

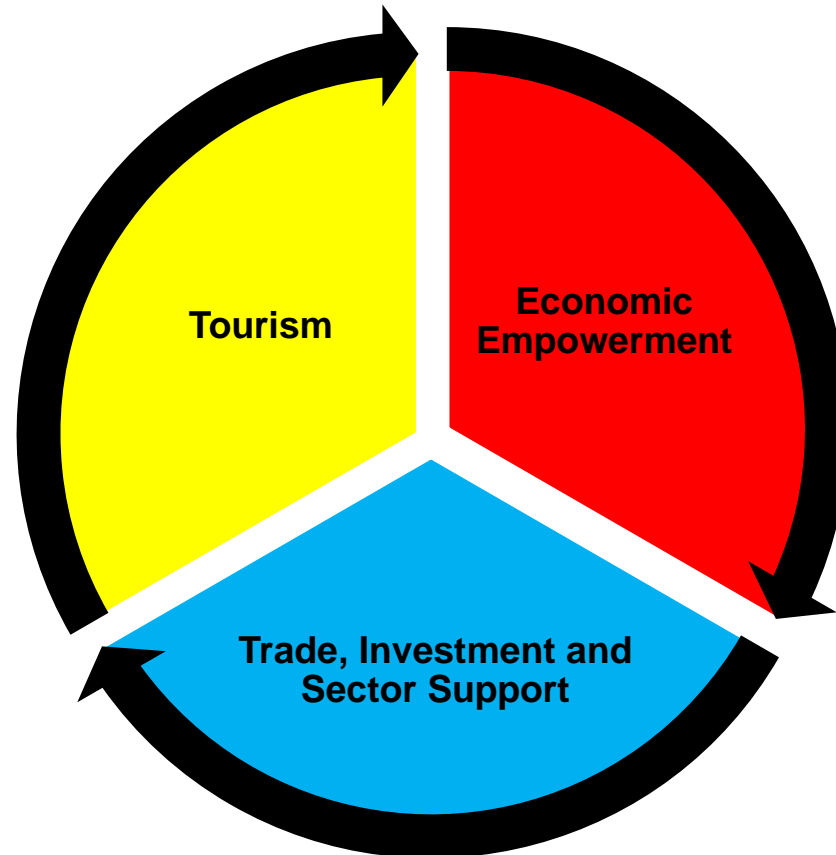
# ECONOMIC DEVELOPMENT DEPARTMENT PRESENTATION ON BEE STRATEGY

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# ECONOMIC DEVELOPMENT DEPARTMENT DIRECTORATES

- Three Directorates namely:



# Departmental Key performance areas

- **Economic Transformation**
- Job Creation
- Skills Development
- Tourism Promotion
- Investment Promotion
- Poverty and Unemployment
- Economic Diversification

# 2<sup>ND</sup> BEE CONFERENCE

- ANNUAL EVENT
- ECONOMIC TRANSFORMATION KEY GDS FOCUS AREA
- FOCUS ON BBBEE STRATEGY AND ITS IMPLEMENTATION

# BBBEE STRATEGY

- A RESPONSE TO ECONOMIC TRANSFORMATIONAL NEEDS TO ACHIEVE THREE OBJECTIVES:-
  - EKURHULENI METROPOLITAN MUNICIPALITY (EMM) TO GIVE EFFECT TO BBBEE OBJECTIVES AS OUTLINED IN THE BBBEE ACT
  - EMM TO ACHIEVE A MORE INCLUSIVE AND EQUITABLE SOCIETY
  - INTEGRATES REGION WIDE STANDARDS AND GOVERN ALL PROCUREMENT OF GOODS AND SERVICES ACROSS ALL DEPARTMENTS

# BASIS FOR BBBEE STRATEGY DEVELOPMENT

- THE NEED TO COMPLY WITH VARIOUS PIECES OF LEGISLATION AND POLICY POSITIONS SUCH AS:-
    - BBBEE ACT, PFMA, MFMA, PPPFA
  - PREFERENTIAL PROCUREMENT
  - SMME/ ENTERPRISE DEVELOPMENT
- SOCIAL INFRASTRUCTURE DEVELOPMENT, WHICH PROVIDES AN OPPORTUNITY FOR EMPOWERMENT

# BASIS FOR BBBEE STRATEGY DEVELOPMENT (continued)

- LOCAL ECONOMIC DEVELOPMENT
  - Development of partnership with National and Provincial Government, Private sector and relevant stakeholders aimed at promoting economic activity in under resourced areas
- PROPERTY OWNERSHIP
  - To address the skewed ownership of land and property relations
- INVESTMENT AND TARGETED ECONOMIC SECTORS
  - To improve growth of sectors and enhance their employment generating potential (BEE CHARTERS)
- PUBLIC PRIVATE PARTNERSHIP
  - To maximise benefit for the Region

# PREFERENTIAL PROCUREMENT REGULATIONS 2009 ALIGNMENT WITH THE PRESCRIPTS OF BBBEE ACT AND RELATED STRATEGY

- NATIONAL TREASURY PROCESS
- PUBLIC COMMENTS REQUESTED
- MUNICIPALITIES ALSO REQUESTED TO SUBMIT COMMENTS
  - WORKSHOPS HELD TO CONSIDER ALIGNMENT OF PREFERENTIAL PROCUREMENT REGULATIONS 2009 AND BBBEE ACT AND RELATED BBBEE STRATEGY
  - FINANCE, ECONOMIC DEVELOPMENT AND LEGAL AND ADMIN DEPARTMENTS WORKSHOPS AGREED ON A SUPPORT FOR SET ASIDE PROVISIONS IN BBBEE STRATEGY
  - SUBMISSION BY EMM MADE TO NATIONAL TREASURY ON THE SUPPORT OF SET ASIDE PROVISIONS

# BBBEE STRATEGY IMPLEMENTATION PLAN

ELEMENT	INDICATOR	PROPOSED EMM TARGETS 2010	PROPOSED WEIGHTING
Set Aside for specific products	Compliance by procurement officers in ensuring on all agreed they are purchased from BEE firms.	90% of special products in the first year. 100% thereafter	5
Skills development in EMM	% of payroll spent on training in EMM per annum	2 %	10
	% of payroll spent on training black women in EMM per annum	1 %	
	Learnerships in EMM as a % of total staff in EMM/Dept	8%	
Job creation	No's of jobs created by each department and agency	60% labour intensive contracts EPWP: Labour intensive in all potential contracts and 50% local labour	15

# BBBEE STRATEGY IMPLEMENTATION PLAN (continued)

ELEMENT	INDICATOR	PROPOSED TARGETS 2010	EMMPROPOSED WEIGHTING
Procurement from BBBEE-accredited companies	% of Procurement spend on BEE accredited companies across all departments; utilities (incl. women, disabled , youth, broad-based enterprises and varying levels of BBBEE accreditation)	70%	15
Procurement from SMMEs	% of Procurement spend on SMME's across all departments; utilities	20%	10
Skills development by EMM in the Region in general	EMMs contribution to skills development in the Region	Skills and EE targets, applied as per the skills development plan for the Region as a whole	10
Budget Local Spend	% Budget Spent on Local Companies	Currently 17%. Target 35%	

# BBBEE STRATEGY IMPLEMENTATION PLAN (continued)

ELEMENT	INDICATOR	PROPOSED TARGETS 2010	EMMPROPOSED WEIGHTING
SMME supported through EMM	No of sustainable SMMEs supported The amount spent on building the capacity of SMMEs	Target for no's of SMMEs supported Target for value of loans and incentives to SMMEs and BBBEE-accredited enterprises Target for value of non-monetary support to SMMEs and BEE accredited enterprises	10

# APPORTIONING OF ROLES IN THE BEE STRATEGY

- ROLES OF EMM:-

- PREFERENTIAL PROCUREMENT

- DEVELOP PREFERENTIAL PROCUREMENT STRATEGY GUIDELINES
- IMPROVE CAPITAL EXPENDITURE ON GOODS AND SERVICES PROCURED FROM ACCREDITED BBBEE COMPANIES TO 70%
- IMPROVE CAPITAL EXPENDITURE ON GOODS AND SERVICES PROCURED FROM SMME's TO 20%
- SUPPLIER DEVELOPMENT THROUGH:-
  - TENDER ACCESSIBILITY, TARGETING SMMEs, EARLY PAYMENT, TENDER SPECIFICATION AND SET ASIDE TARGETS

# APPORTIONING OF ROLES IN THE BBBEE STRATEGY (continued)

- ROLES OF PRIVATE SECTOR:-
  - IMPLEMENTATION OF SECTOR TRANSFORMATION CHARTERS AND ALIGNMENT WITH THE DTI CODES OF GOOD PRACTICE ON BBBEE
  - COMMITMENT TO ENHANCE BBBEE IMPACT IN ITS CONTRACTUAL ARRANGEMENTS WITH EMM AND IN PPPS
  - ENHANCE SKILLS DEVELOPMENT INITIATIVES WITHIN COMPANIES

# APPORTIONING OF ROLES IN THE BBBEE STRATEGY (continued)

- ROLES OF COMMUNITY:-
  - THROUGH PARTICIPATION IN THE LOCAL EMPOWERMENT COUNCIL (LEC), PPP PROCESS AS WELL AS WARD COMMITTEES
  - THE LEC WILL MONITOR AND EVALUATE IMPLEMENTATION OF THE BEE STRATEGY IN COLLABORATION WITH OTHER STAKEHOLDERS

# MONITORING, EVALUATION AND REPORTING

- THE ECONOMIC DEVELOPMENT DEPARTMENT SHALL CHAMPION AND BE THE CUSTODIAN OF THIS STRATEGY
- ACCOUNTING OFFICER OF EMM TO ASSUME FULL ACCOUNTABILITY AND RESPONSIBILITY FOR IMPLEMENTATION AND REVIEW
- PERFORMANCE CONTRACTS OF ALL SENIOR MANAGERS IN EMM SHALL INCORPORATE BBBEE AND SMME DEVELOPMENT AS KEY PERFORMANCE AREAS MAKING IT COMPULSORY TO REPORT ON ACTIVITIES AND RESULTS IN TERMS OF THIS STRATEGY

# Thank you



a partnership that works