



GAUTENG ENTERPRISE PROPELLER

ANNUAL PERFORMANCE PLAN 2023/2024



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www.gep.co.za

EXECUTIVE AUTHORITY STATEMENT

In aligning with the State of Nation Address (SONA) and State of Province Address (SOPA) commitments, the Gauteng Department of Economic Development (GDED) has prioritized facilitating the enactment of the Township Economic Development Act (TEDA) which gave impetus to the establishment of the SME Partnership Fund, a public-private partnership initiative that will extend funding to SMMEs and township enterprises. The Act provides the legal framework for unlocking opportunities for small businesses and the transformation of townships into major economic nodes for the Gauteng province. The Premier's elevated priorities, Priority 1 (Accelerate economic recovery) and Priority 2 (Improve living conditions in townships, informal settlements, and hostels (TISH)) in particular brings impetus to our focus on programmes that will grow the provincial economy and the township economy specifically.

The 2023/24 APP is developed on the back of the high rise in unemployment unprecedented in the history of South Africa. The state of the economy in the country and the province continues to be dire, characterised by national and global recessionary pressures. The Russia Ukraine war will continue to slow economic growth compounded by inflationary pressures and diminishing households purchasing power. Loadshedding remains a major stumbling block for economic growth domestically exacerbating the ongoing closure of mainly township-based small enterprises and the resultant job losses. It thus follows that various tailor-made financial and non-financial support interventions, provided through GEP, need to contribute in salvaging surviving small enterprises and revive those that are on the brink of collapse. In this regard, there will be a need to expand the outreach of financial and non-financial support to small enterprises in the Province.

The accelerated implementation of the various GEP Funding Partnerships is critical given the current economic crisis. GEP must be at the forefront of stimulating the catalytic intervention of these Funds in the rescue of struggling small enterprises. Set turnaround times need to be met in the assessment, approval and funding of financial and non-financial support applications in this regard.

GEP's role is vital in the rescuing of our economy, mainly by cushioning the declining small enterprises through financial and non-financial support interventions.

Ms. Tasneem Motara (MEC)

Executive Authority

ACCOUNTING AUTHORITY STATEMENT

As we come to the fall of the current term of the 6th Administration, GEP like other Public Entities, is operating in a depressed economy, requiring accelerated provision of financial and non-financial support to salvage the declining small enterprises in the Province. This period also provides an opportunity to expand our outreach to mainly township-based small enterprises, mainly unable to survive the current economic constraint exacerbated by the energy crisis the country face.

At the centre of our commitments remain those made, through the Gauteng Department of Economic Development, in the Service Delivery Agreement of the Member of the Executive Council. Key amongst these, is the provision of financial and non-financial support to small enterprises. Although we are doing well on this front, the current depressed economy demands, a developmental approach that focuses on the sustainability of the supported small enterprises. Thus our focus, unlike in the recent past, is on ensuring that we provide quality services that will contribute to the sustainability of the small enterprises. This has largely burdened our meagre resources and limit our outreach. We continue to engage our Shareholder Department, on the recapitalization of the Entity, to supplement the meagre resources currently inadequate to meet the demand for our services.

The various Partnership Funds established in the previous financial year, are resource launchpads, that should benefit our already economically depressed small enterprises. The funding applications assessed and approved by these Funds will be fasttracked in the upcoming period, contributing to the stimulation of a decent survival rate of small enterprises.

The Executive Authority is continuously supporting the Entity in realizing its intended objectives; however, we still have work to do in order to remodel and reposition the GEP to become the face of entrepreneurship in the province. I am confident that the strategic plan and performance plan will provide us with ideas, plans, and interventions to achieve the desired results.

A handwritten signature in black ink, appearing to read 'Ms. Lebogang Leshika', is positioned above a horizontal line.

Ms. Lebogang Leshika

Chairperson of the Board

CHIEF EXECUTIVE OFFICER STATEMENT

The last financial year of the 6th Administration, meet us in the middle of a dwindling economy that has exposed the vulnerability of the barely surviving small enterprises. Although we have recently increased the outreach of our services to many small enterprises, this has remained inadequate. Our insufficient resources are still surpassed by the demand for our services. However, the situation we face presents an opportunity for pursuing Partnerships to leverage available enterprise development resources. Established Partnerships will be used to extend our reach to small enterprises. .

We will continue to prioritize support to small enterprises based in the Special Economic Zone (SEZs) and industrial hubs in the upcoming period – our key contribution to the realisation of the TEDA. Our aim will be to provide sustainable business development interventions to the small enterprises, in addition to the various capacity building initiatives provided by other GDED Agencies.

On the back of our improving debt collection rate of due debts on our active Loan Book, we still expend efforts to recover adequate funds. The funds are crucial for reinvestment in loan funding of qualifying small enterprises. Our aim still remains to ensure that our Balance Sheet improves as an avenue for leveraging of Partnership Funds and the sustainability of the Entity.

The Cooperatives Support Strategy remains an intrinsic part of the policy fundamentals that inform our program/project implementation. The cooperatives benefit from similar Business Development initiatives aimed at small enterprises, in an attempt to address the declining survival rate thereof.

In the upcoming period, the increasing demand for our services will be accompanied by improved turnaround times on assessment, approval and funding of both financial and non-financial applications. The Entity is adequately positioned to continue meeting the expectations of its mandate.

A handwritten signature in black ink, appearing to read 'Saki Zamxaka', is positioned above a horizontal line.

Mr. Saki Zamxaka

Chief Executive Officer

OFFICIAL SIGN-OFF

It is hereby certified that this 2023/24 Annual Performance Plan:

- 1) Was developed by the management team of the Gauteng Enterprise Propeller, under the guidance of the Board;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Gauteng Enterprise Propeller is responsible;
- 3) Accurately reflects the Outputs and Targets which the Gauteng Enterprise Propeller will endeavour to achieve over the 2023/24 financial year.

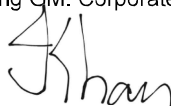


Ms. Thenjiwe Msomi

Acting GM: Corporate Support and Administration

17/02/2023

Date



Mr. Imraan Khan

Chief Operational Officer

17/02/2023

Date



Ms. Khanyisile Cele

GM: Strategy Monitoring and Evaluation

17/02/2023

Date



Ms. Xolelwa Matyila

Acting Chief Financial Officer

17/02/2023

Date



Mr. Saki Zamxaka

Chief Executive Officer

17/02/2023

Date

APPROVED BY:



Ms. Lebogang Leshika

Chairperson of the Board

20/02/2023

Date

Mr. Blake Mosley-Lefatola

Head of Department

Date

Ms. Tasneem Motara (MEC)

Executive Authority

Date

ABBREVIATIONS AND ACRONYMS

4IR	4 th Industrial Revolution
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BER	Bureau for Economic Research
CBD	Central Business District
CIPC	Companies and Intellectual Property Commission
DDM	District Development Model
DFI	Development Finance Institution
DPME	Department of Planning, Monitoring and Evaluation
DTIC	Department of Trade Industry and Competition
ESG	Environmental, Social and Governance
FY	Financial Year
GCR	Gauteng City Region
GDED	Gauteng Department of Economic Development
GDP	Gross Domestic Product
GEM	Gauteng Entrepreneurship Model
GEP	Gauteng Enterprise Propeller
GFCF	Gross Fixed Capital Formation
GGT2030	Growing Gauteng Together, Roadmap to 2030
GIBUS	Gauteng Informal Business Upliftment Strategy
GIIMP	Gauteng Integrated Infrastructure Master Plan
GPG	Gauteng Provincial Government
GSDF	Gauteng Spatial Development Framework
ICT	Information and Communication Technology

IDFC	Ithala Development Finance Corporation Limited
IM	Investment Management
IMF	International Monetary Fund
MEC	Member of the Executive Council
MOOC	Massive Open Online Courses
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MV	Military Veteran
NDP	National Development Plan
PFMA	Public Finance Management Act
PRASA	Passenger Rail Agency of South Africa
PwD (s)	People With Disability/ies
Q	Quarter
QLFS	Quarterly Labour Force Survey
R&D	Research and Development
SA	South Africa
SADC	South African Development Community
SARB	South African Reserve Bank
SARS	South African Revenue Services
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SOE	State-Owned Enterprise/Entity

SONA	State of the Nation Address
SOPA	State of the Province Address
TEDA	Gauteng Township Economic Development Act
TER	Township Economy Revitalisation
TMR	Transformation, Modernisation and Re-industrialisation
TVET	Technical and Vocational Education and Training
UN	United Nations
US/USA	United States of America
YES	Youth Employment Service

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PART A: OUR MANDATE

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

There are updates to the legislative and policy mandates outlined in the 2020-2025 Strategic Plan, summarised as follows:

- Constitution of South Africa Act (No. 108 of 1996)
- Gauteng Enterprise Propeller Act (No. 5 of 2005) (GEP Act)
- Gauteng Township Economic Development Act (No. 2 of 2022)
- Companies Act, 2008 (No. 71 of 2008)
- Public Finance Management Act (No. 1 of 1998), as amended (PFMA)
- Full suite of governance legislation, including, amongst others:
- King IV Code on Corporate Governance in SA (2016)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Consumer Protection Act, 2008 (No. 68 of 2008)
- National Credit Act, 2005 (No. 34 of 2005)
- Protection of Personal Information Act, 2013 (No. 4 of 2013)
- Preferential Procurement Policy Framework Act, 2000 (No. 5 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (No. 53 of 2003) National Development Plan, Vision 2030 - Chapter 8
- Sustainable Development Goals - Goals 5, 8 and 9
- African Union 2063 - Aspirations 1, 6 and 7
- Medium-term Strategic Framework (MTSF 2019-2024) - Outcome 1 and 2
- Ten Pillars of Transformation, Modernisation and Reindustrialisation (TMR)
- Growing Gauteng Together 2030 (GGT2030) - Priority 1 and 5
- Other key Gauteng policies and strategies supporting GGT2030:
- Township Economy Revitalisation Strategy
- Township Economic Development Act
- Tshepo 1 Million
- Gauteng Entrepreneurship Model
- Gauteng Spatial Development Framework (GSDF) 2030
- The GCR Integrated Infrastructure Master Plan (GIIMP)
- Gauteng City Region Economic Development Plan
- Gauteng Informal Business Upliftment Strategy (GIBUS)
- GCR Governance and Planning Roadmap
- Townships, Hostels and Informal Settlements Strategy (TISH)

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

There are updates to the 2020-2025 Strategic Plan and the Annual Performance Plan. See annexure A of the 2023/2024 APP. The Strategic Plan reflects as follows:

2.1. PRIORITIES OF THE 6TH ADMINISTRATION

The 2022 SONA made it clear that South Africa continues to face the stark reality of slow economic growth bedevilled by constant energy shortages that have disrupted business and social activities. Although the economy continues to create jobs to a limited extent, the high unemployment rate remains a challenge and the majority of South Africans are carrying the burden of high unemployment, high living costs and are unable to escape poverty.

Key priorities of SONA that need to inform the focus of GEP's strategy include:

- 1) Implementation of the District Development Model (DDM) that is fundamentally changing government's approach to local development.
- 2) Fiscal and monetary policy measures will be introduced as a means to easing economic pressure on business and consumers.
- 3) State-owned entities (SOEs) will be repurposed to support growth and development as part of the economic reform measures.
- 4) A two-pronged approach will be adopted to address the youth unemployment crisis – (1) creating opportunities for employment, and (2) self-employment.
- 5) The Presidential Youth Employment Intervention will be implemented focusing on six priority areas:
 - a) **Pathways** will be created for youth to participate in the economy by building cutting edge solutions to reach young people where they are, i.e. (online, on the phone and in person). Five prototypes will be launched in five provinces, that will be grown to a national network reaching 3 million people;
 - b) **Changes**: There will be fundamental changes in how young people are prepared for the future of work, providing shorter, more flexible courses in specific skills that employers require in fast-growing sectors;
 - c) **Innovation**: Developing new and innovative ways to support youth entrepreneurship and self-employment;
 - d) **Youth Employment Service**: Scaling up the Youth Employment Service and working with TVET colleges and the private sector to ensure that more learners receive practical experience in the workplace to complete their training;
 - e) **Presidential Youth Service**: Establishing the first cohort of a Presidential Youth Service Programme that will unlock the agency of young people and provide opportunities for them to earn an income, while contributing to nation building;
 - f) **Set aside budget**: Leading a youth employment initiative, which will be funded by setting aside 1% of the budget to deal with the high levels of youth unemployment. This

will be through top slicing from the budget, which will require that we all tighten our belts and redirect resources to address the national crisis of youth unemployment;

As part of this intervention, the National Youth Development Agency and the Department of Small Business Development will provide grant funding and business support to 1 000 young entrepreneurs.

- 6) 100 000 young entrepreneurs will be assisted over the next three years to access business skills training, funding and market facilitation.
- 7) “SheTradesZA” platform is being introduced to assist women-owned businesses to participate in global value chains and markets.
- 8) Over the next five years, the Industrial Development Corporation is targeting R10 billion of own and partner funding for women empowered businesses.
- 9) To create a larger market for small businesses, the plan is to designate 1 000 locally produced products that must be procured from SMMEs.
- 10) The Procurement Bill will soon be presented to Parliament, as part of government’s efforts to empower black and emerging businesses and advance radical economic transformation.
- 11) The Clothing and Textiles Master Plan, which was signed last year, aims to create 121 000 new jobs in the retail clothing textile and footwear sector over the decade.
 - a) Set up a joint Township Economy Development Fund with the private sector - in line with announcement by President Ramaphosa of establishment of Township Entrepreneurial Fund;
 - b) Provincial government to champion a new by-law model for a more developmental approach to regulation of township businesses - calling on support for the promulgation of the new Gauteng Township Economy Development Act, which will make it easier, affordable and quicker to register, open and operate a business in a township.

The Gauteng 6th Administration:

“Growing Gauteng Together: Our Roadmap to 2030” (GGT2030). GGT2030 reflects how the Gauteng City Region seeks to address the fundamental problems of inclusive growth and employment; poverty and hunger; education and healthcare; social justice and social cohesion; safety and security; gender equality and youth empowerment, urbanisation and migration; climate justice and the impact of the 4th Industrial Revolution.

“Our number one goal is to create jobs” and the Province is ready to establish social compacts with each of the following ten high-growth sectors:

- 1) Energy, with a focus on new technologies and a diverse energy mix;
- 2) Transportation and logistics;
- 3) ICT, media and digital services – the digital economy;

- 4) Tourism and hospitality;
- 5) Agri-food and agribusiness, focusing on value chains;
- 6) Construction and infrastructure;
- 7) Automotive, aerospace and defence;
- 8) Financial services;
- 9) Cultural and creative industries; and
- 10) Industrialisation of cannabis.

Number of SMMEs in South Africa

According to the Bureau for Economic Research (BER) in the year up to the third quarter of 2021, the number of SMMEs in South Africa rose by 41 000 (+1,7%) compared to 2020Q3. This indicates that there are just over 2,4 million SMMEs operating in the South African economy.

Key Indicator	2020Q3	2021Q2	2021Q3	q-o-q change	y-o-y change
Number of SMMEs	2 363 513	2 471 735	2 404 564	-2,7%	1,7%
Number of formal SMMEs	653 530	709 323	677 786	-4,4%	3,7%
Number of informal SMMEs	1 580 155	1 678 454	1 641 859	-2,2%	3,9%
Number jobs provided	10 058 355	10 326 238	9 758 313	-5,5%	-3,0%

Source: SEDA SMME Quarterly Update 3rd Quarter 2021

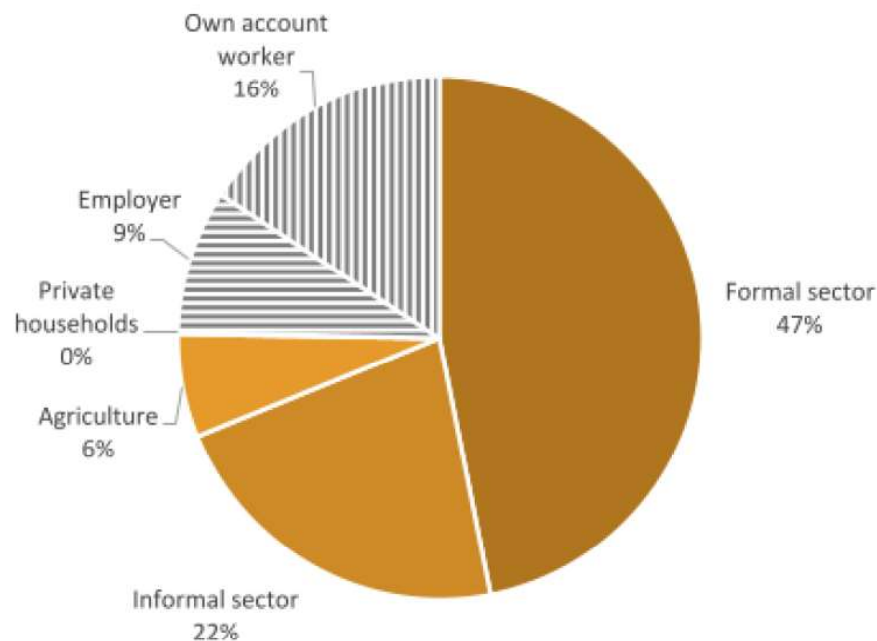
Employment provided by SMMEs in South Africa

Of the 661 000 people who lost their jobs in the third quarter of 2021, nearly 568 000 were employed in the SMME sector. It also seems as if SMMEs moved their employees from the formal to the informal sector as formal jobs provided by SMMEs declined by more than a million, while informal jobs rose by nearly 826 000.

Key Indicator	2020Q3		2021Q3	
	Number	Distribution	Number	Distribution
Formal sector	5 302 605	52,7%	4 575 128	46,9%
Informal sector	934 069	9,3%	2 134 474	21,9%
Agriculture	1 435 776	14,3%	631 057	6,53%
Private households	22 392	0,2%	13 091	0,1%
Provided to others	7 694 842	76,5%	7 353 749	75,4%
% Female		37,7%		36,3%
Employer	867 938	8,6%	866 747	8,9%
Own account worker	1 495 575	14,9%	1 537 817	15,8%
Total	10 058 355	100,0%	9 758 313	100,0%

Source: SEDA SMME Quarterly Update 3rd Quarter 2021

Of the jobs provided by SMMEs, 47% were in the formal sector in 2021Q3, down from 53% a year before. The portion of these jobs that went to women declined 37,7% to 36,3% over the same period.



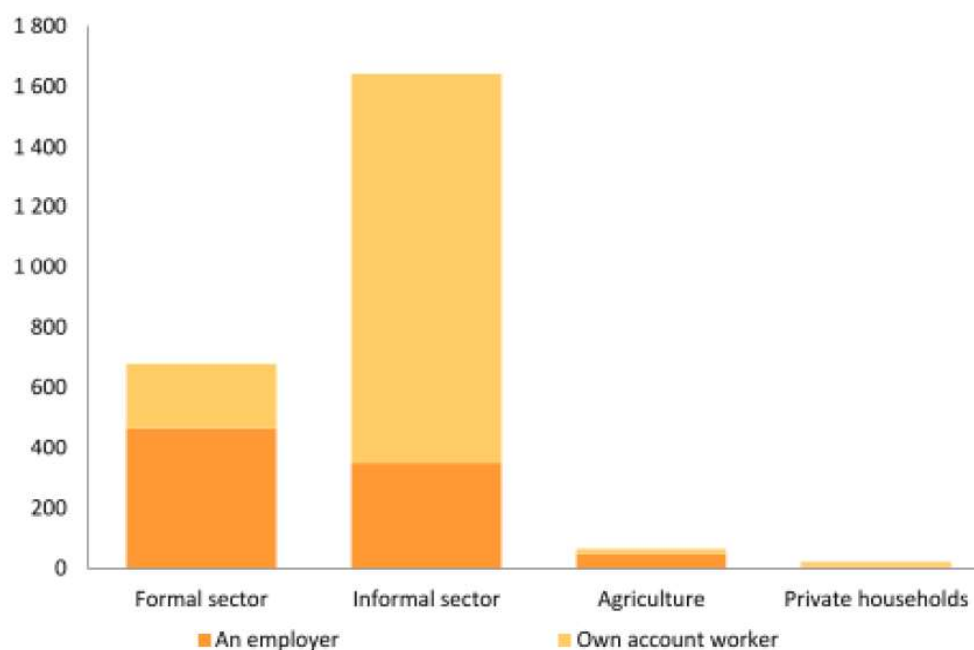
Source: SEDA SMME Quarterly Update 3rd Quarter 2021

SMMEs by Formal and Informal Sector in South Africa

The share of SMMEs operating in the informal sector stood at 68% in the third quarter of 2021, with the share operating in the formal sector at 28%. These ratios have been very stable since 2010. Most SMME owners in the formal sector employ other people, whilst the majority in the informal sector (79%) are own account workers. Of all SMME owners, 36% also employ other people.

Type	Formal Sector	Informal Sector	Agriculture	Private Households	Total	Distribution
An employer	465 575	348 595	47 462	5 115	866 747	36,0%
Own account worker	212 211	1 293 264	16 425	15 918	1 537 818	64,0%
Total	677 786	1 641 859	63 888	21 032	2 404 565	100,0%
% per sector	28,2%	66,3%	2,7%	0,9%	100%	

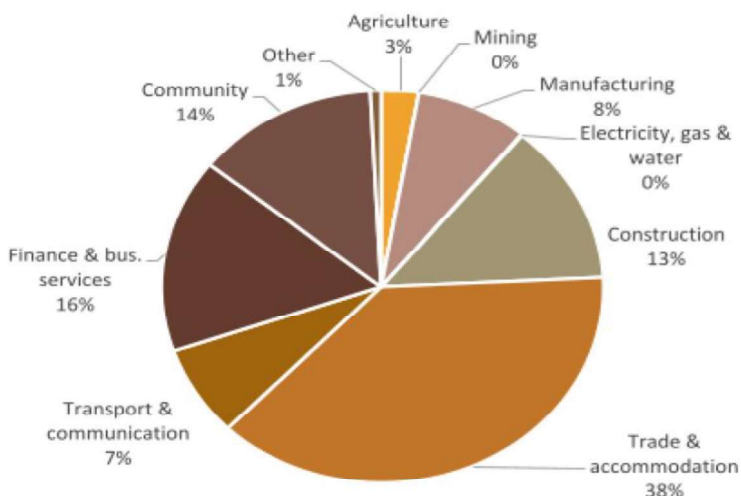
Source: SEDA SMME Quarterly Update 3rd Quarter 2021



Source: SEDA SMME Quarterly Update 3rd Quarter 2021

SMMEs by Industry

Among the main economic industries, the trade sector was the most adversely affected by the riots and looting in July 2021. Nearly 50 000 small businesses operating within this sector closed down during the third quarter. Another 41 000 ceased operations in the community sector, followed by 31 000 in the construction sector. Two sectors that gained entrepreneurs were business services and manufacturing.



Source: SEDA SMME Quarterly Update 3rd Quarter 2021

Key Indicator	2020Q3		2021Q3	
	Number	Distribution	Number	Distribution
Agriculture	104 189	4,4%	63 888	2,7%
Mining	2 188	0,1%	0	0,0%
Manufacturing	198 740	8,4%	198 274	8,2%
Electricity, gas & water	6 406	0,3%	2 353	0,1%
Construction	339 120	14,3%	315 909	13,1%
Trade & accommodation	922 250	39,0%	917 240	38,1%
Transport & communication	151 815	6,4%	177 332	7,4%
Finance & bus. services	308 932	13,1%	358 111	16,0%
Community	304 234	12,9%	323 426	13,5%
Other	25 639	1,1%	21 032	0,9%
Total	2 363 513	100,0%	2 404 564	100,0%

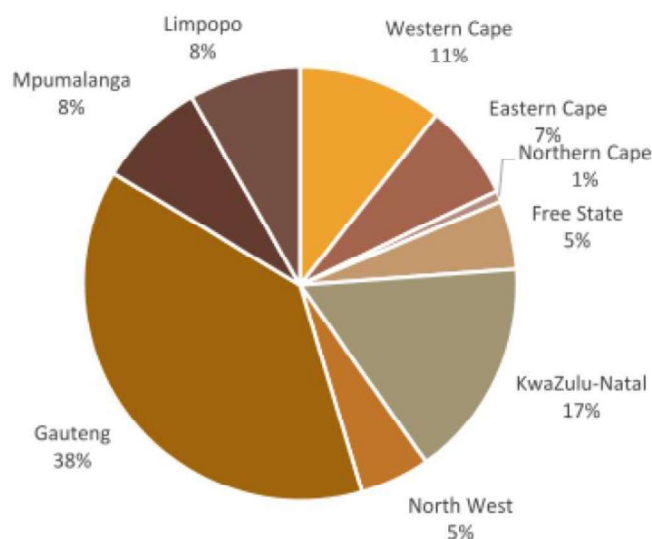
Source: SEDA SMME Quarterly Update 3rd Quarter 2021

SMMEs by Province

The substantial job losses in Kwa-Zulu Natal and Gauteng during the third quarter of 2021, following the July unrest, caused an increase in the number of people seeking alternative income. As such, the number of SMMEs increased in two provinces. Compared to a year before, there was a substantial increase in the number of SMMEs in Gauteng and North-West, while the Eastern Cape and Limpopo registered a significant decline.

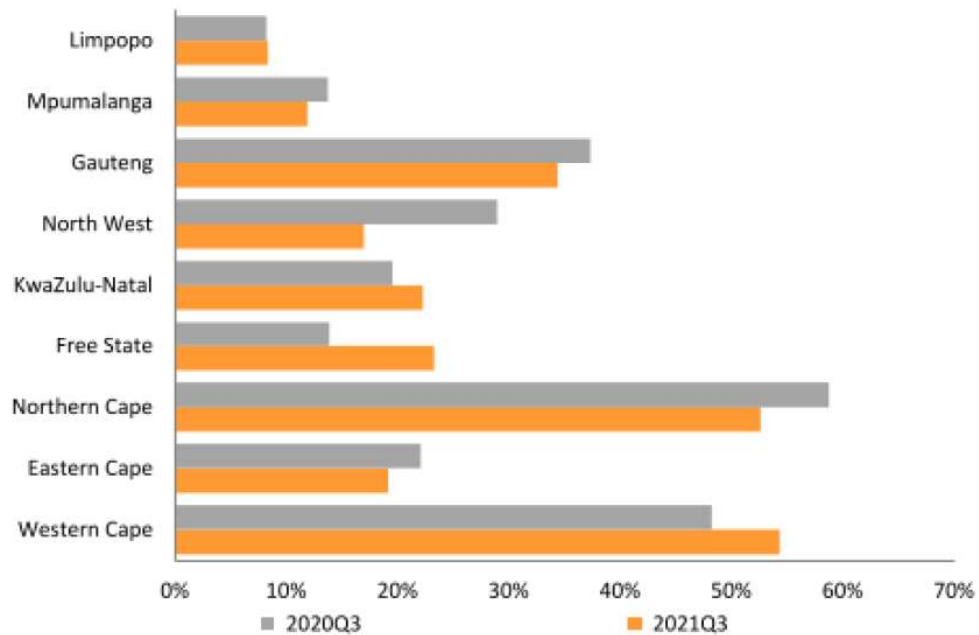
Key Indicator	2020Q3		2021Q3	
	Number	Distribution	Number	Distribution
Western Cape	268 799	11,4%	260 207	10,8%
Eastern Cape	231 011	9,8%	172 333	7,2%
Northern Cape	18 519	0,8%	19 129	0,8%
Free State	110 183	4,7%	123 269	5,1%
KwaZulu-Natal	414 071	17,5%	392 283	16,3%
North-West	79 203	3,4%	125 790	5,2%
Gauteng	783 410	33,1%	917 043	38,1%
Mpumalanga	214 393	9,1%	194 831	8,1%
Limpopo	243 923	10,3%	199 680	8,3%
Total	2 363 513	100,0%	2 404 564	100,0%

Source: SEDA SMME Quarterly Update 3rd Quarter 2021



Source: SEDA SMME Quarterly Update 3rd Quarter 2021

Provinces differ in terms of the formal / informal profile of their SMMEs. The Northern Cape, Western Cape and Gauteng hosted the highest share of formal SMMEs. The informal provinces are Mpumalanga and Limpopo.



Source: SEDA SMME Quarterly Update 3rd Quarter 2021

Province	2020Q3			2021Q3			Yearly change (%)		
	Formal	Informal	Agric+	Formal	Informal	Agric+	Formal	Informal	Agric+
Western Cape	48.3%	43.6%	8.1%	54.4%	39.0%	6.7%	9.0%	-13.5%	-20.6%
Eastern Cape	22.1%	69.6%	8.3%	19.2%	78.3%	2.4%	-35.2%	-16.1%	-77.9%
Northern Cape	58.8%	25.2%	16.0%	52.6%	37.1%	10.3%	-7.5%	52.4%	-33.9%
Free State	13.9%	79.6%	6.5%	23.3%	66.2%	10.5%	87.8%	-7.0%	80.5%
KwaZulu-Natal	19.6%	76.4%	4.0%	22.3%	74.4%	3.3%	7.9%	-7.8%	-21.1%
North West	29.0%	61.2%	9.8%	17.0%	77.7%	5.3%	-6.9%	101.9%	-15.1%
Gauteng	37.4%	59.7%	2.9%	34.4%	64.0%	1.6%	7.8%	25.5%	-37.3%
Mpumalanga	13.8%	78.0%	8.2%	11.9%	85.7%	2.4%	-21.3%	-0.3%	-73.2%
Limpopo	8.3%	86.0%	5.7%	8.4%	86.8%	4.9%	-17.1%	-17.4%	-30.2%
Total	27.7%	66.9%	5.5%	28.2%	68.3%	3.5%	3.7%	3.9%	-34.6%

Source: QLFS of Stats SA

Agric+ refers to agriculture and private households

SMMEs by Industry and Province

In 2021Q3, the yearly drop in the SMME count in the Eastern Cape was mostly in construction and trade, while in Limpopo it was more widespread across many sectors. The gains in Gauteng were mostly in the services sector, while the North-West had the largest gain in construction sector SMMEs. Some distinctive profiles of the provinces remain. The Western Cape and Gauteng still have

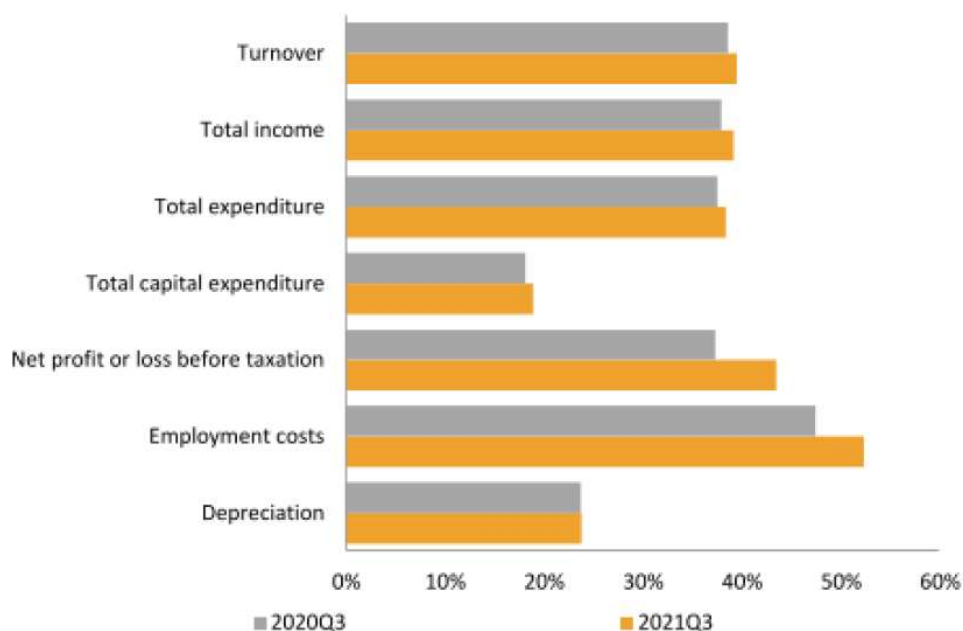
larger financial and business services sectors than the other provinces. However, the Northern Cape no longer has a distinctive large agricultural sector.

Key Indicator	W Cape	E Cape	N Cape	Free State	KZN	N West	Gauteng	Mpumala nga	Limpopo	Total
Agriculture	14 451	4 217	1 498	12 927	5 260	4 425	7 614	3 780	9 714	63 888
Mining	0	0	0	0	0	0	0	0	0	0
Manufacturing	20 460	17 462	707	6 796	29 186	3 634	81 529	16 028	22 472	198 274
Electricity, Gas & Water	0	0	0	0	0	0	2 353	0	0	2 353
Construction	28 255	21 587	2 066	11 418	71 132	20 355	97 138	25 584	38 375	315 909
Trade & Acc	57 102	67 991	5 502	60 807	172 892	56 914	314 103	91 132	90 796	917 240
Transport & Com	13 002	17 655	1 249	13 307	17 712	6 403	75 585	15 179	17 240	177 332
Finance & Bus Services	88 796	14 675	1 761	7 204	44 445	9 369	195 177	17 761	5 921	385 111
Community	35 282	28 746	5 882	10 811	43 826	22 502	136 776	24 440	15 161	323 426
Other	2 857	0	464	0	7 829	2 188	6 767	927	0	21 032
Total	260 207	172 333	19 129	123 269	392 283	125 790	917 043	194 831	199 680	2 404 564

Source: SEDA SMME Quarterly Update 3rd Quarter 2021

Economic Contribution of SMMEs

The SEDA SMME Quarterly Update 3rd Quarter 2021 report indicate the share that SMMEs contribute to the turnover of all enterprises increased to 39,5% in the third quarter of 2021, compared to 38,4% in the second quarter of 2021.



Source: SEDA SMME Quarterly Update 3rd Quarter 2021

The SMME sector weathered a lot of storms in the past few years. Most disruptive was the Covid-19 restrictions. Another disrupter was the July unrest in Kwa-Zulu Natal and Gauteng in the third quarter of 2021. While 2022 started on solid footing, SMMEs will face new challenges. This means that the focus of small businesses remains on survival. The most important challenge this year will come in the form of higher inflation. Loadshedding continues to hurt prospects for those businesses without alternative power sources. The move to virtual businesses and e-commerce, a necessity to survive during the height of the pandemic seems to remain even as restrictions ended. This provides opportunities for SMMEs to move to online marketplaces and use social media to reach new customers. Another opportunity for SMMEs come from so called nearshoring of manufacturing capacity. However, to remain competitive, manufacturing capacity needs to be highly responsive so that lead times remain quick and production affordable. This requires investment in technology and skilled staff which can be a challenge for SMMEs and often needs access to finance.

2.2. GGT2030 – IMPLEMENTATION OF THE GCR VISION ALONG FIVE DEVELOPMENT CORRIDORS

GGT2030¹ defines the Vision of the Gauteng City Region (GCR) as:

¹ Growing Gauteng Together 2030, Final Draft

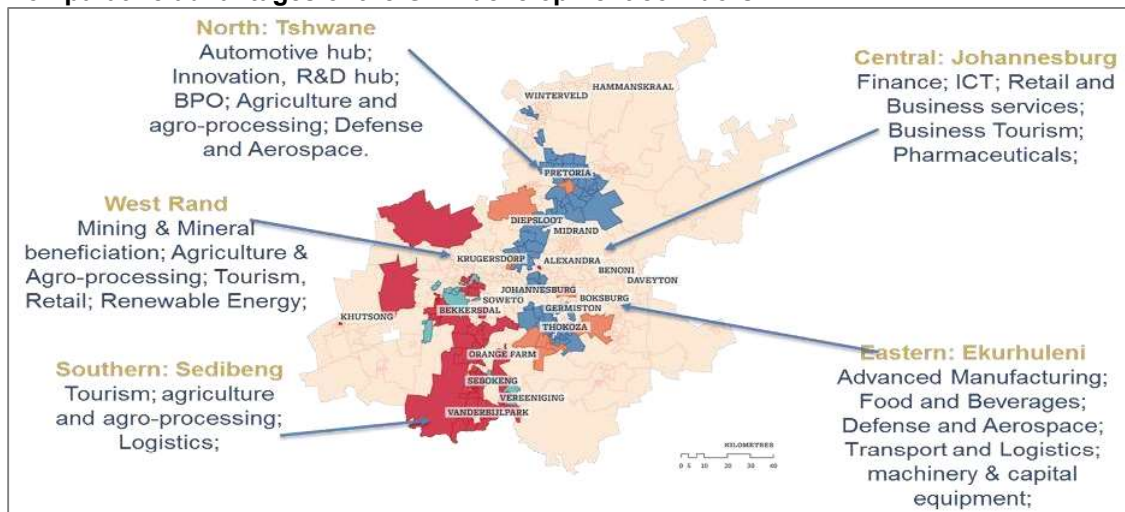
A smart, seamlessly integrated, socially cohesive, economically inclusive City Region at the cutting edge of new Africa's industrialisation:

- with an innovation-driven, knowledge-based economy and sustainable industries – Africa's hub of the fourth industrial revolution and especially artificial intelligence;
- an accountable, responsive, transparent and clean government and an active citizenry.

Through strategic public and private sector investment in five development corridors, Gauteng is building a globally competitive GCR, which is a multi-tier and mega Special Economic Zone. It is a catalyst for industrialisation of neighbouring provinces – Limpopo, North West, Mpumalanga and Free State through joint inter-provincial planning, investments initiatives and infrastructure delivery.

This Vision of the “*Gauteng we want by 2030*” will be implemented along five development corridors that have distinct industries and different comparative advantages:

Comparative advantages of the GCR development corridors



There is significant investment planned within each of these corridors, estimated at R89.9 billion, comprising a total of more than 8 000 economic and social infrastructure projects. Driven by integrated planning characterised by collaborations and leveraging, GEP's role is to tap into the investment opportunities and provide the necessary financial and development support to small enterprises to be able to access the opportunities provided by the developments of each corridor. The role of GEP becomes critical in increasing its footprints and be responsive in leveraging on the existing and new opportunities created within the GCR. The comparative advantages of each corridor, and targeted developments, provides direction to GEP in terms of the sectors to focus on, considering repositioning and remodelling of GEP to play a significant role in industrial development within the Province.

The plans for each corridor are summarised in the table below:²

Development corridor plans and priority developments

<p>Northern Corridor (Tshwane) Consolidate Tshwane's Position as The Capital of the Republic and the Hub of The Automotive Industry Manufacturing, Innovation, R&D, Aerospace And Defence Industries.</p> <p>Together with the private sector, government is unlocking more than R60 billion investment in key areas over the next decade. These include:</p> <ul style="list-style-type: none"> □ The Automotive SEZ; □ Rosslyn Auto City; □ Menlyn Maine development; □ High-tech SEZ; □ Construction SEZ; □ Consolidate and regenerate existing areas (CBD, Centurion and Silverton); □ Infrastructure investment to revitalise townships and create economic opportunities; and □ Expansion of the Innovation Hub, contribute towards the vision of building an innovation ecosystem in Gauteng.
<p>Central Corridor (Johannesburg)</p> <p>Consolidate Johannesburg's Position as Africa's Financial and Technological Nerve Centre; and Pre-eminent Hub for Innovation, Research And Development</p> <ul style="list-style-type: none"> □ The pipeline of concrete projects includes major investments in Rosebank, Sandton, Midrand and Fourways; □ The revitalisation of the Joburg inner-city; □ The mega projects in the south from Soweto to Orange Farm; and □ Revitalisation of townships <p>Together with the private sector, more than R200 billion of private investments in Johannesburg is being unlocked.</p>
<p>Western Corridor (Westrand)</p> <p>Diversification of the West Rand economy anchored on mining to include tourism, agri-business and agro-processing</p>

² Growing Gauteng Together 2030, Final Draft

There is a focus on investing in the creation of new industries, new economic areas and new cities. The focus of the joint initiatives is around tourism, agriculture and agro-processing and renewable energy projects. This includes diversifying the West Rand economy away from reliance on mining to include bus manufacturing, agri-business and agro-processing, renewable energy and tourism. The pipeline of concrete projects includes:

- The expansion of Busmark bus manufacturing plant;
- The Lanseria Airport expansion and the new Lanseria City Development;
- The Agro-processing Mega Park and Logistics Hub on the N12 highway, and other private sector mega projects

These projects are adding over R25 billion worth of investment into the western corridor.

Southern Corridor (Sedibeng)

Revitalise the economy of Sedibeng, which has suffered significant de-industrialisation due to the collapse of the steel industry

Sedibeng's catalytic investment projects include:

- The Savannah City
- Vaal River City and the Vaal University Village precinct to include:
 - Cargo airport and logistics hub
 - The Vaal Special Economic Zone
 - AB InBev investment project
 - Vaal Marina development and logistics and mining investments in Lesedi; and
 - The Gauteng Highlands projects

Working with national government, the private sector, SOEs and universities to direct infrastructure initiatives and human capital development interventions towards the same vision.

Collectively, these projects will unlock over R20 billion investment into the Vaal economy.

Eastern Corridor (Ekurhuleni) Build Ekurhuleni and OR Tambo International Airport Hub into Africa's largest Aerotropolis with advanced manufacturing and agro-processing capabilities, as well as globally competitive logistics capacity

Ekurhuleni's catalytic investment projects include:

- Tambo Springs Logistics Gateway;
- The PRASA-Gibela rail manufacturing hub in Nigel;
- The expansion of the Airport by Airports Company SA;
- Industrial Development Zone for jewellery manufacturing;
- Agro-processing and fuel-cell technology development;
- The development and investment in the fuel-cell technology;
- OR Tambo University of Science and Innovation; and
- Other major private sector developments taking place along R21 highway.

These projects will unlock over R200 billion worth of investment.

2.3. GEP LINE OF SIGHT TO NATIONAL AND PROVINCIAL MEDIUM-TERM PRIORITIES

The table below reflects GEP's **primary** line of sight to the National Development Plan, Vision 2030; MTSF 2019-2024; GGT2030; and Gauteng Economic Cluster Priorities:

NDP, Vision 2030	MTSF 2019-2024	GGT2030	Gauteng Economic Cluster Priorities	GEP Response (Provincial Plan Commitments)
<p>Chapter 3: Economy and employment</p>	<p>Priority 2: Economic transformation and job creation:</p>	<p>Priority 1: Economy, jobs and infrastructure</p>	<p>The clarion call is to support enterprises, including black industrialists, and to save and create decent jobs in the core industries of manufacturing, agro-processing, mining and beneficiation, and tourism.</p> <p>Specify, to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Ensure DFIs pay more attention to employment creation, empowerment industrial diversification and development, small businesses and co-operatives. <input type="checkbox"/> 30% of Gauteng spend to be ringfenced for township enterprises. <input type="checkbox"/> Targeted financial support to township – based enterprises: aimed at improving their liquidity and sustainability. <input type="checkbox"/> Localisation and product accreditation support to enhance formalisation, competitiveness and market readiness of township enterprises. <input type="checkbox"/> Commit to upstream value capture in big-ticket spending areas of roads, housing and health. 	<ul style="list-style-type: none"> 1) Remodelling of GEP to facilitate growth and sustainability of emerging black industrial enterprises (in high growth sectors) 2) Investment attraction and access to funding through partnerships and an integrated DFI referral system. 3) Provide support to enterprises through Resource mobilisation. 4) Provide opportunities for small enterprises to access government procurement opportunities through off-take agreements. 5) Provide business development support to township-based small enterprises in key sectors, including: <ul style="list-style-type: none"> <input type="checkbox"/> Construction and manufacturing; <input type="checkbox"/> Clothing and textile, leather and footwear; <input type="checkbox"/> Wholesale and retail sector. 6) Business development support provided to township enterprises across all regions, at a spatial level, including the depressed regions.

<p>Impact Statements:</p> <ul style="list-style-type: none"> □ Unemployment reduced to 20% - 24% with 2 million new jobs, especially for youth; □ Economic growth of 2%-3%; and □ Growth in levels of investment to 23% of GDP. <p>Applicable Outcomes and Interventions:</p> <ol style="list-style-type: none"> 1) More decent jobs created and sustained, with youth, women and persons with disabilities prioritised: <ul style="list-style-type: none"> □ Create jobs through Job Summit commitments, Operation Phakisa and other public sector employment programmes. 2) Investing for accelerated inclusive growth: <ul style="list-style-type: none"> □ Improve the ease of doing business. 3) Industrialisation, localisation and exports: <ul style="list-style-type: none"> □ Support localisation and industrialisation through government procurement (on designated products and services). 4) Reduce concentration, and monopolies and expanded small business sector: <ul style="list-style-type: none"> □ Facilitate the increase in number of functional small 	<p>Outcome: A growing, labour-absorbing, inclusive, innovative, sustainable and globally competitive economy. Focus: 10 x high growth sectors.</p> <p>1) Create decent employment through inclusive growth:</p> <ul style="list-style-type: none"> □ Increase investment in the economic development of townships, deteriorating areas and peri-urban areas; □ Adopt measures to improve youth employment levels, including working with the Youth Employment Service (YES) and initiatives through Tshepo 1Million; □ Offer support for women-led SMMEs and entrepreneurs and setting aside 40% of our procurement for women; □ Promote labour-absorbing industries e.g. the food economy; tourism; social economy/co-production, community works and care economy; □ Promote investment in new growth path sectors of the future: Green Economy, Knowledge Economy and Creative Industries; □ Establish agri-parks and processing facilities to support the agricultural value chain; <p>2) Create an efficient, competitive and responsive economic infrastructure network:</p>	<ul style="list-style-type: none"> □ Also, collaboration in other sectors such as agriculture and agro-processing, climate and green economy, internet access and 4IR, tourism and informal economy. □ Multi-tier SEZ interventions - depressed regions and key SEZ sectors, e.g. automotive. <ul style="list-style-type: none"> □ Reduced concentration of monopolies in key sectors of the economy - industrialisation, access to markets. <p>Therefore, to re-model and reposition the GEP to play a greater role as a vehicle to deliver financial and development support to emerging enterprises</p>	<ol style="list-style-type: none"> 7) Financial support provided for small enterprises in the prioritised sectors, including manufacturing and agro-processing. 8) Support provided to informal businesses to formalise. 9) Support co-operatives to be investment ready. 10) Implement the youth accelerator programme across the five regions. 11) Prioritise the provision of support to women-owned and persons with disabilities' enterprises. 12) Implement procurement set-asides in line with MTSF targets – 40% women and 30% youth-owned businesses.
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	<p>businesses with a focus on township economies and rural development (200 000 supported);</p> <ul style="list-style-type: none"> □ Strengthen development finance towards SMME development (50% of DF1 financing to SMMEs); □ SMME development through incubation centres and digital hubs (270 established); □ Ensure inclusion of SMMEs in localisation and buy local campaigns; □ Explore the introduction of measures (such as tax breaks) for the first two years to support the establishment of new, small youth-owned start-ups (100,000 start-up youth business per annum - Job Summit Agreement). <p>5) Quality and quantum of investment to support growth and job creation improved:</p> <ul style="list-style-type: none"> □ Improve the quality and rate of infrastructure investment (R5 billion Infrastructure Fund). <p>Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities:</p> <ul style="list-style-type: none"> □ Minimum 40% target for Women, 30% for Youth and 7% for Persons with Disabilities. <p>6)</p>		<ul style="list-style-type: none"> □ Invest in SEZ to grow an inclusive economy, supportive of high-growth sectors, namely, agro-processing, creative and cultural, high-tech sectors / knowledge / digital / gaming; □ Introduction of corridor-focused economic development to address Gauteng's regional economic inequalities and promote balanced development; □ Support local manufacturing by mandating the State to purchase 75% of goods and services from local producers, especially women and youth-led producers; □ Secure industrial financing for productive economic sectors, e.g. manufacturing competitiveness enhancement programme; □ Implement a cumulative incubation programme to provide skills and jobs in various sectors including furniture, artisans, chemical, pharmaceuticals, and mining. <p>3) Rigorously support the expansion and sustainability of SMMEs:</p> <ul style="list-style-type: none"> □ Launch the SMME fund to support the TER action plan; □ Address the domination of agriculture inputs by big business and the monopoly domination of agro-processing and food retail; □ Ensure that all SMMEs and township businesses contracting with the government are paid within 15 days;
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		<p>Empower a significant number of emerging black firms as contractors and subcontractors, including women and youth-owned.</p> <p>4) Continue driving inclusive economic growth and meaningful economic opportunities for all, with specific focus on:</p> <ul style="list-style-type: none">o SMMEs, co-operatives, township businesses, black-owned enterprises; ando Target groups (youth, women and persons with disabilities) – supported by incubation programmes, improved access to funding and grants, access to market initiatives. <p>5) Deliver on the priority actions related to agriculture, agro-processing and associated infrastructure:</p> <ul style="list-style-type: none">□ Continued support for farmers across the various agricultural value chains. <p>6) Developing the informal economy through inclusive growth.</p>		
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Chapter 13: Building a capable and developmental State	MTSF Priority 1: A capable, ethical and developmental State:	Priority 5: Building a capable, ethical and developmental State	As per MTSF and GGT2030	Sound governance, stakeholder oriented and high-performing organisation, including:
	<p>Impact Statements:</p> <ul style="list-style-type: none"> Public value and trust; Active citizenry and partnerships in society. <p>Applicable Outcomes and Interventions:</p> <ol style="list-style-type: none"> Improved governance and accountability: <ul style="list-style-type: none"> Strengthen the governance system of state-owned entities. Functional, efficient and integrated government: <ul style="list-style-type: none"> Enhance productivity and functionality of public sector institutions in supporting peoplecentred service delivery; Improve financial management capability in the public sector; Measures taken to reduce wasteful and fruitless expenditure, and irregular expenditure in the public sector. Professional, meritocratic and ethical public administration: <ul style="list-style-type: none"> Programme for building a professional public administration. Mainstreaming of gender, youth and disability, empowerment and development institutionalised: <ul style="list-style-type: none"> Implementation of Gender, Youth and Disability responsive planning, budgeting, interventions, policies. 	<p>Strategic Intent: Ensuring an accessible, responsive, ethical State that delivers.</p> <p>Primary Focus Areas:</p> <ol style="list-style-type: none"> Building efficient, smart systems, processes, and points of access that provide seamlessly integrated services across the Province – with government functioning as ‘one’; Prioritising a professional, performance-driven public sector for all of Gauteng; Eliminating corruption; Improving oversight and accountability to optimise government delivery; Driving meaningful two-way engagement with communities, as the basis for good governance. 		<ol style="list-style-type: none"> Reconfiguration and recapitalisation of GEP. Strategically aligned organisational structure – capacitated to implement strategy. Achieving and maintaining a clean audit outcome. Ensuring the financial sustainability of GEP. Improving customer satisfaction levels. Improving service delivery turnaround times. Improved systems and processes, based on 4IR / new technologies. Stringent consequence management. Employee performance management development. Develop alternative funding and partnership models.

2.4. GEP FLAGSHIP PROGRAMMES / PROJECTS

GEP's programmatic response to the above priorities will be through a number of flagship programmes and ring-fenced projects, with ring-fenced budgets as follows:

OUTPUTS	2022/23 Budget R'000	2023/24 Budget R'000	2024/25 Budget R'000
Baseline Allocation	212 805	197 710	196 587
Ring Fenced Projects	74 241	75 125	78 499
Township Enterprise Revitalization	52 128	52 128	54 469
Youth Project Management Office (PMO)	22 113	22 997	24 030
Probity Audit	98	102	106
GEP Reconfiguration	3 000	-	-
Technical Advisory Committee (PMO)	500	500	500
COVID-19 PPE	500	500	500
Project Evaluation (M&E Requirements)	1 320	1 390	1 452
Discretionary Allocation	133 146	120 093	115 530

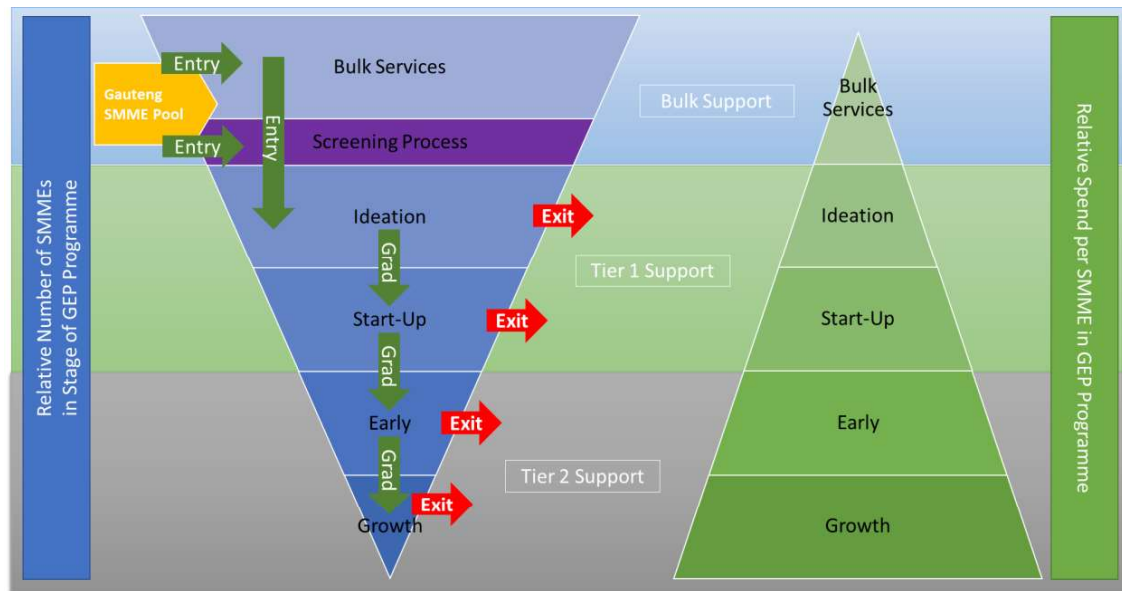
2.5. GAUTENG ENTREPRENEURSHIP MODEL INFORMING THE GAUTENG ENTERPRISE PROPELLER STRATEGY FOCUS FOR 2020/21-2024/25

GEM approach assist in striking a balance between the well-to-do businesses and those that are still emerging and need further jump-starting. The model address the challenges of small enterprises and co-operatives that are highly informal through the provision of compliance support, such as accreditation, product refinement, development of business plans and increased participation in the mainstream economy.

For the Gauteng Province, the model proposes that the programme outcomes should comprise a mixture of both large-scale broad impact, as well as narrow, high-growth potential impact. It is necessary to position the support programme in two tiered levels that allow for the realisation of broader impact in the form of mass SMME development, while also allowing for the support of a selected number of elite 'gazelles' that would create greater economic growth and job creation impact.

The figure below reflects the structure of the support functions of the GEM.

Gauteng Entrepreneurship Model – structure of support functions



Gauteng Entrepreneurship Model, 2018

Drawing from the above figure, the model posits that the province play a holistic and coordination role in the development process for small enterprises in the Gauteng Province (aggregator), through the following support elements:

- 1) **Bulk support elements:** In recognition of the large number of potential entrepreneurs and SMMEs that may require government support, the bulk support at this stage is focused on mass participation, allowing for maximum reach, and for the current “open-door” policy and function of entrepreneurship support to continue.
 - a) During this stage, the relative spend per business should be a minimal amount, and should be focussed on basic support elements around informal business support and compliance aspects, such as CIPC and SARS registration and generic training;
 - b) Participation of SMMEs in this stage of support is also not based on any entry criteria, but is open to any entrepreneurs that approach DFIs for funding.
- 2) **Tier 1 support elements:** This stage of the small enterprise development process is made up of ideation and start-up phase businesses. These stages are the start of the entrepreneurial journey for any small enterprise, and are based on the development of the concept and concept validation (ideation), to activation of the business (start-up).
 - a) The critical thrust of this stage of the programme is to provide the support that **creates an environment in which entrepreneurs are able to explore and test concepts**. During the ideation stage, ideas should be tested and failure should be embraced, and *risk-taking supported*, as key learning experiences that allow entrepreneurs to gain the

knowledge, skills and capabilities that will equip them to identify business opportunities; to better turn such opportunities into viable enterprises, effectively manage business risks and obstacles, and better manage their businesses.

GEP will provide bulk support to ensure that SMMEs and co-operative meet the traditional funder requirements. Its main responsibility is to prepare SMMEs and co-operatives to graduate or transition to the higher level characterised by market readiness and access to financial resources (higher thresholds). The table below depicts the SMMEs and co-operatives developmental growth paths, and will serve as a guide for GEP in providing targeted support to entrepreneurs, particularly in the pre-start-up (ideation) and start-up phases.

Entrepreneurship growth path

Phase	Pre-Start-Up	Start-Up	Survival/Scale	Maturing	Long Haul
Characteristics	<ul style="list-style-type: none"> Idea development and business conceptualisation Research and planning 	<ul style="list-style-type: none"> Establishment of business and skilled team Reliant on knowledge and skills owner(s) Development of product offering and validation of market Product/service take-up and sales 	<ul style="list-style-type: none"> Business growing Expansion of staff complement Quality assurance becomes key Establishment of efficient systems Business become an attractive investment 	<ul style="list-style-type: none"> Business is well established Good growth and revenues Product diversification and expansion opportunities investigated Increase export sales 	<ul style="list-style-type: none"> Growth slows down Business needs to find new opportunities Founders sell or exit the business

Source, GEM, Gauteng Enterprise Propeller: 2018

Considering the above entrepreneurship pipeline, the Gauteng Province through GEM will focus on bringing the marginalised section of small enterprises into the mainstream economy. This will include identifying preparation, investment readiness support, concept preparation and improvement. GEP's focus will be on the provision of support to small businesses in the pre-start-up (ideation) and start-up phases of entrepreneurship development, followed by a referral, monitoring and mentoring process for the growth, maturity and long haul phases.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court ruling updates relating to GEP.

PART B: OUR STRATEGIC FOCUS

Informed by the Gauteng Enterprise Propeller Act (No. 5 of 2005), other instructing legislation and policy, and under the strategic theme of GGT2030, the 6th Administration of the Gauteng Provincial Government (GPG) has mandated GEP to be positioned as the center or face of entrepreneurship, small enterprise development and industrial development in the Gauteng Province.

Specifically, the GEP mandate is to:

- **Promote** entrepreneurship, **mobilise** resources and facilitate an **integrated** approach to entrepreneurial development and support within the Province;
- Provide financial and business development **support** for the growth and sustainability of small enterprises;
- Facilitate investment in high-impact business enterprises that **transform** the structure and competitiveness of industrial sectors in the Province.

The mandate is carried out to ensure the sustainability, growth and competitiveness of small enterprises as meaningful contributors to the overarching impact of the Gauteng Department of Economic Development, which is, ***“An inclusive and sustainable economic growth that stimulates jobs within the Gauteng City Region”***. The foundation of the mandate is a well-governed and high-performing organisation.

Aligned to this mandate understanding, the 2020/21–2024/25 Strategic Plan outlines the high-level strategic framework of GEP as follows:

VISION

A responsive and impactful propeller for sustainable business enterprises in the Gauteng Province

MISSION

In achieving its vision, the Gauteng Enterprise Propeller defines its mission as:

- Establishing a high performing professional, ethical and capable institution;
- Promoting entrepreneurship and facilitating an integrated approach to entrepreneurial development and support within the Province;
- Creating Strategic Partnerships with a range of institutions for sustainable small enterprises and Cooperative development and support;
- Developing innovative financial solutions, tools and channels to speedup increased market participation in the provision of affordable finance;
- Facilitating investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors.

The Mission is enabled by a well governed and high performing organisation.

VALUES

In working towards the achievement of its vision and mission, the Gauteng Enterprise Propeller subscribes to the following internal values which are in line with the *Batho-Pele* principles:

Value	Description - What it means in practice
Motivation	Passion for excellence in delivering quality services to Gauteng entrepreneurs.
Ownership	Accountability, honesty and integrity displayed by management and employees in all stakeholder interactions.
Ubuntu	Compassion, respect and dignity to be central in collaborations with other institutions to make a meaningful impact in small businesses.
Diversity	Recognising that it takes people from different backgrounds to make an organisation succeed.
Ethical Leadership	Demonstrating ethical leadership consistently to ensure the organisation is managed according to the code of ethics and led effectively.
Dependable	Customer centricity, responsiveness and striving to provide excellent client experiences.

The values require targeted management focus to ensure they are visible and “lived”, and they are to be assessed as part of the performance management approach of the Gauteng Enterprise Propeller, under direction of the Board and the Chief Executive Officer.

GEP'S OUTCOMES		
Outcome 1: Improved Balance Sheet to support small enterprises	Outcome 2: Increased contribution of small enterprises in the Gauteng economy	Outcome 3: Sustainable enterprises that create and maintain jobs
Outcome 4: Sustainable Black-owned industrial enterprises participating in high growth sectors	Outcome 5: Well-governed and high-performing organisation	

4. UPDATED SITUATIONAL ANALYSIS

A comprehensive situational analysis, including a PESTEL and SWOT, have been conducted and the findings are presented in the Strategic Plan for 2020/21–2024/25, to which this Annual Performance Plan is aligned.

SWOT Analysis:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Governance structures in place; Accessibility and co-location of entities; Ability to provide financial and non-financial support 	<ul style="list-style-type: none"> Negative entity's reputation High Cost to Income Ratio High % of Non-Performing Loans (NPL); Inadequate Skills-Set Inadequate ICT system
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Create an enabling environment for small businesses to access opportunities in the province; GEP positioned as a Resource Aggregator; Partnerships and collaboration through SEZs, industrial parks, agri-parks etc; Creation of a strong pipeline of small businesses targeting public procurement ; Strengthen intergovernmental relations 	<ul style="list-style-type: none"> Non-compliance with the Offtake agreement framework; PFMA inhibiting transformation programs e.g. set-asides Environment not conducive to support small businesses (covid-19) Discontinued cession posing a threat to recovery; Low debt collection due to depressed economy, poor due diligence

PESTLE Analysis:

POLITICAL	ECONOMIC	SOCIAL
<ul style="list-style-type: none"> Change of political leadership 	<ul style="list-style-type: none"> Poverty Low economic growth 	<ul style="list-style-type: none"> Population migration to Gauteng

<ul style="list-style-type: none"> • New policy imperatives priorities 	<ul style="list-style-type: none"> • Loadshedding • Proximity and concentration of National DFIs in the province; • Low investor confidence and credit ratings downgrade 	<ul style="list-style-type: none"> • Increase grant beneficiaries • Unemployment and income inequalities • Civil unrest/possible repeat of the July insurgency impacting SMMEs
TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
<ul style="list-style-type: none"> • Automation • Fourth industrial revolution/ Remote working • Digital platform for small businesses 	<ul style="list-style-type: none"> • Covid-19 • Climate Change • Air and water pollution 	<ul style="list-style-type: none"> • By-Laws • Copyright and patent laws • New Draft PFMA Bill • Township Economic Bill • Bill on National Credit Act • Protection of Personal Information Act

4.1. EXTERNAL ENVIRONMENT ANALYSIS

4.1.1. MACRO SOCIO-ECONOMIC ENVIRONMENT

Global Economic Developments

In its latest (July 2022) World Economic Outlook Update report, the International Monetary Fund (IMF) stated that growth revisions for major advanced economies in 2022–23 are generally negative. As a result of weaker-than-expected growth in the first two quarters of 2022, the United States' baseline growth for 2022 and 2023 is revised down by 1.4 percentage points and 1.3 percentage points, respectively. Due to a steeper monetary policy tightening and erosion of purchasing power among households, private consumption has decreased significantly. The euro

area's growth is also revised down: by 0.2 percentage points in 2022, because improved prospects for tourism and industrial activity in Italy are more than offset by significant downgrades in France, Germany, and Spain; by 1.1 percentage points in 2023. For the first time since 2011, the European Central Bank released its net asset purchase program in July 2022 and raised interest rates for the first time since the war in Ukraine. In a number of European economies, Next GenerationEU funds support economic activity.

Emerging market and developing economies have revised their growth downwards because of China's sharp slowdown and India's moderated growth. Asia's emerging and developing economies have been revised by 0.8 percentage points in the baseline for 2022. In this revision, China's growth has been downgraded by 1.1 percentage points to 3.3 percent, the lowest growth in more than four decades, excluding the initial COVID-19 outbreak in 2020. India's outlook has also been revised down by 0.8 percentage points, to 7.4 percent. India's revision reflects less favorable external conditions and a rapid tightening of policy. In other countries, growth revisions in the baseline have mostly been positive. It is expected that the real GDP of emerging and developing Europe will shrink by 1.5 percentage points in 2022 than predicted in the April 2022 World Economic Outlook, but grow by 0.4 percentage points less in 2023, as Russian exports have grown faster than expected in 2022 and additional sanctions have been announced against Russia. As a result of a more robust recovery in the large economies (Brazil, Mexico, Colombia, Chile), the estimate for Latin America and the Caribbean was revised upward by 0.5 percentage point in 2022. The outlooks for countries in the Middle East and Central Asia and sub-Saharan Africa remain on average unchanged or positive, reflecting the effects of elevated fossil fuel and metal prices for some commodity-exporting countries.

The baseline projection for global inflation is pessimistic, having been revised up to 8.3 percent in 2022 on a fourth-quarter-over-fourth-quarter basis, from 6.9 percent in the April 2022 World Economic Outlook. The upside inflation revision in 2022 is larger for advanced economies, where it is expected to reach 6.3 percent from 4.8 percent projected due to significant increases in headline inflation among such major economies as the United Kingdom (a 2.7 percentage point upward revision to 10.5 percent) and the euro area (a 2.9 percentage point upward revision to 7.3 percent). Forecasts for 2023 are relatively unchanged—up by only 0.2 percentage point on a fourth-quarter-over-fourth-quarter basis—reflecting confidence that inflation will decline as central banks tighten policies and energy price base effects turn negative. For emerging market and developing economies, inflation in 2022 is expected to reach 10.0 percent on a fourth-quarter-over-fourth-quarter basis. Revisions for those economies display greater variation across countries, with relatively modest increases in emerging and developing Asia (partly because of a slowdown of activity in China and limited increases in prices of staple foods) but larger revisions for Latin America and the Caribbean (up by 3.0 percentage points) and for emerging and developing Europe (up by 2.9 percentage points).

The balance of risks is squarely to the downside, driven by a wide range of factors that could adversely affect global economic performance. The following are of particular concern:

The war in Ukraine further raises energy prices

Since April 2022, the quantity of Russian pipeline gasoline provided to Europe has fallen to about forty percentage of ultimate year's level. It is expected that the quantity will further decline up to mid-2024, in line with essential European economies' electricity independence goals. Yet there is tons uncertainty around the tiers of gasoline substances at some stage in 2022 and 2023. A whole cessation of exports of Russian fuel to European economies in 2022 would drastically increase inflation globally through higher prices.

Inflation remains stubbornly high

Inflation is generally expected to return to near pre-pandemic levels by the end of 2024. However, several factors could cause it to maintain momentum and raise longerterm expectations. Further supply-related shocks to food and energy prices from the war in Ukraine could sharply increase headline inflation and pass through to core inflation, triggering a further tightening in monetary policy. Such shocks could, if sufficiently severe, cause a combination of recession accompanied by high and rising inflation ("stagflation"), although this is not part of the baseline scenario. Labor market tightness is historically high in several economies, and workers could increasingly demand compensation for past increases in the cost of living. Firms may have some ability to absorb higher labor costs by reducing profit margins, particularly where price increases preceded wage inflation or in industries or places where firms have monopsony power. But if they cannot, this could cause even higher inflation and risk triggering a wage-price spiral. Policymakers could also underestimate the degree of labor market tightness and its impact on inflation or tighten policies insufficiently, thereby failing to prevent unanchoring of long-term inflation expectations. Similarly, prices may have become more sensitive to changes in demand as more of the economy's productive resources are employed—that is, the relevant part of the supply curve is inelastic. In that case, a rapid increase in inflation may be followed by an equally sudden decline if policy tightens too much.

Disinflation is more costly than expected

Major central banks have responded to high inflation by raising interest rates. But the exact amount of policy tightening required to lower inflation without inducing a recession is difficult to ascertain.. This time, lower starting inflation, lower and better-anchored inflation expectations, and the greater flexibility of labor and product markets in advanced economies suggest that costs may be lower. However, higher sovereign and corporate leverage may amplify the effects of policy tightening and influence the willingness of central banks to act decisively on inflation, with potentially higher medium-term output costs if inflation expectations rise significantly, prompting sharper interest rate hikes. The risk of recession is particularly prominent in 2023, when in several economies growth is expected to bottom out, household savings accumulated during the pandemic will have declined, and even small shocks could cause economies to stall. For example, according to the latest forecasts, the United States will have real GDP growth of only 0.6 percent in the fourth quarter of 2023 on a year-over-year basis, which will make it increasingly challenging to avoid a recession (Table 1). In a number of advanced economies, rising interest rates, together with low growth, will worsen debt dynamics and increase sovereign and corporate spreads, especially in high-debt countries. Indeed, tighter financial conditions are already contributing to a divergence in borrowing rates and concerns regarding the risk of "financial fragmentation" in the euro area, potentially impairing the transmission of monetary policy

Tighter financial conditions trigger debt distress in emerging market and developing economies

As advanced economy central banks raise interest rates to fight inflation, financial conditions worldwide will continue to tighten. The resulting increase in borrowing costs will, without correspondingly tighter domestic monetary policies, put pressure on international reserves and cause depreciation versus the dollar, inducing balance sheet valuation losses among economies with dollar-denominated net liabilities. Such challenges will come at a time when government financial positions in many countries are already stretched, implying less room for fiscal policy support, with 60 percent of low-income countries in or at high risk of government debt distress (debt restructuring or accumulation of arrears)—up from about one-fifth a decade ago.³ Widespread capital flight from emerging market and developing economies could amplify this risk. Emerging market bond spreads have already been rising (Figure 7). Rising borrowing costs combined with high inflation and slowing growth have prompted comparisons to the 1970s and early 1980s. In the 1970s, surpluses from oil exporters—which had gained from higher energy prices—boosted funding for emerging market economy debt markets. Central banks tightened policies in the early 1980s to fight high inflation, which led to disorderly external adjustment and debt defaults in some cases, notably in Latin America.

Although the source of the energy price shock is much the same in the two cases, there are several important differences. First, the real oil price rise is smaller in the current case, and global production is now less dependent on oil than previously. Second, policy tightening began earlier in this episode, including in some emerging market and developing economies, where policy frameworks are also generally more robust than before. And third, there has been less time for recycled petrodollars to drive imbalances in emerging market and developing economies this time. Despite these positive changes, however, increased exposure to other large bilateral creditors and the recent pandemic have brought new vulnerabilities, driving up public debt and eroding future potential growth in many countries

China's slowdown persists

The baseline foresees a recovery from the lockdowns in the second half of 2022, with overall GDP growth at 3.3 percent in 2022 and 4.6 percent in 2023. Upside risks to growth include announcements of material fiscal support and a recalibration of the authorities' zeroCOVID strategy to reduce growth trade-offs, building on their successful campaign to ramp up the rollout of booster shots. Downside risks include larger-scale outbreaks of more contagious virus variants that trigger further widespread lockdowns under the zero-COVID strategy. In addition, delayed price and balance sheet adjustments in the property sector could cause a sudden, wider crisis or a protracted adjustment with broader macro-financial spillovers. A sustained slowdown in China would have strong global spillovers, whose nature will depend on the balance of both supply and demand factors. For example, further tightening of supply bottlenecks could cause higher consumer goods prices worldwide, but lower demand might ease commodity pressures and intermediate goods inflation.

Rising food and energy prices cause widespread hardship, famine, and unrest

Because energy and food are essential goods with few substitutes, higher prices are particularly painful for households. When the price of other items, such as electronics, furniture, or

entertainment, increases, families can simply reduce or even eliminate spending on them. For food, heating, and transportation—often essential to earn a living—this is much harder. As a result, the current situation poses a threat not only to economic, but also to social, stability.

Economic Policy Priorities to address the negative economic outlook

The following are Economic policy proposals the IMF July 2022 Economic Outlook proposes the gloomy ensuing global economic conditions:

Restoring price stability while protecting the vulnerable: At this juncture, the main policy priority is to bring inflation under control, as price stability is a precondition for durable growth in economic well-being and financial stability. The appropriate mix of monetary, fiscal, and structural policies for reducing inflation differs across economies depending on the sources and extent of price pressure. Economies in which underlying inflation and inflation expectations have risen persistently and significantly above target levels need to take decisive action to tighten monetary policy, with central banks shrinking their balance sheets and raising real interest rates. In the near term, such policies reduce inflation at the cost of lower real activity, higher unemployment, and lower wages. The same people who suffered most directly in recent years—those with low wages, precarious employment status, and limited savings or access to credit—are likely to feel the impact of any slowdown the most. Concerns about protecting the most vulnerable and lessening the economic cost, as well as limiting the impact on asset prices, may seem a valid motive to tighten monetary policy more slowly. However, an approach of this type would likely be counterproductive, as there is little evidence that such gradualism limits the costs of disinflation. Restoring low and stable inflation before expectations unanchor would create an environment conducive to investment and growth and avert the need for a more abrupt and disruptive adjustment later.

Preparing for tighter credit and financial instability: Tighter monetary conditions will affect global capital markets and require policy responses on several fronts. As interest rates rise, financial institutions gain from higher net income but suffer losses as loan origination declines and default rates rise. The balance between these factors will determine financial sector health and the appropriate use of macroprudential tools. Even in the best case, firms are more likely to fail as activity slows, making efficient and effective bankruptcy proceedings and resolution frameworks particularly valuable. In economies with bank exposures to sectors with rising vulnerabilities, tightening macroprudential tools may be warranted.

Tackling the food and energy crises: Beyond generalized inflation, specific challenges in food and energy markets will require distinct policy responses. Ending the invasion of Ukraine and the Black Sea blockade would increase the supply of commodities to global markets. In addition, governments should not hoard food and energy but instead look to unwind barriers to trade, such as food export bans, which are applied with the intention of preventing domestic shortages but which in fact drive world prices higher. To help address food security concerns, World Trade Organization (WTO) members acted to exempt World Food Program purchases from export restrictions at the 12th WTO Ministerial Conference in June 2022. Broadly, governments should allow prices to move freely: high prices are an important signal of a scarce resource and encourage its conservation and production. Controls to keep food and fuel prices low for everyone, regardless of their ability to pay, can encourage overconsumption of expensive products at public expense. (Source-IMF July 2022 World Economic Outlook)

Domestic Labour Market Developments: National

In view of the economic contraction in the first and second quarter of 2022, Statistics South Africa state that the official unemployment rate was 33,9% in the second quarter of 2022. These results indicate that 648 000 jobs were gained between the first quarter of 2022 and the second quarter of 2022.

The biggest job gains were recorded in Community and Social Services (276 000), Trade (169 000), Finance (128 000) and Construction (104 000). However, there were job losses in Manufacturing (73 000) and Transport (54 000). The total number of persons employed was 15,6 million in the second quarter of 2022. The number of unemployed persons increased by 132 000 to 8,0 million in the second quarter of 2022 compared to the previous quarter. The number of discouraged work-seekers decreased by 183 000 (4,9%) and the number of people who were not economically active for reasons other than discouragement decreased by 452 000 (3,3%) between the two quarters resulting in a net decrease of 635 000 in the not economically active population.

The above changes in employment and unemployment resulted in the official unemployment rate decreasing by 0,6 of a percentage point from 34,5% in the first quarter of 2022 to 33,9% in the second quarter of 2022 – The unemployment rate according to the expanded definition of unemployment also decreased by 1,4 percentage points to 44,1 % in Q2:2022 compared to Q1:2022. The results continue to show that youth remain vulnerable in the labour market. The second quarter of 2022 saw the total number of unemployed youth (aged 15-34) increase by 2,0% (or 92,000) to 4,8 million from Q1:2022. There was a noticeable increase of 7,2% or 370 000 in the number of employed youth during the same period. The increase in both employment and unemployment among the youth resulted in a decrease in youth unemployment rate by 1,3 percentage points to 46,5% in Q2:2022. (Source-Statistics South Africa 2022 Q2 Quarterly Labour Force Survey)

Gauteng Economic context

The province's economy is projected to moderate to 2.2 per cent in 2022 and 2.1 per cent in 2023. Overall, Gauteng's economy is still about 1 per cent smaller than it was in 2019. (Source-Gauteng Socio-Economic Review and Outlook 2022)

The official unemployment rate decreased in five provinces. The largest decreases were recorded in Mpumalanga (down by 2,5 percentage points), followed by Gauteng (down by 2,3 percentage points), Eastern Cape and Northern Cape (down by 1,2 percentage points each) and KwaZulu-Natal (down by 0,5 of a percentage point). Western Cape recorded the largest increase of 2,3 percentage points in the official unemployment rate, followed by North West (up by 2,1 percentage points), Free State (up by 1,3 percentage points) and Limpopo (up by 0,7 of a percentage point). Year-on-year, the official unemployment rate decreased by 0,5 of a percentage point. The official unemployment rate decreased in five provinces. The largest decrease in the unemployment rate was recorded in Northern Cape (down by 4,4 percentage points), followed by Eastern Cape (down by 4,3 percentage points), Free State (down by 4 percentage points) and North West (down by 3,0 percentage points). The largest increase in the unemployment rate was recorded in Limpopo (up by 5,9 percentage points) and Western Cape (up by 1,7 percentage points). The expanded unemployment rate decreased by 1,4 percentage points in Q2: 2022 compared to Q1: 2022. This is reflective of the fact that people were available for work but did not actively look for work. All provinces recorded a decrease in the expanded unemployment rate, except in Western Cape and

Northern Cape where it increased by 2,3 percentage points and 1,9 percentage points, respectively, while North West remained unchanged.

4.1.2. GAUTENG SOCIO-ECONOMIC ENVIRONMENT

Gauteng is located in the central north-eastern interior of the country. Covering 18,178km², the Province constitutes 1.4% of the total land area of South Africa, making it the smallest of South Africa's 9 provinces. Despite its size, Gauteng is home to 25% of South Africa's population, and generates just over a third of the country's gross domestic product, making it the nation's biggest provincial economy.³ Over the past five years, the Gauteng economy attracted R199 billion of foreign direct investment, and created 469 000 new jobs.⁴

Gauteng's economic footprint extends beyond its borders into the neighbouring provinces of the Free State, Mpumalanga and North West. The cities and towns of Rustenburg, Potchefstroom, Sasolburg, Secunda, Witbank and Middleburg are functionally connected to the Province to form a wider city region. Gauteng is the 26th largest city region in the world, and presents significant opportunities to drive growth for South Africa. Gauteng City Region economic assets rival other major international cities, with leading universities, a young and increasingly educated workforce, access to well-connected infrastructure networks and a democratic governance system. Fifteen Global 2000 company headquarters are based in Gauteng, which compares favourably with that of Shenzhen (12), Mexico City (12), Santiago (9), Istanbul (7) and Cape Town (6)⁵.

By its strategic position in the national and SADC economy, Gauteng is best placed to champion an inclusive and growing economy, one that is labour-absorbing and ecologically sustainable. The Province is resilient and, despite the tough global and national economic conditions, has maintained its position as the economic powerhouse of South Africa, contributing 34% to the economy.

4.1.3. SMALL ENTERPRISES DEVELOPMENT LANDSCAPE

The NDP ascribes a critical role to small enterprises in contributing to the growth of the South African economy, eliminating inequality and reducing poverty. All over the world it has been recognised that the small business sector plays an important, if not a critical role, in the economic and social development of a country. This also applies to South Africa, where the small business sector has previously been neglected during much of the century, following the discovery of diamonds and gold and the establishment of a modern, capitalist economy with almost exclusive white control.

³ *Statistics South Africa, 2022*

⁴ *Gauteng SOPA, July 2022*

While the importance of large industrial, mining and other enterprises for the growth of the economy cannot be denied, there is ample evidence that the labour absorptive capacity of the small business sector is high, and the average capital cost per job created is usually lower than in big business, and its role in technical and other innovation is vital.

Globally over the last decade, it has become clear that big business and the formal economy is not able to create sufficient employment, and that SMMEs are key drivers of growth and job creation in better performing and more stable economies. This has been shown to be the case in Germany, India, Malaysia, the People's Republic of China and Taiwan, amongst others, in which small businesses represent over 95% of total businesses and employ between 60% and 85% of the total workforce. On the other hand, the contribution and participation of small business in the South African economy is far below its potential. SMMEs represent 98% of all businesses, but employ only 47% of the total workforce⁶.

4.1.4. STATUS OF ENTREPRENEURSHIP IN GAUTENG

Drawn from the approved Gauteng Entrepreneurship Model (GEM)⁷, this section describes the status of the entrepreneurial landscape in Gauteng with respect to the profile and needs of small enterprises in the Province. The insights have been developed by analysing the GEP database of support beneficiaries, complemented by an SMME Survey conducted among a sample of known SMMEs in the Province.

The data reveals the following:

- 1) Most participating SMMEs indicated that they were in operation for more than five years, yet support agencies report significant failure rates and poor sustainability of small businesses in South Africa and the Province. Many of these entities do not reach maturity, as the business owners are concurrent job-seekers, or not adequately capacitated to run a business, or unable to overcome growing challenges.
- 2) While businesses may remain registered and operational businesses over prolonged periods of time, most businesses are micro to small and are characterised as survivalist enterprises. These SMMEs do not appear to be truly sustainable and impactful, as is reflected in the limited job creation and income generation impact. They also often do not have the capacity to deliver (on time, to specified requirements, and in large quantities) on larger contracts.
- 3) Businesses in the services and construction sectors are the dominant business types in the Province, with a significant share of businesses remaining informal/not registered. There is also limited business involvement in manufacturing, with many suppliers acting in wholesale capacity as middlemen to larger producers.

<https://finances.worldbank.org/Other/MSME-Country-Indicators-2014/psn8-56xf/data>

⁷ Gauteng Entrepreneurship Model Framework and implementation Plan, Final Draft, October 2018 (Data Analysis and Insights attributed to Urban-Econ)

While entrepreneurs/ business owners may have, the technical skills required in delivering a specific product or service, they often lack the basic business skills (business management, marketing, accounting, customer service, etc.) required for successful business development.

In developing the GEM, the functioning and execution of support programmes aimed at entrepreneurship development were reviewed, from which the following findings were derived:

- 1) The current focus of government support programmes is on businesses in the start-up phase, with limited support in the ideation (pre-start-up to introduce new ideas and products and test markets), or growth phases (to take businesses to maturity and increase reach and impact).
- 2) Government support programmes tend to:
 - a) Focus on the quantity of businesses supported, rather than selecting “real entrepreneurs” with the potential to sustain and grow businesses (i.e. low entry threshold for support),
 - b) Provision of a generic product offering of ad-hoc support elements, rather than following an integrated development growth path and ongoing mentorship support with those businesses showing potential for growth. No graduation system or exit strategy is in place,
 - c) Limited monitoring/evaluation and aftercare of businesses supported, to determine impact and/or further support needs;
 - d) Priority groups/sectors in line with the economic base of specific regions and the policy direction of the Province are not specifically/sufficiently targeted.
- 3) There appears to be limited cooperation, networking and collaboration among government support agencies, as well as with other DFIs and the private sector, resulting in duplication, inefficiencies and such entities working in silos.
- 4) Systems are also not well integrated to identify businesses that are perpetually accessing grants from different agencies, without such interventions resulting in successful and sustainable businesses.

The above salient macro and sectoral environment trends and factors served to inform and provide context to the discussions on the GEP performance delivery environment and organisational environment reflected below.

4.2. INTERNAL ENVIRONMENT ANALYSIS

The GEP Board and management deliberated extensively on the internal/organisational environment which have bearing on the formulation of the 2020-2025 Strategic Plan and this 2023/24 Annual Performance Plan as is reflected in the sections below.

Highlights of achievements include:

- 1) GEP Strategy revision to align to TER and TMR Strategies (2015/16);
- 2) TER Strategy implementation through the GEP Community Fund, CAP and Township Business Renewal programmes;
- 3) Youth Accelerator Programme (solid results - to be remodelled to align with broader socio-economic challenges);
- 4) Pitching Booster Programme (solid results - to be remodelled to align with broader socioeconomic challenges);
- 5) Co-operatives boot camps to enhance capacity of township co-operatives and improve investment readiness; and
- 6) Establishment of Partnership Funds to supplement resources required for the expansion of financial support to small enterprises. The Township Economic Development Fund already has committed loans expended in the fall of the previous financial year. The Fund will

Medium term priorities for the organisation, which respond to the reconfiguration of the Agency include the following:

- 1) In line with GEM, GEP will invest in those small businesses with an entrepreneurial mind-set - those willing and able to put in the work and build equity in the business, including with own money (cradle to grave approach to ensure sustainability of supported enterprises);
- 2) GEP will embrace four elements - accountability in our value chain; transparency in all areas of our business; openness and institutional integrity. These are enablers for resources mobilisation;
- 3) Remodelling - development of business case for GEP to play with the industrial financing space. Development of an Industrial Financing Product to create and grow sustainable employment and stimulate economic growth in the Province;
- 4) Turnaround of GEP - resolve the burning issues around governance, policies, structure, debt collection, due diligence, etc.;
- 5) Review GEP product offerings in line with the provincial mandate and strategy;
- 6) Target high-impact projects with huge economic multipliers AND balance development with high-impact interventions, e.g. development of Industrial Finance Product, Project Finance and Innovation Fund (4IR related projects/initiatives);
- 7) Re-skilling and up-skilling of employees to meet the new challenges (becoming fit for purpose); and
- 8) Maintain organisational stability within GEP.
- 9) GEP as a Provincial Resource Aggregator;
- 10) GEP to focus on localisation to increase production output of small businesses;

- 11) Strong focus on Agglomeration economies (targeting industrial sector clusters);
- 12) Forge strong collaborations and leveraging on economic opportunities in all the Gauteng Economic Corridors

GEP as a Resource Agregator Towards Small Business Development

The Gauteng Enterprise Propeller is in the process of strengthening its role as a Provincial Resource Aggregator. GEP will provide both Financial Support and Business Development Support to small enterprises in the multi-tier SEZ, the Industrial hubs, Agri-Parks and all provincial Apex Programmes.

In reponse to the National and Provincial Economic Reconstruction and Recovery Plans and in the aftermath of the recent economic unrests in Gauteng, GEP will continue to fund small enterprises affected by the 2021 economic unrests in Gauteng through the Gauteng Rebuilding Fund as part of the Gauteng Provincial Government's economic response. The fund includes equal contributions by GEP and the Industrial Development Corporation (IDC).

GEP partnerships for collaboration

GGT IMPACT	PARTNERSHIP	DEPENDENCIES	ANTICIPATED VALUE
Construction	CIDB Supplier Development Programme	CIDB	30 Construction small enterprises in the CIDB Supplier Development Programme provided with Business Development Support Interventions
	Installations, Repairs and Maintenance Programme	Municipalities and Gauteng Department of Human Settlement	150 Construction small enterprises provided with Business Development Support Interventions
	Business Development Support	Gauteng Industrial Development Zone	100 Construction small enterprises provided with Business Development Support Interventions
Tourism	Business Development Support	Gauteng Tourism Authority (GTA)	140 Tourism small enterprises provided with Business Development Support Interventions

GGT IMPACT	PARTNERSHIP	DEPENDENCIES	ANTICIPATED VALUE
Tourism	Business Development Support	Constitutional Hill	100 Tourism and creative industry small enterprises provided with Business Development Support Interventions
Automotive	AIDC Supplier Development Programme	Gauteng Growth and Development Agency	30 Automotive small enterprises in the AIDC Supplier Development Programme provided with Business Development Support Interventions
Agriculture	Business Development Support	Gauteng Department of Agriculture	50 commercial Farmers provided with Business Development Support Interventions
Transport	Grant Funding	Gauteng Department of Roads and Transport	20 informal businesses operating in Targeted Taxi Ranks provided with Grant funding

PART C: MEASURING OUR PERFORMANCE

The GEP Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2022/23, in the sections below:

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The GEP is constituted by the following programmes and aligned sub-programmes:

Programme N ^o .	Programme Name	Sub-Programmes
Programme 1	Administration	<ul style="list-style-type: none"> □ Office of the Chief Executive Officer □ Office of the Chief Financial Officer □ Corporate Support and Administration □ Risk and Audit □ Strategy, Monitoring and Evaluation
Programme 2	Investment Management	<ul style="list-style-type: none"> □ Loan Management

Programme 3	Enterprise Support	<ul style="list-style-type: none"> □ Business Development Support □ Regional Operations
Programme 4 <i>(New, dependent on GEP repositioning)</i>	Resources Mobilisation and Industrial Financing	<ul style="list-style-type: none"> □ Resources Mobilisation and Strategic Partnerships

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. PROGRAMME PURPOSE

The purpose of Programme 1: Administration is to provide strategic leadership and transversal support services required by the GEP's core functional programmes and to ensure the successful implementation of the Entity's mandate through sustainable and integrated support and services.

5.1.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

“a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province”

the Administration Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 2: Increased contribution of small enterprises in the Gauteng economy

The 2023/24 performance plan of Programme 1 is reflected in the log frame tables below:

Programme 1 - Administration: Outcomes, Outputs Indicators and Annual Targets:

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Enabling enterprise and supplier development to meet government demands, including through access to finance	2. Increased contribution of small enterprises in the Gauteng economy	2.1. GEP procurement set-asides to benefit target groups	2.1.1. Percentage of procurement spend on small enterprises owned by women	-	40%	41%	50%	50%	52%	55%
			2.1.2. Percentage of procurement spend on small enterprises owned by youth	-	30%	38%	40%	45%	45%	45%
			2.1.3. Percentage of procurement spend on small enterprises owned by persons with disabilities	-	7%	7%	7%	7%	7%	7%

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
			2.1.4 Percentage of valid procurement Invoices paid within 15 days	-	100%	100%	100%	100%	100%	100%
	5. Well-governed and high-organisation	5.1 Unqualified Audit Opinion	5.1.1 Annual audit opinion	-	-	-	Unqualified Audit opinion for 2021/2022	Unqualified opinion for 2022/2023	Unqualified Audit for Opinion for 2023/2024	Unqualified Audit for Opinion for 2024/2025

Programme 1 - Administration: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct- Dec 2023	Q4 Jan - March 2024
2.1.1. Percentage of GEP procurement spent on small enterprises owned by women	Finance	50%	5%	10%	15%	50%

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct- Dec 2023	Q4 Jan - March 2024
2.1.2. Percentage of procurement spend on small enterprises owned by youth	Finance	45%	10%	20%	30%	45%
2.1.3. Percentage of procurement spend on small enterprises owned by persons with disabilities	Finance	7%	2%	3%	5%	7%
2.1.4 Percentage of valid procurement Invoices paid within 15 days	Finance	100%	100%	100%	100%	100%
5.1.1 Annual audit opinion	Risk and Audit	Unqualified Audit opinion for 2022/2023	-	-	-	Unqualified audit opinion for 2022/2023

5.1.3. PROGRAMME 1: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Administration Programme aligns with the MTSF 2019-2024 and GGT2030 priorities of **building a capable, ethical and developmental State**. The Programme is vital to ensuring the GEP can meet the expectations of the 6th Provincial Administration for the Entity is to be positioned as Gauteng's DFI and centre for SMMEs development and growth in the Province. There are many elements to this mandate, including the need to reconfigure and capacitate the organisation to fulfil the role, to improve business processes and systems, to strengthen the governance framework and to ensure the GEP is adequately capitalised to support high-impact enterprise development programmes, including industrial sectors.

It is within this context that the main priority of the Administration Programme over the short to medium-term is to work closely with the Shareholder to finalise GEP reconfiguration and recapitalisation. The immediate priority of the Administration Programme is to enable the Agency to attain a clean audit outcome by meeting the three conditions of a clean audit, namely, unqualified audit opinion on the audit of financial statements, and zero findings on the audit of performance information and non-compliance with legislation. This will be pursued by ensuring the prior year external and internal audit action plans are implemented. A baseline stakeholder satisfaction rating will be determined by conducting a satisfaction survey by the end of the financial year.

Focus will also be given to ensuring the employment equity targets are achieved and that GEP implements the GGT2030 priority on procurements set-asides, particularly to ensure that women, youth and people with disabilities benefit from GEP procurement spend.

5.1.4. PROGRAMME 1 – ADMINISTRATION: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administration	86,716	99,295	105,942	109,118	109,118	109,118	109,118
Total payments and estimates	86,716	99,295	105,942	109,118	109,118	109,118	109,118

Expenditure Estimates:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Economic classification							
Office of the CEO	15,909	18,312	19,537	20,123	20,123	20,123	20,123
Office of the CFO	10,371	18,890	20,155	20,759	20,759	20,759	20,759
Corporate Support and Administration	24,319	22,470	23,974	24,693	24,693	24,693	24,693
Goods and services	36,117	39,623	42,276	43,543	43,543	43,543	43,543
Total payments and estimates	86,716	99,295	105,942	109,118	109,118	109,118	109,118

Expenditure Estimates by Economic Classification:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Economic classification							
Current payments	-	-	-	-	-	-	-
Compensation of employees	48,212	50,599	59,672	83,666	83,666	83,666	83,666
Goods and services	38,498	36,117	39,623	22,276	22,276	22,276	22,276
Total	86,710	86,716	99,295	105,942	109,118	109,118	109,118

Resources' contribution to achieving the outputs:

The budget allocation for Programme 1 remain R109m and will continue to contribute towards the the ramping up of procurement expenditure.

For personnel, related expenditure, the allocated budget in the financial period will amount to R83 million for Programme 1. The allocation for Goods and Services is mostly for the leases and implementation of IT contracts including provision for the procurement of day-to-day operations of the organisation.

5.2. PROGRAMME 2: INVESTMENT MANAGEMENT

5.2.1. PROGRAMME PURPOSE

The purpose of Programme 2: Investment Management (IM), is to ensure the optimal deployment of available loan and grant funding to support the development, growth and sustainability of qualifying small enterprises. The Programme is tasked to manage the loan book effectively through the approval of loans, disbursement of approved loans and timeous loan recoveries.

5.2.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

“a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province”

the Investment Management Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 3: Sustainable enterprises that create and maintain jobs

Outcome 4: Sustainable Black-owned industrial enterprises participating in high growth sectors

The Investment Management Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Loan Management	Funding of all small enterprises, including cooperatives and informal businesses

The 2023/24 performance plan of Programme 2 is reflected in the log frame tables below:

Programme 2 – Investment Management: Outcomes, Outputs Indicators and Annual Targets:

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE		MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
Enable co-investments between state and private sector as well as wider investment facilitation in infrastructure	3. Sustainable enterprises that create and maintain jobs	3.1. Financially supported small enterprises creating jobs	3.1.1 Percentage of loans committed from the Investment Management programme	-	100%	100%	100%	100%	100%	100%		
			3.1.2 Percentage rate of committed loans disbursed	-	76%	80%	85%	85%	85%	85%		
			3.1.3 Percentage of blended funding committed for youth-owned small enterprises disbursed	-	-	100%	85%	85%	85%	100%		
		3.2 Grant funding for small enterprises	3.2.1 Percentage of grants committed	-	-	-	100%	100%	100%	100%		

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
			3.2.2. Percentage rate of committed grants disbursed	-	-	-	90%	90%	90%	90%
		3.3. Grant funding for informal traders	3.3.1 Percentage of grants committed for informal traders	-	-	-	100%	100%	100%	100%

Programme 2 - Investment Management: Indicators, Annual and Quarterly Targets:

UTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
3.1.1 Percentage of loans committed from the Investment Management programme	Investment Management	100%	10%	40%	60%	100%
3.1.2 Percentage rate of committed loans disbursed	Investment Management	85%	5%	30%	65%	85%

UTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
3.1.3 Percentage of blended funding committed for youth-owned small enterprises disbursed	Investment Management	85%	5%	30%	65%	85%
3.2.1 Percentage of grants committed	Regional Operations	100%	10%	23%	66%	100%
3.2.2 Percentage rate of committed grants disbursed	Regional Operations	90%	5%	30%	60%	90%
3.3.1 Percentage of grants committed for informal traders	Regional Operations	100%	10%	23%	66%	100%

5.2.3. PROGRAMME 2 – INVESTMENT MANAGEMENT: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The contribution of the Investment Management Programme is to MTSF 2019-2024 Priority 2: Economic transformation and job creation; and GGT2030 Priority 1: Economy, jobs and infrastructure. The Programme is pivotal to government's priority of supporting small enterprises, particularly those that are township-based, to become sustainable and meaningful participants in the economy, thus creating sustainable jobs.

Effectively managing the loan book through loan approvals, timeous disbursements and high rates of loan recoveries is an important element of the development, growth and sustainability of SMMEs in the province. By integrating financial support with the non-financial support mechanisms of the Enterprise Support Programme, the GEP will work towards achieving the outcome on increasing the number of sustainable small enterprises, as reflected in the Strategic Plan.

Key priorities include:

- 1) Optimising the available capital by providing loans to a fewer number of small enterprises with high potential for growth and job creation.
- 2) Ensuring that loans approved are disbursed timeously.
- 3) Improving debt collection and pushing up the targets for loans recoveries. Inherently, this means improving the due diligence processes.
- 4) Ensuring that priority is given to funding small enterprises owned by women, youth and people with disabilities, towards an allocation of 30% to women, 30% to youth and 5% to people with disabilities.

5.2.4. PROGRAMME 2 – INVESTMENT MANAGEMENT: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 2: Investment Management (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Investment Management	33,510	30,851	32,916	33,903	33,903	33,903	33,903
Total payments and estimates	33,510	30,851	32,916	33,903	33,903	33,903	33,903

Expenditure Estimates by Economic Classification:

Programme 2: Investment Management (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Economic classification							
Current payments	-	-	-	-	-	-	-
Compensation of employees	14,410	10,656	11,370	11,710	11,710	11,710	11,710
Goods and services	19,100	20,195	21,547	22,193	22,193	22,193	22,193
Total	33,510	30,851	32,916	33,903	33,903	33,903	33,903

Resources' contribution to achieving the outputs:

Investment Management Programme's budget allocation will assist in the capitalization of the programme and also ensure that emerging small enterprises benefit from loan funding.

5.3. PROGRAMME 3: REGIONAL OPERATIONS AND ENTERPRISE SUPPORT**5.3.1. PROGRAMME PURPOSE**

The purpose of Programme 3: Regional Operations and Enterprise Support is to provide tailor-made, business development support for the development and growth of small enterprises through the Gauteng Entrepreneurship Model (GEM) stages of ideation, start-up and early growth. Furthermore, through a referral system to ensure investment ready small enterprises receive the required financial support through GEP loans or through loans provided by other DFIs or cofounders. The Programme is responsible for handholding supported businesses in the growth, mature and decline stages using business monitors and mentors, and to intervene timeously to support sustainability and mitigate business failure.

5.3.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

“a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province”

the Enterprise Support Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 3: Sustainable small enterprises that are creating jobs

The Regional Operations and Enterprise Support Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Regional Operations (regional) and Enterprise Support (central, head office)	<ul style="list-style-type: none"> □ Mentoring; □ Post-investment support and aftercare; □ Business incubation; □ Product development; □ Facilitation of grant funding for qualifying small enterprises; □ CIPC registrations; and □ Informal traders support.

The 2020/21 performance plan of Programme 3 is then reflected in the log frame tables below:

Business Development Support

The Business Development Support will assist to improve the performance of the enterprise, access to markets and ability to comply and compete. Furthermore, the program assist in developing productive capacities of small businesses. It includes an array of business services such as training, marketing, information. The business development interventions that the entity provides include Planning, Human Resources, Operational Support, Quality support, technical support, legal support and raising finance support interventions.

Programme 3 – Regional Operations and Enterprise Support: Outcomes, Outputs Indicators and Annual Targets:

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Business Development Support to improve SMME compliance capabilities	3.Increased number of supported small enterprises that are sustainable and creating jobs	3.1. Business Development Interventions for small enterprises in all the economic sectors	3.1.1. Percentage of Business Development interventions committed for small enterprises	-	-	-	100%	100%	100%	100%	100%
		3.2 Youth supported through the Youth Accelerator Programme	3.2.1 Number of youth that benefitted from the Youth Accelerator Programme	450	500	109	90		100	110	110
Integrate youth employment and self-employment channels into all economic initiatives in partnership with Tshepo 1Million											

Programme 3 – Regional Operations and Enterprise Support: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
3.1.1 Percentage of Business Development interventions committed for small enterprises	Regional Operations	100%	5%	35%	80%	100%
3.2.1 Number of youth that benefitted from the Youth Accelerator Programme	Enterprise Support	100	-	-	100	-

5.3.3. PROGRAMME 3 – REGIONAL OPERATIONS AND ENTERPRISE SUPPORT: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The contribution of the Regional Operations and Enterprise Support Programme is to MTSF 2019/2024 Priority 2: Economic transformation and job creation; and GGT2030 Priority 1: Economy, jobs and infrastructure.

The short to medium term focus is on:

- 1) Implementation of the Gauteng Entrepreneurship Model (GEM) and ensuring an integrated approach, with the Investment Management Programme, in working towards the outcome of ensuring the sustainability of small enterprises, as reflected in the Strategic Plan.
- 2) Refining of the Business Development Support products to be implemented in support of the priorities of the 6th Administration.
- 3) Continued focus on the Youth Accelerator Programme and prioritising support for enterprises in the depressed regions as per GGT2030.

5.3.4. PROGRAMME 3 – REGIONAL OPERATIONS AND ENTERPRISE SUPPORT: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 3: Regional Operations and Enterprise Support (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
108 607	131 349	101,204	107,979	111,216	111,216	111,216	111,216
108 607	131 349	101,204	107,979	111,216	111,216	111,216	111,216

Expenditure Estimates by Economic Classification:

Programme 3: Regional Operations and Enterprise Support (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Economic classification							
Current payments	-	-	-	-	-	-	-
Compensation of employees	51 185	52,837	56,374	58,064	58,064	58,064	58,064

Goods and services	74 360	48,367	51,605	53,152	53,152	53,152	53,152
Total	125 545	101,204	107,979	111,216	111,216	111,216	111,216

Resources' contribution to achieving the outputs

The budget allocation for Programme 3 supports a range of business development support projects aimed at developing and supporting SMME's and co-operatives and ensuring they are provided with access to market opportunities, including the Youth Accelerator Programme and targeted support for small enterprises in key sectors. The budget allocation also caters for the rollout of targets relating to supporting township manufacturers and small enterprises in the construction industry.

The budget includes the implementation of Gauteng's Township Economic Revitalisation projects, which are aimed at enhancing reindustrialisation through the development of black-owned enterprises. These programmes seek to increase the number of SMMEs and co-operatives actively participating in the Gauteng's mainstream economy, and identified priority economic sectors.

5.4. PROGRAMME 4: RESOURCE MOBILISATION AND INDUSTRIAL FINANCING

5.4.1. PROGRAMME PURPOSE

The purpose of Programme 4: Resources mobilisation and industrial financing is to actively promote entrepreneurship in the Province, to mobilise resources through strategic partnerships and to facilitate an integrated approach among DFIs and other role-players to entrepreneurial development and support within the Province. The Programme is also aimed at supporting the industrial development drive of the Province by facilitating investment in high-impact business enterprises that dilute monopolies and stimulate high rates of employment.

5.4.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

“a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province”

the Resources Mobilisation and Industrial Financing Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: Improved Balance Sheet to support small enterprises

The Resources Mobilisation and Industrial Financing Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Stakeholder Management and Resources Mobilisation	<ul style="list-style-type: none"> □ Resources mobilisation □ Stakeholder management □ Industrial financing

Programme 4 is reliant on the repositioning and recapitalisation of the GEP to play a more significant role in high-growth sectors through support for emerging black industrial enterprises. As the repositioning process is not yet concluded, the performance information is limited to the current function of stakeholder management and resources mobilisation.

The 2023/24 performance plan of Programme 4 is then reflected in the log frame tables below:

Programme 4 – Resources Mobilisation and Industrial Financing: Outcomes, Outputs Indicators and Annual Targets:

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Enabling enterprise and supplier development to meet government demands, including through access to finance	1. Improved Balance Sheet to support small enterprises	1.1. Leveraged funds from partnerships	1.1.1. Rand Value of funds leveraged from partnerships	-	-	R200m	R500m	R250m	R250m	R250m
		1.2 Collections from the Loan Book	1.2.1 Collection rate of the Loan Book	-	-	10%	15%	20%	25%	25%
	2. Increased number of supported small enterprises that are sustainable and creating jobs	2.1.Financially supported small enterprises creating jobs	2.1.2 Percentage of loans committed from the Township Economic Partnership Fund	-	-	-	100%	100%	100%	100%

Programme 4 – Resources Mobilisation and Industrial Financing: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2023	Q2 Jul – Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
1.1.1. Rand Value of funds leveraged from partnerships	Stakeholder Management and Resources Mobilisation	R250m	-	R50m	R150m	R250m
1.2.1 Collection rate of the Loan Book	Finance	20%	-	10%	15%	20%
2.1.1 Percentage of loans committed from the Township Economic Partnership Fund	Stakeholder Management and Resources Mobilisation	100%	-	30%	60%	100%

5.4.3. PROGRAMME 4 – RESOURCES MOBILISATION AND INDUSTRIAL FINANCING: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Resources Mobilisation and Industrial Financing Programme is newly established to give effect to the directive of the 6th Administration that GEP be repositioned as the centre (face) of entrepreneurship in Gauteng, by ensuring an integrated approach among DFIs and other strategic partners in the Province. The New Vision and Plan that advocates for GEP as a Resource Aggregator in the province would ensure the realisation of integration and creation of sustainable businesses.

The focus of the Programme is, therefore, on mobilising resources and building partnerships with co-funders and other delivery partners to significantly upscale the levels and extent of support, both financial and Business Development support provided to small enterprises in Gauteng.

5.4.4. PROGRAMME 4 – RESOURCES MOBILISATION AND INDUSTRIAL FINANCING: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 4: Resources Mobilisation and Industrial Financing (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Industrial Financing Programme	-	-	-	R200m	R150m	-	-
Total payments and estimates	-	-	-	R200m	R150m	-	-

Expenditure Estimates by Economic Classification:

Programme 4: Resources Mobilisation and Industrial Financing (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Economic classification							
Compensation of employees	-	-	-	-	-	-	-

Goods and services	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

The funding of Programme 4 will continue to be supplemented by the Compensation of Employees and Goods and services Budgets under Programme 3. However, a process will be undertaken to establish a Cost Centre for this Programme. Employees under this Programme are remunerated through Programme 3.

6. UPDATED KEY RISKS

Outcome	Key Risk	Risk Mitigation/Opportunities
1. Improved Balance Sheet to support small enterprises	Negative association risks with mobilised partners. ☐ Reputational risk impact on GEP's brand for attraction of potential partners. ☐ Limited human resource and legal capacity for resource mobilisation and management. Limited attraction of capital	☐ Vetting of and risk assessment on potential partners. ☐ Obtaining clean audit opinion, obtaining improved brand survey outcomes, implementation of the governance maturity aligned to ESG model and mapping of enabling stakeholders and partners. ☐ Implementation of the skills audit outcomes, recruitment of the panel

		of service to aggregation of funds for SMMEs (asset managers /fund managers), including setting-up of the Provincial Capital Fund
2. Increased contribution of small enterprises in the Gauteng economy	<ul style="list-style-type: none"> □ Change of government policy of empowerment (e.g. set-asides) □ Inability to maximise on procurement opportunities and empowerment policy opportunities. 	<ul style="list-style-type: none"> □ Identification and securing of offtake agreements with other government agencies and private sector. <p>Increasing procurement from youth, women and disabled persons - owned SMMEs, including increased disbursement of financial support to these SMMEs</p> <p>Funding and business support of black industrialist</p> <p>Funding of new players in the new economics sectors and high growth sectors</p>
3. Sustainable enterprises that create and maintain jobs	<ul style="list-style-type: none"> □ Limited capital for business finance (financial, nonfinancial, industrial support). □ Investing in or funding of businesses in poorly performing economic sectors. 	<ul style="list-style-type: none"> □ Shareholder recapitalisation of GEP and capital risk-sharing with partners for funding of (financial, non-financial, industrial support). □ Enhanced due diligence supported by industry research to inform economic outlook and

Outcome	Key Risk	Risk Mitigation/Opportunities
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	<ul style="list-style-type: none"> □ Non-investment in new economic sectors. □ Non-application of the ESG (Environment, Social Inclusivity and Governance) Model in business finance (financial, non-financial, industrial support). □ Poorly defined and implementation of the pre-investment and post-investment strategy. □ Non-application of GEM model for formalisation and sustainability of businesses. □ Limited due diligence and definition of business processes. 	<p>performance. Investment into business expansions of performing and existing business (receipt of dividends).</p> <p>Funding of feasibility studies for new economic sectors with a view of bringing in new players</p> <p>Development and implementation of the ESG matrix, as part of enhanced due diligence, including sourcing of ESG.</p> <p>Benchmark, develop and implement the enhanced pre-investment and post-investment strategy (panel of mentors).</p> <p>Development and implementation of a non-financial support strategy aligned to GEM.</p> <p>Automation of the enhanced due diligence business processes, reskilling and recruitment of suitable investment managers (financial, non-financial, industrial support).</p>
4. Black-owned industrial enterprises participating sustainably in high growth sectors	<ul style="list-style-type: none"> □ Non-identification of the monopolies and lack of penetration strategy. 	<ul style="list-style-type: none"> □ Implementation of the targeted black empowerment industrial financing through capital risk sharing aligned to ESG Model (emphasis on financial and social returns to GEP). □ Research and identify high financial and social return projects for funding an business development financial funding for labour intensive industrial monopolies through equity investment.
Outcome	Key Risk	Risk Mitigation/Opportunities

5. Well-governed and high-performing organisation.	<ul style="list-style-type: none"> □ Poor organisational and employee productivity. □ Poor governance (internal controls, compliance, risk management and governance). □ Low organisational and employee productivity due to coronavirus lockdown (i.e. 36 days and level 4 lockdown), thus negatively affecting the rolling-out APP targets, adequacy and spending of budgets and execution of operational plans and governance activities Limited availability of tools of trade for on-site and virtual employees (such as data allocation, laptops and ICT applications, vehicle) Limited budget availability for both financial and nonfinancial support, including special Shareholder/mandated projects Limited communication with both internal and external stakeholders in relation to the coronavirus effects 	<ul style="list-style-type: none"> □ Defined employee and organisational performance targets for contracting purposes, defined remuneration philosophy (short and long-term incentives), embedding and practice of GEP values for improved organisational culture. □ Tracing and monitoring of the implementation of the strategic risk mitigations, internal audit, external audit logs, including the Board annual risk assessment outcomes □ Tracing and monitoring of the organisational productivity and performance core card Tracing and monitoring of the organisational productivity and performance score card A Board-supported business continuity plan in place and being costed for implementation Explore purchase of all tools of trade and upgrading of data allowance for all staff, including installation of required ICT applications Leveraging on Strategic Partnerships in government (e.g. Dept. of Small Business Development) and private sector to mobilise resources and facilitate integrated responses to support distressed small enterprises across the Province; Crisis communication plan will be developed and rolled-out to inform all stakeholders about active GEP operations
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The detailed Gauteng Enterprise Propeller Risk Register is reviewed monthly by Exco, and quarterly at each meeting of the Risk and Governance Committee and the Board.

7. PUBLIC ENTITIES

N/A

8. PUBLIC / PRIVATE PARTNERSHIPS

GEP has an SMME Partnership Programme with the the Industrial Development Corporation (IDC)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: ADMINISTRATION

Indicator Title	Percentage of procurement spend on small enterprises owned by women
Definition	<p>This indicator measures the percentage of GEP procurement spent on women owned businesses.</p> <p>Women are adult female human beings. Women-owned enterprises should have 51% or more female ownership.</p>
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by women divided by the total Rand value of procurement budget for women service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, CSD Report and Proof of Payments
Assumptions	<p>Suppliers are registered on the central supplier database</p> <p>Suppliers banking details are updated</p> <p>Demand Plan/BEEE Compliance Plan and Budgets excludes commitments of the preceding financial year</p>
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <p>50% procurement spend to small enterprises that are owned or controlled by women</p>
Indicator Responsibility	CFO

Indicator Title	Percentage of procurement spend on small enterprises owned by youth
Definition	<p>This indicator measures the percentage of GEP procurement spent on youth owned businesses.</p> <p>The National Youth Policy defines youth as any persons between the ages of 14 and 35 years.</p> <p>Youth is the time of life when a person is young and often means the time between childhood and adulthood (maturity).</p>
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by youth divided by the total Rand value of procurement spend on youth service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, CSD Report and Proof of Payments
Assumptions	<p>Suppliers are registered on the central supplier database</p> <p>Suppliers banking details are updated</p> <p>Demand Plan/BEEE Compliance Plan and Budgets excludes commitments of the preceding financial year</p>
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <p>45% procurement spend to small enterprises that are owned or controlled by youth</p>
Indicator Responsibility	CFO

Indicator Title	Percentage of procurement spend on small enterprises owned by persons with disabilities
Definition	<p>This indicator measures the percentage of GEP procurement spent on businesses owned by persons with disabilities.</p> <p>Persons with disabilities are people who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers</p>

	<p>may hinder their full and effective participation in society on an equal basis with others.</p> <p>A person has a disability if they have a physical or mental impairment and the impairment has a substantial and long-term adverse effect on the person's ability to carry out normal day-to-day activities.</p>
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by persons with disabilities divided by the total Rand value of procurement spend on persons with disabilities-owned service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, B-BBEE Certificate or CSD Report and Proof of Payments
Assumptions	<p>Suppliers are registered on the central supplier database</p> <p>Suppliers banking details are updated</p> <p>Demand Plan/BEEE Compliance Plan and Budgets excludes commitments of the preceding financial year</p>
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <p>7% procurement spend to small enterprises that are owned or controlled by persons with disabilities.</p>
Indicator Responsibility	CFO

Indicator Title	Percentage of valid procurement Invoices paid within 15 days
Definition	This indicator measures the percentage of valid procurement Invoices paid within 15 days after submission for payment to the Office of the CFO.
Source of data	Payment Report / Management Accounts Report
Method of Calculation / Assessment	Total number of valid invoices paid within 15 days after receipt, divided by the total number of invoices received for payment.

Means of verification	Payment Report
Assumptions	Timeous submission of valid Invoices for payment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable</u> 100% payment of valid procurement invoices within 15 days
Indicator Responsibility	CFO

Indicator Title	Annual audit opinion
Definition	The performance indicator measures annual audit opinion obtained in the previous financial year for both financial and non-financial
Source of data	Signed 2022/2023 External Audit Report
Method of Calculation / Assessment	Signed 2022/2023 External Audit Report
Means of verification	Signed 2022/2023 External Audit Report
Assumptions	Unqualified audit opinion received
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually

Desired Performance	Unqualified Audit opinion
Indicator Responsibility	GM: Risk and Audit

PROGRAMME 2: INVESTMENT MANAGEMENT

Indicator Title	Percentage of loans committed from the Investment Management Programme
Definition	<p>This indicator measures loans that are committed against allocated budget.</p> <p>Loans committed are funds GEP is willing to pay for received, assessed and adjudicated loan applications, if certain predetermined conditions are met by the applicants.</p> <p>Loans committed will also include those that were committed in the previous financial year.</p> <p>Small enterprises to benefit from the loans include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> • Automotive, Aerospace and Defence • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis
Source of data	Signed commitment list from the previous financial year / Loan Approval List
Method of Calculation / Assessment	Sum of the rand value of committed loans divided by the total budget of the Investment Management Programme, to determine the percentage of committed loans from the Investment Management Programme

Means of verification	Management and Board Committee Resolutions
Assumptions	Approved loan applications committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 100% of approved loans committed from the Investment Management programme
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed loans disbursed
Definition	This indicator is measuring loans disbursed. Disbursement means the payment of money for committed loan applications The disbursed loans include those that were committed but not disbursed in the previous financial year.
Source of data	Loan approval list / Disbursements Report / Signed commitment list
Method of Calculation / Assessment	Sum of the total monetary value of disbursed loans divided by the total monetary value of the committed loans to determine the percentage of loans disbursed.
Means of verification	Signed commitment list from the previous financial year, Management and Board Committee Resolutions, Proof of Payments
Assumptions	Committed loans disbursed Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	N/A

Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 90% of committed loans disbursed
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed blended funding for youth-owned small enterprises disbursed
Definition	<p>This indicator is measuring disbursements of the blended funding for youth-owned small enterprises against allocated budget.</p> <p>Disbursement means the payment of money for committed blended funds applications</p> <p>Blended funds refer to funds comprising equal split of loans and grants</p> <p>The disbursed blended funding include funds committed but not disbursed in the last quarter of the previous financial year.</p> <p>The budget ring fenced for the blended funds dedicated to youth-owned enterprises is not less than R10m in the 2022/2023 financial year.</p> <p>Small enterprises to benefit from the blended funds include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> • Automotive, Aerospace and Defence • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis

Source of data	Blended finance approval list / Disbursement Report Limited to Budgu
Method of Calculation / Assessment	Sum of the total monetary value of the blended funds disbursed for youth-owned businesses divided by the total monetary value of the blended funds committed, to determine the disbursement rate.
Means of verification	Management and Board Committee Resolutions and Proof of Payments
Assumptions	Committed loans disbursed Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 85% of approved blended funding for youth-owned small enterprises disbursed
Indicator Responsibility	COO

Indicator Title	Percentage of grants committed
Definition	<p>This indicator measures grants that are committed against allocated budget</p> <p>Grants committed are funds GEP is willing to pay for received, assessed and adjudicated grant applications, if certain predetermined conditions are met by the applicants.</p> <p>Grants committed will also include grants committed but not disbursed in the previous financial year.</p> <p>Small enterprises to benefit from the grants include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> Automotive, Aerospace and Defence

	<ul style="list-style-type: none"> • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis
Source of data	Signed commitment list from the previous financial year / Grants Approval List
Method of Calculation / Assessment	Sum of the total rand value of committed grants divided by the total budget for grants, to determine the percentage of committed grants
Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Grant applications committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	All Gauteng Regions
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 100% of approved grants committed
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed grants disbursed
Definition	<p>This indicator is measuring grants disbursed.</p> <p>Disbursement means the payment of money for committed grant applications</p>

	The disbursed grants will include grants committed but not disbursed in the previous financial year.
Source of data	Grants approval list / Disbursement Report / Signed commitment list
Method of Calculation / Assessment	Sum of the total monetary value of disbursed committed grants (excluding grants for informal traders) divided the total monetary value of committed grants(excluding grants for informal traders), to determine the disbursement rate
Means of verification	Signed commitment list from the previous financial year, Management / Board Committee Resolutions and Proof of Payments
Assumptions	Committed grants disbursed Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	All Gauteng Regions
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable</u> 90% of approved grants disbursed
Indicator Responsibility	COO

Indicator Title	Percentage of grants committed for informal traders
Definition	<p>This indicator measures grants that are committed for informal traders.</p> <p>Informal traders are unregistered (with CIPC) enterprises in the unaccounted sectors of the economy.Examples of informal traders include spaza shops,hawkers and pavement sellers / as per GIBUS.</p> <p>The committed grants will also include those that were committed but not disbursed in the previous financial year.</p>
Source of data	Signed commitment list from the previous financial year / Informal Traders Grants Approval List
Method of Calculation / Assessment	Sum of rand value of committed informal traders grants divided by the total budget for informal traders grants, to determine the percentage of grants committed for informal businesses

Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Grant funding committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable 100% of approved Grants for informal businesses committed
Indicator Responsibility	COO

PROGRAMME 3: ENTERPRISE SUPPORT AND REGIONAL OPERATIONS

Indicator Title	Percentage of Business Development Interventions committed for small enterprises
Definition	<p>This indicator is measuring the rand value invested on Business Development Interventions against allocated budget</p> <p>Business Development initiatives committed are in line with Section 4 (2) (a) of the GEP Act, include, but not limited to the following:</p> <ul style="list-style-type: none"> (i) assisting with business plans; (ii) accounting and legal services; (iii) computer and other skills training; (iv) tender information and advice; (v) access to government information and incentives; (vi) import and export advice; (vii) manufacturing advice; and (vii) assistance with client relations, marketing and research. <p>Small enterprises to benefit from the Business Development initiatives include those in the priority sectors and /or high growth sectors i.e. Automotive, Aerospace and Defence</p> <ul style="list-style-type: none"> • Transportation and logistics • ICT and digital services with a focus on the gig economy

	<ul style="list-style-type: none"> • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis <p>The committed Business Development initiatives will also include initiatives committed but not disbursed in the last quarter of the previous financial year.</p>
Source of data	Signed commitment list from the previous financial year / Business Development Support Approval List
Method of Calculation / Assessment	Sum of the rand value of Business Development initiatives committed divided by the total budget for Business Development interventions, to determine the percentage of Business Development initiatives committed
Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Management and/ or Board Committee Resolutions Business Development Support interventions committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable</u> 100% of approved Business Development interventions committed
Indicator Responsibility	COO

Indicator Title	Number of youth benefitted from the Youth Accelerator Programme
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Definition	This indicator is measuring the number of youth approved for the Youth Accelerator Programme supported through training / job placement opportunities Youth is an adult below age of 35 at the time of approval for placement in the Programme.
Source of data	GEP performance reports.
Method of Calculation / Assessment	Simple count of the number of youth benefitting from the Youth Accelerator Programme.
Means of verification	Placement letter / Contract and Identity Document / Training / stipends report
Assumptions	Positive responses by sector participants and beneficiaries.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> ▪ 100% youth ▪ 50% women
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	<u>Higher than targeted performance is desirable</u> 100 youth benefitting from the Youth Accelerator Programme in 2023/24.
Indicator Responsibility	COO

PROGRAMME 4: RESOURCE MOBILISATION AND INDUSTRIAL FINANCING

Indicator Title	Rand Value of funds leveraged from external partnerships.
Definition	This indicator is measuring the Rand Value of third party funds secured through external partners
Source of data	Memorandum of Understanding (MOU) / Partnership Agreement / Third Party Agreement
Method of Calculation / Assessment	Sum of the total Rand value of funds secured from partnerships.

Means of verification	Written confirmation of public and/or private sector partnership secured in 2023/24 outlining Rand value of support received or committed, Board Resolutions and/or Partnership Agreements
Assumptions	Positive responses by identified strategic partners.
Disaggregation of Beneficiaries (where applicable)	Not applicable.
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable</u> R250m leveraged from partnerships.
Indicator Responsibility	GM: Resource Mobilisation and Partnerships

Indicator Title	Collection rate of the Loan Book
Definition	This indicator measures the collection rate against the loan book. Collection is the money collected from due debts on the GEP Loan Book Loan Book is the collective value of the loans owed to GEP.
Source of data	Debtors Report, Age Analysis Report and Net Present Value Report
Method of Calculation / Assessment	Sum of paid due debts on the GEP Loan Book divided by the total due debts on the GEP Loan Book, to determine the collection rate
Means of verification	Debtors Report
Assumptions	Due debts on GEP Loan Book collected
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative

Reporting Cycle	Quarterly
Desired Performance	20% collection rate of the Loan Book
Indicator Responsibility	CFO

Indicator Title	Percentage of loans committed from the Township Economic Partnership Fund
Definition	<p>This indicator measures loans committed to strategic implementing partners (SIPs) against the Township economic Partnership Fund (TEPF) budget.</p> <p>Loans committed are funds the Township Economic Partnership Fund is willing to pay for received, assessed and adjudicated loan applications from SIPs, if certain predetermined conditions are met by the applicants.</p> <p>The Township Fund is a Fund established to provide funding to township-based small enterprises in accordance with the provisions of the Gauteng Township Economic Development Act.</p>
Source of data	TEPF Investment Committee Resolutions
Method of Calculation / Assessment	Sum of rand value of committed loans from the TEPF divided by total budget of the TEPF, to determine the percentage of committed loans
Means of verification	TEPF Investment Committee Resolutions or minutes.
Assumptions	Approved partnership proposals from Strategic implementing partners
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Townships
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <p>100% of TEPF budget committed</p>
Indicator Responsibility	GM: Resource Mobilisation and Partnerships

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

Key changes from the 20/21 – 2024/25 strategy

Old	New
<p>Vision</p> <p>Sustainable SMMEs and Cooperatives propelled into the mainstream economy of Gauteng</p> <p>Mission:</p> <ul style="list-style-type: none"> Promoting entrepreneurship, mobilising resources, and facilitating an integrated approach to entrepreneurial development and support within the province Providing financial and non-financial support for the growth and sustainability of small enterprises; and Facilitating investment in high impact business enterprises that transform the structure and competitiveness of industrial sectors 	<p>Vision</p> <p>Responsive and impactful propeller for sustainable business enterprises in the Gauteng Province</p> <p>Mission:</p> <ul style="list-style-type: none"> Establishing a high performing professional, ethical and capable institution; Promoting entrepreneurship and facilitating an integrated approach to entrepreneurial development and support within the Province; Creating Strategic Partnerships with a range of institutions for sustainable SMME and Cooperative development and support; Developing innovative financial solutions, tools and channels to speedup increased market participation in the provision of affordable finance; Facilitating investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors.

GEP STRATEGIC OUTCOMES	
Increased resources mobilised to support entrepreneurial development within the Gauteng City Region	Improved Balance Sheet to support small enterprises;
Increased access to procurement opportunities for township enterprises and enterprises owned by targeted groups (black, women, youth, PwD and MV)	Increased contribution of small enterprises in the Gauteng economy.
Increased number of supported small enterprises that are sustainable and creating jobs	Sustainable enterprises that create and maintain jobs.
Increased participation of black-owned business enterprises in historically monopolised industrial sectors	Sustainable Black-owned industrial enterprises participating in high growth sectors.
GEP Strategic Pillars (Inputs added on the Promote, Mobilise and Integrate Pillar)	
	Resource Aggregator Model Agglomeration Economies (Industrial sector Clusters) Localisation

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Gauteng Enterprise Propeller.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Gauteng Enterprise Propeller.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Not applicable to the Gauteng Enterprise Propeller.

9. INFRASTRUCTURE PROJECTS

Not applicable to the Gauteng Enterprise Propeller.