



BUSINESS TRUST PROGRESS REPORT

Year 2 3rd Quarter

1st January to 31st March 2001

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The Business Trust is composed of three education trusts and a Section 21 company.

Table of Contents

Introduction	2
Resources	3
Funds Mobilised	3
Programme portfolio	3
Expanding job opportunities: Tourism.....	4
International marketing.....	4
Tourism Training	5
Tourism Enterprise.....	6
Building capacity: Schooling	7
Primary repeater reduction	7
Secondary school performance.....	8
Technical colleges.....	9
Addressing impediments to job creation	10
Integrating the justice system.....	10
Reducing tourism related crime.....	11
Controlling malaria	11
The Presidents Big Business Working Group	12
Comments.....	12
Funders List	12

Introduction

Aim

The aim of this report is to provide concise information to funders and other stakeholders. It describes the results of the Business Trust at the end of the third quarter of the second operating year. The results now being shown will ultimately impact on a large number of beneficiaries.

Beneficiaries

- **1m primary school pupils** in disadvantaged communities in all nine provinces. A recent study shows the schools to be in communities with, on average, 60% unemployment where 50% of the pupils do not live with their parents
 - **400 000 secondary school pupils** in similar communities also covering all nine provinces
 - **400 000 technical college students** in a programme aimed at increasing enrolment and enhancing job prospects
 - 10000 currently employed and 5000 currently unemployed trainees supporting up to **100 000 people**
 - 5000 – 10000 people supporting up to **100 000 family and other dependants** benefiting directly from the enterprise programme as part of the 100 000 job opportunities the marketing programme aims to generate
-

Resources

Funds Mobilised

Funds raised

R850 million

- 135 companies have committed R810m to the Business Trust over the five-year period to 30 June 2004
- Of that sum R434m has been received to date
- 98% of all second year funding had been received by the end of the third quarter of year two
- R36m has been earned on funds invested. This figure is projected to rise to R40m by the end of the year, taking the total value of funds to R852m
- Two new companies transferred funds during the last quarter: Denel and Future Kids. Discussions were well advanced with a number of companies, including: Alexander Forbes, Bidvest, Metropolitan life, Santam and Vodacom
- The target of R1bn over five years remains in reach provided commitments are received from outstanding major companies

Programme portfolio

Total project funding

R1,5 billion

The projects approved by the trust have attracted additional funding, mainly from government sources to a value of R750m over the five-year period. Added to the R750m approved by the Trust this takes the total value of projects supported to R1,5bn.

Business plans approved

R829,3 million

Funds reserved for business plans approved to date amount to R829,3m. This leaves a reserve of R22m against the R852m pledged by funders. A further R70m is under consideration for approval when the targeted R1bn is raised.

Education	397,695,567
Tourism	341,051,350
Crime	29,719,998
Other	60,793,141
Reserve	22,432,220
Total	851,692,276

Contracts signed

R351 million

The value of contracts signed increased from R306m to R351m during the last quarter with the signing of second year contracts for THETA R13,9m and QLP R30,9m.

Expanding job opportunities: Tourism

International marketing

Key results

THE KEY RESULTS OF THIS PROGRAMME TO DATE ARE THAT:

- Tourism has been raised to the top of the South African agenda
- A world class advertising campaign has been seen by 60m people
- SA Tourism has been restructured

TOURISM MARKETING REMAINS A SERIOUS CHALLENGE::

- International competition is intense
- Southern Africa has faced difficulties from floods to regional instability over the last year
- The infrastructure required to sustain a competitive marketing programme is still under development

Details

Partner	SA Tourism
Aim	To attract 2,2m International visitors by December 2002
Co funders	Department of Environmental Affairs and Tourism & Tourism Business Council

Key facts

Forecast arrivals have been down graded on the basis of lower arrivals in 1999 and 2000 than projected. On these projections the original target of 2,2m international arrivals will be reached in December 2004

Project year two 3rd quarter 21/60 months

Target / Budget	Year 1	Year 2	Year 3	Year 4	Year 5
Business Trust Budget (Rm)	50	50	50	30	20
Business Trust actual (Rm)	50	50			
All Funds Budget (Rm)	110	225	300	300	300
All Funds actual (Rm)	110	227			
Target International Arrivals		1,716,000	1,940,000	2,180,000	
Forecast International Arrivals		1,580,000	1,619,000	1,752,000	2,103,000
Actual International Arrivals		1,532,000			

THE ARRIVAL TARGETS ARE BASED ON FIGURES TO THE DECEMBER PRIOR TO THE JUNE YEAR-END SHOWN IN THE TABLE

Progress

During the Quarter:

- The number of marketing co-operation deals increased from 25 to over 100
- The celebrate South Africa campaign was launched in London
- The circle of sunshine campaign focusing on friends of South Africans was launched
- A preferred bidder was identified to undertake research into marketing opportunities
- The business plan for the third operating year was prepared
- The CEO of SA Tourism resigned to take up the post of CEO of the World Summit on Sustainable Development to be held in Johannesburg in 2002. The chairman assumed CEO responsibilities pending a new appointment

Tourism Training

Key results THE KEY RESULT OF THE TRAINING PROGRAMME HAS BEEN TO ACCELERATE THE IMPLEMENTATION OF THE SKILLS DEVELOPMENT ACT IN THIS SECTOR BY THE DESIGN OF THE QUALIFICATIONS REQUIRED FOR A SKILLED AND COMPETITIVE TOURISM INDUSTRY. The registration of those qualifications by the South African qualifications authority has taken longer than planned, but is expected during the next quarter.

Details

Partner THETA Tourism Hospitality and sport Education and training authority

Aim To train 15000 people by 2004

Co funder Department of Labour

Key Facts The number of trainees has increased from 15000 to 22000 taking account of 7000 employees to be trained against existing qualifications, 5000 on new qualifications and 5000 unemployed.

Project year two 1st quarter 15/54 months

Cumulative figures	Year 1	Year 2	Year 3	Year 4	Year 5
Budget (Rm)	14,4	2,89	5,2	8,0	
Forecast (Rm)	5,075	19,072	39,761	71,899	76,800
Actual (Rm)	5,075				
Employees Trained	3 250	7 500	12 250	17 000	
Actual Emp. Trained	5 000	6 662			
Unemployed Trained		450	1 800	5 000	
Actual Unemp. Trained					

YEAR 2 FIGURES TO THE END OF THE FIRST QUARTER OF YEAR TWO 31 MARCH 2001.
Of the 4500 unemployed who receive training 2500 are targeted for employment

Progress

- 18 qualifications have been submitted to the South African Qualifications Authority (SAQA) for registration. These have not yet been registered because of delays at SAQA
- 68 training providers have been trained
- The competence of close on 7 000 employees has been assessed
- Training for the unemployed is due to start during the next quarter

Tourism Enterprise

Key results THE KEY RESULT OF THE TOURISM ENTERPRISE PROGRAMME (TEP) HAS BEEN TO GET THE PROGRAMME OPERATIONAL AND PRODUCING RESULTS AHEAD OF TARGET WITHIN THE FIRST NINE MONTHS. It supports commercially viable transactions by firms in the tourism sector that will help create and maintain jobs. It helps firms to conclude transactions by identifying opportunities, raising capital, developing skills and providing technical assistance. Linkages are forged between established and new; and large and small firms. Particular emphasis is placed on support for historically disadvantaged enterprises.

Details **Partner** **Ebony Consulting International ECI**
Aim To support the development of 1000 enterprises, R450m transactions 10000 jobs by 2004

Key Facts The table shows that in the first nine months the targets have been exceeded. A large number of small transactions have been concluded.

Project year one 3rd quarter 9/48 months

Cumulative figures	Year 1	Year 2	Year3	Year 4
Budget (Rm)	10.8	24.2	40.7	60.4
Actual (Rm)	4.4			
Transactions Target	50	200	500	1000
Transactions Actual	150			
Firms assisted Target	100	350	700	1100
Firms assisted actual	227			
Jobs supported target	500	2000	5000	10000
Jobs supported actual	1035			

ACTUAL FIGURES ARE CALCULATED TO THE END OF THE THIRD QUARTER 31 MARCH 2001.

Progress The people and systems required to implement the project have been installed. Good interest has been shown by small firms and established businesses.

- The number of enterprises assisted increased from 78 to 227 primarily as a result of support provided to PDE firms supported at INDABA. All 149 previously disadvantaged firms at Indaba received training from the TEP.
- The value of transactions increased from R6m to R22m. These included:
 1. **PDE supply of Transport services to Grand West Casino.**
 2. **PDE supply of Crafts to SAA.**
 3. **Development of a cultural lodge at Kruger Park gate.**

The programme director left to establish his own business. The CEO of ECI has taken direct programme responsibility.

Building Capacity: Schooling

Primary repeater reduction

Key results **THE KEY RESULT OF THE LEARNING FOR LIVING PROJECT HAS BEEN TO GET THE PROGRAMME INSTALLED IN ALMOST 1000 SCHOOLS IN ALL NINE PROVINCES OVER THE LAST 18 MONTHS.** The programme is designed to reduce the repeater rate in primary schools by improving the reading and writing ability of pupils. It does that by providing appropriate reading materials and training teachers. It works with 957 principals, 12000 teachers and 1m pupils.

Details

Partner	READ
Aim	To improve reading by 2 years and writing by 4 years for 1m pupils and reduce the repeater rate by 100 000 by 2004.

Key Facts

Project year two 2nd quarter 18/60 months

Cumulative figures	Year 1	Year 2	Year 3	Year 4	Year 5
Budget (Rm)	29.8	68.6	114.4	134.3	153.9
Forecast (Rm)	18.3	68.6	109.5	131.1	153
Actual (Rm)	18.3				
11967 teachers complete training courses	3	9	21	28	28
Training courses completed Actual	3	5			
Reading material provided to 957 schools Target		40422			543390
Reading material provided Actual		16277			

YEAR 2 ACTUAL FIGURES TO 31 MARCH 2101 ONLY

Progress

In the last quarter:

- 51 Trainers completed 6 of the 7 targeted training modules
- 14 mentors completed 3 of the 4 planned modules
- The cost of materials purchased increased to R9,4m (target of R8,7m)
16300 books and other reading materials were distributed against a target of 27500
- 957 Principals completed the planned 3 management modules
- 5900 teachers completed 2 of the 3 planned foundation phase modules and 6000 completed 2 of the 3 planned intermediate phase modules

Secondary school performance

Key Results THE KEY RESULT OF THE QUALITY LEARNING PROJECT HAS BEEN TO GET THE PROJECT LAUNCHED AT DISTRICT, SCHOOL AND CLASSROOM LEVEL WITH SIGNED COMMITMENTS FROM PARTICIPATING SCHOOLS TO SUPPORT IT. The project is designed to bring about changes at all three levels to ensure sustained improvements in overall school quality. Improvements in pupil performance will be measurable from the third year onward.

Details

Partner Joint Education Trust

Aim To improve school performance. Measured by 10% improvements in mathematics, language and matric results.

Key Facts

Project year two 1st quarter 15/60 months

All figures cumulative	Year 1	Year 2	Year 3	Year 4	Year 5
Budget (Rm)	28.3	61.4	98.1	124.2	139.2
Forecast (Rm)	10.7	41.7	75.8	106	139.2
Actual (Rm)	10.7	17.5			
Development plans Targeted schools	500	500	500	500	500
Development plans Actual schools		94			
Officials trained Target schools	500	500	500	500	500
Officials trained Actual schools		352			
Teachers Trained Target		2060	3000	4000	5000
Teachers Trained Actual		764			

ACTUALS FOR YEAR 2 FOR THE 1ST QUARTER TO 31 MARCH 2001 ONLY

Progress

- Development plans have been produced for all 18 districts in which the project works
- 456 schools have signed agreements to participate in the project and 94 have produced development plans
- The governing bodies and school management teams at 352 schools have been trained in school governance and management
- 754 maths and language teachers have received specialised training
- Having been behind budget for year one the project is on budget at the end of the first quarter of the second year

Technical colleges

Key Results THE KEY RESULT TO DATE HAS BEEN THE COMPLETION OF THE FIRST EVER, SITUATIONAL ANALYSIS OF COLLEGES IN ALL 9 PROVINCES OF SOUTH AFRICA AND THE SECURING OF A NATIONAL AGREEMENT ON AN APPROACH TO THE RESTRUCTURING OF THE COLLEGE SECTOR.

Agreement on the approach to restructuring the sector has taken longer than anticipated and the planned mergers and organization development work have been delayed. A revised approach has been agreed with the department of education and will be considered by the Business Trust board in June.

Details **Partner** NBI Colleges Collaboration Fund
Aim To establish a world class technical college system in South Africa

Key Facts

Project year two 3rd quarter 21/60 months

Cumulative figures	Year 1	Year 2	Year 3	Year 4	Year 5
Budget (Rm)	10.8	44.5	72.8	91.9	100.0
Forecast (Rm)	5.9	19.4	50.2	80.4	100.6
Actual (Rm)	5.9	9.5			
Provincial plans Target	4	9	9	9	9
Provincial plans Actual	0	9			
College restructuring Target	3	11	20	30	50
College restructuring Actual	0	0			
Personnel training Target	600	730	1695	2520	
Personnel training Actual	600				

YEAR 2 FIGURES TO THIRD QUARTER 31 MARCH 2001

Progress The primary achievement of the last quarter has been the review of the project and the production of a revised business plan for the remaining three years. The aim to support the restructuring of all 152 colleges in South Africa remains as does the approach of providing technical assistance for institutional development, effective leadership and management development and improving the image of technical colleges.

Addressing impediments to job creation

Integrating the justice system

Key Results

The key results of the Intergrated Justice System (IJS) project over the last 18 months have been to:

- Reduce awaiting trial prisoner time by 40% (from 123 to 88 days Av)
- Reduce delays in getting criminal records to the SAPS by 75% from 94 to 21 days
- Reduce delays in exchanging data between the police and correctional services from 78 to 16 days

Details

Partner

Business Against Crime (BAC)

Aim

The IJS is designed to improve efficiency by integrating information systems of SAPS, Justice, Correctional Services and Welfare and thereby improve Crime management.

This includes:

- The development of an integrated management information system and the installation of IT infrastructure
- Establishing procedures for integrated case flow management
- Establishing effective criminal identification and management systems

The government has allocated R1,2bn to this process

BAC provides technical assistance to the IJS board, the departments concerned and the State Information Technology Agency (SITA). This includes:

- Development of improved business processes
- Development of tender documents
- Support for the implementation of new systems

Progress

In the 3rd Quarter

The programme to streamline court procedures was piloted in Middleburg and Witbank. It showed:

- 31% increase in the number of cases finalised
- 11% increase in court sitting time
- 100% reduction in cases withdrawn (because of missing dockets)

Tool kits for crime scene handling (to avoid exhibit contamination) were distributed to 50 of the planned 96 decentralised criminal information centers which were established

The Institute for security studies was appointed to evaluate the project

Reducing tourism related crime

Programme At its meeting in March 2001, the Business Trust approved a plan to make the successfully piloted CCTV system available to businesses, local authorities and communities, especially in high profile tourist areas. (The pilot project in Cape Town showed an 80% reduction in crime in the areas where the system is used). The system will now be further refined as part of its application in Johannesburg and written up in a standard that will be ISO 9001 certified for use by interested communities around the country.

Partner
**Business Against
Crime**

Controlling malaria

Programme Malaria is a major impediment to the effective tourism development of the high potential Lubombo tourism area. It discourages investors and tourists and undermines the health and welfare of the local population. The Business Trust agreed to initiate a malaria control programme in Northern KwaZulu Natal, Swaziland and Mozambique with a concentrated programme in southern Mozambique. The work funded by the Trust in an amount of R5m has been successfully completed. The results are shown below.

Partner
**Medical Research
Council**

Key results The key result of this project has been to initiate a malaria control programme in the Lubombo tourism area:

- It found up to 90% infection in children under 15 in Southern Mozambique and that 45% of tourist cancellations are due to fear of malaria
- It established the infrastructure to control malaria in Southern Mozambique
- Trained 55 spray personnel from the local community
- Sprayed 45000 dwellings (100% of the dwellings in the area contiguous Northern KwaZulu Natal)

Following the initiation of the programme by the Business Trust the Department of Health has agreed to continue the programme at the level of R5m pa for three years. A further R20m will be required to achieve the objective of reducing infections to less than 20/1000, which will substantially improve the attractiveness of this area.

The Presidents Big Business Working Group

Review

The Business caucus of the Big Business Working Group (BBWG) met during the quarter to review progress and the role of the Big Business Working Group. It was concluded that the BBWG provides access to the government and the presidency that is not available elsewhere. It was, however, felt that it could be made more effective if better resourced. It was concluded that:

- The business participants in the BBWG will remain an informal grouping of business leaders associated with the Business Trust
- For practical purposes, it will be treated as a committee of the Business Trust
- It will meet from time to time to prepare for meetings with the government
- It will participate in meetings with the President
- When appropriate it will propose to the Business Trust that it undertakes investigations and other actions required in support of this work, which is designed to facilitate productive business / government relationships

Resources

The Business Trust has agreed to set aside 1% of its resources to support the actions of the Big Business Working Group
The first such activity will be to fund an assessment of land reform and possible roles for the business community

Comments

If you would like to comment on the report or know of someone who should receive the report or if you would like a presentation of the results to company boards, management or staff, please contact: Brian Whittaker or Mdu Ndlovu at the numbers shown below.

Further information

Further information can be found on the web site www.btrust.org.za

Or by contacting

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