



## Progress Report September 2010

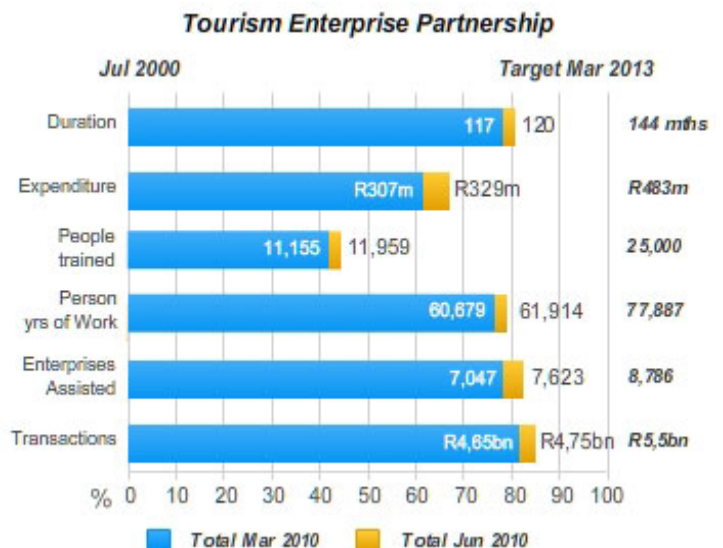
### Highlights for the Quarter:

- World Cup success a boost for small businesses in tourism
- 3,000 unemployed young people to receive training and employment
- Investment contracted for rural poverty node increased to R1,53bn
- Employment for 2,767 people created by profitable businesses in marginalised communities
- Infrastructure fund to generate R574m of capital works, which will benefit 110,000 poor households
- Expanded Public Works Support Programme successfully completed

## World Cup underscores small business potential as TEP provides South African companies with an opportunity to gain Enterprise Development points

The Tourism Enterprise Partnership (TEP) aims to improve products and enhance market access for small enterprises and thereby create jobs and encourage transformation in the tourism sector

- The 2010 games proved to be the third most attended World Cup in FIFA's history, with some 3,18million people watching the matches live and an estimated 500 million television viewers tuning in around the world. Government reported that over 1,4million people visited South Africa during the tournament.
- TEP facilitated a tour of South Africa for 78 English fans for the 32 days of the games, exposing them to some of South Africa's most exciting but little known tourism experiences. The fans spent close to R2million on accommodation and transport, much of which was with small businesses outside of the metropolitan areas in places like Grabouw, Elgin, Hanover, Dundee and Matjiesfontein. A further estimated R2,5million was spent on food and beverages, curios and tours.
- The Department of Tourism launched a new tourism strategy for comment. Its focus is on authentically South African tourism experiences. TEP's Hidden Treasures programme packages such authentic experiences by promoting high-end, uniquely South African products for local and foreign markets. For more information see [www.sahiddentreasures.co.za](http://www.sahiddentreasures.co.za)
- Over 1,000 tourism business owners and staff received training during the quarter in areas such as hosting skills, business skills and through mentorship programmes.



- The Department of Tourism’s current financial commitment runs to 2013. As part of its sustainability plan, TEP is in discussion with the Department about an ongoing relationship and has developed an Enterprise Development Portfolio for the corporate sector. This offers companies in South Africa the opportunity to earn enterprise development points under their Broad Based Black Economic Empowerment scorecards through a business-governed, government-supported initiative under professional management. For more information see the [TEP Enterprise Development Portfolio](#).

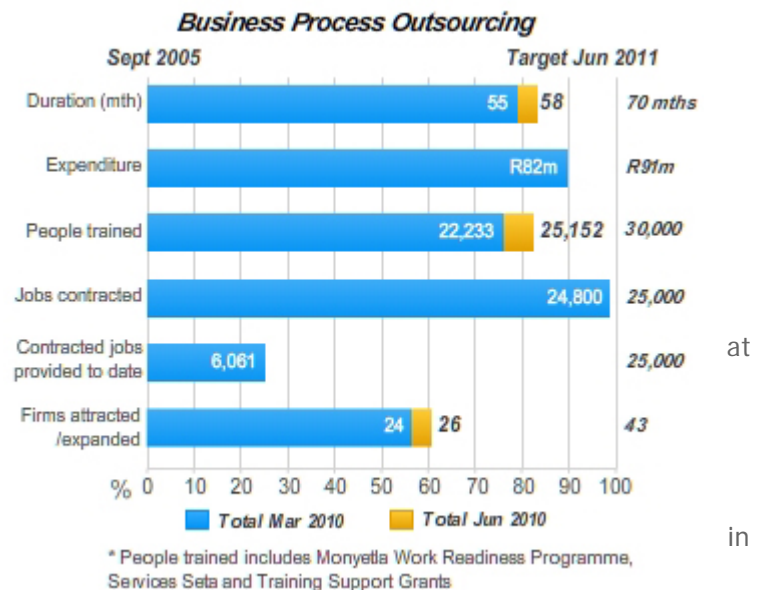
## A further 3,000 unemployed young people to receive training and employment in Business Process Outsourcing

The Business Process Outsourcing Sector Support Programme aims to develop the sector by improving infrastructure, developing skills, assuring quality and marketing South Africa in order to attract investment and create jobs for young unemployed people.

- The Business Trust designed work readiness programme ‘Monyetla’ has been expanded to provide training for a further 3,000 unemployed learners. This will be funded by the National Skills Fund. This is in addition to the 1,300 learners trained in the pilot phase. The request for proposals was three-times oversubscribed, with applications for the training of 8,772 learners being received against funding for 3,000. These learners will receive employer-led training with a guarantee that at least 70% will be employed the end of the 16 week training period. For more information on the pilot phase of the Monyetla Work Readiness programme, [click here](#).

- Amazon.com, the world’s largest online retailer, has placed an outsourcing operation South Africa. Amazon joins a number of the world’s leading outsource companies now operating from South Africa.

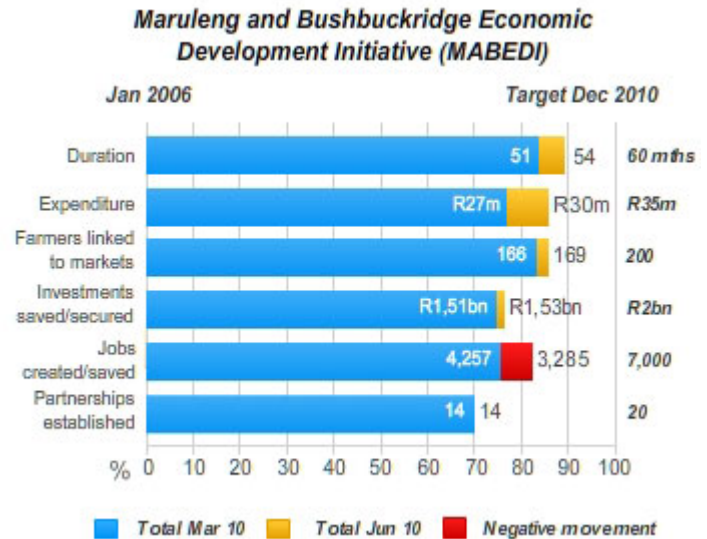
- A team of business and government leaders has been established to review the Business Process Outsourcing marketing programme with a view to attracting further global outsourcers to South Africa. The continuing potential of the sector has been confirmed, as has the inherent attractiveness of the South African offering. Refined value propositions are being developed as are improvements to strategy execution



## Mabedi breaks new ground, secures partnership for community in agricultural sector

The Maruleng and Bushbuckridge Economic Development Initiative (Mabedi) is piloting a market-based enterprise development approach to local economic development in one of South Africa's poverty nodes.

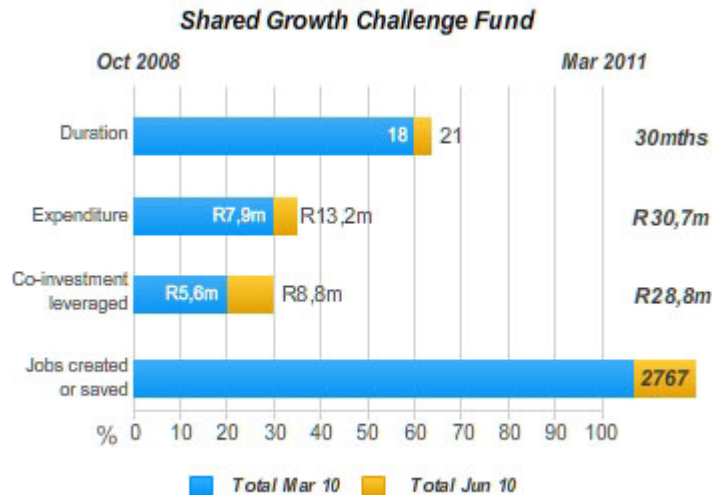
- The Mabedi project has started to apply the Community Private Partnership model to agribusiness ventures. These partnerships have long been utilised in tourism but not the agricultural sector. Under this arrangement, partnerships are forged between investors and local communities. The community benefits from an income-generating asset, has preferential employment in the new venture and receives management training. 14 tourism partnerships have been forged over the last three years with a combined value of R1,53bn.
- A fund is under investigation that could sustain transaction advisory services for these partnerships in the future.
- Management and administration arrangements have been secured for the Moletete Community Property Association's 73,000 hectare property portfolio. The Association, which represents 1,652 households, has been supported by Mabedi to improve management and governance skills, and recently held their first Annual General Meeting.
- Seasonal changes in citrus farming have resulted in a reduction in the number of current jobs. These losses should be made up later in the year as harvesting starts.
- An innovative out-grower scheme has been launched to sustain farmer support services.



## Inclusive Markets programme finds commercially viable enterprises that improve the lives of the poor

The Inclusive Markets Programme aims to enhance the participation of poor people in the market economy by encouraging the development of competitive businesses which include the poor as suppliers or consumers.

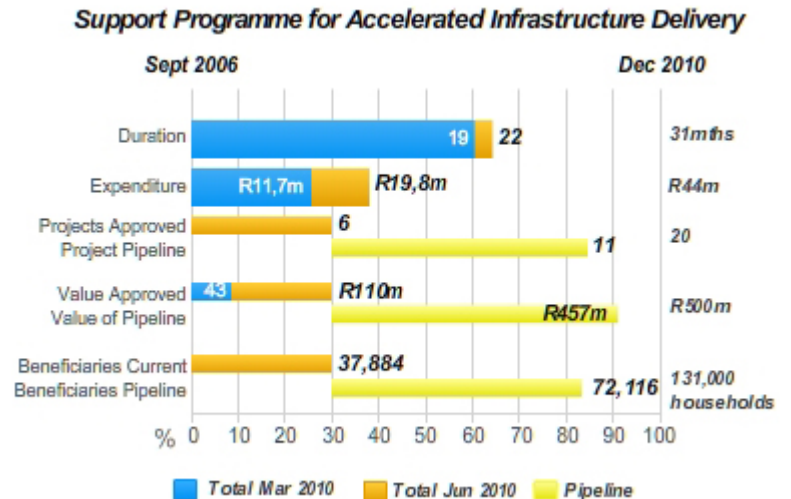
- The Business Trust Shared Growth Challenge Fund has awarded grants to eleven enterprises which among other things will create or save 2,767 jobs against an original target of 1,728.
- A study to identify business models that meet the needs of the poor on a commercially sustainable basis has focused on three sectors: low-cost housing, access to finance and further education. In the last quarter, business models being used in the private sector for the provision of vocational training were explored. Private providers offer vocational training to some 700,000 people annually.
- The investigation into the potential for the establishment of a social stock exchange, to establish a mechanism for raising capital for ventures that have a positive impact on the poor, completed its initial survey and found considerable appetite for such a venture. The next phase of the work will look at the financial viability of making such an exchange work.
- The work undertaken with FinMark Trust to understand the small business sector in South Africa through a national small business survey produced the first draft of its report during the quarter.



## Fund approves grants to prepare infrastructure projects that will benefit an initial 38,000 poor households

The Support Programme for Accelerated Infrastructure Development (SPAID) encourages increased private sector participation in the provision of infrastructure for underserved communities.

- The Ukululingsa Project Preparation Fund, which forms part of SPAID, undertakes project preparation services on behalf of municipalities. The Fund has signed agreements to prepare six infrastructure projects worth R67m, benefitting 37,884 low-income households. A further 11 projects are in the pipeline, which will take the capital value of works prepared to R574m. These infrastructure projects will include rural housing, bulk water supply, waste water treatment, landfill, rural water supply and informal housing upgrades. Once approved and implemented, these projects will ultimately benefit 110,000 poor households.

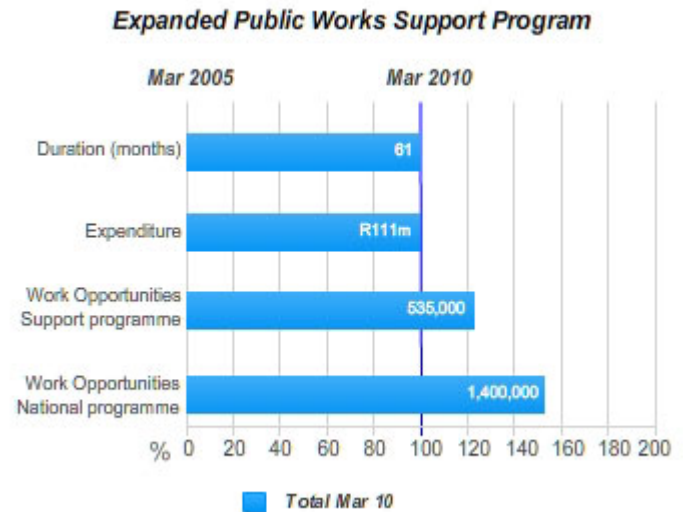


- The SPAID Infrastructure Dialogues continue to promote critical debate amongst private and public sector stakeholders on improving municipal infrastructure delivery, with some 300 delegates attending the dialogues so far. For more information see [www.spaid.co.za](http://www.spaid.co.za) or [www.infrastructuredialogues.co.za](http://www.infrastructuredialogues.co.za).

## Expanded Public Works Programme provides 1,4million work opportunities

The Business Trust Expanded Public Work Support Programme aimed to accelerate implementation and expand the impact of the government's Expanded Public Works Programme

- The government's Expanded Public Works Programme (EPWP) was designed to provide temporary work and income for unemployed people. The national programme's target of producing 1million work opportunities by 2010 was achieved a year ahead of schedule, with the assistance of the Business Trust's support programme.
- By 2009 the government reported that one third of the R45bn infrastructure grants to provinces and municipalities had been ring-fenced for labour intensive construction and maintenance where, on average, the labour content of projects was increased from 5% to 30% of project costs.
- Over the five years of the Expanded Public Works Programme 1,4 million work opportunities were created for the unemployed, 37,000km of roads built or maintained, 31,000km of pipeline laid, 1,500km of storm water drains installed and 150km of urban pavements laid. The workers employed on these projects received training and 492 new contractors participated in labour-intensive construction training.



The Business Trust's Support Programme was initiated in 2004 and completed on 31 March 2010, having met its targets.

Among other things, it:

- Developed the systems for the provision of technical support to provinces and municipalities.
- Designed and developed a management information system to enable government departments to manage and report on progress.
- Developed a target management process to ensure that targets were achieved.
- Helped the EPWP Unit establish its own technical support capacity to adapt and apply the approach piloted by the Support Programme to municipalities and provinces that represented over 70% of the infrastructure spend in South Africa.
- Operated the management information system on behalf of the EPWP Unit until September 2009 when it was adjusted for Phase II of the EPWP and handed over to the Unit.
- Developed a programme to create an additional 150,000 person years of employment by using large contractors.
- Following this work, the EPWP Unit established a dedicated directorate to support the adoption of this approach by provinces.
- Assisted the EPWP unit to prepare a motivation for a road improvement grant as part of what became known as the "provincial roads project". On the basis of these submissions a R3bn grant was approved in 2008.
- Piloted a methodology to identify and record the activities of workers at Home Based Community Care and Early Childhood Development sites in Limpopo and KwaZulu-Natal. It also developed a management and

information system, which analyses this data so that delivery can be better tracked and managed.

- Developed a methodology to support municipalities to provide domestic waste collection services in under-served areas.
- In its final year of operation, the Support Programme provided technical support to the Department to develop proposals for an incentive scheme for public authorities to expand the impact of the programme. Responsibility for the programme has been handed to the Department and the Independent Development Trust (IDT).
- A completion report is being prepared for publication by the end of 2010.

## What We Do

Supporting Priority Growth Sectors

Tourism Enterprise

Business Process Outsourcing

Combating Poverty

Community Investment

Public Works

Building Capacity

Infrastructure

Skills

## Links

Business Trust Website - <http://www.btrust.org.za>

Business Trust Corporate Partners

[http://www.btrust.org.za/index.aspx?\\_=56](http://www.btrust.org.za/index.aspx?_=56)

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