q2)
Desired Performance	Unqualified audit opinion: material misstatements (performance and financial statements) corrected as per audit findings and recommendations by AGSA
Indicator Responsibility	CFO and All GMs

**Table 37**

Indicator Title	No of repeat audit findings
Definition	No repeat of audit findings by AGSA
Source Data	AGSA Final Management Report
Method of Calculation/ Assessment	Simple count
Assumptions	Audit findings agreed to by management on the report provided by the AGSA
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	2023/24 (annual)
Desired Performance	No repeat of 2021/22 audit findings by AGSA
Indicator Responsibility	CFO and All GMs

**Table 38**

<b>Indicator Title</b>	<b>Number of Board Assessments Conducted</b>
Definition	Conduct Internal and External Board Assessment with Board members and external service provider
Source Data	Internal Board Assessment Reports and External Service Provider Report
Method of Calculation/ Assessment	1 Internal Assessment done by Board members and 1 External Assessment conducted by External Service Provider
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Approved Internal and External Board Assessment by the Board
Indicator Responsibility	GM Governance

**Table 39**

Indicator Title	Reviewed and updated Board Charter and Committees Terms of Reference
Definition	Annual Review and approval of the Board Charter and Committees Terms of Reference
Source Data	Reviewed and Approved Board Charter and Committee Terms of Reference
Method of Calculation/ Assessment	Reviewed and approve 1 Board Charter and 3 Committee Terms of Reference
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Reviewed and Approved Board Charter and Committee Terms of Reference by the Board
Indicator Responsibility	GM Governance

**Table 40**

Indicator Title	Indicator Title	Number of Annual Report submitted to the Shareholder
Definition	Definition	Submission of Annual Report to DMRE
Source Data	Source Data	Annual Report to DMRE
Method of Calculation/ Assessment	Method of Calculation/ Assessment	One Annual Report sent to DMRE
Assumptions	Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Spatial Transformation (where applicable)	N/A
Reporting Cycle	Reporting Cycle	Annually
Desired Performance	Desired Performance	Approved Annual Report by the Board
Indicator Responsibility	Indicator Responsibility	GM Governance

## 6. CEO'S OFFICE

**Table 41**

<b>Indicator Title</b>	Proposed legislative amendments approved by the Board and shared with the Department
<b>Definition</b>	<b>SADPMR legislative amendment proposals</b>
<b>Source Data</b>	<p>(1) Internal and external inputs on challenges and problems encountered with Diamonds Act and Precious Metals Act implementation;</p> <p>(2) Internal and external proposals for addressing challenges with Diamonds Act and Precious Metals Act</p>
<b>Method of Calculation/ Assessment</b>	<p>(1) Collate internal and external inputs on challenges with Diamonds Act and Precious Metals Act</p> <p>Collate proposals for addressing challenges with Diamonds Act and Precious Metals Act</p>
<b>Assumptions</b>	It is assumed that legislative amendments will be made by the DMRE in 2023 and 2024
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Quarterly

**Table 42.**

<b>Indicator Title:</b>	Number of research and analysis reports with recommendations on feasibility of regulating metals and responsible sourcing provenance of precious metals
<b>Definition</b>	Research and Analysis on Emerging Policy matters
<b>Source Data</b>	Primary research, published research and information and information from industry organisations
<b>Method of Calculation/ Assessment</b>	Conduct quantitative and/or qualitative research. Analyse research findings and report thereon
<b>Assumptions</b>	Funds will be able for research and purchase of data and published reports
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	Within South Africa and globally
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Performance must meet target
<b>Indicator Responsibility</b>	<b>Manager: Economic Resources</b>

Desired Performance	Board-Approved proposals for amendments to Diamonds Act and Precious Metals Act or Regulations under these Acts
Indicator Responsibility	Manager: Economic Resources

**Table 43.****Table 44.**

Indicator Title:	Number of Industry Annual Reviews
Definition	Diamond and Precious Metals Industry Annual Reviews
Source Data	Registers, Web Admin System, Information Submission Forms, DMRE Mining Statistics, SARS trade statistics, KP Statistics, DEEC tender data, Published Reports
Method of Calculation/ Assessment	Collate statistics captured or reported by metal or minerals and by period, licensee, or another variable
Assumptions	Statistics will have been captured or published
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Nationally and globally
Reporting Cycle	Annually
Desired Performance	Performance must meet target
Indicator Responsibility	<b>Manager: Economic Resources</b>

Indicator Title: Number of research reports with recommendations on benchmarking global diamond trade centres	Global Diamond Trade Centres
Definition	Global benchmarking
Source Data	Data from various diamond or precious metal regulators and trading centres globally
Method of Calculation/ Assessment	Collate information from different regulators and diamond trade centres
Assumptions	Information will be obtainable from different regulators and diamond trade centre's globally
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	(where applicable)
Reporting Cycle	By country with a diamond or precious metal regulator or trade centre
Desired Performance	Annually
Indicator Responsibility	Performance must meet target
	<b>Manager: Economic Resources</b>

## **Programme 2: Trade (Diamond Valuation and Diamond Exchange and Export Centre)**

### **7. DIAMOND VALUATION**

**Table 45.**

Indicator Title	% of diamonds verified for fair market value
Definition	Sort the diamonds, examination / valuation and verify price difference on FMV, 10% price difference for producers and 20% price difference for diamond imports and exports.
Source Data	Valuation certificates and import and exports endorsement
Method of Calculation/ Assessment	The percentage of diamonds valued and verified
Assumptions	Clients will be trading in fair market value
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	Manager GDV

**Table 46.**

Indicator Title	% polished diamonds subjected for verification
Definition	Conduct valuation on diamond to detect undisclosed polished synthetic diamonds
Source Data	Diamond valuation certificates
Method of Calculation/ Assessment	Percentage of polished diamond subjected to valuation to detect undisclosed synthetic diamonds
Assumptions	All parcels will be submitted for valuation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed than the set target
Indicator Responsibility	Manager GDV

**Table 47.**

Indicator Title	Number of impact assessment reports for former trainees
Definition	Monitor and evaluate the trainees progress in the industry after training.
Source Data	Former trainees, monitored and evaluated after finishing training on diamond planning, marking, sorting, diamond pricing and valuation  Source: Monitoring and evaluation reports
Method of Calculation/ Assessment	Count number of valuation reports
Assumptions	Former trainees will be available for evaluation
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	Manager GDV
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	Manager GDV

**Table 48.**

Indicator Title	Number of trained new entrants
Definition	Training on diamond planning, marking, sorting, diamond pricing and valuation
Source Data	New entrants, selected from the induction programme facilitated by Licensing Division and any other requests for training.  Source: Attendance register and training programme on valuation
Method of Calculation/ Assessment	Count number of trainees
Assumptions	New licensees will be available for training
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	Manager GDV

## 8. DIAMOND EXCHANGE AND EXPORT CENTRE

**Table 49. and Table 50**

Indicator Title	Number of Beneficiaries accessing the DEEC for the first time
Definition	Number of Beneficiaries accessing the DEEC for services for the first time.
Source Data	New diamond Beneficiaries participating at the DEEC
Method of Calculation/ Assessment	Count the number of Beneficiaries accessing the DEEC for services for the first time
Assumptions	Local Beneficiaries will be active in business
Disaggregation of Beneficiaries (where applicable)	<b>N/A</b>
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to exceed the set target
Indicator Responsibility	Deputy Manager: DEEC

Indicator Title	Number of Multilateral engagements
Definition	ADPA meetings KP Meetings KP Visits
Source Data	Data Collection: Minutes of the meeting and Communique Source: number of meetings
Method of Calculation/ Assessment	Number of multilateral engagements held
Assumptions	All role players will be cooperative
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Accumulative target
Indicator Responsibility	Deputy Manager: DEEC

**Table 51.**

<b>Indicator Title</b>	<b>Number of Bi-literal engagements</b>
Definition	Number of Bilateral engagements on KP matters
Source Data	Data Collection: KPC engagements held
	Source: Meetings held with counterparts, Technical Support to other countries
Method of Calculation/ Assessment	Number of Bi-literal engagements held
Assumptions	All role players will be cooperative
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Accumulative target
Indicator Responsibility	Deputy Manager: DEEC

**Table 52.**

<b>Indicator Title</b>	<b>Number of diamonds lost</b>
Definition	Prevent loss of diamonds from occurring in the DEEC
Source Data	recorded diamond losses
Method of Calculation/ Assessment	Count number loses of diamonds
Assumptions	<ul style="list-style-type: none"> <li>• incidents will be reported /recorded</li> </ul>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance be zero
Indicator Responsibility	General Manager: Trade

**Table 53**

<b>Indicator Title</b>	<b>Number of Dealers accessing the DEEC for the first time</b>
<b>Definition</b>	Number of Dealers accessing the DEEC for services for the first time.
<b>Source Data</b>	New diamond Dealers participating at the DEEC
<b>Method of Calculation/Assessment</b>	Count the number of Dealers accessing the DEEC for services for the first time
<b>Assumptions</b>	Local Dealers will be active in business
<b>Disaggregation of Beneficiaries (where applicable)</b>	<b>N/A</b>
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Actual performance to exceed the set target
<b>Indicator Responsibility</b>	Deputy Manager: DEEC

**Table 54**

<b>Indicator Title</b>	<b>No. of quarterly imports, exports statistics reports and KPI annual report submitted</b>
<b>Definition</b>	Submit quarterly statistic and annual report
<b>Source Data</b>	Source Data
<b>Method of Calculation/Assessment</b>	Data Collection: Declared and registered exports and annual report
<b>Assumptions</b>	Source: Number of submitted quarterly reports on imports, exports annual report
<b>Disaggregation of Beneficiaries (where applicable)</b>	All role players will be cooperative
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting Cycle</b>	Quarterly Transformation (where applicable)
<b>Desired Performance</b>	Reporting Cycle
<b>Indicator Responsibility</b>	Desired Performance
	Indicator Responsibility
	Deputy Manager: DEEC

## 9. REGULATIONS AND INSPECTORATE

**Table 55.**  
**Indicator Title** % of fully completed licenses issued

Definition	Diamonds licenses received, processed and approved.
Source Data	Applications received
Method of Calculation/ Assessment	Number of diamond licences issued within 60 days / Number of diamond licence applications received X $\frac{100}{1}$
Assumptions	Diamond licenses received, processed and approved.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Regulations

**Table 56.**  
**Indicator Title** % of fully completed licenses issued

Definition	Precious Metals licenses received, processed and approved.
Source Data	Applications Received
Method of Calculation/ Assessment	Number of precious metals licences issued within 60 days / Number of precious metals licence applications received X $\frac{100}{1}$
Assumptions	All applications received are complete
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Regulations

**Table 57.**

Indicator Title	Percentage of beneficiation licenses/ permits issued
Definition	Issued beneficiation licenses/permits.
Source Data	List of beneficiation licenses issued
Method of Calculation/ Assessment	$\frac{\text{Number of beneficiation licenses issued}}{\text{Number of beneficiaiton applications received}} \times \frac{100}{1}$
Assumptions	All beneficiation applications received are complete
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Regulations

**Table 58.**

Indicator Title	Number of inspections conducted in licensed precious metals premises
Definition	Number of compliance inspections conducted at premises of precious metal licensees/permit holders and applicants.
Source Data	Inspection Reports
Method of Calculation/ Assessment	Each signed Inspection Report is counted
Assumptions	A signature after "Findings noted by applicant/Licensee" is assumed to be confirmation that an inspection was conducted.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 59.**

Indicator Title	Number of inspections conducted in licensed diamonds premises
Definition	Number of compliance inspections conducted at premises of diamond licensees and applicants for such licences/permits
Source Data	Inspection Reports
Method of Calculation/ Assessment	Each signed Inspection Report is counted
Assumptions	A signature after "Findings noted by applicant/licensee" is assumed to be confirmation that an inspection was conducted.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 60.**

Indicator Title	Indicator Title	% of enforcement actions addressed relative to non-compliance incidents identified
Definition	Definition	Enforcement actions undertaken on non-compliant licensees
Source Data	Source Data	Enforcement of compliance in accordance with the applicable procedure.
Method of Calculation/ Assessment	Method of Calculation/ Assessment	$\frac{\text{Number of non-compliance notices issued}}{\text{Number of non-compliant licencees identified}} \times 100$
Assumptions	<ul style="list-style-type: none"> <li>• There will be non-compliance incidents*</li> <li>• Clients will not rectify Non-Compliance within the specified timeframe.</li> <li>• Clients will not attend engagement meetings</li> </ul> <p>*In cases where non-compliance notices are not issued in accordance with the enforcement procedure, this KPI will not be measured.</p>	
Disaggregation of Beneficiaries (where applicable)	Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Spatial Transformation (where applicable)	N/A
Reporting Cycle	Reporting Cycle	Quarterly
Desired Performance	Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Indicator Responsibility	Manager: Inspectorate

**Table 61.**  
**Indicator Title**      **Developed, Approved & Implemented strategy to combat illicit trade in Precious Metals**

Definition	Develop and implement a strategy to combat the illicit diamond and precious metals trade on RSA to be implemented.
Source Data	Inputs (proposed initiatives and interventions) at internal and external workshops on the Illicit trade Strategy, inputs by CEO and inputs by the Board of the SADPMR on the same.
Method of Assessment	Illicit trade Strategy approved by the CEO and the SADPMR Board Chairman
Assumptions	There will be inputs on the Illicit trade Strategy by internal, external, the CEO and the SADPMR Board.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	An Illicit trade Strategy with impactful initiatives is desirable.
Indicator Responsibility	Manager: Inspectorate

**Table 62.**

Indicator Title	Definition	Source Data	Method of Calculation/Assessment	Assumptions	Disaggregation of Beneficiaries (where applicable)	Spatial Transformation (where applicable)	Reporting Cycle	Desired Performance	Indicator Responsibility	Number of precious metals joint inspections conducted with law enforcement stakeholders
										Joint inspections with relevant law enforcement stakeholders

**Table 63**

Indicator Title	Number of diamond joint inspections conducted with law enforcement stakeholders
Definition	Joint Diamond inspections with relevant law enforcement stakeholders
Source Data	Joint Inspection reports  Observations during joint Inspections
Method of Calculation/ Assessment	Count the number of Disruptive/Joint Inspection reports signed by respective managers of SADPMR and other law enforcement stakeholder, and express as percentage of total anomalies requiring further investigation identified
Assumptions	Clients' businesses will be open and operational during disruptive/ joint inspections
Disaggregation Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 64.**

Indicator Title	No. of assisted inactive licensees through relevant interventions (Precious Metals)	Indicator Title	No. of assisted inactive licensees through relevant interventions (Diamonds)
Definition	Number of reactivated Jeweller's Permit holders	Definition	Number of inactive Diamond Beneficiation licensees assisted
Source Data	<ul style="list-style-type: none"> <li>Inspection reports identifying challenges of the inactive Jeweller's Permit holders, or</li> <li>Evidence of information/advice/assistance provided by the Inspectorate Division, or</li> <li>Evidence of intervention(s) undertaken.</li> </ul>	Source Data	<ul style="list-style-type: none"> <li>Inspection reports identifying challenges of the inactive Diamond Beneficiation Licensee or</li> <li>Evidence of information/advice/assistance provided by the Inspectorate Division, or</li> <li>Evidence of intervention(s) undertaken.</li> </ul>
Method of Assessment	Count the number of inactive jeweller's permit holders assisted as evidenced by intervention or information or advice or assistance provided	Method of Calculation/Assessment	Count the number of inactive Diamond Beneficiation Licensee assisted as evidenced by intervention or information or advice or assistance provided
Assumptions	Inactive jeweller's permit holders will be receptive to assistance, and assistance by the Inspectorate Division is feasible.	Assumptions	Diamond beneficiation licensees will be receptive to assistance, and assistance by the Inspectorate Division is feasible.
Disaggregation of Beneficiaries (where applicable)	N/A	Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A	Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly	Reporting Cycle	Quarterly
Desired Performance	Higher number of inactive jeweller's permit holders assisted is desirable	Desired Performance	Higher number of inactive diamond beneficiation license holders assisted is desirable
Indicator Responsibility	Manager: Inspectorate	Indicator Responsibility	Manager: Inspectorate

**Table 65**

Indicator Title	No. of assisted inactive licensees through relevant interventions (Diamonds)	Indicator Title	No. of assisted inactive licensees through relevant interventions (Diamonds)
Definition	Number of inactive Diamond Beneficiation licensees assisted	Definition	Number of inactive Diamond Beneficiation licensees assisted
Source Data	<ul style="list-style-type: none"> <li>Inspection reports identifying challenges of the inactive Diamond Beneficiation Licensee or</li> <li>Evidence of information/advice/assistance provided by the Inspectorate Division, or</li> <li>Evidence of intervention(s) undertaken.</li> </ul>	Source Data	<ul style="list-style-type: none"> <li>Inspection reports identifying challenges of the inactive Diamond Beneficiation Licensee or</li> <li>Evidence of information/advice/assistance provided by the Inspectorate Division, or</li> <li>Evidence of intervention(s) undertaken.</li> </ul>
Method of Calculation/Assessment	Count the number of inactive Diamond Beneficiation Licensee assisted as evidenced by intervention or information or advice or assistance provided	Method of Calculation/Assessment	Count the number of inactive Diamond Beneficiation Licensee assisted as evidenced by intervention or information or advice or assistance provided
Assumptions	Diamond beneficiation licensees will be receptive to assistance, and assistance by the Inspectorate Division is feasible.	Assumptions	Diamond beneficiation licensees will be receptive to assistance, and assistance by the Inspectorate Division is feasible.
Disaggregation of Beneficiaries (where applicable)	N/A	Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A	Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly	Reporting Cycle	Quarterly
Desired Performance	Higher number of inactive jeweller's permit holders assisted is desirable	Desired Performance	Higher number of inactive diamond beneficiation license holders assisted is desirable
Indicator Responsibility	Manager: Inspectorate	Indicator Responsibility	Manager: Inspectorate

**Table 66.**

Indicator Title	% of export approval applications meeting local demand evaluated
Definition	Evaluate the provision made available for the local precious metals industry.
Source Data	Export Approval Application
Method of Calculation/ Assessment	Count the number of evaluation reports meeting local demand and express as percentage of total export approvals evaluated
Assumptions	Applicants will meet the local demand.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 67.**

Indicator Title	Indicator Title	Number of licensees assessed.
Definition	Assess licensees through information received from licensees contacted.	
Source Data	Signed verification data form	
	Count the number of assessments conducted	
Assumptions	Clients will submit all information required since there is no binding legislative provision requiring assessment of transformation.	
Disaggregation of Beneficiaries (where applicable)	N/A	
Spatial Transformation (where applicable)	(where applicable)	N/A
Reporting Cycle	Quarterly	
Desired Performance	Actual performance to be higher than the set target	
Indicator Responsibility	Manager: Inspectorate	

**Table 68.**

Indicator Title	Number of enterprises developed/ partnerships created/ maintained.
Definition	Development and maintenance of small, medium and micro enterprises.
Source Data	Minutes of meetings or Memorandum of Agreements (MoAs) (where applicable) or progress reports
Method of Calculation/ Assessment	Number of enterprises developed/ partnerships created/ maintained
Assumptions	Licensees will submit progress reports or signed MoAs
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 69.**

Indicator Title	%of Enterprises/ partnerships monitored
Definition	Monitoring the implementation of enterprises / partnerships
Source Data	Received and assessed progress implementation reports or minutes of meetings
Method of Assessment	Calculation/ $\frac{\text{number of progress reports assessed}}{\text{number of progress reports received}} \times \frac{100}{1}$
Assumptions	The licensee will submit progress implementation reports or attend meetings
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Bi-annually
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Inspectorate

**Table 70.**

Indicator Title	Number of HDP licenses issued
Definition	Issue licenses to HDP's including women, youth and persons with disabilities
Source Data	List of licenses issued
Method of Calculation/ Assessment	Count the number of licenses issued
Assumptions	All applications from HDP's, women, youth and persons with disabilities are received complete.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	Actual performance to be higher than the set target
Indicator Responsibility	Manager: Regulations: