



GEP
NCOP Presentation

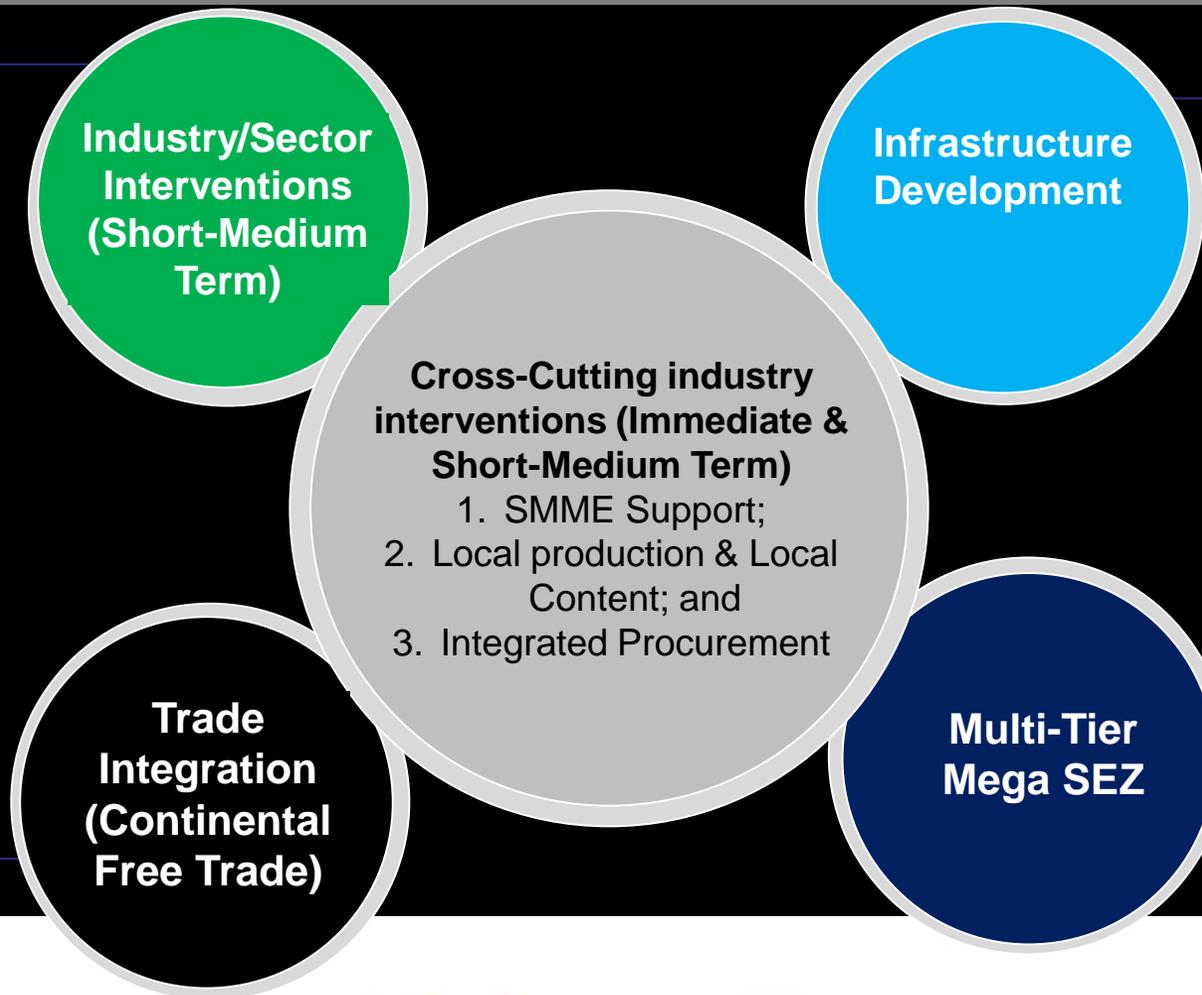
**2020/21 Progress on Small Business
Support Interventions
01 September 2020**

Outline

- GPG- Covid-19 Economic Response
- GEP Vision & Mission
- Pillars for SMMEs & Cooperatives Support
- GEP Covid-19 Economic Response
- Progress on Financial & Non-Financial Support
- Strategic Partnerships

GPG Covid-19 Economic Response

GPG Economic Response to Covid-19 is anchored by TMR Agenda and GGT:2030 with Short-Medium Term Interventions



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Vision & Mission

Mission:

Vision:

“Propelling entrepreneurs into sustainable enterprises that contribute meaningfully to inclusive economic growth and job creation.”

- In achieving its vision, the Gauteng Enterprise Propeller its mission is aimed at:
 - ⑩ Promoting entrepreneurship, mobilising resources and facilitating an integrated approach to entrepreneurial development and support within the Province;
 - ⑩ Providing financial and non-financial support for the growth and sustainability of small enterprises; and
 - ⑩ Facilitating investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors.

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PILLARS FOR SMMEs & COOPERATIVES SUPPORT

Pillars of the GEP SMMEs Support Strategy

Access to funding

- Providing Financial Support to SMME's (Direct Lending and Grants);
- Hand-Holding, Pre-Investment readiness support to ensure SMME's can access funding from alternative funders;
- Increase financial support base across the Province through strategic partnerships and collaborations.

Promotion of market access

- Local and International Exhibitions;
- Roadshows and Continuous Open Days to link SMME's and Private Sector – Objective: assist SMME's to access Private Sector Procurement opportunities;
- Ensure CSD registrations for SMME's to access Public Sector procurement opportunities;
- Product and Sector Accreditation – Transformation and access to formal markets will not happen without accreditation of products manufactured by local producers.

Economic infrastructure support

- Provide both financial and non-financial support to SMME's in Industrial Hubs

Pillars of the GEP Co-op Support Strategy

ACCESS TO FINANCE

- Access to finance through SMME and Co-op databases managed by GEP, Gauteng Provincial Treasury (GPT) and GDED is aimed at ensuring that government procurement spending benefits township-based enterprises.
- Promoting partnerships between enterprises and DFIs ensures that businesses are adequately equipped to become sustainable mainstream economic players.

SUPPLIER DEVELOPMENT AND TRAINING

- Identification, training and development of enterprises producing or providing services to be procured by GPG Departments ensures that small businesses remain sustainable, while addressing unemployment challenges faced by the region, and townships in particular.

CLUSTERED ENTERPRISE DEVELOPMENT

- Clustering of enterprises within the township space facilitates cooperation as opposed to competition between small businesses. Clustering efforts facilitate productivity, while enhancing formalisation of businesses through support institutions and GEP.

PROMOTION OF ACCESS TO MARKETS

- Leveraging the buying power of the State through GEP, GPT and GDED enterprise databases enhances access to new markets.
- Government support of small enterprises, particularly through procuring ring-fenced products and services, ensures that enterprises become sustainable, and opens them to larger client pools associated with larger projects.

GEP Support Interventions

Financial Support Loans:
Captive Fund; Contract
Finance; Micro-Finance

Co-operative Assistance
Programme (CAP)

Township Business Renewal
Program (TBR)

Formalisation: CIPC
Registration

Community Fund
(start-up grant)

Youth Development
Programmes (skills
development / job placement)

Business Incubation

SMME & Co-operative
Technical Skills Development

Business Development
Support (BDS)

Post-Investment Support

General Business Advice

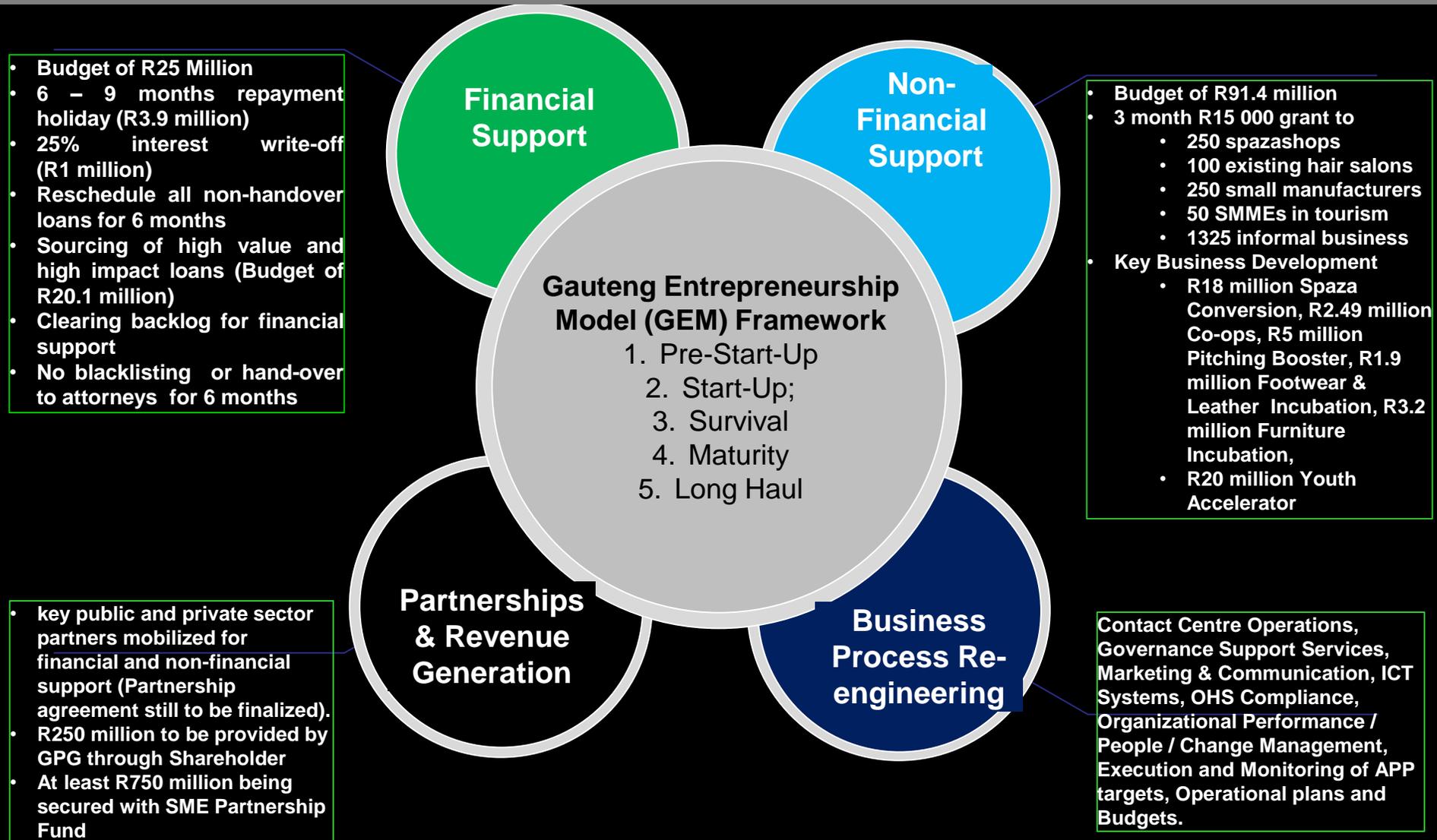
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GEP Covid-19 Economic Response

GEP Business Strategy – “New Business Unusual”

The GEP Business Strategy is anchored by GEM Framework through four key strategic pillars :
Financial Support, Non-Financial Support, Partnerships & Revenue Generation and Business
Process Re-Engineering - Implemented Through Revised APP 2020/21 & Beyond



Non Financial Support

GEP has re-prioritised about R40 million from its limited resources to be utilised for relief support to more than 4000 small businesses impacted by the pandemic as follows:

- Business Development Support to 3 400 small enterprises across the GCR (clustered approach targeting key sectors)
- Relief funding to 350 spaza shops and hair salons
- Targeted support to 250 small scale manufacturers
- Relief support to 1 325 informal traders
- Youth Accelerator Programme to provide 500 unemployed beneficiaries with job placement and entrepreneurship opportunities (211 have benefited year-to-date)

Financial Support

- The SME Partnership Fund scheme is aimed at reaching vulnerable small businesses who do not have access to formal banking facilities to enable them to continue operating and employing staff during the current and beyond the lockdown.
- The fund is a direct response to the economic hardship felt by SMMEs, particularly the unbanked and under-banked small firms based in and linked to the townships of Gauteng.
- The Fund will aim to conclude the following number of market related loan transactions per category over the life of the fund:
 - Spaza shops: 2000 to 3000
 - Supply chain: 400 to 500
 - Formal SMEs: 500 to 600
 - Retail and Trade SMEs: 2000 to 4000
- The R250m GPG injection into the fund as per the July 2020 budget adjustment seeks to leverage R750m from private sector to benefit more Gauteng small enterprises.

GEP Debt Relief Support

GEP debt relief for small businesses impacted by the pandemic include the re-scheduling of non-handed over loans and interest write-offs and payment holidays for **6 - 9 months** as guided by Covid-19 impact and sector dynamics:

- The entity took an initiative to conduct visitation and assessments of clients in good standing with an intention to provide debt relief in the form of repayment holidays;
- GEP has implemented six (6) to nine (9) months repayment holidays with an estimated value of **R4 million** to forty-one **(41) SMMEs** as part of its contribution to Gauteng Economic Response Strategy to Covid-19;
- The Agency has further resolved that there will be no blacklisting of active clients for the next **six (6) months; and**
- Affected businesses will be assessed after the initial six (6) – nine (9) months to determine a way forward.

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PROGRESS ON FINANCIAL & NON-FINANCIAL SUPPORT

GEP 2020/21 Financial Support Interventions

- The Economic Response Strategy to Covid-19 is anchored by SMMEs supports (Financial and Non-Financial Support), Local Production and Content and Integrated Procurement to assist SMMEs with market access.
- The Gauteng Enterprise Propeller (GEP) processed and approved loans (Financial Support) to fourteen (14) SMMEs to the value of **R13 million** between **April 2020** and **August 2020**.
- GEP Investment Analysts are currently working on a Financial Support pipeline valued at **R39.5 million** for twenty-four (24) SMMEs.
- As part of our Economic Response to Covid-19 pandemic, the GEP Investment and Business Analysts are conducting assessments of the small enterprises who have been previously assisted by the Agency to determine the nature of support or interventions required due to the challenges posed by Covid-19 pandemic.

GEP 2020/21 Non-Financial Support Interventions

- **SMME non-financial support progress:**
 - To date 189 SMMEs have been assisted with various Business Development Support intervention.
 - In addition 72 Projects are under implementation and will be reported upon completion.
- **Relief Support to Spazashops and Hair Salons:**
 - Assessment is being conducted on 50 Hair salons and 44 Spaza shops. A proposal to provide relief support is to be tabled at the Management Business Development Committee (MBDC).
- **Relief Support to Tourism enterprises:**
 - Assessment is being conducted on 55 small enterprises. A proposal to provide relief support to be tabled at MBDC.

GEP 2020/21 Non-Financial Support

- **Support to Informal Traders:**

- 150 Informal Traders are being assessed at various regions in preparation for proposals to serve at the Regional Project Appraisal and Approval Committees.

- **Support to Cooperatives:**

- 32 Cooperatives have been assisted with various Business Development Support interventions including stock and equipment.
- A project to assist 100 Cooperatives in the Clothing and Textile sector is in progress, the project will be reported upon completion.

2020/21 GEP Youth Accelerator Programme

Purpose of Programme:

- The Youth Accelerator Programme is a program developed with the aim of ensuring that the Gauteng province achieves its commitment of supporting youth. This is done through:
 - Placement of youth to enterprises supported by GEP
 - Entrepreneurship development for the youth
 - Newly formed youth businesses to benefit from GEP business development support interventions

Qualifying Criteria:

- Certified copy of ID
- SA citizen within ages of 18 – 35 years
- Declaration that they are not on a placement or Internship program concurrent to GEP program
- Certified proof of residence, not older than 3 months
- Certified copy of Matric and/ or TVET graduate

2020/21 year-to-date progress:

- A total of 211 youth benefitted from information sessions and placement opportunities at various host companies
- Recruitment processes are continuing for the placement of an additional 289 beneficiaries by the end of the financial year



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STRATEGIC PARTNERSHIPS

2020/21 Strategic Partnerships

Partner	Overview of Support
SA SME Partnership Fund	The SA SME Partnership Fund is aimed at quickly reaching vulnerable small businesses who do not have access to formal banking facilities to enable them to continue operating and employing staff during the current crisis. GPG through GEP to disburse R250 million towards the fund and R750 million is to be mobilised by the private sector.
PnP- Spazashop conversion project	GEP has committed R18 million to the project. To aid in the conversion of 20 spaza shops across the five (5) regions of Gauteng. (R500k loan and R400k grant funding per spaza)
GrowthMap	Pro-bono economic research service from GrowthMap Infonomics for a joint survey partnership on the Gauteng SMME COVID-19 Business Impact.
Industrial Development Corporation (IDC)	Focus areas include; Covid-19 response, Industrial Finance (Inclusive of benchmarking against GEP's plans to have an emerging black industrialist programme), Funding model (benchmarking for the Industrial finance and our IM existing funding model), Grant funding, Referral system- project preparation and Access to markets opportunities.
Gauteng Industrial Development Zone (GIDZ)	Focus on the OR Tambo special economic zone and its 3 precincts. The areas of collaboration will focus on assessment and participation of precincts value chain, housing of qualifying enterprises, access to market opportunities, Business Development Support and leveraging on existing partnerships i.e. SABS

2020/21 Strategic Partnerships

Partner	Overview of Support
South African Bureau of Standards (SABS)	Assists with industry standards and delivering relevant conformity assessment services that facilitate access to markets for South African industry, thereby improving its competitiveness in the global trade environment across different sectors.
Automotive Industrial Development Corporation	Joint contact center services, Business Development Support, Financial support and Access to markets to enterprises across the automotive sector.
The Gauteng Department of Social Development	Cooperative support , Financial support , Offtake agreements- Access to markets for over 300 coops in the textile and manufacturing sectors.
The Innovation Hub	Focused on the following three pillars: <ol style="list-style-type: none"> 1. Developing bridging programs 2. Technological advancement 3. Youth empowerment

2020/21 Strategic Partnerships

Partner	Overview of Support
Ferntech	Partnership between GDED, Furntech and GEP to train, incubate and mentor 20 SMMEs in Wood Machining Cabinet Making (WMCM) and Upholstery.
Vaal University of Technology	Partnership with VUT to train 20 SMMEs in leather and footwear product development for a period of 10 months (Pilot Project) in Sedibeng District.

Thank You



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