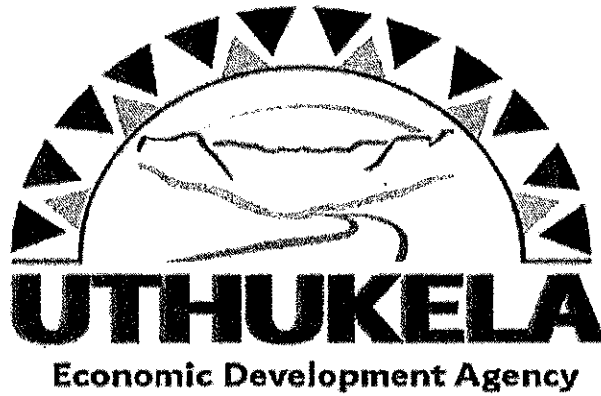




PMS QUARTER 1 REPORT

2026/2027

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SECTION A:

1. PURPOSE

The report provides an overview of the Key Performance Indicators (KPIs) relating to the Good Governance Section, Local Economic Development (LED) Programmes Section, and Finance and SMME Development Section, as achieved during the first quarter of the 2026/2027 financial year. It focuses on the performance of these sections and highlights key initiatives, achievements, and challenges experienced during the reporting period. The report also outlines corrective actions and future strategies aimed at enhancing economic growth and development in the uThukela District. Additionally, the report serves as a monitoring tool to assess governance, ensure compliance with relevant legislation, and evaluate the Agency's contribution to sustainable economic development within the District.

2. BACKGROUND

The Agency is mandated to comply with all applicable legislation, regulatory requirements, and good governance principles. It is responsible for organisational development, implementing effective performance management systems, and enhancing staff capacity to improve service delivery. The Agency also plays a key role in promoting economic growth and development in the uThukela District through investment attraction, local economic development programmes, and support for SMMEs. It collaborates with government, private-sector partners, development agencies, and communities to promote business development, job creation, and sustainable and inclusive economic growth.

SECTION B:

3. CORPORATE SERVICES SECTION

3.1. COMPLIANCE CHECKLIST QUARTER ONE (1) REPORT

BACKGROUND

The Compliance Checklist is a structured tool used to monitor and assess the organisation's compliance with applicable legislation, policies, procedures, and governance requirements. It provides a systematic framework for identifying key compliance requirements, assigning responsibility to relevant officials, and monitoring the implementation of required actions. The checklist also supports accountability by providing a record of compliance activities, supporting documentation, responsible persons, and progress towards meeting the applicable requirements. It serves as an important mechanism for strengthening governance, promoting consistent compliance practices, and ensuring that identified requirements are appropriately addressed and monitored.

INTRODUCTION

The purpose of this report is to provide an overview of the current status of the compliance checklist and the measures implemented to support effective governance and operational accountability. The review was undertaken to confirm that the required controls, responsibilities, and approval processes are appropriately reflected and consistently applied.

The review forms part of the ongoing monitoring process aimed at maintaining a clear and reliable compliance framework. It considers the effectiveness of the existing checklist in supporting oversight, identifying potential gaps, and ensuring that matters requiring attention are addressed appropriately. The review has

confirmed that the relevant compliance requirements are substantially in place, providing a sound basis for continued monitoring and improvement.

PROCEEDINGS

The review was conducted through sharing the compliance checklist with the relevant heads of department to assess the extent to which the existing compliance checklist is being implemented and maintained in accordance with the applicable legislative and governance requirements. The review considered the relevant provisions of the Municipal Systems Act (MSA), Municipal Finance Management Act (MFMA), Companies Act (CA), and King V Report on Corporate Governance.

The review focused on confirming the adequacy of the current controls, clarity of delegated responsibilities, and supporting documentation. The findings indicate that the applicable requirements have been addressed, with the compliance checklist providing a structured basis for ongoing monitoring, accountability, and governance oversight.

MSA COMPLIANT SECTIONS

Sections	Level of Compliance
Section 38, 39, 40, 41, 43, 44,45, 56, 57(2), 57(1,2,3,4,5,6,7), 59, 60, 66, 67, 69, 70, 71, 80, 82, 83 (1,2,3,4), 84(1,2,3)	Compliant

MSA NOT COMPLIANT SECTIONS

Sections	Level of Compliance
Section 46(1) part: G. Submission of draft Annual Report to IA	Not compliant

H. Table Draft AR to BOD, Submission of draft AR to AC I. Submit First Draft Annual Report to Parent Municipality in October J. Table Final Annual Report to BOD in January K. Submit final AR to parent municipality in January L. Upload the AR on the Agency's website Section 46(4) part: The Entity must adopt its annual report, and within 14 days— (a) make copies of the report accessible to the public, interested organisations and the media, free of charge or at a reasonable price; and (b) submit a copy of the report to— (i) the MEC for local government in the province; (ii) the Auditor-General; and (iii) such other institutions as may be prescribed by regulation	Not compliant
Section 57(1) a) in terms of a written employment contract with the Entity complying with the provisions of this section; and (b) subject to a separate performance agreement concluded annually as provided for in subsection (2)	Not compliant
Section 68 The entity must make provision for training/capacity building A. Conduct Mid-year performance assessment in Jan/Feb B. Conduct Annual Assessments within 6 months of the end of the financial year.	Not compliant

MFMA COMPLIANT SECTIONS

SECTIONS	LEVEL OF COMPLIANCE
Section 7, 8, 9(B), 14 (1,2,3,4,5), 14, 16(1,2,3), 22(A,B), 28, 53(ii), 54(1,c), 63, 65, 66, 69, 70, 71, 75, 86, 87(6,7,8,10, 11,12), 88, 89, 102, 107, 112, 115, 116, 121(4), 122, 123, 124, 125, 126, 127, 129, 164, 165, 166, 168, 172,	Compliant

MFMA NOT COMPLIANT SECTIONS

SECTIONS	LEVEL OF COMPLIANCE
Section 54 & 72 C. Submit PMS report to AC	Not Compliant

COMPANIES ACT COMPLIANT SECTIONS

SECTIONS	LEVEL OF COMPLIANCE
Section 24, 25, 33, 66(1,2), 72(4), 69, 84(3), 86, 94(2, 7),	Compliant

KING V COMPLIANT SECTIONS

SECTIONS	LEVEL OF COMPLIANCE

Section part 5,3 (Recommended practice: 2, 9, 5, 25, 26, 31, 71 to 74, 12, 13, 37, 81, 77, 22 to 24, 96, 97, 98, 90)	Compliant
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KING V NOT COMPLIANT SECTIONS

SECTIONS	LEVEL OF COMPLIANCE
Part 5.3 (Recommended practices 71 to 74): The Board should assume responsibility for the evaluation of its own performance and that of its committees, its chair and its individual members by determining how it should be approached and conducted. Part 5.3 (Recommended practices 12 and 13, practice 37 and practice 81): The Board should ensure there is succession planning in place for the Board (as well as a rotation plan in this case), the position of Chair and the CEO.	Not Compliant Not Compliant

CONCLUSION

The review of the compliance checklist confirms that the Agency is compliant with the applicable legislative and governance requirements. The review has also helped to identify areas that need to be monitored and addressed where necessary. Going

forward, the Agency will continue to monitor compliance, strengthen accountability, and ensure that the compliance checklist remains properly implemented. This will support good governance and ensure that the required standards and controls are maintained.

3.2. RISK MANAGEMENT REPORT

PURPOSE

The purpose of this report is to provide an overview of the risk management activities undertaken during the reporting period, progress made in addressing audit findings, as well as the challenges experienced in the implementation, coordination and oversight of risk management activities. Further provides an update on the organisation's risk management arrangements, including the Operational Risk Register for the 2026/2027 financial year. The report is intended to provide management and the relevant governance structures with an overview of the progress made, areas requiring further attention, and measures that should be sustained to ensure that risk management remains an integral part of the organisation's governance and operational processes.

BACKGROUND

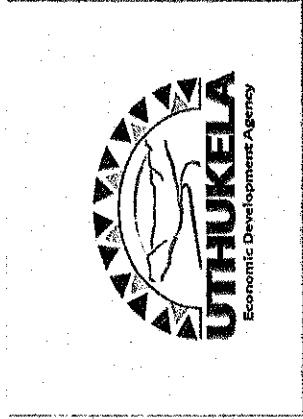
Risk management forms an important component of good governance and assists the organisation in identifying, assessing, managing and monitoring events that may negatively affect the achievement of its operational objectives. Effective operational risk management enables the organisation to identify potential events that may disrupt its day-to-day activities and to implement appropriate measures to manage and mitigate such risks. An Operational Risk Register for the 2026/2027 financial year was developed to provide a structured basis for the identification, assessment and monitoring of risks arising from the organisation's operational activities. The organisation has a risk management shared-service arrangement with the uThukela District Municipality (UTDM). The arrangement forms part of the organisation's risk

management framework and provides a mechanism through which risk management services and related support may be accessed, where required.

PROCEEDINGS

During the reporting period the organisation developed an Operational Risk Register for the 2026/2027 financial year. The register is intended to complement the organisation's broader risk management arrangements by providing a mechanism for identifying, assessing and monitoring risks associated with operational activities, strengthen the identification, assessment and monitoring of risks arising from the organisation's day-to-day activities. Provide management with a structured mechanism for monitoring operational risk exposures, identifying areas requiring intervention and ensuring that appropriate mitigation measures are implemented.

It development represents an important step towards strengthening the organisation's risk management processes by ensuring that risks arising from operational activities are identified and considered in a systematic manner. Quarterly review and monitoring of the register will assist management in responding to emerging risks and following up on outstanding mitigation actions. Below is the Agency's operational risk register for financial year 2026/2027:



UTHUKELA ECONOMIC DEVELOPMENT AGENCY OPERATIONAL RISK REGISTER 2026/2027

Risk No.	Risk Description	Causes	Potential Impact	Existing Controls	Likelihood	Impact	Risk Rating	Mitigation/Action Plan	Responsible	Target Date
OR-1	Disaster Recovery Plan in case of fire or other disasters.	None documented emergency procedures or disaster recovery plan.	Loss of operations, records, equipment and interruption of service delivery.	Fire extinguishers				Develop and implement a Plan and Disaster Recovery Plan.	CEO/ Corporate Services Manager.	March 2027
OR-2	Organisation operates from rented	Limited financial resources to	Disruption of operations, relocation	Rental agreement.				Develop a long-term strategy to secure	Board/ CEO	Ongoing

	premises with no permanent office building.	acquire own premises.	costs and uncertainty.			permanent office accommodation through funding or partnerships.	
OR-3	Poor records management and document storage.	Limited filing systems and inadequate electronic backups.	Loss of organisational records and compliance issues.	Manual filing system and File room.	Medium	Digitise records and establish a secure electronic document management system with regular backups.	Corporate Service Manager/Administration Officer
OR-4	Employees are employed on fixed-term contracts only.	Financial constraints prevent permanent appointments.	High staff turnover, low morale and loss of institutional knowledge.	Employment contracts.		Develop a staff retention strategy and secure funding for critical permanent positions.	CEO/HR

OR-5	Skilled employees resign for better opportunities.	Job insecurity and better employment elsewhere.	Delays in project implementation and reduced organisational performance.	Internal knowledge sharing.			Develop succession planning and strengthen employee development programmes.	CEO/HR	Ongoing
OR-6	Low staff morale due to financial instability.	Organisational financial challenges.	Reduced productivity, absenteeism and poor performance.	Regular staff meetings.		Medium	Improve staff communication, recognise employee achievements and strengthen financial sustainability.	CEO	Ongoing
OR-7	Limited staff capacity because of a small workforce.	Budget limitations.	Increased workload, burnout and delayed	Work allocation among staff.	Medium		Review staffing requirements and recruit additional personnel when	CEO	Ongoing

				service delivery.			resources permit.		
OR-8	Old and damaged laptops reduce productivity.	Obsolete equipment and lack of replacement budget.	Frequent equipment failures, slow work and operational delays.	Basic maintenance.			Replace ageing laptops through phased procurement and external funding opportunities.	Corporate Service Manager / IT Officer/ SCM officer	Ongoing
OR-9	Only one office printer available.	Limited office equipment.	Printing delays and disruption when the printer fails.	Routine servicing/ check-up.	Medium	Medium	Procure additional multifunction printer and budget for maintenance.	Corporate Service Manager officer/ IT officer	Ongoing
OR-10	Financial instability affects organisational	Dependence on grant funding and limited	Inability to retain staff, purchase equipment and deliver	Budget monitoring and financial reporting.			Diversify funding sources, strengthen fundraising initiatives and	Board / CEO / CFO	Ongoing

	sustainability.	income sources.	programmes effectively.			build strategic partnerships.		
OR-11	Failure to comply with legislation, policies or regulatory requirements.	Limited capacity and changing compliance requirements.	Penalties, reputational damage and possible loss of funding.	Compliance monitoring.	Medium	Maintain compliance calendar, review policies regularly and provide staff training.	Corporate Service Manager/ CFO/ Finance officer	Ongoing
OR-12	Limited funding opportunities available for SMMEs.	Limited donor and government funding programmes.	SMMEs fail to access financial support, limiting business growth and job creation.	Continuous identification of funding opportunities.		Build partnerships with funding institutions, government departments and development finance institutions to expand funding	Finance & SMME Development Manager/ Finance Officer	Ongoing

										opportunities for SMMEs.		
OR-13	SMMEs fail to qualify for available funding opportunities.	Incomplete applications, poor financial records or failure to meet funding criteria.	Low success rate for funding applications and frustrated beneficiaries.	Application support and business advisory services.						Provide training on business planning, financial management and application requirements before submitting funding applications.	Finance & SMME Development Manager / Finance Officer	Ongoing
OR-14	Low participation of SMMEs in training and development programmes.	Limited awareness, inadequate communication and accessibility challenges.	Programme targets are not achieved and economic development is affected.	stakeholder engagement	Medium	Medium	Medium			Increase marketing, conduct outreach programmes and collaborate with municipalities, business	Finance & SMME Development Manager / Finance Officer	March 2027

									chambers and local organisations.		
OR-15	Limited monitoring of supported SMMEs after referrals.	Staff capacity constraints and lack of a structured monitoring system.	Difficulty measuring impact and beneficiary success.	follow-up with SMME beneficiaries.	Medium				Develop a monitoring and evaluation framework and maintain a database to track the progress of supported SMMEs.	Finance & SMME Development Manager/ Finance Officer	March 2027
OR-16	Low participation of communities in tourism and agricultural	Limited awareness, insufficient stakeholder engagement and resource constraints.	Failure to achieve programme objectives and reduced economic impact.	stakeholder engagement meetings.	Medium				Strengthen awareness campaigns, partner with municipalities and traditional leadership, and	LED Programmes Manager/ Tourism Officer	Ongoing

	programme s.							increase outreach activities.		
OR-17	Climate change, droughts and floods affecting agricultural projects.	Extreme weather conditions and environmental changes.	Crop failure, reduced agricultural productivity and financial losses.	Seasonal planning.				Promote climate-smart agriculture, encourage water conservation and support farmers with adaptation strategies.	LED Progra mmes Manage r/ Agricult ure Officer	Ongo ing
OR-18	Animal diseases and crop pests affecting agricultural production.	Disease outbreaks and inadequate biosecurity measures.	Reduced yields, financial losses and food insecurity.	Farmer awareness programme s.			Medium	Work closely with the Department of Agriculture, provide extension support and	LED Progra mmes Manage r/ Agricult	Ongo ing

										infrastructure upgrades.		
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Risk	Definition	
Likelihood	The probability or chance that a risk event will occur.	
Impact	The extent of the consequences or effect on the organisation if the risk occurs.	
Risk Rating	The overall level of risk determined by considering both the likelihood of the risk occurring and its potential impact. It is used to prioritise risks and determine the level of management attention required.	

Risk Rating

7 - 24	Moderate/ medium
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Progress was also made in addressing matters arising from previous audit findings. During the previous financial year, an audit finding identified the absence of a documented Standard Operating Procedure (SOP) for risk management activities. In response to this finding, a Risk Management Standard Operating Procedure was developed. The development of the SOP is intended to formalise the organisation's risk management process and provide clear guidance on the implementation, monitoring and reporting of risk management activities.

The SOP provides an opportunity to establish greater consistency in the manner in which risk management activities are undertaken and reported. It is also intended to clarify processes and responsibilities relating to risk identification, assessment, mitigation, monitoring and reporting. The development of the Risk Management SOP represents an improvement in the organisation's internal control environment and is intended to address the control weakness identified during the previous audit. Going forward, attention should be given to ensuring that the SOP is effectively implemented, communicated to relevant officials and consistently applied across the organisation.

Notwithstanding the progress made, the organisation experienced challenges relating to the effective functioning and oversight of risk management during the reporting period. The Risk management was received through a shared-service arrangement with the uThukela District Municipality. The organisation experienced challenges, risk management committee as one of the key challenges, the organisation also worked with Mr Ashley on matters relating to risk management. However, challenges were experienced in obtaining responses and feedback on matters referred for attention.

The Risk Committee did not convene as expected during the period under review. This created challenges in maintaining consistent risk management oversight, reviewing progress on identified risks and ensuring that matters requiring attention were considered and followed up within the appropriate governance structures. The effective functioning of the Risk Committee is important in supporting the

organisation's risk management framework, particularly with regard to monitoring the implementation of mitigation measures, considering significant risk exposures, reviewing outstanding risk management matters and promoting accountability for the management of identified risks.

The organisation should continue to maintain clear communication and coordination with the shared-service provider and ensure that risk management activities, deliverables and outstanding matters are appropriately monitored, continue strengthening the integration of risk management into its day-to-day management processes. Risk owners should remain accountable for implementing agreed mitigation measures, while management should ensure that progress is regularly monitored and that matters requiring intervention are escalated appropriately.

CONCLUSION

Overall, progress has been made in strengthening the organisation's risk management processes during the reporting period. Key developments include the development of an Operational Risk Register for the 2026/2027 financial year, and the development of a Risk Management Standard Operating Procedure in response to a previous audit finding. However, challenges relating to the functioning of the Risk Committee, and uncertainty regarding the continued participation of the Risk Committee Chairperson require management attention. Management attention is therefore required to strengthen the overall risk management governance framework, effective implementation of the Risk Management SOP and Operational Risk Register to ensure that the organisation has consistent and structured processes for managing its risks.

3.3. QUARTERLY PERFORMANCE REPORT

In accordance with the Municipal Systems Act, Act 32 of 2000. The uThukela Economic Development Agency is required to submit their quarterly performance reports to parent municipality. Performance is measured through SDBIP, which

outlines the Key Performance Indicators (KPIs) to be achieved for the financial year. The first-quarter report provide details of progress made in achieving these KPIs.

3.4. INTERNAL AUDIT QUERIES

During the quarter, an internal audit was conducted on UEDA's performance reporting and Portfolio of Evidence (POE). The audit identified areas requiring improvement, particularly the documentation of reasons for performance variances and corrective measures where targets were not achieved, the signing and verification of supporting reports, and the completeness and accuracy of POE submitted for performance reporting.

The audit further highlighted weaknesses relating to planning, monitoring, record keeping, filing and the review of performance information before submission. Management acknowledged the findings and committed to strengthening the performance monitoring and reporting processes through monthly monitoring, improved departmental review of scorecards and supporting evidence, the documentation of corrective measures, and the implementation of a standard POE checklist to improve the accuracy, completeness and credibility of reported performance information.

3.5. AUDIT COMMITTEE MEETING

An Audit and Performance Audit Committee meeting was convened on Monday, 31 August 2026 via Microsoft Teams as part of the Agency's governance, oversight and performance monitoring processes. The PMS Manager, Ms Maphalala, presented the Draft Annual Performance Report, while the Acting Chief Financial Officer, Ms Mbongwa, presented the Draft Annual Financial Statements.

The Committee considered and discussed the matters arising from both presentations, with emphasis on the Agency's annual performance and financial reporting. The meeting supported the review and oversight of the Agency's performance and financial information and contributed to strengthening accountability and good governance

3.6. BOARD MEETINGS

1. OPENING AND WELCOME

- The Chairperson, Dr K Nduli, greeted and welcomed all members present. He requested the Acting CEO to lead the meeting with an opening prayer and thereafter officially declared the meeting open at 10:11 a.m. Dr K Nduli then requested the meeting to observe a moment of silence in honour of the late Ms A Mathonsi. He acknowledged her valuable contribution and dedicated service to the Agency, expressing that her passing was a significant loss to both her colleagues and the organisation. He conveyed his heartfelt condolences and sadness on behalf of the Agency before proceeding with the meeting.

2. APOLOGIES

- Mr S Sithole tendered an apology
- Mr A Ngubane tendered an apology

3. DECLARATION OF INTEREST

- No declarations of interest were made by the members present.

4. ADOPTION OF THE AGENDA

- The agenda was adopted with the following additions:

4.1. – Announcements

9.1. – Appointment of the Acting CFO

9.2. – Appointment of the Acting CEO

Mover: Mr W. Kunene

Seconder: Mr B. Kubheka.

4.1. ANNOUNCEMENTS

Following the adoption of the agenda, announcements were introduced as Item 4.1. The Acting CEO greeted all members present and made the following announcements.

- Firstly, informed the Board of the passing of the Chief Financial Officer, Ms A Mathonsi. He stated that he received the notification through Ms S Sithole via the MANCO WhatsApp group. He further informed the meeting that he visited Ms A Mathonsi's home on Monday morning to obtain the funeral arrangements and related proceedings. Ms A Mathonsi had requested to leave work early to attend to personal commitments before travelling to her paternal home. Family members later went to check on her and found her unconscious. She was rushed to hospital, where she was unfortunately pronounced deceased. Acting CEO advised the meeting that Ms A Mathonsi would be laid to rest on Sunday, 13 July 2026.
- Secondly, Acting CEO informed the Board of the presence of officials from UTDM in the Agency's offices. He explained that they had contacted him earlier that morning requesting the use of office space to conduct interviews for the UTDM CFO position. The Agency accommodated their request by making the boardroom and one office available for their use. He further advised that Ms L Ndlovu had been assigned to provide any assistance they might require during their visit.

- Lastly, Acting CEO informed members that no refreshments had been arranged for the meeting due to the Agency's current financial constraints. He requested members' understanding and indicated that efforts must be made to ensure that the meeting proceeded efficiently so that it could be concluded before members became inconvenienced.

5. CONFIRMATION OF PREVIOUS MINUTES

09 April 2026:

- Dr K Nduli, requested that the minutes be read page by page. Upon review, the minutes were confirmed as a true and accurate reflection of the proceedings with spelling errors to be corrected.

29 May 2026:

- Dr K Nduli requested that the minutes be read page by page. Following the review, the minutes were confirmed as a true and accurate reflection of the proceedings with errors to be corrected.

6. MATTERS ARISING FROM PREVIOUS MINUTES

09 April 2026:

- Dr K Nduli enquired about the progress regarding the Board workshop. Acting CEO informed the meeting that the workshop had not yet taken place due to the Agency's financial constraints. He further explained that holding the workshop virtually was not considered feasible, as there was no assurance that all Board members would have reliable internet connectivity or access to functional laptops or other electronic devices, particularly as the Agency had not provided such equipment.

- Ms N. Zikalala enquired whether the meeting between the CEO, the UTDM MM, and the UTDM Mayor had taken place. The Acting CEO advised that the meeting had not been convened, despite a request having been submitted to UTDM, from which no response had been received. Dr K Nduli, informed the meeting that he had

subsequently taken the initiative to send an email to the UTDM Mayor regarding the matter. He indicated that he had initially advised the UTDM Mayor that the meeting had taken place but later verified the information and confirmed that the meeting had, in fact, not been held. He thereafter communicated the correct position to the UTDM Mayor.

- The Acting CEO clarified the matter further to avoid any misunderstanding. He explained that there were two separate meetings under discussion. The first meeting was intended to address the appointment of the CEO and the Agency's financial position, particularly the budget. The second meeting was to be attended by himself, the UTDM Municipal Manager, the UTDM Mayor, and the UTDM legal team. He confirmed that he had met with the UTDM Municipal Manager; however, the broader meeting involving all the intended parties had not taken place.

- Dr K Nduli reminded Board members of the importance of reading the minutes before each meeting so that any questions, corrections, or requests for clarification could be raised during the meeting. Mr B. Kubheka responded that he had read the minutes beforehand and had no questions or comments to raise. The Acting CEO emphasised the importance of the Board packs as a key governance tool that enables Board members to effectively discharge their oversight responsibilities.

- He encouraged members to thoroughly read the Board packs upon receipt, whether circulated electronically or in hard copy. He further advised that should members require any clarification or have questions regarding the contents, they should not wait until the Board meeting to raise them, they can contact him, which would allow sufficient time for him to obtain the necessary information and provide comprehensive responses. He concluded by appealing to all Board members to make full use of the Board packs in preparation for meetings.

- Dr K Nduli further informed the Board that this would be the last occasion on which the minutes would be read aloud during a meeting. Going forward, members would be expected to read the minutes and Board packs prior to each meeting and attend fully prepared to raise any questions, comments, or proposed amendments.

29 May 2026:

- Dr K Nduli enquired about the progress made regarding the disclosure of the money. The Acting CEO reported that progress had been delayed due to the challenges experienced in obtaining the necessary supporting documentation from UTDM. He advised that, as a result, the Agency would submit a for condonation while relying on the financial records and expenditure schedules currently in its possession to substantiate the reported expenditure, pending receipt of the outstanding supporting documentation.

- Dr K Nduli stated that the UTDM Municipal Manager had previously indicated that he would meet with the CEO for the EXCO meeting; however, this had not yet taken place. The Acting CEO explained that this would have been a third meeting, He stated that although he and the UTDM Municipal Manager communicate on their daily talks, the meeting would have to be intended to discuss the Service Level Agreement (SLA) as it will be coming to the end on the 30th June 2027 had still not been convened. He added that he had engaged the UTDM Municipal Manager on the importance of discussing these matters, he was informed that an EXCO meeting would be held, yet he had not been told of the meeting date.

Mover: Ms N. Zikalala

Seconder: Mr W. Kunene

7. MATTERS FOR NOTING

7.1. Performance Management System (PMS) Quarter 4 Report

- Ms S. Maphalala presented the Performance Management System (PMS) Quarter 4 Report to the Board.

- The Board of Directors noted and approved the submission of the PMS Quarter 4 Report to UTDM.

Mover: Mr W. Kunene

Seconder: Ms N. Zikalala

8. MATTERS FOR DISCUSSION

8.1. Portfolio Committee Reports

Mr B. Kubheka presented the report of the Finance and SMME Development Portfolio Committee.

- Dr K Nduli emphasised that the Finance and SMME Development section requires full support of the Board in addressing the Agency's financial challenges, the subsidy received from UTDM was significantly lower than the amount budgeted for by the Agency, resulting in UTDM owing the Agency. He further stated that the Board should take an initiative to find out about the value of the outstanding funds that UTDM still owed the Agency from the previous financial year.
- The Acting CEO acknowledged Dr K Nduli 's concerns and explained that the Agency had budgeted approximately R7 million for the 2025/2026 financial year but had received a subsidy of only R2.8 million from UTDM. He further reported that the Agency had incurred additional expenditure, including statutory payments to SARS in respect of PAYE obligations for UTDM employees, as well as bank charges, all of which exceeded the amounts originally budgeted for. Acting CEO added that, if the outstanding obligations were regarded as amounts due to the Agency, UTDM would owe the Agency approximately R3 million to enable its financial records to be fully reconciled. He explained that this amount included outstanding funding relating to SARS obligations, TIKZN funds, and the COGTA funding.
- He further informed the Board that the Agency had not been able to pay office rental for June and July, placing it at risk of receiving a notice to vacate the premises from the landlord. Dr Nduli enquired what will happen with the money they owe the Agency. Acting CEO stated that the budget that was tabled on the 29th of May, we had to adjust the budget, according to the budget, UTDM has given us all that money and do not owe us and with that statement we have to close our books.

Mr W. Kunene presented the report of the LED Programmes Committee

- The Acting CEO welcomed the presentation by Mr W. Kunene. He then made reference to a part of the report, stating that the reason for the inclusion of staff members to neither move nor second resolutions is that they attend meetings to present their work and not to comment or make suggestions. He further expressed concern regarding the issues raised by officials during the committee meetings.
- Dr. K Nduli enquired about the Board member who had not been attending Portfolio Committee meetings. Mr W. Kunene confirmed that the member in question was Ms M. Asmal. Ms M. Asmal explained that it had previously been agreed that virtual meeting links would only be created for Board meetings, while Portfolio Committee meetings would be held exclusively in person. She stated that she would not be able to attend physical meetings and would therefore only be able to participate virtually. She further indicated that she was willing to step down as a member of the Portfolio Committee.
- The Acting CEO stated that Ms M Asmal had made it clear that, although she was unable to attend meetings physically, she remained willing to participate virtually. However, he reminded members of the Board's resolution that all Portfolio Committee meetings must be held physically, unless the Board decided to revoke that resolution. He stated that, should the resolution remain in place, the Board could resolve to remove Ms M. Asmal from the Portfolio Committee.
- Dr. K Nduli stated that the existing resolution would remain unchanged. He explained that the resolution had been adopted because documents could not be adequately scrutinised during virtual meetings and therefore required physical attendance. As a result, he recommended that Ms M. Asmal be removed from the Portfolio Committee. The Acting CEO suggested that the resolution should clearly state that Ms. Asmal was being removed from the Portfolio Committee because she was unable to attend meetings physically, and not because she was refusing to fulfil her responsibilities. This would provide clarity regarding the reason for her removal.

Resolution

- The Board of Directors subsequently resolved to remove Ms M. Asmal as a member of the LED Programmes Portfolio Committee due to her inability to attend meetings physically, in accordance with the Board's existing resolution requiring Portfolio Committee meetings to be held in person.

Mover: Mr B. Kubheka

Seconder: Ms N. Zikalala

- Dr K Nduli stated that they will have to choose from the board members the member that will serve in the LED Programmes portfolio committee. The Acting CEO raised that the replacement member should not be another Board member, as this would result in having a board member serving on three Portfolio Committee meetings.

Ms N. Zikalala presented the report for the Corporate Service Committee.

- Dr. K Nduli thanked the Committees for their reports and acknowledged the improvement in the manner in which they were presented. He expressed appreciation that members now provide concise summaries of the discussions and outcomes of Committee meetings instead of merely submitting written reports. He indicated that he was impressed with the progress made, while noting that there was still room for further improvement. He further enquired about the Social and Ethics Committee report, noting that the Committee had already convened twice, they must compile and finalise the report so that it can be submitted to Acting CEO and the board members.

8.2. Board and Portfolio Committee Meetings Schedule

Ms S. Maphalala presented the board and portfolio meeting schedule.

- The Acting CEO sought clarification regarding the Corporate Services Portfolio Committee meeting, noting that the schedule reflected 30 October 2026. Ms S. Maphalala confirmed that this was a typographical error and clarified that the Corporate Services Portfolio Committee meeting would be held on 30 September 2026, the LED Programmes Portfolio Committee meeting on 1 October 2026, and the Finance and SMME Development Portfolio Committee meeting on 2 October 2026. She indicated that the error would be corrected.
- Dr. K Nduli enquired whether the matter had been clarified, and the Acting CEO confirmed that it had. Dr. K Nduli then asked the Board members whether they supported and approved the proposed meeting schedule, and the members indicated their agreement.

Resolution

- The Board of Directors noted and approved the proposed meeting schedule.

Mover: Mr B. Kubheka

Seconder: Mr W. Kunene

8.3. Quarter 4 Financial Report

Ms M. Mthembu presented the Quarter 4 financial report.

- The Acting CEO made the following comments, he referred members to page 56 of the report, specifically the statements on transfers and expenditure amounting to R1,500,000. He noted Ms M. Mthembu's explanation that his salary had not been included because UTM had indicated that the information was confidential. The Acting CEO clarified that his salary was not confidential and advised that his payslips could be used to capture the salary amount accurately, as its omission could create the incorrect impression that he was not receiving remuneration. The Acting CEO further referred to the Services Revenue section and noted the increase in revenue,

explaining that it was attributable to income generated from hiring out the Boardroom.

- He added that the last payment received for the Boardroom hire amounted to R800. Referring to page 59, under Cash and Cash Equivalents, the Acting CEO explained that the available cash balance had been reserved for unforeseen circumstances, such as the possibility of the organisation having to vacate its current premises should the landlord issue us with the notice, he is talking about this because he had stated that refreshments would not be provided, as previously communicated during announcements, this is for the Board members to not be surprised when they see the money remaining. The reserved funds were intended to safeguard the organisation against such eventualities.

- The board of Directors noted the Quarter 4 financial report.

Mover: Ms N. Zikalala

Seconder: Mr W. Kunene

8.4. SCM Procurement Plan

Ms M. Mthembu presented the SCM Procurement Plan.

- The Acting CEO informed the board members that the purpose of the Procurement Plan was to provide members with an overview of the goods and services the Agency intends to procure during the current financial year.
- The Board of Directors noted the SCM Procurement Plan.

Mover: Mr B. Kubheka

Seconder: Mr W. Kunene

8.5. OSS Update

- The Service Level Agreement (SLA) between UEDA and TIKZN was attached. The Acting CEO informed the Board that there were no updates regarding the One Stop Shop (OSS), as there had been no developments that had happened.
- The board of directors noted the OSS update.

8.6. APAC Report

- There was no report.

8.7. In Committee Report

- The Acting CEO informed the Board that, in light of the Chairperson indicating that he had his own proposal regarding the matter, the item had initially been intended for presentation by him for specific reasons. However, he advised that the item had since been withdrawn.
- The board of directors noted the In-committee report update.

9. OTHER MATTERS

9.1. Appointment of the Acting CFO

The Acting CEO presented the Acting CFO report.

- The Acting CEO stated that The purpose of the item was to request the Board of Directors to approve the appointment of Ms M. Mthembu as Acting CFO of the Agency for a period of three months, or until the appointment of a permanent CFO, from July 2026 to September 2026.
- The Acting CEO stated that upon the passing of Ms A Mathonsi the CFO, Ms M. Mthembu had been proposed to act in the position. The responsibilities of the CFO include, but are not limited to, overall financial and supply chain management, management of the Finance Department, administration of the Agency's bank accounts, and representation of the Agency in financial matters and advised that Ms

M. Mthembu's qualifications and curriculum vitae had been attached for the Board's consideration.

- Ms N. Zikalala stated that this was the appropriate proposal, as the Agency cannot operate without a CFO. Dr K Nduli enquired what would happen once she is brought in and who would provide assistance to her. Acting CEO indicated that there is someone who would assist her there is a pool that he will pick in it's a matter of checking that person's availability, which is why he is proposing a three-month period because he does not know whether UTDM is planning to second someone to us. At least, by doing so, we will know that we have not made a long-term contractual commitment.
- Mr B. Kubheka stated emphasized importance of providing existing employees with opportunities to act in senior positions and that the Agency do have suitable individuals who could be considered before external appointments by UTDM were made. It would be unfair to the people already working here if, when the time comes to fill the position, people are sourced from outside instead. It is only fair that we first consider the people we already have.

Resolution

- The Board of directors resolved to approve the appointment of Ms M. Mthembu as Acting CFO for the approved acting period, or until the appointment of a permanent CFO.

Mover: Ms N. Zikalala

Seconder: Mr B. Kubheka

9.2. Appointment of the Acting CEO

- Dr K Nduli presented the Appointment of Acting CEO Report. He stated that his concern regarding the matter is that Acting CEO is not being remunerated his acting allowance. He indicated that the Board needs to take a resolution on the matter and

submit it to UTDM, as the Board members are the employer of the CEO. He further stated that this matter has been ongoing for too long and requires resolution.

- Ms N. Zikalala agreed that the matter had taken too long and suggested that a meeting be requested with the UTDM Municipal Manager, the UTDM Mayor, and the Board members to obtain clarity and answers. Dr K Nduli stated that meetings had been requested previously, but none had taken place over the past five months. He expressed concern that there was no guarantee that a meeting would take place this time either. He therefore suggested that the Board members agree to submit the resolution on the matter, as it had already been drafted.

- The Acting CEO stated that he is a politician himself and a member of the IFP party, and he says this without any fear of contradiction. He wants it recorded in the minutes. When I have been treated the way I am being treated, I understand that it is a political decision by those who are occupying political offices. As much as I am an employee, with all the rights that I have in terms of taking the UTDM municipality to the courts of law, I have to consider the fact that I subscribe to the ideology of the IFP.

- Taking the UTDM municipality to court would be against the ideology and teachings of the IFP. For that reason, I have to submit to the law. I am very dissatisfied with what is happening, but I submit to the political authority to which you are also submitting, because I know that this is not a decision of the court, but a decision made under circumstances that have been created by the municipality itself. Taking this resolution to UTDM will be the outmost that the board could have done for me considering the Agencies current situation.

Resolution

- The board of directors appoints Mr SB. Sibisi, retrospectively as the Acting CEO, for the periods 01 November 2025 to 31 January 2026, 01 February 2026 to 30 April 2026 and 01 May 2026 to 31 July 2026 pending the finalisation of the appointment of a non-acting CEO.

Mover: Ms N. Zikalala

Seconder: Mr W. Kunene

10. DATE OF THE NEXT MEETING

- To be announced.

11. CLOSING

- Dr K Nduli requested Ms N. Zikalala to lead the closing prayer. There being no further business, the meeting was adjourned at 13:25.

3.7. PORTFOLIO COMMITTEE MEETINGS

LED Programmes Committee meeting took place on Thursday, 02 July 2026.

The following key strategic items were discussed:

- LED Programmes Section Quarterly Report

Corporate Services Committee meeting took place on Friday, 03 July 2026.

The following key strategic items were discussed:

- Quarter Four (4) Narrative Report

Finance and SMME Development Committee meeting took place on Monday, 06 July 2026

The following key strategic items were discussed:

- Financial Reports and Performance
- Investment Opportunities
- Support for Small, Medium and Micro Enterprises (SMME) reports
- Engagement with Major Industry

3.8. TRAINING DEVELOPMENT

A Code of Conduct training session was conducted on 12 August 2026, facilitated by Mr Mkhize from uThukela District Municipality. The session focused on the Code of Conduct as an operational instrument that guides the institution and its employees on appropriate conduct, ethical behaviour and the manner in which the Agency should operate. The session provided employees with an opportunity to gain a better understanding of their responsibilities and expected standards of conduct.

Following the training session, evaluation forms were circulated to attendees to obtain feedback on the training and identify areas for improvement. The feedback will assist in assessing the effectiveness of the session and informing future training and development initiatives.

4. FINANCE & SMME DEVELOPMENT SECTION

4.1. MONTHLY FINANCIAL REPORTS

During the first quarter, UEDA compiled and submitted monthly financial reports for July, August and September 2026. The reports provide information on the Agency's financial performance, including budget implementation, expenditure, revenue and financial management. They assist management in monitoring spending against the approved budget, promoting accountability, and ensuring that financial resources are managed in line with the Agency's strategic priorities.

4.2. SMME SERVICES RENDERED

During the reporting period, UEDA assisted six (6) SMMEs with various business development and compliance services. The services included:

- Development of business plans.
- Company registration.
- Marketing support.
- Assistance with SARS registration and tax compliance.
- Central Supplier Database (CSD) registration.
- Broad-Based Black Economic Empowerment (B-BBEE) assistance.

These services were aimed at helping SMMEs improve their business operations, meet relevant compliance requirements, and access business and funding opportunities.

4.3. SMME FUNDING APPLICATIONS

During the first quarter, UEDA identified two funding opportunities for SMMEs, namely the Spaza Shop Funding Programme and the Development Support Programme. These opportunities are intended to assist eligible local entrepreneurs in accessing financial support to establish, improve and expand their businesses. The identification of these opportunities forms part of UEDA's ongoing efforts to promote entrepreneurship, support SMME development, and stimulate economic growth within the uThukela District.

4.4. SMME TRAINING

UEDA successfully conducted an SMME development training workshop on 16 September 2026 at 10:00 at Ezakheni Section D Community Hall, under Alfred Duma Local Municipality. The training aimed to equip SMMEs with practical knowledge and skills to improve their business operations and promote sustainable business growth. The topics covered included:

- Marketing and sales.
- Customer service excellence.
- SARS services and tax compliance.

The workshop provided participants with information on how to market their products and services, improve relationships with customers, and understand their tax and business compliance responsibilities. The training formed part of UEDA's commitment to empowering local entrepreneurs with the knowledge and skills needed to operate and grow sustainable businesses.

5. LED PROGRAMMES SECTION

5.1. IDENTIFICATION, PACKAGING AND MARKETING OF INVESTMENT OPPORTUNITIES

1. Purpose

The purpose of the report is to provide an update on UEDA's progress in identifying, validating, packaging, prioritising and marketing investment opportunities within the UThukela District, with particular focus on the engagement with Trade & Investment KwaZulu-Natal (TIKZN).

2. Background

UEDA, through its Local Economic Development Programme, is mandated to promote, support and develop the economy of the UThukela District through investment attraction, business development and enterprise support.

As part of this mandate, UEDA is developing a structured investment opportunity pipeline to attract investors, funding institutions and strategic partners. The process includes project identification, information gathering and validation, stakeholder engagement, project assessment, prioritisation, packaging and investment promotion.

UEDA engaged the UThukela Business Chamber on 14 September 2026 and subsequently held a virtual engagement with TIKZN on 22 September 2026. The TIKZN engagement provided technical guidance on project packaging, investment readiness, and project positioning and investment promotion.

3. Key Activities and Outcomes

Activity	Key Outcome
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Identification of investment opportunities	Expanded District investment pipeline across key economic sectors.
Project information collection and validation	Identified project status and information gaps.
UThukela Business Chamber engagement	Strengthened private-sector engagement and collaboration.
TIKZN engagement	Technical guidance and access to relevant investment-promotion expertise.
Presentation of investment portfolio	External assessment of project positioning and investment readiness.
Project prioritisation	Established a focused pipeline for further packaging.
Investment opportunity packaging	Commenced development of structured investment profiles.
Investor and funder identification	Potential investment and funding channels identified.
Investment marketing	Opportunities identified for promotion through relevant platforms and networks.
Investment Opportunity Database	Foundation established for ongoing investment pipeline management.

4. Investment Opportunities Presented To Tikzn

UEDA presented **21 investment opportunities** to TIKZN covering tourism, agriculture, agro-processing, energy, manufacturing, infrastructure, retail and the circular economy.

No.	Investment Opportunity
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1	Drakensberg Cable Car
2	Didima Rock Art Centre Resuscitation
3	Colenso Gas
4	Ladysmith Indoor & Aerodrome Nodal Plan
5	Ezakheni/Ithala Industrial Area
6	Estcourt Special Industrial Zone
7	Eco-Space Container Development
8	Chicory Resuscitation & Value Chain
9	Insangu Yokhahlamba
10	Aquaculture Development
11	Chicken Abattoir
12	Fresh Produce Market
13	Recycling – Why Waste & Heineken
14	District Recycling & Circular Economy
15	Mini Malls / Neighbourhood Retail Centres
16	Wind Energy Development
17	Biogas Development
18	Tourism Training School
19	KZN Valley
20	Tuckshops & Spaza Shops – District Supply Warehouse
21	Goat Project – Inkosi Zwane

5. Prioritised Investment Opportunities

Following the TIKZN engagement, **17 opportunities were prioritised for further packaging, development and investment promotion.**

No.	Prioritised Investment Opportunity
1	Drakensberg Cable Car – outside UEDA's direct control
2	Didima Rock Art Centre Resuscitation
3	Colenso Gas
4	Ladysmith Indoor & Aerodrome Nodal Plan
5	Ezakheni/Ithala Industrial Area – outside UEDA's direct control
6	Eco-Space Container Development
7	Chicory Resuscitation & Value Chain
8	Insangu Yokhahlamba
9	Aquaculture Development
10	Chicken Abattoir
11	Fresh Produce Market
12	Recycling – Why Waste & Heineken
13	Wind Energy Development
14	Biogas Development
15	Tourism Training School
16	KZN Valley
17	Goat Project – Inkosi Zwane

The remaining opportunities remain part of the broader UEDA investment pipeline and may be prioritised as project readiness, supporting information and investment potential improve.

6. Key Outcomes

The engagement and investment development process resulted in:

- A strengthened and expanded UThukela District investment opportunity pipeline.
- 21 investment opportunities presented to TIKZN for technical consideration.
- 17 opportunities prioritised for further packaging and investment promotion.
- Improved access to TIKZN technical expertise and investment-promotion networks.
- Improved understanding of the requirements for developing investment-ready projects.
- Identification of project information and feasibility gaps.
- Strengthened engagement with the private sector through the UThukela Business Chamber.
- A foundation for developing a consolidated UThukela District Investment Opportunity Portfolio.

7. Challenges

Key challenges include:

- Several projects require additional feasibility, technical, financial, and market information.
- Some projects are outside UEDA's direct control and require coordination with relevant authorities and project owners.
- Project information is not always current or sufficiently detailed for investor presentation.

- Some opportunities require business plans, financial modelling and market assessments.
- Continued specialist technical support is required to improve project packaging and investment readiness.
- Stronger coordination between UEDA, municipalities, project owners, government departments and private-sector stakeholders is required.

8. Way Forward

UEDA will:

1. Follow up with TIKZN officials and relevant functional areas for technical support.
2. Validate and update information on the prioritised investment opportunities.
3. Develop standardised investment opportunity profiles.
4. Undertake feasibility, market and financial assessments where required.
5. Identify suitable investors, funders and strategic partners.
6. Utilise TIKZN networks, investment conferences and business forums to market viable projects.
7. Continue engaging municipalities, project owners, business chambers and other stakeholders.
8. Maintain and expand the District Investment Opportunity Database.
9. Develop a consolidated UThukela District Investment Opportunity Portfolio.
10. Monitor and report on progress in packaging and marketing the identified opportunities.

UEDA has made progress in establishing a structured investment opportunity pipeline for the UThukela District. A total of 21 investment opportunities were presented to TIKZN, of which 18 were prioritised for further development, packaging and investment promotion. The TIKZN engagement strengthened UEDA's access

to technical investment-promotion expertise and provided guidance on improving project readiness and positioning.

The next phase will focus on validating project information, closing information gaps, undertaking required feasibility work, developing investment-ready profiles and connecting viable projects with investors, funders and strategic partners. These interventions are intended to strengthen investment attraction, facilitate business development, support job creation and contribute to sustainable economic growth within the UThukela District.

5.2. RURAL AND TOWNSHIP TOURISM

Introduction

UThukela Economic Development Agency (UEDA), through the Local Economic Development (LED) Unit, continued to support the development and promotion of rural and township tourism within the UThukela District during the reporting period.

The interventions focused on enterprise support, funding information, marketing and promotional support, tourism product development, tour guide linkages, tourism activations and tourism statistics collection. These initiatives are aimed at improving the visibility and market access of local tourism enterprises and strengthening linkages between tourism businesses, tour guides, visitors and other stakeholders.

2. Interventions Undertaken

No.	Intervention	Activities Undertaken	Beneficiaries / Stakeholders	Expected Outcome
1	Funding Opportunities	Shared SEDA funding opportunities and relevant	Cannibals, Zamokuhle, Buyang Gape, James Ilenge	Improved access to potential funding and business support.

		information with tourism enterprises.		
2	Tourism Enterprise Engagement	Engaged rural and township tourism businesses to obtain information on products, services and support needs.	Amashenge Lifestyle, San Boutique, 036 Lifestyle and other enterprises	Improved understanding of enterprise needs and available tourism products.
3	Marketing & Promotion	Assisted businesses with promotional material and shared marketing content through available UEDA platforms.	Buyang Gape, Sbosh Entertainment, Zamokuhle	Increased visibility, customer awareness and market exposure.
4	Tourism Activations	Encouraged local tourism enterprises to participate in tourism	Tourism businesses, tour guides and visitors	Increased exposure and promotion of local tourism products.

		activations, including the Spring Tourism Activation held in Okhahlamba on 18 September 2026.		
5	Tour Guide Engagement	Engaged an Okhahlamba tour guide to explore collaboration and referrals to local tourism businesses.	Tour guide, rural tourism businesses and local communities	Stronger linkages between tour operators, visitors and rural tourism products.
6	Rural Tourism Programme	Developed and shared a Rural and Township Tourism Programme flyer with tour guides.	Tour guides and rural tourism enterprises	Improved access to information on local tourism experiences.
7	Authentic Rural Experiences	Identified rural accommodation, lifestyle	Rural communities and	Increased promotion and commercialisation of

		experiences, traditional healing, cultural ceremonies and other community-based tourism products for promotion.	tourism enterprises	authentic local experiences.
8	Tourism Statistics	Developed a monthly tourism statistics collection form for tourism establishments.	Tourism establishments and UEDA	Improved collection of reliable tourism data for planning and reporting.
9	Market Linkages	Facilitated linkages between tourism businesses, tour guides and potential markets through product information	Tourism businesses, tour guides and potential visitors	Increased market access and opportunities for tourism expenditure to benefit local businesses.

		and promotional opportunities		
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3. KEY OUTCOMES

The interventions have contributed to:

- Increased awareness of **funding and business-support opportunities** among tourism enterprises.
- Improved **marketing and visibility** of rural and township tourism products.
- Strengthened relationships between **tour guides and local tourism businesses**.
- Increased opportunities to incorporate authentic rural experiences into tourism itineraries.
- Improved participation of local tourism enterprises in **tourism activations and promotional platforms**.
- Establishment of a mechanism for the **collection and monitoring of tourism statistics**.
- Strengthened market linkages aimed at ensuring that tourism expenditure benefits local communities and enterprises.

4. Way Forward

UEDA will continue to strengthen rural and township tourism through:

1. Continued engagement with rural and township tourism enterprises.
2. Dissemination of relevant funding and business-support opportunities.
3. Increased marketing and promotion of locally owned tourism products.
4. Strengthening partnerships with tour guides and tourism stakeholders.
5. Packaging authentic rural and cultural experiences into marketable tourism offerings.
6. Expanding participation in tourism activations and promotional platforms.

7. Implementing the monthly tourism statistics collection system.
8. Developing stronger linkages between local tourism products and potential markets.

5.3. MARKET FOR SOUVENIRS

Introduction

During the reporting period, UThukela Economic Development Agency (UEDA) continued to support local crafters and arts and culture enterprises through market access, promotional support, stakeholder engagement, and participation in exhibitions. The activities focused on increasing the visibility of local handmade products, creating opportunities for crafters to access markets, monitoring craft sales, and strengthening linkages between local tourism establishments and craft producers.

Engagement with The Cavern Resort

UEDA conducted a follow-up with The Cavern Resort regarding the renovation of its curio shop. The resort confirmed that the renovation of the curio shop has been completed. However, the resort indicated that it still has existing craft stock available for sale. The Cavern Resort advised that it will contact UEDA once the current stock has been sold in order to request additional handmade craft products. This engagement will assist UEDA in monitoring market access opportunities for local crafters and ensuring that products can be supplied when demand arises.

Marketing and Promotional Support

Photographs of handmade products were received from Inala Suppliers and Nonku Crochet for marketing and promotional purposes. The photographs will assist UEDA in promoting locally produced craft products through relevant marketing platforms

and tourism promotional activities. UEDA also continued to communicate exhibition and market access opportunities to the crafters. An Art and Culture Exhibition scheduled for 28 August 2026 at Moliment was identified as a potential market access opportunity. In addition, the crafters were informed about the Women's Month closing exhibition held on 1 September 2026 at Dongala, as well as the upcoming tourism exhibition and activation scheduled to take place in Okhahlamba Local Municipality on 18 September 2026.

Craft Sales Performance

UEDA continued to collect sales information from participating crafters to monitor the performance of locally produced craft products. The recorded sales included products sold during exhibitions, online sales, and other market access opportunities. The sales figures received during the reporting period are presented below:

Note: The total of **R18,840** reflects all individual sales figures provided above. Some sales may relate to the same crafter across different dates and activities and are therefore included as separate transactions for monitoring purposes.

Banking Information and Sales Verification

During the collection of sales information, Nonku Crochet indicated that she was not comfortable sharing her banking information. Siyaphambili also expressed the same concern regarding the sharing of banking information. UEDA respected their concerns and continued to collect sales information based on the information voluntarily provided by the crafters. Nala, however, shared her bank statement, which reflected sales of R2,000 for the previous week. The information obtained will assist UEDA in compiling and monitoring craft sales performance while taking into consideration the privacy concerns of individual crafters.

Crafter/Business	Sales Activity	Sales Amount
Nonku Crochet	Women's Day Exhibition – 9 August 2026	R5,300
Nonku Crochet	Sales – 14 August 2026	R2,850
Nonku Crochet	Online sales	R2,250
Siyaphambili	Leather product sales	R3,000
Nonku Crochet	Online sale – one bag	R1,500
Nala	Online sales of Izimbenge / bank statement	R2,000
Buhle/Inala	Online sales	R720
Nonku Crochet	Women's Month closing exhibition – 1 September 2026	R500
Inala	Women's Month closing exhibition – 1 September 2026	R720
TOTAL RECORDED SALES		R18,840

UEDA will continue to support local crafters through marketing, promotional activities, exhibitions, and market access opportunities. The engagement with The Cavern Resort presents a potential future market for locally produced craft products once the resort's existing stock has been sold.

5.4. TRANSPORTATION OF CHICKENS TO ABATTOIRS FOR PROCESSING

1. Introduction

The UThukela Economic Development Agency (UEDA), through its Local Economic Development Programme, is facilitating support to poultry farmers within the

UThukela District to improve access to compliant abattoir services, transportation and sustainable markets. As part of the implementation of this KPI, UEDA engaged local poultry farmers, identified potential abattoir services and initiated engagements with potential formal-market outlets to determine the requirements for supplying locally produced and processed chicken.

2. Farmer Engagement and Abattoir Services

UEDA communicated with poultry farmers through established WhatsApp groups across the Local Municipalities, including approximately 20 members from Okhahlamba Local Municipality and 18 members from Inkosi Langalibalele Local Municipality.

The engagements were aimed at understanding farmers' production capacities, processing requirements and challenges relating to transportation and market access.

UEDA identified Mattandu Abattoir in Newcastle as a potential facility for the slaughtering and processing of chickens. The abattoir provided information regarding its application and booking requirements, which will assist farmers in understanding the procedures that must be followed before chickens can be transported for processing. While transportation and processing costs remain challenges, the engagements established that access to a sustainable and compliant market is the most significant challenge affecting the viability of the poultry initiative.

3. Market Access – Key Challenge

UEDA initiated engagements with potential formal-market outlets, including Honchos, Chicken Express, Hungry Lion and Pedros, to establish the requirements for supplying locally processed chicken.

The engagements established that individual outlets generally do not have authority to conclude supply agreements or make procurement decisions. Supply

arrangements are largely determined at head-office level, requiring farmers or UEDA to engage directly with the relevant procurement structures.

More importantly, formal retailers have specific market criteria and supplier requirements that emerging poultry farmers must meet before they can access the market. These may include:

- Minimum and consistent supply volumes;
- Specific chicken sizes, grades and specifications;
- Competitive pricing;
- Approved abattoir and processing standards;
- Food safety and quality compliance;
- Packaging and labelling requirements;
- Supplier registration and accreditation;
- Halaal certification, where applicable;
- Reliable delivery and logistics arrangements; and
- Consistent production and supply capacity.

This presents a significant challenge because many emerging poultry farmers operate on a small scale and may not individually have the production volumes, infrastructure, certification, packaging capacity or financial resources required by formal retailers. Therefore, the primary challenge is not merely transporting chickens to an abattoir, but ensuring that farmers can meet the market criteria required to sell processed chicken into sustainable formal markets.

4. UEDA Intervention

UEDA's role is primarily focused on facilitation, coordination, stakeholder engagement and market linkage, rather than providing direct financial assistance to individual poultry farmers. The Agency will therefore facilitate engagements between farmers, abattoirs, retailers, government departments and other strategic partners to establish a viable poultry value chain.

The focus will be on understanding the requirements of the targeted markets and determining what interventions are necessary to enable local farmers to meet those requirements. Where appropriate, UEDA will explore opportunities for collective production and marketing models that can enable farmers to aggregate their production and achieve the volumes, consistency and standards required by formal markets.

5. Key Challenges

The major challenges identified are:

- Market criteria and formal-market requirements – Farmers may not currently meet the volume, quality, pricing, packaging, certification and supplier requirements of major retailers.
- Limited and inconsistent production volumes among emerging poultry farmers.
- Access to compliant processing facilities and the associated slaughtering and processing costs.
- Transportation and logistics costs, particularly where farmers are located far from suitable abattoirs.
- Certification and compliance requirements, including Halaal certification where applicable.
- Limited financial resources to cover processing, packaging, certification, transportation and marketing costs.
- Limited direct access to retail procurement structures, as purchasing decisions are generally made at head-office level.

6. Way Forward

UEDA will prioritise the development of a market-led poultry support model, beginning with the identification of the specific requirements of targeted formal markets.

The Agency will:

- Engage retailer head offices and procurement departments to obtain detailed supplier criteria.
- Determine whether local farmers have the capacity to meet the required volumes and specifications.
- Engage abattoirs regarding processing, certification, packaging and pricing requirements.
- Explore farmer aggregation or cooperative models to consolidate production volumes.
- Facilitate partnerships with government departments, private-sector stakeholders and potential investors.
- Identify potential funding and support programmes to address critical infrastructure, compliance and logistics gaps.
- Develop a clear poultry value-chain model linking production → transportation → abattoir processing → packaging → market → distribution.

The implementation of this KPI has demonstrated that market access is the critical factor that must be addressed before transportation and processing arrangements can become sustainable. Although transportation to suitable abattoirs and processing costs present challenges, establishing a viable market that can absorb locally produced chicken at commercially sustainable prices is the key priority.

UEDA will therefore focus its intervention on understanding and addressing formal-market criteria, strengthening farmer production capacity, facilitating compliant processing arrangements and establishing direct linkages with retailers and other reliable buyers. A market-led approach will ensure that any future investment in transportation, processing or poultry infrastructure is supported by confirmed market demand and that local poultry farmers are positioned to participate sustainably in the poultry value chain.

5.5. FRESH PRODUCE SALES

1. Introduction

The UThukela Economic Development Agency (UEDA), in accordance with its Service Delivery and Budget Implementation Plan (SDBIP), is mandated to facilitate and support market access for rural and emerging farmers within the uThukela District. The programme focuses on addressing transportation and market-access challenges and creating opportunities for farmers to participate in formal agricultural value chains.

2. Purpose

The programme seeks to facilitate the transportation of fresh produce to identified markets, strengthen market linkages, reduce post-harvest losses and improve farmers' income-generating opportunities. It further contributes to inclusive local economic development, food security and the sustainable participation of emerging farmers in the agricultural value chain.

3. Performance

During the reporting period, UEDA successfully assisted one emerging farmer, Mr Thami Khanyile from Uftvaal, with the transportation and delivery of 260 cabbages to Boxer Cash & Carry, Ladysmith. The intervention enabled the farmer to access a formal retail market and generate income from locally produced fresh produce.

4. Market-Linkage Activities

UEDA continued engagements with identified markets to create opportunities for emerging farmers to sell locally produced fresh produce. Markets engaged or identified during the quarter included Boxer Cash & Carry, Liberty Cash & Carry, AK Ish and TFS. These engagements are aimed at strengthening buyer-farmer relationships and creating sustainable market opportunities for farmers within the District.

5. Farmer Engagement and Production Information

During the quarter, UEDA established a WhatsApp communication group for active emerging farmers in the uThukela District. The platform is being used to improve communication, share market opportunities and collect information required for market-access planning. Farmers were requested to provide information on the type of produce planted, land under production, expected harvest volumes and anticipated harvesting periods. As a result, five farmers were identified as cultivating required commodities, will be ready in the month of October 2026. This information will assist UEDA in planning future market-linkage and transportation interventions and in identifying potential buyers for the anticipated harvest.

6. Challenges

Challenge	Impact
Limited financial capacity	UEDA is unable to address all requests for direct financial and operational assistance received from emerging farmers.
Increasing transportation costs	High transport costs may reduce the profitability of fresh produce sales and limit farmers' access to distant markets.
Drought and water shortages	Inadequate water availability affects planting, crop development and expected production volumes.

These challenges highlight the importance of continued stakeholder collaboration, resource mobilisation and cost-effective mechanisms for improving market access.

7. Recommended Interventions

UEDA will continue to strengthen farmer engagement and market-linkage activities by maintaining the farmers' communication platform, collecting production and harvesting information, engaging potential buyers and identifying affordable

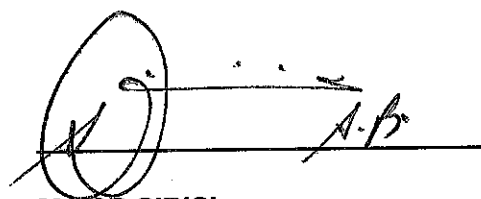
transportation arrangements. The Agency will also pursue partnerships with relevant government departments, municipalities, private-sector stakeholders and other development partners to mobilise resources and expand support to emerging farmers.

Particular attention will be given to commodities such as garlic, spinach and Cabbage, where production information has already been identified, to ensure that market and transportation arrangements can be planned ahead of harvesting.

SECTION C:

6. CONCLUSION

In conclusion, the Agency has made good progress towards achieving its KPIs during the First Quarter of the 2026/27 financial year. UEDA recorded notable progress in good governance, economic development, tourism promotion, and agricultural support, contributing positively to local economic growth and sustainable development. The Agency also strengthened stakeholder engagement and collaboration with key partners while continuing with the implementation of planned programmes. Going forward, UEDA will continue to monitor project implementation, strengthen internal coordination and stakeholder collaboration, address emerging challenges, improve service delivery, and ensure the timely implementation of planned initiatives. The Agency remains committed to sustaining the progress achieved and advancing its strategic objectives throughout the 2026/27 financial year.



Mr. SB SIBISI
CEO (ACTING)

30/09/2026
DATE