



## Progress Report December 2009

### Highlights:

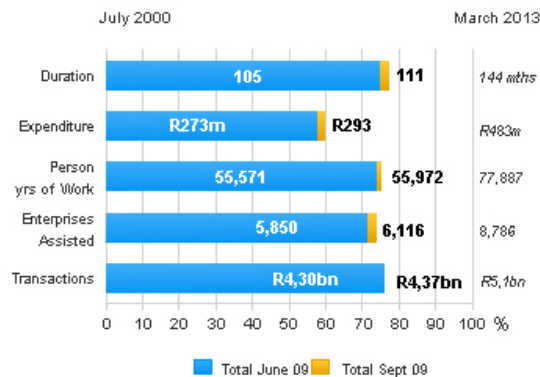
- Over 500 new tourism businesses registered for support
- More global companies choose South Africa for outsourced operations
- Infrastructure procurement strategy developed to make the best of public & private sectors
- Support for skills development extended as government reviews Human Resource Strategy
- Public Works Minister maintains the commitment to provide 500 000 work opportunities
- Investment attracted and jobs created in rural poverty node
- Technology and entrepreneurship harnessed to provide employment



**The Business Trust combines the resources of business and government to create jobs, build skills and infrastructure, and combat poverty.**

## Supporting Priority Growth Sectors

### Tourism Enterprise Partnership

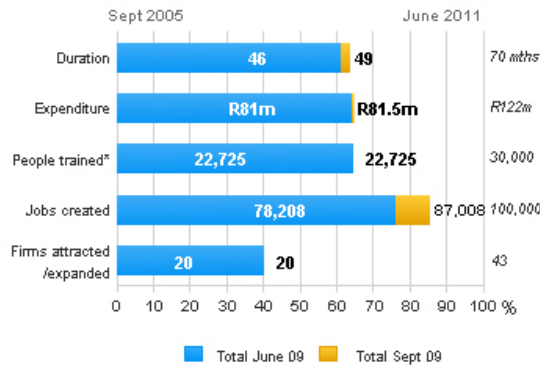


### Over 500 new businesses registered for support in the tourism sector

- 512 new tourism small businesses were registered with TEP during the last quarter against the target of 245.88 if these are tour operators. TEP is helping them to be appointed as sub-contractors to established firms that market South Africa as a tourism destination ahead of the 2010 world cup.
- As reported last quarter, targets have been adjusted to reflect increased funding from the Department of Tourism of R65million. The duration of the project has been increased from 10 years to 12 years, which will take the project to March 2013, by which time it is planned that it will be financially independent. As a consequence the target for the number of person years of work created will increase from 65,887 to 77,887. That is equivalent to maintaining 6,500 people directly in employment for 12 years. The number of enterprises assisted will increase from 5,586 to 8,786 and the value of transactions from R4,2bn to R5,1bn.

### Business Process Outsourcing Sector Support Programme

More global companies choose South Africa.



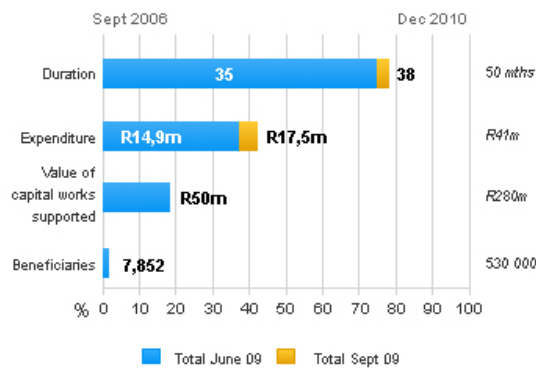
\*People trained consist of Monyetla Work Readiness Programme, Services Seta and Training Support Grants

- The attempt to build South Africa as an attractive BPO destination gained a further boost during the quarter with a decision of Streams Global Services to move to South Africa by way of a merger with e-Telecare, one of the largest and fastest growing BPO companies in the world. Streams will employ some 30,000 people globally by 2010 and have a turnover in excess of \$1bn. It is estimated that the merged South African operation will create some 3,200 jobs over the next three years
- During the quarter the number of jobs to be created as a result of the BPO sector development programme rose from 78,000 to 87,000 as a result of contracts signed with new investors. These contracts will be implemented progressively over the next three years.
- In consultation with the Department of Trade and Industry (the dti) and BPeSA (industry body) it was decided not to establish a special purpose vehicle for the development of the BPO sector at this time. The dti and BPeSA have agreed to produce a joint operating plan for the coming year which both the organisations will take accountability for.
- A report to stakeholders prepared by the Business Trust on behalf of the BPO partnership was completed during the quarter. In the foreword to the report, Minister Rob Davies acknowledges the positive response by the Business Trust to the call for a partnership and the value of the work done by the partners to attract investment that will create 100,000 jobs over the next three years.

[Download the report here](#)

## Supporting the Development of Infrastructure and the Acquisition of Skills

### Support Programme for Accelerated Infrastructure Development (SPAID)



### Infrastructure procurement strategy to make the best of public and private sectors

- In a climate of increasing tension around service delivery, the Business Trust SPAID programme has been configured to provide support of the Department of Cooperative Governance and Traditional Affairs (COGTA) to accelerate service delivery. The Business Trust support is based on:
  - The development of an index to track the delivery of basic services to every municipality in the country. This will be known as the Universal Household Access to Basic Services Index (uHABS).
  - Helping COGTA to build capacity by installing professional teams in Limpopo, Eastern Cape and KwaZulu Natal to expedite the delivery of water and sanitation services in those areas.
  - Speeding up professional project preparation through the Business Trust Ukululingisa Project Preparation Fund which helps municipalities to prepare projects for the provision of basic services by contracting professional engineering skills.
- During the quarter the Business Trust worked with the Limpopo Department of Education, the National Treasury and national Department of Education to develop a logical procurement strategy for education infrastructure for the province. It will help the province to draw on private sector resources. Among other things the framework shows how the number of contracting processes can be reduced from over 2,000 to less than 200. On the basis of a positive response, the feasibility of creating such a framework for the municipal sector is being

**Joint Initiative for Priority Skills Acquisition - (JIPSA) Secretarial support**



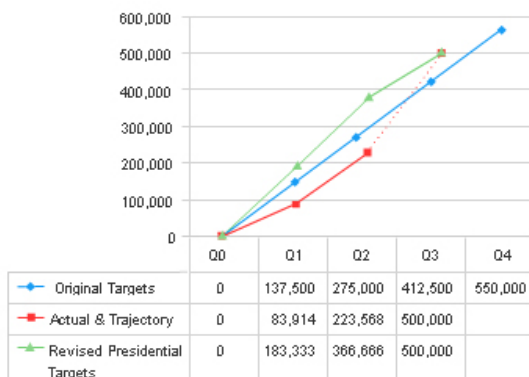
**Tax benefits extended to apprenticeships as engineering output increases**

- The Business Trust board approved further funding for the JIPSA secretariat up to March 2010 to allow for the transition of the work it has undertaken to the Department of Higher Education and Training. That department will fund that work from April 2010. The cabinet has called for a review of the Human Resource Development Strategy (HRD-SA) to consider among other things an enhanced role for state owned enterprises, SETA's and FET colleges in skills development and to assess the impact of the economic crisis on skills in South Africa. Among the areas in which JIPSA has made an important contribution include:
  - Securing an agreement from the Department of Agriculture to improve education and training of agricultural extension offices. South Africa has less than a third of the trained agriculture extension officers it needs.
  - Submitting a report on the development of education planning and management systems to the Departments of Basic Education and Higher Education and Training.
  - Developing a draft report on the review of professional bodies for engineers, technicians and technologists.
  - Launching a study to identify factors which support or impede linking young people effectively with the labour market.
  - Submitting a report to the Department of Basic Education which outlines the weaknesses in the current system for training of maths and science teachers and proposes measures to address these weaknesses.
  - Compiling a report on the feasibility of establishing a national placement agency for graduate and advanced skills for the Human Development Council once it is in place

**Combating Poverty**

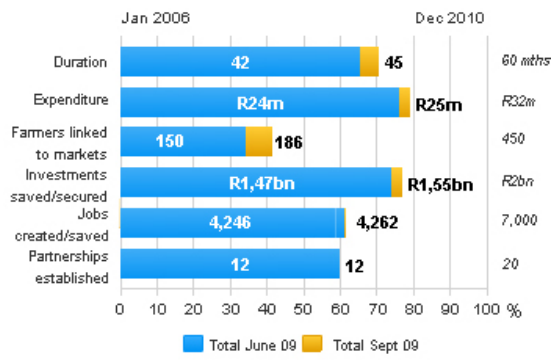
**Expanded Public Works Support Programme**

**EPWP Phase II - meeting the 500,000 jobs target**



**The Minister maintains the commitment to provide 500,000 work opportunities by December 2009**

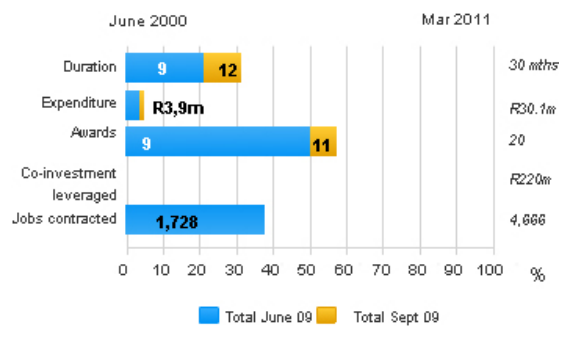
- The Minister of Public Works has stated that the department will reach the target of providing 500,000 work opportunities by December 2009 and provide 4,5 million work opportunities to the poor by 2014.
- The new system of providing incentives to provinces and municipalities who provide work on a labour intensive basis began to develop momentum during the quarter, the second quarter since it was started. Having created some 32,000 work opportunities in KwaZulu Natal through the provision of R19,3m worth of work in the first quarter, the second quarter saw the amount of incentive paid through this mechanism increase from R19m to just under R80m for work done in four provinces and 44 municipalities. The new incentive scheme was designed with the support of the Business Trust which has also assisted the department with the initiation of the scheme.



- To date the Business Trust economic development initiative in Maruleng and Bushbuckridge has helped 186 smallholder farmers develop their skills and get their produce to market. The crops include cabbages, butternut, chilli, green beans, tomatoes and spinach. The market linkages include both retail and wholesale outlets in the area. The impact of this work on the farmers has been considerable with three or four fold increases in returns for many of the farmers.
- During the quarter, the investment promotion programme in this area also helped the Sanford Trust and the Elephant Hollow Hotel increase the value of investment in that venture from R20m to R66m.
- The Moletele Communal Property Association opened their new offices near Hoedspruit. This marks an early step in the independent management of the association following extensive support from the Business Trust project. The association now manages six joint ventures with various investors having a total value of R300m. These will create over 1,000 jobs for the local community in this desperately poor area.

**Shared Growth Challenge Fund**

**Technology and entrepreneurship harnessed to create jobs**



- The Business Trust Shared Growth Challenge Fund increased its awards to eleven companies, bringing the total Business Trust committed co-investment with the company owners to R19m. This will trigger a further R118m in private investment into poor areas and create about 1,700 jobs.
- An example of this work is the Clyral project outside Durban. This software development company will develop a cellphone based tool that will allow unemployed people to provide services that cannot be automated by a computer (such as translating text into different languages). The service is called Mобензи derived from the words 'mobile' and 'umsebenzi' which means 'mobile work'. The challenge fund demonstrates the potential for profitable ventures to meet social objectives. Mобензи empowers people to earn money by doing simple tasks on their mobile phones.

**Links and Resources**

**Links**

- [Business Trust Website](#)
- [Business Trust Corporate Partners](#)
- [Business Trust Government Partners](#)
- [Business Trust Library](#)
- [Tourism Enterprise Partnership website](#)
- [Support Programme for Accelerated Infrastructure Development website](#)
- [Expanded Public Works website](#)
- [Expanded Public Works Support Programme website](#)
- [Shared Growth Challenge Fund website](#)

**Business Trust in the Media**

- [Stake in the land brings new hope, The Star, 1 November 2009](#)
- [Liberating hidden treasures, Business Day, 28 September 2009](#)
- [Support Base, Business Day, 28 September 2009](#)
- [High on possibilities, Daily News, 23 November 2009](#)
- [Leaders must find a way to meet. Business Day 16 September 2009](#)

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