PRESENTATION OUTLINE

1. Introduction

2. Enterprise Development mandate

3. Provincial policies in support of SMME development

4. Key Services

5. Current Financial Year Disbursement
INTRODUCTION

• In regard to SMME development, the national tier is responsible for **policy formulation** and **allocation of resources**, while the provincial tier is responsible for **policy interpretation, resource management and co-ordination**, and local government including agencies/public entities bears responsibility for **policy implementation, resource utilisation and management of programmes**.

• Among the Eastern Cape strategies that relate to SMME development, some are unique to the circumstances of the Province, while others have been introduced to adapt national strategies for implementation in local circumstances.
INTRODUCTION

• Our government has adopted number of policies to support economic and socio-economic development in SA. Some are directed at SMME’s specifically and others at development in other areas but may have an impact upon SMME Development.

• SMME development policies and support programmes are in favour of women, youth and people with disability
1. ENTERPRISE DEVELOPMENT MANDATE

• Develop policies, strategies, and regulatory frameworks for support of enterprise development in The Eastern Cape Province.

• Coordinate policy implementation and harmonization of strategies in all three spheres of government.

• Ensure integrated planning in the design of support programmes geared towards development of SMME's in the province.
PROVINCIAL LEGISLATIVE FRAMEWORKS

1. **Provincial Industrial Development strategy** is aligned with IPAP II (PIDS) of 2010 sets out the Province’s framework and broad approach to industrialization. It is intended to operate for the fifteen year period ending in 2025 with the vision of establishing an industrialisation path towards a sustainable industrial base for the Province.

The Strategy places a strong emphasis on diversification (especially to reduce over-reliance on the automotive industry), stabilisation of vulnerable manufacturing sectors, improved distribution of economic activity across the Province, infrastructure and innovation, and stemming of job losses.
PIDS identifies key interventions over short, medium and long term and further identifies sectors for prioritisation in order to achieve the set strategic goals, thus

- Agro-industry
- Capital Goods
- The automotive sector
- Green Industries (renewable energy, carbon extraction, environmental management and carbon credit trading facility)
- Tourism
- Petrochemicals
2. The Provincial Jobs Strategy of 2012, which is founded upon the key national policy instruments, the NGP and IPAP2, while also being aligned to the Provincial Industrial Policy Strategy

- The Jobs Strategy is intended to address the crisis of insufficient and declining formal sector jobs in the Eastern Cape by setting job creation targets and determining areas of intervention to address these. The Strategy is based upon the following pillars:

  - Jobs retention by supporting labour intensive employers to return to sustainability;
  - Creation of new jobs in priority sectors;
  - Extension of the social economy through the Expanded Public Works Programme;
  - Expansion of economic infrastructure, both to create jobs and to improve competitiveness;
  - Skills development in which co-operatives and small enterprises are to be included.

A key measure introduced under the Strategy was an Industrial Jobs Stimulation Fund
3. **Eastern Cape Sustainable Energy Strategy** – the strategy provides an enabling environment for sustainable energy development.

Key strategic objectives

- Job creation and skills development;
- Alleviate energy poverty;
- Reduce Greenhouse Gas emissions and environmental pollution;
- Improve industrial competitiveness;
- Promote renewable energy production in the Province; and
- Promote the development of a renewable energy manufacturing industry and technology development.
4. The Eastern Cape Rural Development Strategy also dates from 2010 and is aimed at reversing the historical neglect in rural areas, particularly those in the former homeland territories, and overcoming rural poverty. Primary responsibility for implementing the Strategy lies with the Department of Rural Development and Agrarian Reform.

- The Strategy is structured around six pillars, namely:
  - Land reform, including accelerated land redistribution and improved security of tenure;
  - Agrarian Transformation and food security, which primarily focuses on subsistence agriculture but includes government procurement from small scale farmers;
  - Promotion of the non-farm rural economy, which is most closely linked to SMME development, and prioritises the following activities:
    - Agro-processing; Forestry, Marine and inland fisheries; Tourism; Small scale industry and other Local Economic Development initiatives, Other potential industries directed at commercialisation of natural resources
  - Infrastructure development, including improved roads and access to energy
  - Social and human development, referring mainly to basic service improvements
5. Integrated Provincial SMME Strategy 2008 under review is aligned with Integrated Strategy on Promotion of Entrepreneurship and Small Enterprises 2005 which still serves as the leading strategy for SMME development at National Level.

Some of the proposal in the draft strategy were introduced but not limited to:

- Introduction of an innovation Hub at ELIDZ
- Introduction of Innovation Fund in a form of partnership between our agency and Technology Innovation Agency
- Commencement of a project aimed at collecting intense database of EC SMME’s
2. KEY SERVICES

I. *Promote entrepreneurship through:*

- Business opportunities awareness campaigns (exhibitions, conferences, seminars, workshops) and information sessions.
- Strengthening of business associations and networks
- Strategic private-public partnerships for enterprise development.
- Collaboration with agencies that provide support to small enterprises.
II. Create enabling environment through:

- Regulatory impact assessment of the legislation, policy and strategies that negatively affect SMME’s.
- Facilitate access to finance through support of the development finance institutions.
- Facilitate access to markets via public sector procurement policies and export programmes.
- Coordinate institutional support for enterprise development.
- Monitoring and evaluation of public entities assigned with the implementation of government policies.
III. Enhance competitiveness and capabilities of enterprises through:

- Provision of **services** by a wide range of developmental agencies/government companies active in the Eastern Cape Province by focusing on:
  - Facilitate improved quality development; productivity and competitiveness.
  - Support technology transfer, incubation based on key priority growth sector.
  - Growth of small enterprises and cooperatives through sector diversification programmes.
CLOSURE

In Q2 an amount of R50.8 million supported SMME’s
R20.7 mil - 61 youth owned enterprises
R15.5 mil - 58 women owned enterprises

A total of 841 jobs were created
332 jobs for youth
178 jobs for women
Beacon Hill
Hockley Close
King Williams Town
Tel: 043 605 7339
Email: nokubonga.cibi@deaet.cape.gov.za
www.dedea.gov.za
P/Bag X0054, Bisho, South Africa, 5605
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