

# Gauteng Enterprise Propeller (GEP)

## Revised Strategic Plan

**2015-2019**

---

**January 2015**

**JOHANNESBURG OFFICE**

7<sup>th</sup> Floor, 124 Main Street  
Marshalltown, Johannesburg  
Telephone: 011 085 2002  
Fax: 011 834 6702

**EKURHULENI OFFICE**

Ground Floor  
188 Victoria Street, Germiston  
Telephone: 011 821 2870  
Fax: 011 821 2886

**SEDIBENG OFFICE**

1<sup>st</sup> Floor, GEP House  
22 Hertz Boulevard  
Vanderbijlpark  
Telephone: 016 910 1200  
Fax: 016 910 1216

**WEST RAND OFFICE**

23 Eloff Street  
Krugersdorp  
Telephone: 011 950 9870  
Fax: 011 950 9886

**TSHWANE OFFICE**

1<sup>st</sup> Floor, Block G,  
333 Grosvenor Street,  
Hatfield Gardens, Hatfield  
Telephone: 012 430 2359

**HEAD OFFICE** 6<sup>th</sup> Floor, 124 Main Street, Marshalltown, Johannesburg, Telephone: 011 085 2001, Fax: 011 388 4010, Website: [www.gep.co.za](http://www.gep.co.za)

**DIRECTORS** Ms. L. Magagane (Chairperson), Mr. T. Sithole (Deputy Chairperson), Ms. L. Manenzhe (Acting Chief Executive Officer),  
Ms. K. Onuoka (Company Secretary), Mr. T. Ratshitanga, Mr. R. Kekana, Mr. K. Duba, Mr. M. Africa,  
Ms. M. Ramonyai, Ms. M. Ramusi, Ms. C. Busetti, Ms. M. Lehobye, Ms. M. Maroga, Ms. I. Motau

## TABLE OF CONTENTS

|  |    |
|--|----|
| FOREWORD .....   | 3  |
| OFFICIAL SIGN-OFF .....  | 5  |
| PART A: STRATEGIC OVERVIEW .....   | 6  |
| 1. INTRODUCTION .....  | 7  |
| 2. REVISED VISION .....  | 8  |
| 3. REVISED MISSION .....   | 8  |
| 4. VALUES .....  | 9  |
| 5. LEGISLATIVE AND OTHER MANDATES .....  | 9  |
| 6. ALIGNMENT OF GEP'S MANDATE TO NATIONAL AND PROVINCIAL SOCIO-ECONOMIC<br>DEVELOPMENT IMPERATIVES ..... | 13 |
| 7. SITUATIONAL ANALYSIS .....  | 18 |
| 8. GEP'S STRATEGIC OUTCOME ORIENTED GOALS .....  | 32 |
| PART B: STRATEGIC OBJECTIVES .....   | 37 |
| 9. STRATEGIC OBJECTIVES PER BUDGET PROGRAMME .....   | 38 |
| PART C: LINKS TO OTHER PLANS .....   | 62 |
| 10. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS .....                                  | 62 |
| 11. CONDITIONAL GRANTS .....   | 62 |
| 12. PUBLIC ENTITIES .....  | 62 |
| 13. IMPLEMENTATION PLAN .....  | 62 |
| 14. PUBLIC PRIVATE PARTNERSHIPS .....  | 53 |

## FOREWORD

The critical and central role of the economy in building South Africa into a national democratic society is amply articulated in the National Development Plan (NDP) and President Zuma's Inauguration Speech of May 2014 and his June 2014 State of Nation Address (SONA). This role was reiterated in the maiden June 2014 State of Province Address (SOPA) delivered by Gauteng Premier David Makhura when he announced that his administration has adopted and will be implementing a Ten-Pillar programme aimed at radical transforming, modernising and reindustrializing Gauteng.

Inherent in the Transformation, Modernisation and Re-Industrialisation (TMR) strategy of the Gauteng Provincial Government (GPG) is, amongst others:

- the revitalisation of township economies,
- increased participation of Small, Medium and Micro Enterprises (SMMEs) and Co-operatives (Co-ops) in the Province's mainstream economy, and
- the growth and development of the 11 identified sectors, i.e. the agro-processing, automotive, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction, real estate, finance and mineral beneficiation.

The GEP is of the view that these three (3) inherent elements expound the core functions of the organisations. These core functions are not reflected in GEP's current 2014-2019 Strategic Plan and its related Annual Performance Plans (APP) which was developed prior to the country's fifth general election held in 2014. This rendered the plans as being out of sync with the TMR strategic direction heralded in for the fifth term of governance.

Given this, GEP had to undergo a process to revise its Strategic Plan to ensure alignment to the TMR and provide the overall framework for revisions of the organisation's APP. The process included a joint Board and Senior Management strategic planning session held from the 21<sup>st</sup> to the 22<sup>nd</sup> October 2015.

The purpose of the session was to review and revise, where necessary, the strategic approach, programmes and projects of the organization to:

- ensure alignment to the TMR including the element of revitalizing Gauteng's township economies;



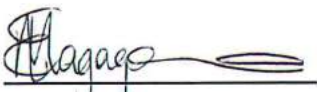
- incorporate the political directive of ensuring radical economic transformation as part of the second phase of building a national democratic society, and
- assimilate the findings and recommendations of the Advisory Panel on DED agencies and entities. This Panel was appointed by MEC Maile to assess and recommendations on the extent to which agencies are aligned to the TMR and how they should be configured to ensure such alignment.

The Board and Senior Management of GEP fully understand that such revisions are essential to ensure that the GEP delivers the economic development outcomes and returns expected by its sole shareholder (the DED) for its investment into the organization. They also fully understand that the revisions are critical for it to fulfil its mandate. The current Board and staff of the GEP are unwavering in their commitment to ensuring the organization complies with and meets these expectations.

Amongst the revisions, detailed in GEP's Revised Strategic Plan and Part A of this APP which provides the organisation's strategic overview, is the Flagship "Centres of Excellence" Project and the game changing Entrepreneurship Fund Project. Both these projects will propel SMMEs and Co-ops into the mainstream economy, grow the 11 identified sectors and revitalise township economies.

GEP will strive to ensure that the SMME's and Co-op its supports yield outcomes congruent with the economic development outcomes of GPG such as the creation of decent work, changing the patterns of ownership in the private sector, active and meaningful involvement of women, youth and persons with disabilities in entrepreneurial activities specifically and the economy in general.

I am comfortable that this revised Strategic Plan adequately captures the strategic approach of the GEP for the remaining four years of this term of governance.



**Ms. Lebogang Magagane**

**Chairperson**

**Gauteng Enterprise Propeller**

## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management team of the Gauteng Enterprise Propeller (GEP) in consultation with staff, with input from the Department of Economic Development (DED) and under the guidance of the GEP Board.
- Takes into account the mandate, policies and legislation that are applicable to the GEP.
- Accurately reflects the performance targets which the GEP will endeavour to achieve given the resources made available to it for the 2014-2019 term of office.
- Takes into account the provincial outcomes as adopted by the Gauteng Provincial Government's Executive Council (Exco), all the relevant policies, legislation and other mandates for which the DED and its agencies are responsible for.

Nomfanelo Genuka

Acting Chief Financial Officer

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



Leah Manenzhe

Acting Chief Executive Officer

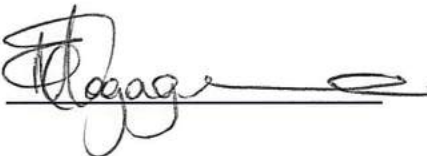
Signature: \_\_\_\_\_



Ms Lebogang Magagane

Chairperson GEP Board

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



Recommend Approval by:

Phindile Mbanjwa

HOD: DED

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




Approved by:

MEC Lebogang Maile

Gauteng Department of Economic Development

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

  
23/03/2016

## **PART A: STRATEGIC OVERVIEW**



## 1. INTRODUCTION

The crux of the Gauteng enterprise Propeller's (GEP) Strategic Plan for 2014-2019 is the theme of **radical economic transformation** to address the triple challenges of poverty, inequality and unemployment with proposals and outcomes contained in the NDP, the Gauteng 2055 (G2055) discussion document, President Jacob Zuma's June 2014 SONA and Gauteng's Premier Makhura's SOPA's of June 2014 and of February 2015.

This Revised Plan specifically aligns the GEP's work to the Gauteng Provincial Government's (GPG) TMR strategic direction which includes the elements of revitalising the Province's township economies; increasing the participation of SMME's and Co-ops in Gauteng's 11 identified sectors towards growing and developing these sectors and changing their ownership patterns; as well as supporting SMME's and Co-ops to contribute to the GDP and the creation of decent work.

It is also aligned to the revised vision of the DED, i.e. *"A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity"*,<sup>1</sup> which amply explains that Gauteng can only become a vibrant and sustainable economic centre and gateway if there is radical transformation, modernisation and re-industrialisation of its economy in a manner that creates and sustains decent employment, equity and inclusion. The concept of equitable growth and prosperity presupposes equal participation of all people, with all participations reaping equal benefits.

GEP's current 2014-2019 Strategic Plan and its related Annual Performance Plans was developed prior to the country's fifth general election held in 2014 and was not fully aligned to the TMR strategic direction heralded in for the fifth term of governance. Thus GEP has had to undergo a process to revise its Strategic Plan for the remaining four years of this term, to ensure alignment and provide the overall framework for revisions of the organisations APP's.

It is only through these revisions that the GEP is able to ensure that the investment of its sole stakeholder (the GPG through the DED) properly delivers the economic development returns expected of such investment; and that the organisation is fulfilling its mandate.

---

<sup>1</sup> DED Revised Strategic Plan 2014-2019.

## **2. REVISED VISION**

The GEP's revised Vision is:

**"Sustainable SMMEs and Co-ops propelled into the mainstream economy of Gauteng".**

This revised Vision recognises the central role of SMMEs and Co-ops in creating a better life for all during the second phase of the country's transition from apartheid to a national democratic society based on the principle of shared socio-economic development. It also builds on the achievements of the past 20 years of democratic governance of the country and is aligned to the revised Vision of the DED. Very importantly, GEP's revised Vision, while being aligned to and inclusive of the overriding economic development objectives of the GPG, hones in on the key responsibility and thus focus area of the organisation's contribution to these overriding TMR objectives.

## **3. REVISED MISSION**

GEP revised its current Mission Statement which is "To enable entrepreneurs", because it indicates an extremely broad scope of work. This inadvertently impedes GEP from developing and implementing strategically focused interventions that deliver the high impact qualitative and sustainable outcomes dictated by the TMR, and that would ensure it achieves its Revised Vision as stated in the Chairperson's Foreword to this APP. Based on this, and GEP's understanding that its mission statement should express the purpose of its existence to guide the form of its programmes and projects, it has revised its Mission as follows:

**"To provide unique, tailored financial and non-financial services that enable SMMEs and Co-ops to become active participants in Gauteng's mainstream economy"**



#### 4. VALUES

GEP's values, informed by its Vision and Mission, are explained in the Table below.

##### GEP VALUES

|                        |  |
|------------------------|--|
| <b>Excellence</b>      | We will strive to serve as an agency of excellence in providing unique, tailored financial and non-financial services to SMMEs and Co-ops in Gauteng |
| <b>Leadership</b>      | We will lead in reshaping the role and position of SMMEs and Co-ops away from the marginal to the mainstream economy.                                |
| <b>Professionalism</b> | We will provide speedy, responsive and relevant professional services in accordance with the Batho Pele principles.                                  |
| <b>Equality</b>        | We will facilitate equity, redress and access to economic opportunities and decent employment.   |
| <b>Innovation</b>      | We will foster, and practice, high levels of innovation, effective and efficiency.   |
| <b>Good Governance</b> | We will consistently act with integrity and ensure accountability and good governance  |
| <b>Partnerships</b>    | We will forge long term and sustainable strategic partnerships that will contribute to achieving GEP's goals and objectives.                         |

#### 5. LEGISLATIVE AND OTHER MANDATES

The mandate of the GEP is primarily derived from the Gauteng Propeller Act, (No 5 of 2005). This Act is naturally informed by the South African Constitution which requires that all spheres of government work together to address poverty, unemployment, inequality, underdevelopment, marginalisation of individuals and communities and other legacies of apartheid and discrimination. The constitutional obligations of DED and its Agencies, including the GEP, are effected in a number of Policies and Acts.

**HOWEVER, THE GEP ACT NO 5 OF 2005 NEEDS TO BE URGENTLY AMENDED TO REFLECT THE REVISED STRATEGY OF THE GEP AGREED TO IN OCTOBER 2015, AS WELL AS THE OVERALL**

## POLITICAL, STRATEGIC AND EXETRNAL AND INTERNAL CONTEXTS THAT HAVE IMPACTED ON THE ORGANISATION SINCE 2005.

A selection of Acts relevant to GEP are listed below:

| ACT/STRATEGIC FRAMEWORK  | RELEVANCE TO GEP  |
|--|---|
| Gauteng Enterprise Propeller Act                                     | Provides for the establishment, purpose and functioning of Gauteng Enterprise Propeller. <b><i>NB: Act is outdated in terms of current context and strategy and has to be urgently amended.</i></b> |
| National Development Plan  | Outline South Africa's Vision, and provides the Framework for eliminating poverty and reducing inequality by 2030.  |
| Gauteng Provincial Government ( 10 Pillar Programme)                 | Provides the Gauteng Provincial Government Plan of Action for the 2014-2019 electoral term.   |
| Medium-Term Strategic Framework (MTSF) 2014-2019                     | Provides Government's Strategic Plan for the 2014-2019 electoral term.  |
| Gauteng Employment Growth and Development Strategy (GEGDS) 2009-2014 | Provides a set of strategic choices and programmes that will build a strong and sustainable Gauteng economy in which all can access economic opportunities and enjoy decent work.                   |
| National Credit Act, 2005  | Promotes a non-discriminatory market place for access to consumer credit, and for general regulation of consumer credit.  |
| Business Act, 1991   | Provides for licensing and carrying on of business.   |
| Sales and Services Matters Amendment Act, 1995                       | Controls sales of goods and rendering of services and appointment of the Controller responsible for display of markings and prices and how goods are sold on auction.                               |
| Municipal Systems Act, 2000  | Guides implementation of Local Economic Development (LED) initiatives, Integrated Development Plans (IDP) and Spatial Development Frameworks.   |



|   |  |
|---|--|
| Gauteng Intergovernmental Fiscal Relations Act, 1997  | Promotes co-operation between all three spheres of government's fiscal, budgeting and financial matters and prescribes process for determining equitable sharing and allocation of revenues raised nationally. |
| Township Planning and Township Ordinance, 1986        | Establishes the Town Planning Appeal body  |
| Development Facilitation Act, 1995                    | Facilitates land development applications  |
| Less Formal Township Establishment Act, 1991          | Fast-tracks less formal township establishment   |
| Preferential Procurement Policy Framework Act, 2000   | Provides a framework for the implementation of procurement policies  |
| Broad Based Black Economic Empowerment Act, 2003      | Provides a framework for black economic empowerment  |
| GPG TMR Framework                                     | Guides the Modernisation, Transformation and Re-Industrialisation of Gauteng's economy.  |
| Township Economy Revitalization Strategy              | Explains the purpose and guides the approach, objectives and interventions in respect of revitalising Gauteng's township economies.  |
| Gauteng Informal Business Upliftment Strategy (GIBUS) | Provides the framework for the approach and interventions required to uplift the informal traders sector.  |
| Gauteng City Region Economic Plan 2015/19             | Provides the framework for developing Gauteng as a Global City Regions.  |
| GPG SMME Strategy                                     | Guides the approach to developing and supporting SMMEs in Gauteng Province.  |
| GPG Co-operative Strategy                             | Guides the approach to developing and supporting Co-op in Gauteng Province.  |
| GEP Township Business Renewal Policy                  | Supports the overall Township Economy Revitalisation Strategy  |
| GEP Business Development Support Policy               | Guides the type of non-financial or business development support provided by GEP. <b><i>Needs to be updated to align with the new strategy of GEP.</i></b>   |
| GEP Incubation Policy                                 | Guides the formation and management of incubators to support SMME and Co-ops. <b><i>Needs to be updated to align with the new GEP Strategy.</i></b>  |



|  |   |
|--|---|
| GEP Special Projects Policy            | Guides the development and implementation of Special Projects by GEP.<br><b><i>Needs to be updated to align with the new strategy of GEP.</i></b> |
| Companies Act, 1983 as amended in 2009 | Consolidates and amends law relating to companies   |

#### GENERIC GOOD GOVERNANCE LEGISLATION

- Public Finance Management Act (PFMA), 1999
- Municipal Finance Management Act, 1999
- Promotion of Access to Information Act, 2000
- Promotion of Administrative Justice Act, 2000
- Broad Based Black Economic Empowerment Act, 2003
- Electronic Communications and Transactions Act 2002
- Financial Intelligence Centre Act 2001
- Preferential Procurement Policy Framework Act 2000
- Prevention and Combating of Corrupt Activities Act 2004
- Promotion of Equality and Prevention of Unfair Discrimination Act 2000
- Protected Disclose Act 2002
- Unemployment Insurance Act 2001
- National Records and Archives Services Act, 1996
- Skills Development Act, 1998
- South African Qualifications Authority Act, 1995
- Labour Relations Act, 1995, as amended
- Basic Conditions of Employment Act, 1997
- Employment Equity Act, 1998
- Occupational Health and Safety Act, 1993

## 5.1 RELEVANT COURT RULINGS

There are no court rulings that impact on the strategy or work of the GEP.

## 5.2 PLANNED POLICY INITIATIVES

The GEP will review and assess the relevance of all current policies, strategies and frameworks to ensure that they speak to GEP's new strategic approach as outlined in this Revised Strategic Plan, and that they enable effective and efficient performance of functions. This process will include the following policies, strategies and frameworks:

- The GEP Business Development Support Policy
- The GEP Township Business Development Policy
- The GEP Incubation Policy
- The GEP Special Projects Policy.

## 6. ALIGNMENT OF GEP'S MANDATE TO NATIONAL AND PROVINCIAL SOCIO-ECONOMIC DEVELOPMENT IMPERATIVES

As an agency established by, and accountable to the Gauteng DED, the GEP mandate, vision, mission, values and Strategic Objectives all stem from that of the DED. The mandate of the DED itself is derived from and therefore aligned to the political and socio-economic development directives of national government and the GPG.

Below is a brief description of each imperative that informs the GEP's mandate and role within the context of the DED.

### 6.1 THE NDP AND MEDIUM TERM STRATEGIC FRAMEWORK

The NDP is essentially government's long term plan for reducing poverty and inequality by creating employment, enhancing the growth of an inclusive economy and meeting the social needs of all. Creating 11 million jobs by 2030 is amongst the targets contained in the NDP. Meeting this target and the other economic growth and

development imperatives of the NDP is a direct responsibility of the country's economic development departments in all three spheres of government. The DED's Revised Strategic Plan for 2014-2019 indicates the economic development proposals of the NDP. Of these the GEP can make a direct contribution to:

- Reducing the cost of regulatory compliance – especially for small and medium sized firms, and
- Supporting small business through better coordination of relevant agencies, development finance institutions, and public and private incubators.

The implementation vehicle of the NDP is the Medium Term Strategic Framework (MTSF). The MTSF has fourteen (14) outcomes, seven (7) of which directly inform the mandate of the DED and thereby all its agencies and entities. The GEP directly contributes to the following outcomes:

- Outcome 4: Decent employment through inclusive economic growth.
- Outcome 5: A skilled and capable workforce to support an inclusive growth path.
- Outcome 11: Create a better South Africa and contribute to a better and safer Africa and the World.
- Outcome 12: An efficient, effective and development oriented public service.

## 6.2 THE G2055

Gauteng 2055, essentially GPG's long term development plan for the Province, is aligned to the NDP Vision 2030 but takes into account Gauteng's context and reality. Its' conceptual framework consists of four (4) ideals with a collective total of 14 outcomes not dissimilar to the outcomes of the NDP and MTSF. Of these outcomes, the GEP's work informed by the following specific outcomes:

- Decent employment through inclusive economic growth.
- Skilled and capable workforce to support an inclusive growth path.
- Creating a better South Africa and contributing to a better Africa in a better World.
- An efficient and effective development oriented public service.

## 6.3 THE JUNE 2014 SONA

The specific elements of the SONA that GEP has taken into account in developing this Revised Strategic Plan are:



- Radically transforming the energy sector by supporting, amongst others elements, the local manufacture of components for nuclear and shale gas.
- Promoting local procurement and increasing domestic production – State to procure 75% of its good and services from South African producers.
- Supporting SMMEs, township and informal sector.

#### 6.4 GAUTENG'S JUNE 2014 SOPA

The GPG has adopted a 10 Pillar programme to ensure radical socio-economic transformation of Gauteng. The mandate of the DED, and thereby of the GEP, accounts for 7 of these; i.e.:

Pillar 1: Radical economic transformation

Pillar 2: Decisive spatial transformation

Pillar 4: Transformation of the state and governance

Pillar 5: Modernisation of the public service

Pillar 6: Modernisation of the economy

Pillar 9: Re-industrialisation of Gauteng province and

Pillar 10: Taking the lead in Africa's new industrial revolution

Specific directives issued by Gauteng's Premier David Makhura that find expression in this Revised Strategic Plan of the DEP are:

- Support township enterprises, co-ops and SMMEs that meet township needs – government to provide training, funding, markets and economic infrastructure for goods produced
- Summit of township entrepreneurs (next 200 days) to develop a programme of action
- Bring SMMEs and township entrepreneurs into the key sectors of finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate
- Procure 75% of all goods and services from South African producers
- Incubation Centres and Township Hubs that offer technical support, funding and off- take agreements and access to markets.
- Launch the first SMME Incubation Hub in Diepsloot (100 days).
- Invest in renewal of townships

## 6.5 GAUTENG'S FEBRUARY 2015 SOPA

The main take-out for the GEP from the 2015 Gauteng SOPA is ensuring that its programmes and projects support the strategy of the five (5) Development Corridors as reflected in the Table below.

| CORRIDOR | ANCHOR AREA      | STRATEGIC FOCUS AND SECTORS   | PROGRAMMES AND PROJECTS  |
|----------|------------------|---|--|
| Central  | City of Jhb      | Finance, services, ICT and pharmaceutical industries  | <ul style="list-style-type: none"> <li>• Regenerate inner cities and other areas (buildings, cleaning streets and greening)</li> <li>• Regenerate Jhb CBD as seat of provincial government</li> <li>• Home of BRICS regional development bank</li> <li>• Revitalise Kliptown and Alexander townships</li> <li>• Masingita City</li> <li>• Rietfontein mixed use zone</li> <li>• Waterfall City</li> <li>• Modderfontein Development</li> <li>• Steyn City Development</li> </ul> |
| Eastern  | Ekurhuleni Metro | Manufacturing, logistics and transport industries   | <ul style="list-style-type: none"> <li>• 29 industrial initiatives linked to Aerotropolis</li> <li>• PRASA roll out</li> <li>• Transnet in Tambo Springs and Sentrarrand</li> <li>• Roll out of BRT</li> </ul>   |
| Northern | Tshwane          | Administrative Capital City, automotive sector, research, development, innovation and knowledge-based economy | <ul style="list-style-type: none"> <li>• West Capital Development (student village, sport incubatory centre, retail and commercial components, inner city housing and health facilities)</li> <li>• African Gateway</li> <li>• Business Process Outsourcing Park in Hammanskraal – onsite training, technical support and incubators for SMMEs</li> </ul>  |



|          |           |   |   |
|----------|-----------|---|---|
|          |           |   | <ul style="list-style-type: none"> <li>• Second AIDC incubation centre in Rosslyn</li> <li>• Establishment of freight and logistics hub being investigated</li> </ul>   |
| Western  | West Rand | Creation of new industries, new economic nodes and new cities | <ul style="list-style-type: none"> <li>• Unlock potential of Lanseria Airport Logistics hub</li> <li>• Leverage horticultural potential</li> <li>• Randfontein milling facility</li> <li>• Aquaculture – breeding of prawns</li> <li>• Light manufacturing industries</li> <li>• Solar technologies and solar manufacturing plant or solar farm - renewable energy industrial development.</li> <li>• Manufacturing of coaches for mass transit bus fleets</li> </ul> |
| Southern | Sedibeng  | Creation of new industries, new economic nodes and new cities | <ul style="list-style-type: none"> <li>• Vaal River City</li> <li>• Food basket – Agropolis</li> <li>• Support 32 black farmers to plant barley and maize</li> <li>• Gauteng highlands development</li> </ul>   |

## 6.6 DED'S 2014-2019 STRATEGIC PLAN

The DED's Revised 2014 to 2019 Strategic Plan is premised on the need for radical economic transformation as the main driver of addressing the country and province's triple challenges of poverty, inequality and unemployment. The revised Vision, Mission and Strategic Outcome Oriented Goals of the DED communicates its new strategic direction. As an agency of the DED, the GEP is obliged to also align to the DED's Strategic Plan, elements of which are replicated below:

- The revised Vision which is *"A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity"*.
- The revised Mission which is to:
  - *Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy.*



- *Provide an enabling policy and legislative environment for equitable economic growth and development.*
- *Develop and implement programmes and projects that will:*
  - *Revitalise Gauteng's township economies.*
  - *Build new smart, green, knowledge-based economy and industries.*
  - *Ensure decent employment and inclusion in key economic sectors.*
  - *Facilitate radical economic transformation, modernisation and re-industrialisation.*
  - *Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities.*
  - *Establish appropriate partnerships for delivery.*
  - *Ensure the DED effectively and efficiently delivers on its mandate.*
- The revised Strategic Outcome Oriented Goals which are:
  - *Gauteng's economy radically transformed.*
  - *Gauteng's economy re-industrialised.*
  - *GGDA capacitated to deliver and implement efficiently and effectively.*

## **7. SITUATIONAL ANALYSIS**

### **7.1 GAUTENG'S ECONOMIC ENVIRONMENT**

The economic environment that the GEP operates in, and that impacts on its work, is the same as that described in the DED's Revised 2014-2019 Strategic Plan. This economic environment is summarised below.

The Gauteng Province, with a population of about 11 million people, dominates the South African economy, generating 33.9% of the country's GDP and 50.4% of all company turnover. It accounts for 47.7% of employee remuneration in the country and Gauteng's people have the highest per capita income level in the country. From a national perspective, an estimated 40.6% of manufacturing; 41.9% of construction; 39.7% of finance, real estate

and business activity; 32% of storage, transport and communication and 34.8% of central government services are done in Gauteng.

The role of Gauteng in the economy of the African Continent is equally noteworthy. The Province generates about 10% of the Continent's total GDP and its financial services capital. It is also seen as the shopping Mecca of Africa, attracting about 60% shopping tourists from the Continent. In 2012, South Africa's economic value in the African Continent stood at about US\$580 billion, topping Egypt which holds second place with a value of US\$538 billion and followed by Nigeria at a value of about US\$450 billion.

Despite this conducive economic context, Gauteng continues to experience persistent challenges that have to be addressed to ensure radical economic transformation of the Province, underpinned by the TMR. These challenges include:

- Continuing to reduce the unemployment rate from the 24.3% recorded in September 2013. (Stats SA P0211 Statistical Release),
- Protecting low income earners, the vulnerable and the unemployed as well as the creation of decent jobs and the capacity of the economy to grow,
- The visible gap between rich and poor in the province and high levels of income inequality,
- High incidence of youth unemployment,
- The low Minimum Living Level (MLL) of approximately half the province's population,
- The low and insufficient skills base to meet the demands of a growing economy,
- Providing energy security for business and household use,
- Removing obstacles to doing business in Gauteng, with a special focus on obstacles to the existence, growth and sustainability of the SMME and Co-operative sectors,
- Ensuring the economic profile reflects the demographic profile of the Province,
- Spatial distortions and legacies of apartheid in respect of economic opportunities and activities, and
- Strategic infrastructure investment to boost and sustain high levels of economic activity.

Specific to GEP's mandate and in addition to the above-mentioned challenges, it is important to note that the percentage of adult South Africans involved in entrepreneurial activity has dropped by 34% since 2013 (GEM: 2013). The percentage of adults in South Africa involved in a business that are less than three-and-half years old



(also known as early – stage entrepreneurs) fell to 6.97% in 2014, from a 13 year high of 10.6%. The GEM report shows that the rating of South Africa's entrepreneurial eco-system, i.e. the conditions that enhance (or hinder) new business creation, have slipped. When compared with the entrepreneurial activity of different countries, South Africa should have an increasing rate in the region of 14%, which if achieved would go a long way towards reducing unemployment and alleviating the poverty experienced by much of its population. South Africa performs below other similar, efficiency-driven economies, where the average early – stage entrepreneurial activity rate is 14% of adults, whilst the rate of established businesses is 4.5%. South Africa has the highest small business failure rate compared to other emerging economies and the SADC countries.

The level of entrepreneurship in South Africa is one of the lowest in the world, ranked 27th out of 59 countries in the primary measure of entrepreneurship used by the Global Entrepreneurship Monitor (GEM). In 2012, almost 4400 small businesses closed down in South Africa due to the lack of funding. In South Africa, 60% of SMME's are at Business Sophistication Model (BSM 1-4) and are classified as survivalists, informal and very small. Regrettably, the 2012 Global Entrepreneurship Monitor (GEM) survey indicated declining levels of local entrepreneurship, from a reported 9,1% in 2011 to 7.3% in 2012. In addition, the study revealed lower perceived business opportunities for South Africa (39%), compared to Sub-Saharan Africa's average of 70%.

In his State of the Province Address (SOPA) on 27 June 2014, Gauteng Premier, Mr. David Makhura, stressed the need to revitalize the township economy by supporting the development of township enterprises, cooperatives and Small, Micro and Medium Enterprises (SMMEs). He asserted that township entrepreneurs are capable of producing goods and services to satisfy the demand of the populations in the townships and sell excess to other provinces as well as cross-border markets, provided they are supported across the value chain of enterprise development.

The recently held Gauteng Township Revitalization Roadshows and Summit led by the Department of Economic Development revealed, amongst other challenges, the need for financial and non-financial support and the lack of skills by township entrepreneurs to run their business efficiently (both soft and technical skills).



## 7.2 GEP'S PERFORMANCE ENVIRONMENT

GEP'S performance environment has been directly impacted on by a number of critical external and internal changes. The external changes include the introduction of the TMR strategic direction, the political directive of ensuring radical economic transformation as part of the second phase of building a national democratic society, the establishment of an Advisory Panel by MEC Maile to make assess and recommendations on the extent to which agencies are aligned to the TMR and how they should be configured to ensure such alignment. The internal changes include the departure of Board members and some senior managers of the organisation.

In October 2015, the GEP's Board and Management engaged in a joint two-day strategic planning session to ensure that the organisation's strategy, projects, programmes and structure are aligned to and allow for effective achievement of TMR imperatives, and that it takes into account the recommendations of the Advisory Panel as contained in the Final Report formally released by MEC Maile.

From June 2014 (the start of the 5<sup>th</sup> term of governance) to October 2015, the GEP continued to implement its existing financial and non-financial support services within its existing programme areas and with its current organisational structure.

The outcomes of the strategic planning session directly impact on the projects and programmes implemented by the GEP. It was also noted in the session, that the adoption of a final agreed to strategy will require the structure of the organisation to be revised based on the dictum that "structure follows strategy".

### 7.2.1 ALIGNMENT TO TMR

GEP understands that all TMR and 10 Pillar related interventions must be designed to:

- address economic inequalities perpetuated by spatial divisions,
- increase levels of competitiveness and productivity,
- make it easier to do business in Gauteng,
- leverage new drivers in the economy (ICT, climate change, green economy),
- develop and sustain links into Africa,
- increase imports and exports,

- develop the eleven (11) identified sectors
- create decent work and increase Gross Domestic Product (GDP),
- support participation and graduation of Small Medium and Micro Enterprises (SMMEs) and Co-operatives into the mainstream economy, address the dominance of monopoly capital, and
- ensure the existence of strategic economic infrastructure.

Based on its mandate, GEP's revised strategy is directly shaped and informed by TMR and the inherent elements expounded in the Foreword by the Chairperson and the expected outcomes explained above. GEP's three core functions in the context of the TMR are summarized in the Diagram below.





### 7.2.2 PROPELLING SMMEs AND CO-OPS INTO THE MAINSTREAM ECONOMY

*“The radical second phase of our transition to a national democratic society needs bold thinking and decisive action to completely eradicate the social, economic and spatial legacy of apartheid and colonialism. It requires men and women with capacity to think ahead and the capability to inspire actions that can turn dreams into a reality. It needs men and women driven by a sound vision as outlined in the Freedom Charter and the National Development Plan. It also needs public representatives, public servants and leaders of other sectors who will remain true to the values of loyal service to the people.”*

Gauteng Premier David Makhura, SOPA June 2014

GEP firmly believes that achieving the outcomes for SMMEs and Co-ops intrinsic in the TMR requires the “bold thinking and decisive action...the capacity to think ahead...the capability to inspire actions that can turn dreams into a reality” mentioned by Premier Makhura as quoted above. Thus the GEP’s revised strategy is founded on the critical ideological paradigm shift in the way GEP views the role and location of SMME’s and Co-op within the economic landscape. Simply put, it is shifting away from viewing SMME’s and Co-ops as survivalist short term structures and interventions that respond to the need for immediate poverty alleviation, to viewing them as long term sustainable equal role-players in the mainstream economy. A distinguishing feature of the GEP’s strategic approach going forward is to move the agency from being “everything to everyone” to creating a niche offering of unique and tailored financial and non-financial offerings that will indeed propel SMME’s and Co-ops into the mainstream economy as active and noteworthy role-players. The offering of unique and tailored services coupled with the paradigm shift distinguishes GEP from the wide range of organisations that constitute the SMME and Co-op landscape. Key to GEP’s strategic approach is supporting SMME’s and Co-ops to surpass the minimum survival threshold of 18 months to becoming sustainable businesses.

### 7.2.3 DISTINGUISHED NICHE SERVICE OFFERINGS (PROJECTS)

The programmes and projects that GEP will implement as part of its revised service strategy, distinguishes it from other role-players supporting and developing SMMEs and Co-ops. The services move from the generic reactive levels of support to all potential beneficiaries that interface with the organization, to proactive deliberate unique and tailored services designed to achieve the TMR outcomes as well as meet the needs of SMMEs and Co-ops.



The distinguishing features of the GEP's service offerings lies in its implementation strategy and approach. Working through strategic partnerships is pivotal to the implementation approach. The strategic partnerships will enable the organization to focus on its core functions while drawing on skills and abilities in existing organisations. For example, GEP will partner with tertiary institutions and private sector role-players for developing the technical sector specific skills required by its beneficiaries. A key advantage of this approach is that it enables the pooling of resources which broadens the purse and opportunities that can be filled with this. It also enables GEP to focus its limited financial resources on mastering and excelling in its core functions as opposed to using it on functions that can be more adequately performed by other organisations. Another change in the GEP's implementation strategy is to work with a beneficiary over a longer period of time applying a whole life cycle approach with the purpose of ensuring sustainable results for the beneficiary and the organization. The niche projects of the GEP are its Sector Specific Centres of Excellence, the Entrepreneurship Fund, the Gauteng Entrepreneur Award and the Business Ideas Bank.

GEP's distinguishing niche service offerings (programmes and projects) are explained in detail in the Table below.

| WHAT                                  | WHY   | HOW   |
|---------------------------------------|---|---|
| <b>FLAGSHIP PROJECT</b>               |   |   |
| Sector Specific Centres of Excellence | Incubate and build the sector specific technical skills of selected SMMEs and Co-ops to work in the value chain of the said sector. | <ul style="list-style-type: none"> <li>• Incremental approach</li> <li>• Two centres per annum</li> <li>• Start with the 11 identified sectors</li> <li>• Twinning of Gauteng based enterprises with established businesses internationally to facilitate access to global markets</li> <li>• Provide Corporate Governance and Shared Services support (including Financial &amp; Management Accounting, Marketing and ICT)</li> <li>• Locate in the 5 development corridors guiding by the sectors focused on in each corridor.</li> </ul> |
| <b>GAME CHANGER PROJECTS</b>          |   |   |
| Gauteng Entrepreneurship Fund         | Increase and consolidate the financial resources available to support,  | <ul style="list-style-type: none"> <li>• Source and aggregate funding from other possible funding partners from all sectors of society (e.g.</li> </ul>   |

|                          |  |  |
|--------------------------|--|--|
|                          | develop and Propel SMMEs and Co-ops into Gauteng's mainstream economy  | <p>(Corporate Social Responsibility, Development Finance Institutions and Banks)</p> <ul style="list-style-type: none"> <li>• Manage the funding received</li> <li>• Disburse the funding according to pre-determined criteria that yield TMR focused outcomes, including the revitalisation of township economies.</li> </ul>   |
| SMME and Co-op Ombudsman | Provide SMME's and Co-ops with independent investigative, arbitration and negotiation support for situations where they experience unfair treatment and injustices that directly effects the growth and sustainability of their businesses | <ul style="list-style-type: none"> <li>• Provide support services focused on addressing wrongful decisions and actions that negatively impact on the growth, development and sustainability of SMMEs and Co-ops</li> <li>• Determine the powers, functions and accountability of the ombudsman's office.</li> </ul>  |
| Business Ideas Bank      | Provide business ideas for start-up businesses   | <ul style="list-style-type: none"> <li>• Project Preparation and Feasibility</li> <li>• Analysis of selected initiatives</li> <li>• Develop an easy to use database and app for use on computers and cellular phones with recommended business ideas</li> <li>• Provide the idea with well researched supporting information on the legal, capital outlay, assets, marketing, etc requirements</li> <li>• Provide a list of support organisations</li> </ul> |



|  |   |   |
|--|---|---|
| GPG Procurement set-aside for SMMEs and Co-ops | Ensure that government's commitment to procure 75% of its goods and services from local producers benefits SMMEs and Co-ops and contributes to their growth, development and sustainability | <ul style="list-style-type: none"> <li>• Determine target for a set aside of the 75% target for SMMEs and Co-ops</li> <li>• Identify the specific government goods and services that can be provided by SMMEs and Co-ops and ring-fence these for them</li> <li>• Develop guidelines and criteria for implementing the SMME and Co-op set asides and targets</li> </ul>   |
| Easing doing business for SMMEs and Co-ops     | Ensure that the legislative, policy and regulatory environment governing the ease of doing business takes into account the specific needs and situations of SMMEs and Co-ops                | <ul style="list-style-type: none"> <li>• Review all necessary legislation, policies and regulations from an SMME and Co-ops business perspective</li> <li>• Develop amendments that allow for concessions that take into account the specific needs and conditions of SMMEs without comprising quality of product, service, and competitiveness.</li> </ul>   |
| Direct and Indirect Lending                    | Provide the financial support required by SMMEs and Co-ops with an emphasis on propelling them into the mainstream economy  | <ul style="list-style-type: none"> <li>• Determine and package services according to the needs of the identified target beneficiaries of the GEP; namely: Informal traders, established SMMEs, start-ups and Co-ops.</li> <li>• Develop criteria for provision of support e.g. businesses that co-owned or wholly owned and co-managed or wholly managed by women, youth and persons with disabilities, Prospects to change ownership patterns, High impact on the economy (changing ownership patterns, increasing GDP, creating decent work) , Revitalising township economies, Easily</li> </ul> |



|  |   |  |
|--|---|--|
|  |   | identifiable as contributing to TMR (results in or fits into modernising, transforming or re-industrialising Gauteng's economy), Fit into value chain of 11 sectors.   |
| <b>EXISTING PROJECTS</b>   |   |  |
| <ul style="list-style-type: none"> <li>Waste management centres in townships</li> <li>Urban agriculture/food security projects</li> <li>Tooling project</li> <li>Skills development programmes</li> <li>Partnership Project with the Medunsa Organisation for Disabled Entrepreneurs</li> <li>Invoice discounting</li> </ul> | Build on strengths, ensure continuity, manage transition period and develop proper exit strategies that ensures sustainability and independence | <ul style="list-style-type: none"> <li>Review current projects and retain only what is working and having some impact and to focus on the marginalized sectors of women, youth and persons with disabilities</li> <li>Medunsa Partnership Project: target of 110 entrepreneurs with disabilities</li> </ul>  |
| <ul style="list-style-type: none"> <li>GIBUS Lead Project</li> </ul>   | Build the capacity and grow the informal traders sector   | <ul style="list-style-type: none"> <li>Development of an integrated and synchronized high impact training programmes for informal business owners offered by institutions of higher learning.</li> <li>Develop Provincial common automated database.</li> <li>Providing mentorship to the beneficiaries of the government support.</li> <li>Facilitation of access to funding from different institutions on behalf of informal traders</li> </ul> |

|  |   |   |
|--|---|---|
|  |   | <ul style="list-style-type: none"> <li>• Provision of massive infrastructure development for informal business sector.</li> <li>• Construction of a Shared Warehousing Facility to facilitate bulk-buying for informal business owners in the retail sector (spaza shops).</li> <li>• Quarterly reports to Exco</li> <li>• Quarterly Forum Meetings</li> </ul>  |
| <ul style="list-style-type: none"> <li>• TER Lead Project</li> </ul> | <p>Ensure SMMEs and Co-ops tangibly contribute to revitalising township economies</p> | <ul style="list-style-type: none"> <li>• Refurbishment and Maintenance of Radian Transformers</li> <li>• Establishment of consumer co-ops (13 townships)</li> <li>• Upgrade of 8 Industrial Parks &amp; hubs in 5 Regions</li> <li>• Facilitate access to suitable working space for service orientated small businesses</li> <li>• Establishment of 5 regional Cooperative Banks and Insurance owned in the regions.</li> <li>• Setting up 50 Fresh Produce Business to formalize the informal street fruit and vegetable businesses in the townships across Gauteng</li> <li>• Quarterly Reports to Exco</li> <li>• Quarterly Forum Meetings</li> </ul> |

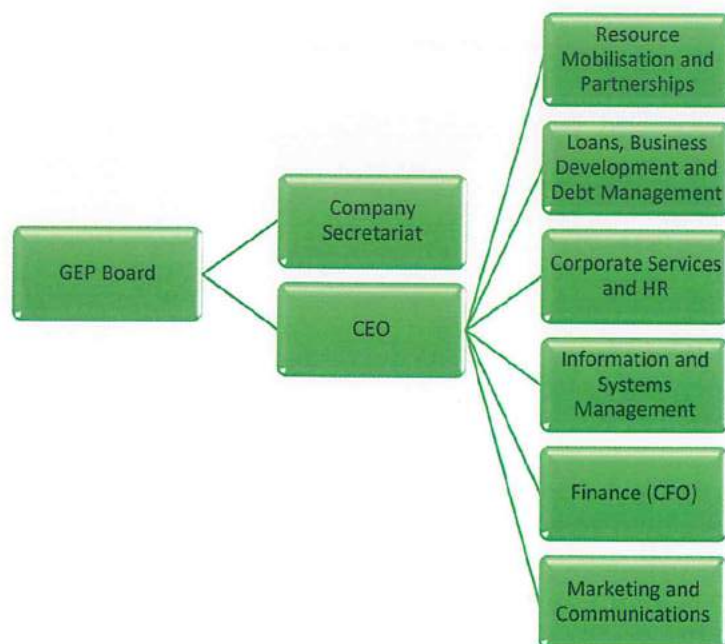
### 7.3 GEP'S ORGANISATIONAL ENVIRONMENT

It was noted in the GEP's October 2015 joint strategic planning session, that the adoption of a final agreed to strategy will require the structure of the organisation to be revised based on the dictum that "structure follows strategy". It was agreed that the following principles would be applied in revising GEPs' structure to ensure it is able to deliver on its revised strategy, programmes and projects:

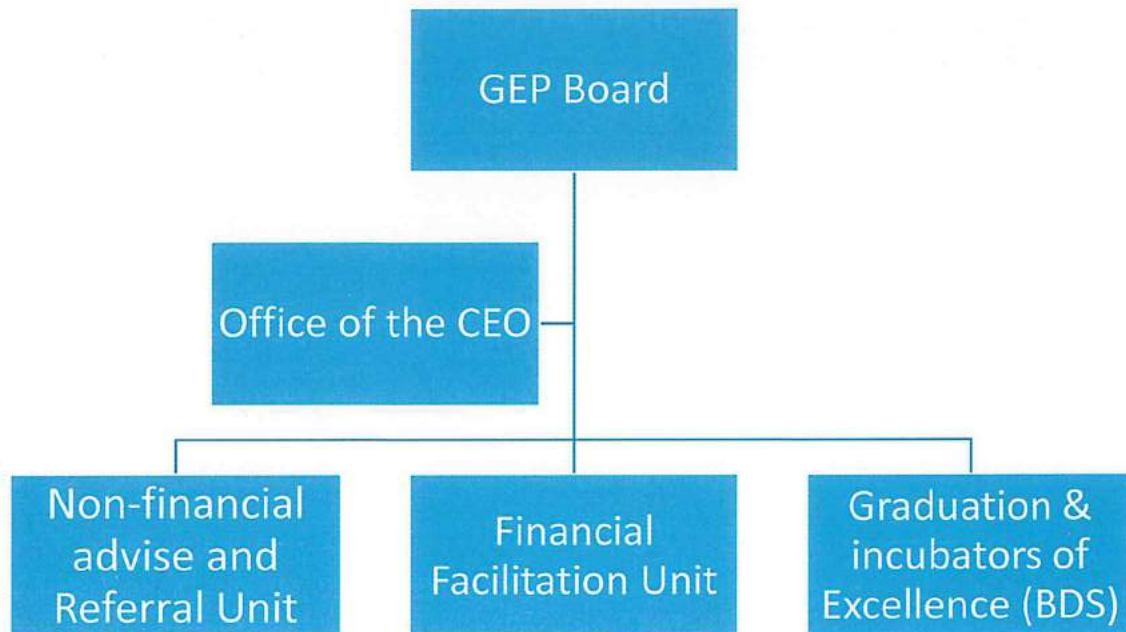
- A flat structure that allows for easy decision-making, speedy implementation and delivery of services, and integrated and holistic package of life cycle services
- A cost effective structure that enables a reduction in the operational and staff costs of the organization.
- A structure that allows for the organization to offer project management services which in addition to improving service delivery will support revenue generation.
- A structure that will enable project preparation as a key support services of the direct and indirect lending programmes of the organization
- A structure that enhances and sustain good governance and transparency.

The current structure (i.e. pre October 2015 strategic planning session) of the GEP is depicted in the diagram below.





### Proposed New GEP Structure



### 7.4 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The GEP's Strategic Planning process involved the following steps:

- Development of clear objectives for the Strategic Planning Meeting;
- Brainstorming and identification of critical issues that will take the organisation forward;
- Presentation to EXCO and MANCOM;
- Sensitise the COSEC and the Board on issues to be discussed
- Develop and finalise the interim agenda
- Convene a Joint Board Strategic Session
- Convene an EXCO-MANCOM Strategic Session

- Develop a comprehensive report covering all the inputs from various strategic sessions
- Resolutions need to find expression in the GEP Strategy, Annual Performance Plans and GEP Programs

## 8. GEP'S STRATEGIC OUTCOME ORIENTED GOALS

The GEP's strategic outcome oriented goals are based on its three core function areas described in Section 6.2.1 above. The core functional areas, and therefore the out oriented goals of the GEP, are directly aligned to the TMR as well as the goals and objectives of the DED.

The three (3) outcome orientated goals of the GEP are:

1. Gauteng's revitalised township economies contributing to shared economic growth and development.
2. Gauteng's SMMEs and Co-ops actively participating in the Province's mainstream economy, including in key economic sectors.
3. GEP efficiently and effectively managed and governed.

Key cross-cutting principles and outcomes that will underpin the programmes and projects of all three outcome oriented goals are:

- Creating decent work.
- Reducing the levels of unemployment.
- Contributing to increased Gross Domestic Product (GDP).
- Inclusion of the marginalised sectors of women, youth and persons with disabilities.
- Changing the patterns of ownership in private sector institutions and key economic sectors.

Each of the 3 goals are explained in more detail in the Tables below

**STRATEGIC OUTCOME  
ORIENTATED GOAL 1**

**GAUTENG'S REVITALISED TOWNSHIP ECONOMIES CONTRIBUTING TO SHARED  
ECONOMIC GROWTH AND DEVELOPMENT**



|                       |  |
|-----------------------|--|
| <b>GOAL STATEMENT</b> | <p>The intention of this goal is to facilitate “The significant participation and meaningful inclusion of the people of the township into the mainstream economy of Gauteng through their township enterprises that are supported by the government and big business...” (SOPA June 2014). It is envisaged that the revitalised township economies will be, amongst other benefits:</p> <ul style="list-style-type: none"> <li>• Self-sufficient, vibrant economic centres and sites of productive activities.</li> <li>• Contributing at least 30% of Gauteng's GDP by 2030.</li> <li>• Harnessing the social and economic value of township enterprises.</li> <li>• Supporting the ‘breaking down of monopoly domination in the value chains’ (Gauteng Township Economy Revitalisation Strategy).</li> <li>• Promoting innovation and indigenous knowledge systems.</li> </ul> |
| <b>JUSTIFICATION</b>  | <p>This goal responds to the current economic and SMME status quo of Gauteng outlined in Section 6.1 above and is derived from the socio-economic directives contained in the NDP, the MTSF, the G2055, the June 2014 SONA and Gauteng SOPA, the February 2015 Gauteng SOPA, the TMR and other economic development strategies and policies developed and/or revised since the onset of the 5<sup>th</sup> term of governance.</p>   |
| <b>LINKS</b>          | <p><b>NATIONAL OUTCOMES (NDP AND MTSF)</b></p> <ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth.</li> <li>• Outcome 5: A skilled and capable workforce to support an inclusive growth path.</li> <li>• Outcome 11: Create a better South Africa and contribute to a better and safer Africa and the World.</li> </ul> <p><b>PROVINCIAL PILLARS</b></p> <p>Pillar 1: Radical economic transformation<br/> Pillar 2: Decisive spatial transformation<br/> Pillar 6: Modernisation of the economy<br/> Pillar 9: Re-industrialisation of Gauteng province</p> <p><b>ALIGNMENT TO TMR</b></p>   |



- address economic inequalities perpetuated by spatial divisions.
- increase levels of competitiveness and productivity.
- leverage new drivers in the economy (ICT, climate change, green economy).
- create decent work and increase Gross Domestic Product (GDP).
- support participation and graduation of Small Medium and Micro Enterprises (SMMEs) and Co-operatives into the mainstream economy.
- address the dominance of monopoly capital.

| STRATEGIC OUTCOME<br>ORIENTATED GOAL 2 | GAUTENG'S SMMEs AND CO-OPS ACTIVELY PARTICIPATING IN THE PROVINCE'S<br>MAINSTREAM ECONOMY, INCLUDING IN KEY ECONOMIC SECTORS   |
|--|--|
| GOAL STATEMENT                         | <p>The intention of this goal is to facilitate the "move away from the current monopoly dominated economy to an inclusive and job creating economy" (DED 2014-2019 Strategic Plan) that, amongst other benefits:</p> <ul style="list-style-type: none"> <li>• recognises and harnesses the role of SMMEs and Co-ops as being more than mere poverty alleviation survivalist initiatives.</li> <li>• Harnesses indigenous resources, skills and capacity as part the mainstream economy.</li> <li>• Addresses the legacy of apartheid's skewed spatial economic development planning through revitalising and modernising township economies</li> <li>• Addressed the dominance of monopoly capital that perpetuates high levels of poverty, unemployment and inequity</li> </ul> |
| JUSTIFICATION                          | <p>This goal responds to the current economic and SMME status quo of Gauteng outlined in Section 6.1 above and is derived from the socio-economic directives contained in the NDP, the MTSF, the G2055, the June 2014 SONA and Gauteng SOPA, the February 2015 Gauteng SOPA, the TMR and other economic development strategies and policies developed and/or revised since the onset of the 5<sup>th</sup> term of governance.</p>   |
|  | NATIONAL OUTCOMES (NDP AND MTSF)   |



|   |   |
|---|---|
| <b>LINKS</b>  | <ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth.</li> <li>• Outcome 5: A skilled and capable workforce to support an inclusive growth path.</li> <li>• Outcome 11: Create a better South Africa and contribute to a better and safer Africa and the World.</li> </ul>   |
|   | <b>PROVINCIAL PILLARS</b>   |
|   | <p>Pillar 1: Radical economic transformation</p> <p>Pillar 2: Decisive spatial transformation</p> <p>Pillar 6: Modernisation of the economy</p> <p>Pillar 9: Re-industrialisation of Gauteng province</p> <p>Pillar 10: Taking the lead in Africa's new industrial revolution</p>   |
|   | <b>ALIGNMENT TO TMR</b> <ul style="list-style-type: none"> <li>• address economic inequalities perpetuated by spatial divisions.</li> <li>• increase levels of competitiveness and productivity.</li> <li>• leverage new drivers in the economy (ICT, climate change, green economy).</li> <li>• create decent work and increase Gross Domestic Product (GDP).</li> <li>• develop and sustain links into Africa.</li> <li>• support participation and graduation of Small Medium and Micro Enterprises (SMMEs) and Co-operatives into the mainstream economy.</li> <li>• address the dominance of monopoly capital</li> </ul> |
| <b>STRATEGIC OUTCOME ORIENTATED GOAL 3</b>                  |   |
| <b>GEP EFFICIENTLY AND EFFECTIVELY MANAGED AND GOVERNED</b> |   |
| <b>GOAL STATEMENT</b>                                       | <p>The intention of this goal is to ensure that the GGDA is able to deliver and implement its core-function programmes and projects through the provision of support services in the areas of:</p> <ul style="list-style-type: none"> <li>• Financial management</li> <li>• Human resource management</li> </ul>  |

|                      |  |
|----------------------|--|
|                      | <ul style="list-style-type: none"> <li>• Centralised planning, co-ordination and management</li> <li>• Legal services</li> <li>• Communication, Marketing and Branding</li> <li>• Information and Communication Technology</li> </ul>  |
| <b>JUSTIFICATION</b> | <p>This goal responds to the current performance and organisational environment of the GGDA outlined in Section 6.2 and 6.3 above and is derived from the directives contained in the NDP, the MTSF, the G2055 and the June 2014 SONA and Gauteng SOPA on building the capacity of the State to govern.</p>  |
| <b>LINKS</b>         | <p><b>NATIONAL OUTCOMES (NDP AND MTSF)</b></p> <p>Outcome 12: An efficient, effective and development oriented public service.</p> <p><b>PROVINCIAL PILLARS</b></p> <p>Pillar 4: Transformation of the state and governance.</p> <p>Pillar 5: Modernisation of the public service.</p> <p><b>ALIGNMENT TO TMR</b></p> <p>Ensure GEP delivers on the TMR outcomes expected in terms of Goals 1 and 2.</p> |



## **PART B: STRATEGIC OBJECTIVES**

## 9. STRATEGIC OBJECTIVES PER BUDGET PROGRAMME

The GEP operates within the framework of four (4) budget Programme Areas, namely:

- Programme 1: Administration
- Programme 2: Investment Management
- Programme 3: Enterprise Support
- Programme 4: Regional Operations

The Table below depicts the purpose and functions of each Budget Programme Area.

### GEP's Unit Cost Breakdown

| Unit                                      | Purpose of the Unit  | Annual Employee Costs | Monthly Employee Costs |
|---|--|-----------------------|------------------------|
| Office of CEO                             | To provide strategic leadership to GEP that encompasses supporting human capital solutions, forging sustainable partnerships with stakeholders, promotion of fiscal discipline and providing an enabling environment for SMME's and Cooperatives towards job creation. | 20 176 443,37         | 1 681 370,281          |
| (Regional Ops) Financing, BDS & Aftercare | To provide efficient and professional loans and investment management for GEP and to actively contribute towards GEP's   | 20 310 475,26         | 1 692 539,605          |

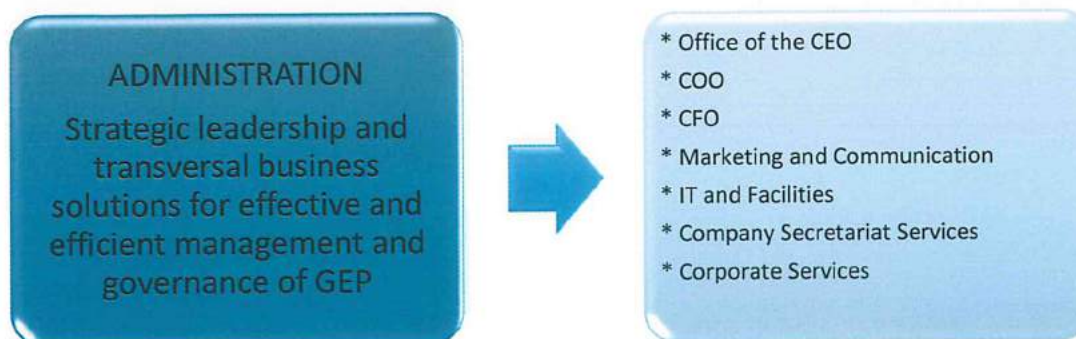


|                                      |   |              |              |
|--------------------------------------|---|--------------|--------------|
|                                      | goals and objectives of SMME development, job creation and poverty alleviation  |              |              |
| Financing, BDS & Aftercare           | To provide efficient and professional loans and investment management for GEP and to actively contribute towards GEP's goals and objectives of SMME development, job creation and poverty alleviation | 8 839 586,39 | 736632,1992  |
| Corporate Services & Human Resources | To contribute to the smooth functioning of the GEP by providing efficient and effective corporate support services including human resources and corporate facility management                        | 7 672 974,72 | 639 414,56   |
| Finance                              | To ensure that financial resources are efficiently utilised towards the mandate of the entity   | 6 275 214,45 | 522 934,5375 |

|  |  |                      |                   |
|--|--|----------------------|-------------------|
| Information & Communication Technology | To support and enable the achievement of GEP's strategic objectives through innovative, efficient and effective use of information and information resources       | 4 323 593,65         | 360299,4708       |
| Marketing & Communications             | To position GEP as an agency of choice within the SMME sector within Gauteng through implementation of the marketing strategy and intensification of the GEP brand | 2 164 237,64         | 180353,1367       |
| <b>Grand Total</b>                     |  | <b>69 762 525,48</b> | <b>5813543,79</b> |

\*\*The positions in the respective divisions are as stated in the structure previously provided

## 9.1 PROGRAMME 1: OFFICE OF THE CEO



Programme 1 contributes **directly** to Strategic Goal 3: GEP efficiently and effectively managed and governed; and **supports delivery of**: Strategic Goal 1: Gauteng's revitalised township economies contributing to shared economic growth and development; and Goal 2: Gauteng's SMMEs and Co-ops actively participating in the Province's mainstream economy, including in key economic sectors.

### 9.1.1 Strategic Objectives

The Administration Budget Programme Area will work towards the following seven (7) strategic objectives:

1. Strategically lead, monitor and evaluate GEP's policies, programmes and projects.
2. Implement, timeously and to plan, all GEP's policies, programmes and projects.
3. Ensure prudent, compliant and efficient financial, accounting and supply chain services.
4. Create awareness of GEP's services and products through rigorous marketing and communication services.
5. Efficiently and effectively manage GEP's Information Communication and related Technologies, and general facilities services.



6. Provide sound legal, governance, risk and compliance services.

7. Deliver efficient and effective corporate services.

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.1</b> | Strategically lead, monitor and evaluate GEP's policies, programmes and projects.            |
| <b>Objective Statement</b>     | To ensure that GEP is fulfilling its mandate and delivering against its goals and objectives |
| <b>Baseline</b>                | Annual Report with impact information and data   |

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.2</b> | Implement, timeously and to plan, all GEP's policies, programmes and projects.   |
| <b>Objective Statement</b>     | GEP implementing plans on time, meeting targets and providing speedy and efficient services                            |
| <b>Baseline</b>                | <ul style="list-style-type: none"> <li>• Quarterly Performance Reports</li> <li>• Annual Performance Report</li> </ul> |

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.3</b> | Ensure prudent, compliant and efficient financial, accounting and supply chain services.   |
| <b>Objective Statement</b>     | Ensure financial accountability and compliance to prescripts and regulations, prudent utilisation of financial resources and tangible returns on investments |
| <b>Baseline</b>                | Unqualified AG audit report  |

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.4</b> | Create awareness of GEP's services and products through rigorous marketing and communication services.   |
| <b>Objective Statement</b>     | <p>To improve the public's and targeted beneficiaries awareness of, and thereby use of GEP's service delivery interventions by:</p> <ul style="list-style-type: none"> <li>• Building and maintaining healthy stakeholder relations</li> <li>• Building and maintaining good working relations with the media</li> </ul> |

|                 |   |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>• Brand activation and marketing the programs of the department</li> </ul>   |
| <b>Baseline</b> | <ul style="list-style-type: none"> <li>• Service Delivery Improvement Plan</li> <li>• Gauteng Communication Strategy Framework</li> <li>• Customer service report that contributes to the Citizens Report</li> <li>• Communication Strategy and Plan</li> </ul> |

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.5</b> | Efficiently and effectively manage GEP's Information Communication and related Technologies, and general facilities services.  |
| <b>Objective Statement</b>     | <ul style="list-style-type: none"> <li>• To improve information and communication technology and systems to enable knowledge creation and efficiency in information management</li> <li>• To ensure that the facilities of the GEP are well maintained and functional</li> </ul> |
| <b>Baseline</b>                | <ul style="list-style-type: none"> <li>• 90% functionality of current IT system</li> <li>• Office spaces clean, well maintained and functional</li> </ul>  |

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 1.6</b> | Provide sound legal, governance, risk and compliance services.   |
| <b>Objective Statement</b>     | Provision of smooth and seamless logistical and secretariat services for GEP's board, executive management team and other meetings.  |
| <b>Baseline</b>                | Meeting Reports  |
| <b>Strategic Objective 1.7</b> | Deliver efficient and effective corporate services.  |
| <b>Objective Statement</b>     | <ul style="list-style-type: none"> <li>• To increase proficiency capacity of staff.</li> <li>• To ensure professionalism and competency</li> <li>• Improve accountability and impact of GEP's work</li> <li>• Improve legal defensibility of decisions and actions of GDARD through strengthened legal services</li> </ul> |



|                 |   |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>• increase effective participation of designated groups in internal and external programmes</li> </ul>   |
| <b>Baseline</b> | <ul style="list-style-type: none"> <li>• 80% legal services support rendered</li> <li>• Vacancy rate reduced to 10%</li> <li>• Bi-annual Evaluation Reports</li> <li>• EE Reports</li> <li>• Project Beneficiary Reports</li> </ul> |

### 9.1.2 Resource Considerations

The main resource considerations in terms of Programme Area 1 are sufficient skilled human resource capacity to perform all functions, and sufficient budget to develop and implement robust, technology based, efficient and effective systems and processes to facilitate speedy delivery and implementation. Automating processes may require an increase in the ICT budget. Any changes introduced to the organisational structure of GEP will also impact on budget considerations, especially in the context of the specialised skills GEP will require to implement this Revised Strategic Plan.

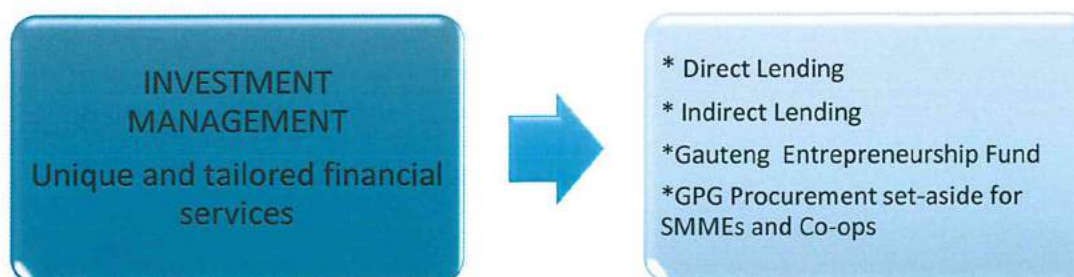
### 9.1.3 Risk Management

| RISK  | MITIGATION   |
|---|--|
| <b>Lengthy turn-around times for decision-making that delays delivery and implementation</b>          | Assessment of decisions required and processes entailed in arriving at decisions. Development of strategy and systems to shorten processes. Set performance indicator of 24 hour turn-around time. Internal policy for all of GEP business units (programme areas and projects) on speedy turn-around processes and times. |
| <b>Duplicated responsibilities between DED branches, other DED agencies and other GPG departments</b> | Formal agreements (e.g. Service Level Agreements) between GEP and other DED Agencies, the DED and  |



|   |   |
|---|---|
|   | other GPG departments to clearly spell out specific and concurrent responsibilities; and how concurrent responsibilities will be managed.             |
| <b>Disjuncture in approaches and priorities between DED and GEP and/or other DED agencies and GEP</b> | Joint meetings and increased co-ordination with DED's Governance and Compliance Branch as well as with other DED agencies                             |
| <b>Different corporate services policies, approaches and systems between GEP and DED</b>              | GEP to be part of the shared corporate services being established by the DED and thus operating from and implementing single policies e.g. HR policy. |

## 9.2 PROGRAMME 2: INVESTMENT MANAGEMENT



Programme 2 contributes **directly** to Strategic Goal 1: Gauteng's revitalised township economies contributing to shared economic growth and development; and Goal 2: Gauteng's SMMEs and Co-ops actively participating in the Province's mainstream economy, including its key economic sectors, and **supports delivery of**: Strategic Goal 3: GEP efficiently and effectively managed and governed.

### 9.2.1 Strategic Objectives

The Investment Management Programme Area will work towards the following Strategic Objective:

1. Provide unique and tailored financial support services that propel SMMEs into the mainstream economy, revitalises township economies and grows the key economic sectors.

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 2.1</b> | Provide unique and tailored financial support services that propel SMMEs into the mainstream economy, revitalises township economies and grows the key economic sectors.                                     |
| <b>Objective Statement</b>     | To ensure that the financial support services of GEP results in SMMEs and Co-ops being active and equal role-players in the mainstream economy, revitalised township economies and the key economic sectors. |
| <b>Baseline</b>                | Current Statistics on the positioning and role of SMMEs and Co-ops.  |

### 9.2.2 Resource Considerations

The main resource considerations in terms of Programme Area 2 is sufficient funding for:

- (a) starting-up and sustaining implementation of the new projects emerging from the GEP's revised strategy;
- (b) securing the necessary specialist human resource capital required for these projects; and
- (c) any IT automating processes involved in implementing the projects.

### 9.2.3 Risk Management

| RISK   | MITIGATION   |
|--|--|
| <b>Insufficient Funding provided by DED/GPG for the new projects</b>                                 | Embarking on a focused drive to establish strategic funding partnerships that will include leveraging funding from partners directly to beneficiaries. Revising and redirecting current financial allocations to new projects because they are responsive to the TMR strategy. |
| <b>Slow decision-making and operational processes that impede implementation of the new projects</b> | Engaging with the MEC of DED and the Board of GEP to introduce innovative and IT based forms of communication e.g. teleconferences or skype  |



|   |  |
|---|--|
|   | conferences instead of face-to-face meetings, for situations that require urgent decisions.  |
| <b>Insufficient specialised capacity within the GEP</b> | Source in by contracting out certain tasks and responsibilities, on a short, medium or long-term. Develop and implement an appropriate specialised skilling and capacity building interventions for current staff. Source in from other strategic partner organisations. |

### 9.3 PROGRAMME 3: ENTERPRISE SUPPORT



Programme 3 contributes **directly** to Strategic Goal 1: Gauteng's Township Economies Revitalised; and Goal 2: SMMEs and Co-ops actively participating in the Gauteng's mainstream economy and it's 11 identified economic sectors' and **supports delivery of**: Strategic Goal 3: GEP efficiently and effectively managed and governed.

#### 9.3.1 Strategic Objectives

The Entrepreneur Support Programme Area will work towards the following Strategic Objective:

1. Provide unique and tailored business development services that propel SMMEs into the mainstream economy, revitalises township economies and grows key economic sectors.

|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 3.1</b> | Provide unique and tailored business development services that propel SMMEs into the mainstream economy, revitalises township economies and grows key economic sectors.  |
| <b>Objective Statement</b>     | To ensure that the business development (non-financial) support services provides SMMEs and Co-ops with the skills and capacity to be active and equal role-players in the mainstream economy, revitalised township economies and the 11 identified sectors. |
| <b>Baseline</b>                | Current Data on the skills, capacity and sustainability of SMMEs and Co-ops.   |

### 9.3.2 Resource Considerations

The main resource considerations in terms of Programme Area 3 is sufficient funding for:

- (a) starting-up and sustaining implementation of the new projects emerging from the GEP's revised strategy;
- (b) securing the necessary specialist human resource capital required for these projects; and
- (c) any IT automating processes involved in implementing the projects.

### 9.3.3 Risk Management

| RISK   | MITIGATION   |
|--|--|
| <b>Insufficient Funding provided by DED/GPG for the new projects</b>                                 | Embarking on a focused drive to establish strategic funding partnerships that will include leveraging funding from partners directly to beneficiaries. Revising and redirecting current financial allocations to new projects because they are responsive to the TMR strategy. |
| <b>Slow decision-making and operational processes that impede implementation of the new projects</b> | Engaging with the MEC of DED and the Board of GEP to introduce innovative and IT based forms of communication e.g. teleconferences or skype conferences instead of face-to-face meetings, for situations that require urgent decisions.  |



|  |   |
|--|---|
| <p><b>Insufficient specialised capacity within the GEP</b></p> | <p>Source in by contracting out certain tasks and responsibilities, on a short, medium or long-term. Develop and implement an appropriate specialised skilling and capacity building interventions for current staff. Source in from other strategic partner organisations.</p> |
|--|---|

#### 9.4 PROGRAMME 4: REGIONAL OPERATIONS



Programme 4 contributes **directly** to Strategic Goal 1: Gauteng's revitalised township economies contributing to shared economic growth and development; and Goal 2: Gauteng's SMMEs and Co-ops actively participating in the Province's mainstream economy, including its key economic sectors' and **supports delivery of**: Strategic Goal 3: GEP efficiently and effectively managed and governed.

##### 9.4.1 Strategic Objectives

The Entrepreneur Support Programme Area will work towards the following Strategic Objectives:

1. All GEP Led Township Economies Revitalisation Strategy (TER) projects effectively implemented.
2. All GEP Led Gauteng Informal Business Upliftment Strategy (GIBUS) projects effectively implemented.



|                                |  |
|--------------------------------|--|
| <b>Strategic Objective 4.1</b> | All GEP Led Township Economies Revitalisation Strategy (TER) projects effectively implemented.                     |
| <b>Objective Statement</b>     | Lead the successful implementation of identified projects that GEP is responsible for.                             |
| <b>Baseline</b>                | Current status quo data on township economies.   |
| <b>Strategic Objective 4.2</b> | Effective implementation of all GEP Led Projects i.r.o. the Gauteng Informal Business Upliftment Strategy (GIBUS). |
| <b>Objective Statement</b>     | Lead the successful implementation of identified projects that GEP is responsible for.                             |
| <b>Baseline</b>                | Current relevant status quo data on informal traders.  |

|                                |   |
|--------------------------------|---|
| <b>Strategic Objective 4.2</b> | All GEP Led Gauteng Informal Business Upliftment Strategy (GIBUS) projects effectively implemented. |
| <b>Objective Statement</b>     | Lead the successful implementation of identified projects that GEP is responsible for.              |
| <b>Baseline</b>                | Current relevant status quo data on informal traders.   |

#### 9.4.2 Resource Considerations

The main resource considerations in terms of Programme Area 4 is sufficient funding and human resource capacity for GEP to perform its lead functions.

#### 9.4.3 Risk Management

| RISK   | MITIGATION  |
|--|---|
| <b>Insufficient Funding provided by DED/GPG for the TER and GIBUS projects</b>                                 | Assist DED with raising additional funds for TER and Gibus Projects.  |
| <b>Slow decision-making and operational processes that impede implementation of the TER and Gibus projects</b> | Engaging with the MEC of DED and the Board of GEP to introduce innovative and IT based forms of communication e.g. teleconferences or skype |

|   |  |
|---|--|
|   | conferences instead of face-to-face meetings, for situations that require urgent decisions.  |
| <b>Insufficient specialised capacity within the GEP</b> | Source in by contracting out certain tasks and responsibilities, on a short, medium or long-term. Develop and implement an appropriate specialised skilling and capacity building interventions for current staff. Source in from other strategic partner organisations. |

## GEP's Implementation Plan

### Shift from close to open access

The Gauteng Enterprise Propeller has developed a mechanism to improve access to its development funding and other products. During the Township Economic Roadshows in 2014, a number of SMME's and cooperatives in various Gauteng Townships were not aware of the Gauteng Enterprise Propeller and how to access their development and financial support. This was further compounded by the call for transparency in GEP's processes. As a consequence of the above mentioned concerns, GEP has opted to centralize the process of accessing GEP's service. The open tender would include GEP support by sector, products and will be implemented in all the Gauteng regions. In the next financial year, all GEP services and support to SMME's and Cooperatives will be advertised through an open tender with the exception of walk-ins for people or SMME's that have secured contracts and require funding. This would assist to improve access, increase transparency and mitigate other risks impacting on GEP. Such a process would assist to ensuring effective planning and enhancement of performance.

Gauteng Enterprise Propeller (GEP) provides both financial and non-financial services to enable SMMEs and Co-operatives to become active participants in the Gauteng's mainstream economy. SMMEs and Co-operatives are central focus for the current strategic/electoral period–TMR. In order to realize the objective of TMR, the mandate



of GEP is to revise, reposition and shape SMMEs and Cooperatives to be the engines of growth and move from being just perpetual distributors of goods and services to becoming productive centers. GEP will contribute to the following:

- facilitate the revitalization of Gauteng's township economy – by focusing on supporting the development of township enterprises, co-operatives and SMMEs that produce goods and services that meet the needs of township residents and the cross-border markets;
- Increase the participation of SMMEs and Co-operatives in the province's mainstream economy – by providing unique tailored made financial and non-financial support services to meet the specific needs of its target beneficiaries; and
- Contribute to the growth and development of the 11 identified sectors – by developing the capabilities of SMME's and Co-ops to become noteworthy role-players in the value chain of services offered by these and other economic sectors through its Flagship project of Sector Specific Centres of Excellence.

GEP will implement projects based on the revised strategy and alignment with the national and provincial economic frameworks by changing from the generic reactive levels of support to all potential beneficiaries that interface with the organization, to sustainable, proactive and business-oriented entrepreneurs with unique and tailored services designed to achieve the TMR outcomes as well as meet the needs of SMMEs and Co-ops.

The implementation of GEP Strategy is guided by the GPG TMR Strategic pillars, namely; Radical Economic Transformation (Pillar 1) and the Re-industrialisation of the Gauteng Province (Pillar 9). These strategic pillars are aligned to the National Development Plan, the Gauteng Economic Development City Region Strategy, Township Economic Revitalisation and the Gauteng Informal Business Upliftment Strategy. Fundamental to

these strategic and policy frameworks is the move of small businesses from the marginalised into the mainstream economy and the shift from mainly distribution of goods and services into becoming productive centers.

Central to the Gauteng Transformation Modernisation and Re-Industrialisation (TMR) are the 11 priority sectors. These include amongst Manufacturing, Retail, Services sector, Tourism, Creative industry, Mineral beneficiation, Construction, Real Estate. Automotive, pharmaceutical sector and agro-processing.

Over the past 10 years since GEP inception, the services and retail sector has been leading in terms of the organisations support to SMME's. The adoption of the township economic revitalisation has also re-iterated the support to informal businesses operating outside the mainstream economy. In order for GEP to implement its strategy, the organisation needs to prioritise the following sectors as guided by the research and economic intelligence:

- Manufacturing sector
- Pharmaceutical sector
- Agriculture and Agro-processing
- Automotive
- Retail and Services Sector and
- ICT

With the Gauteng Enterprise Propelling and renewing its focus and targeting Regional Centers of Excellence, enterprizes will benefit from productive skills resulting into high impact and economies of scales.



### **Alignment to TMR and Game Changers**

The sectoral alignment to TMR will ensure the resuscitation of the ailing economy, increase productivity (manufacturing), reduce poverty, inequality and eventually lead to job creation. The critical game changers adopted in the strategy such as revenue generation, creation of oversight bodies (sectoral experts/mentors) and establishment of regional centers of excellence would ensure that business enterprises play a prominent role in upskilling, transformation and the re-industrialisation of the economy. Products emanating from the Centers of Excellence, through manufacturing and provision of services will be linked to the markets (access to markets).

Strengthening partnerships and increase revenue generation will ensure that skills and resources predominantly owned by a few businesses benefit SMME's and cooperatives. Coupled with the strategic procurement and the renewed focus on the local content, set aside will ensure that previously marginalised businesses are able to compete in the mainstream economy. The provision of support by various sector experts will ensure the sustainability of the SMME's and to a certain extent cooperatives and the graduation from low, medium to high levels (Business Sophistication Measures-BSM). This resonates with the increase number of players in various sectors and Gauteng regions. It is also coupled with a number of private sector companies interested in supporting the township and the marginalised economy. The impact of the partnerships and the establishment of Oversight bodies to drive and accelerate entrepreneurship development coupled with the link to strategic procurement would have a huge impact since more SMME's will start producing. Such programs would assist in creating quality and sustainable SMME's capable to stimulating the local economies and reverse the high levels of unemployment and poverty. The TMR projects have a potential to increase the number of high impact SMME's in the mainstream economy and the 11 priority sectors.

**Key Programs and deliverables**

| Projects/Program                                | Measures   | Deliverables   | timeframe               | Costs                      |
|---|--|--|-------------------------|----------------------------|
| Establishment of Regional Centers of Excellence | Approved needs analysis (Cost benefit analysis) report and venue for the establishment of the center | High impact entrepreneurs and production of goods for the market   | June 2016 to March 2018 | R11m x 5 =R55m             |
| TMR projects                                    | Approval and implementation of high impact projects as spelled out in the TMR Framework              | 4958 SMME's and Cooperatives to benefit from TMR<br>-Deliver high impact projects such as Condom distribution and production, Ecowash, Waste Recycling, Creation of chemists in black townships, Fish production companies in various townships etc. | April-March 2017        | Use current funding (R78m) |



|  |   |  |                        |                         |
|--|---|--|------------------------|-------------------------|
| Establishment of regional automotive centers | Needs analysis (Cost benefit analysis) report and securing of venue for the establishment | Provide development support and market access to SMME's within the auto space in targeted Gauteng townships  | July 2016              | R10m x1                 |
| Gauteng Township Project Vuthela             | Terrain/ township assessments conducted   | Project Vuthela intends to promote safe communities, protect public infrastructure, enhance local skills, create jobs through unlocking other sectors of the economy | March 2016-2017        | R37mx 3 financial years |
| Gauteng TER Entrepreneurship Awards          | -Approval of the concept and proposal<br>Appointment of the awards sponsors               | -concept development and approval<br>-Appointment of the Awards Sponsors   | July and November 2016 | R18m                    |

|   |   |  |                               |  |
|---|---|--|-------------------------------|--|
|   | <ul style="list-style-type: none"> <li>- Call to entries and submissions opens</li> <li>-Judging and interviewing of finalists</li> <li>-Submission of results to auditors</li> <li>-Awards ceremony</li> </ul> | <ul style="list-style-type: none"> <li>-Partnerships with critical stakeholders such as the Ministry for Small Businesses, -Center for Small Business and Development (CSBD)</li> <li>-Media launch to announce the hosting of the awards</li> <li>-Call to entries and submissions opens</li> <li>-Judging and interviewing of finalists</li> <li>-Submission of results to auditors</li> <li>-Awards ceremony</li> </ul> |                               |  |
| Provision of support to existing SMME's in the eleven sectors | -Proof of businesses supported  | 900 business to receive financial support  | 30 June 2016 to 31 March 2017 | <b>R50m</b><br>-R30m for captive loans |

|   |   |   |  |  |
|---|---|---|--|--|
|   | <ul style="list-style-type: none"> <li>-Signing of the service level agreement</li> <li>-Report of due diligence conducted</li> </ul>   | <ul style="list-style-type: none"> <li>- Provision of financial and non-financial support to 25 SMME's within the industrial parks</li> </ul>   |  | <ul style="list-style-type: none"> <li>-R7m for micro deals</li> <li>-R3m for Community Fund</li> <li>-R5m to support cooperatives in the central corridor</li> </ul>    |
| Revitalising and modernising township economies reflecting radical economic transformation and re-industrialisation | <ul style="list-style-type: none"> <li>-Proof of businesses supported</li> <li>-Signing of the service level agreement</li> <li>-Report of due diligence conducted</li> </ul> | <ul style="list-style-type: none"> <li>-115 SMME's receiving financial support in prioritised sectors</li> <li>- 230 new SMME's supported financially in prioritized sectors</li> <li>-100 Co-ops supported financially in prioritized sectors</li> <li>-110 new Cooperatives supported financially in prioritized sectors</li> <li>- 400 Township Businesses supported through the Township</li> </ul> |  | <ul style="list-style-type: none"> <li>(Cooperative Assistance Program)</li> <li>R5m to support SMME's in various townships Industrial parks (TBR) in Gauteng</li> </ul> |



|  |   |  |                               |   |
|--|---|--|-------------------------------|---|
|  |   | Business Renewal programme<br>-350 Start-Up Businesses funded through the Community Fund   |                               |   |
|  | -Proof of businesses supported<br>-Signing of the service level agreement<br>-Report of due diligence conducted | -1900 SMME's supported non-financially in the 11 sectors<br><br>- 500 existing Co-ops supported non-financially in the 11 sectors<br>-200 new Cooperatives supported non-financially in the 11 sectors<br>-500 informal businesses supported through | 30 June 2016 to 31 March 2017 | <b>R15m</b><br>-R12.2m for Business Development Support interventions<br>-R2.4 for SMMEs and Cooperatives Training sessions<br>-R30k for CIPC Registrations<br>-R350 for Informal Traders Training sessions |

|  |  |   |  |  |
|--|--|---|--|--|
|  |  | business<br>development<br>-100 Cooperatives<br>funded through the<br>Cooperative<br>Assistance<br>Programme (CAP)<br>-700 SMMEs<br>supported through<br>Business<br>Development<br>Support (BDS)<br>Interventions<br>- 500 Cooperatives<br>supported through<br>Business<br>Development<br>Support (BDS)<br>Interventions<br>-20 township<br>supported through<br>township access<br>programme<br>-20 youth owned<br>township based<br>businesses<br>supported through |  |  |
|--|--|---|--|--|

|       |  |                                     |  |              |
|-------|--|-------------------------------------|--|--------------|
|       |  | township market<br>access programme |  |              |
| Total |  |                                     |  | R185 000 000 |



## PART C: LINKS TO OTHER PLANS

### **10. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS**

The matter of long term infrastructure and other capital plans is not applicable to the GEP at this stage.

### **11. CONDITIONAL GRANTS**

The matter of conditional grants is not applicable to the GEP at this stage.

### **12. PUBLIC ENTITIES**

The GEP does not have any public entities.

### **13. PUBLIC –PRIVATE PARTNERSHIPS**

The GEP does not have any public-private partnerships at this stage.