



**edtea**

**Department :**

Economic Development, Tourism and  
Environmental Affairs

**PROVINCE OF KWAZULU-NATAL**

KWAZULU-NATAL BROAD-BASED BLACK ECONOMIC  
EMPOWERMENT (B-BBEE) STRATEGY

**2014 - 2030**



“Building an economy that creates opportunities for all and making tourism work for us All”

“Overcoming poverty is not a task of charity; it is an act of justice. Like Slavery and Apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Sometimes it falls on a generation to be great. YOU can be that great generation. Let your greatness blossom.”

~ President Mandela

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## The Foreword

### **Mr. Michael Mabuyakhulu: MPL, MEC for Economic development, Tourism and Environmental Affairs**

Our country marks 11 years post the enactment of the Broad-Based Black Economic Empowerment (B-BBEE) Act. National and Provincial Government has made significant strides in economic transformation, job creation and equity since then.

The historical doctrine of transformation dates back to the Freedom Charter which called on the people of South Africa to participate and share in South Africa's land, wealth, security and opportunity. These values have remained the building blocks of all transformative legislation over the years.

The principles of transformation were later refined in the Reconstruction and Development Programme (RDP) in 1994, and further entrenched in the law of our land, the Constitution of the Republic of South Africa in 1996. These edicts have recently been echoed with the release of the National Development Plan. The plan seeks to eliminate poverty and reduce inequality by 2030, which emphasises that B-BBEE is not just a transformation policy but an integral part of the economic makeover of the country.

There have been considerable economic successes in the province; however, the rate of economic transformation in the province is not at the desired level. The majority of the black population still remains in poverty and suffers unemployment due to a lack of skills, access to information technology and required resources amongst others.

It is with this background, that we as a province, have strategically decided to focus more resources, capacity and devise implementation processes as part of this KZN B-BBEE Strategy (the strategy) 2014-2030 to drive transformation within the province.

In crafting this strategy, government is mindful of the evolving needs and challenges of the province. The strategy has been developed at a crucial point in time amidst the release of the amended B-BBEE Codes of Good Practice which have been integrated accordingly.

The province has thus developed focus areas for the strategy which include ownership, deal structuring and financing, enterprise and supplier development (including initiatives aimed at creating black industrialists), human resource development and legislation and enforcement which will be addressed in KZN. We further acknowledge the important and significant role of small, medium and micro enterprises (SMMEs) and co-operatives in our economy, and are committed to invest, support and develop SMMEs and co-operatives in particular, those that are owned and/ or managed by black people, specifically the priority population groups such as women, youth and people with disabilities.

The strategy empowers government to influence all aspects of its activities to support the economic policy objectives of B-BBEE and pledge our commitment and resources, within reasonable means, to the pursuit and accomplishment of the aims and goals set out in this strategy. This will be executed in accordance with the vision, mission and strategic objectives of the Province whilst ensuring that we retain our character, business focus, values, and performance standards to empower our people to enjoy the fruits of our province. We have a plan in place to do that. And our strategy is detailed within the following pages.

## LIST OF ACRONYMS



“Building an economy that creates opportunities for all and making tourism work for us All”

ADA	Agribusiness Development Agency
ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BIF	Black Industrialist Fund
BIH	Black Industrialist Hub
EDTEA	KwaZulu-Natal Provincial Economic development, Tourism and Environmental Affairs
DTI	The Department of Trade and Industry
EAP	Economically Active Population
DFI	Development Finance Institutions
FET	Further Education and Training
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IDP	Industrial Development Programme
IDC	Industrial Development Corporation
ISEDS	Integrated Small Enterprise Development Strategy
KZNGBB	KwaZulu-Natal Gambling and Betting Board
LED	Local Economic Development
MEC	Member of Executive Council
MPL	Member of Provincial Legislature
NEF	National Empowerment Fund
NDP	National Development Plan
PEF	Provincial Equity Fund
PGDS	Provincial Growth and Development Strategy
PPP	Public Private Partnerships
PPPFA	Preferential Procurement Policy Framework Act
PSEDS	Provincial Spatial Economic Development Strategy
RDP	Reconstruction and Development Programme
SADC	Southern African Development Community
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprise
SOE	State-Owned Enterprise



## 1. EXECUTIVE SUMMARY

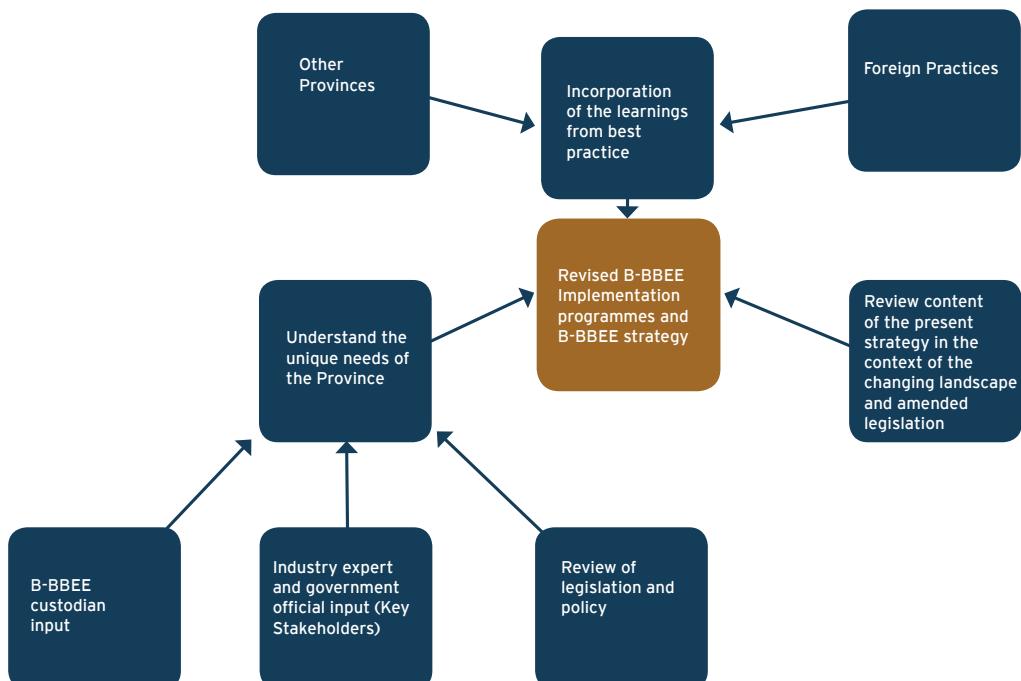
In 1994, the then newly elected democratic Government inherited a host of socio-economic challenges, which impacted the previously disadvantaged black population group.

Black people in KwaZulu-Natal constitute the largest population group within the Province, the majority of whom do not have access to the mainstream economy. This race group constitutes the bulk of our human capital potential which demands prioritisation to accelerate the rate of development of the country. Black as defined within the B-BBEE Codes of Good Practice is a generic term which means African, Coloured and Indian people who are citizens of the Republic of South Africa by birth or descent, or who became citizens of the Republic by naturalisation before 27 April 1994 or on or after 27 April 1994 if entitled to acquire citizenship prior to this date. There remain challenges that hinder black people from actively participating in the economy. The majority of black people do not have access to basic services like education, sanitation and water. High levels of black unemployment contribute to poverty and increased crime which may lead to political instability.

The Province of Kwa-Zulu Natal acknowledged the importance of economic and social transformation and therefore developed its first B-BBEE strategy in 2007 to reflect the provincial nuances relative to the transformation challenges, posed with the aim to support its developmental objectives. Considerable progress was made over the years; however, given the dynamic political and economic landscape together with the amendments to the DTI's B-BBEE legislation, it became imperative to revise the 2007 strategy. The purpose of the amended strategy is to align the transformation imperatives to the revised needs and priorities as identified by Government and key stakeholders.

The process of reviewing the strategy was driven by the Department of Economic development, Tourism and Environmental Affairs. Diagram 1 below shows the integrated approach followed in this regard.

**Diagram 1: KZN B-BBEE Strategy: Review Methodology**





As per the diagram above, the review methodology attempted to identify the current challenges facing B-BBEE policy implementation in the Province. This process has identified; lack of skills, inequality, non-commitment from private and public sector, lack of financial support, poverty and unemployment, as being the main challenges facing B-BBEE implementation in KZN. Although these challenges are stand-alone issues, they are intrinsically linked to each other.

The strategy review provides the context in which B-BBEE implementation occurs, including historical developments, global best practice and current B-BBEE developments. The legislative and policy review, together with, other processes listed below, were part of the strategy review that will be incorporated into the broader scope of reviewing the KZN Strategy. The main objectives of the strategy review were as follows:

- ▶ Study various policy instruments, both at a national and provincial level;
- ▶ Identify and study global best practices on affirmative action policies that could be adopted in KZN;
- ▶ Research key initiatives supported by the Province; and
- ▶ Engage with experts in various fields, industry role players and stakeholders with a view to develop the strategy implementation and monitoring plans.

The review of B-BBEE implementation in the Province, formed the basis of the KZN B-BBEE Strategy 2014-2030, and informed the formulation of strategic interventions aimed at empowering black people to participate meaningfully within the provincial economy.

**The Vision for the KZN B-BBEE Strategy 2014 - 2030 is:**

**An integrated socio-economically transformed Province  
co-ordinating and facilitating an enabling environment in the  
public and private sectors of economy where representation of all  
people reflects the Provincial demographics.**

Key words upon which the vision is built are as follows:

**Integrated socio-economically:** Implied in the vision as an inclusive and enabling environment for all South Africans which involves raising awareness, developing skills, creating a market for emerging black businesses and support of disadvantaged rural communities.

**Transformed:** Transformation should not only be viewed as a tool to address the imbalances of the past, but as a strategic tool for sustainable economic development.

**Representation of all people:** The fundamental aspect of B-BBEE is for black persons / groups to become active participants of the mainstream economy therefore, the aim would be for the Province to reflect participation by all people equitably irrespective of race or gender differences.



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## The Mission Statement for the KZN B-BBEE Strategy 2014 - 2030

To facilitate, co-ordinate stakeholders and leverage resources for the implementation of economic transformation strategies and projects.

The main objectives of the mission statement are not for the State to roll out welfare programmes to B-BBEE target group, but rather to ensure that Government applies its legislative leverages to ensure that there is real economic empowerment in the Province. The KZN B-BBEE Strategy is built on five (5) important pillars to ensure fulfilment of the vision; with each pillar constituting a goal for Economic Empowerment. To ensure that the strategic goals are achieved, detailed strategic objectives have been identified.

The pillars are grouped into two categories, namely primary and cross-cutting. The primary pillars are defined according to their direct impact on transforming the provincial economy that empowers B-BBEE target group. These are ownership, deal structuring, and financing, as well as sector matrix enterprise and supplier development. Cross-cutting pillars are defined in terms of their indirect contribution to economic empowerment and act as enabler's for real economic empowerment in the Province. The cross-cutting pillars are the programmes required to prepare B-BBEE target group to effectively participate in the provincial economy. Cross cutting pillars are human resources development, legislation and enforcement, and information dissemination.

### Pillars and Strategic Goals

*Table 1: The KZN B-BBEE Strategy Goals and Strategic Objectives*

Pillars	Goals and Strategic Objectives
<b>Primary Pillars</b>	
Ownership, deal structuring and Financing	<b>Goal 1: To transform equity structures of enterprises in the Province</b> 1.1 Provision of Empowerment Funding for B-BBEE deal structuring; and 1.2 Provision of due diligence and mentoring 1.3 Open markets and strategic partnerships 1.4 Measure B-BBEE (deals) trends in KZN
Sector Matrix Enterprise and supplier development	<b>Goal 2: Sector Specific B-BBEE Enterprise Development</b> 2.1 To nurture and promote black industrialists 2.2 To develop an enterprise development model 2.3 To develop intervention that will expedite the graduation of small enterprises
<b>Cross -Cutting Pillars</b>	
Human Resource Development	<b>Goal 3: To support implementation of initiatives that promote the enhancement of skills development, management control and employment equity</b> 3.1 Identify and develop critical and core skills 3.2 Co-ordinate implementation of skills development fund 3.3 To ensure that there is equitable representation of target groups in all levels



Legislation and enforcement	<b>Goal 4: To ensure compliance with BBBEE Codes of good practise</b> 4.1 Co-ordination of KZN B-BBEE Advisory 4.2 Monitor B-BBEE compliance 4.3 To ensure B-BBEE policy compliance 4.4 To manage B-BBEE business database
Information dissemination	<b>Goal 5: To improve B-BBEE Information Accessibility</b> 5.1 To improve easy access to B-BBEE information 5.2 To facilitate B-BBEE advocacy and information dissemination

Source: Author's own Formulation, KZN B-BBEE Strategy Review 2013/2014

Beside these five pillars, broad goals, strategic objectives as well as specific strategic interventions for each of the strategic objectives were formulated. Effective implementation of the strategic interventions identified is envisaged to make a significant contribution in empowering B-BBEE target group.

The standard five pillars of KZN B-BBEE Strategy 2014 -2030 are relevant to those highlighted in the original KZN B-BBEE Strategy for 2007. Out of these five pillars, broad goals, strategic objectives as well as specific strategic interventions for each of the strategic objectives were articulated. Actual implementation of the strategic interventions identified is envisaged to make a significant contribution in empowering B-BBEE target groups in KZN.

The above pillars are the basis on which B-BBEE policy would be implemented across the spectrum of economic sectors in KZN. In particular, the KZN B-BBEE strategy prescribes interventions on how Government, private sector and the broad civil society should participate in these programmes and respond to current B-BBEE challenges in terms of the five pillars.

The KZN B-BBEE Strategy is aligned to the National B-BBEE Bill, Codes of Good Practice and other related policies dealing with the empowerment of designated groups, and it also relevant to the PGDS at a Provincial level.

The KZN Department of Economic Development Tourism and Environmental Affairs will play a leading role in facilitating and co-ordinating the implementation of this strategy, ensuring buy-in and support from other Provincial Government departments, private sector, and the civil society.



## 2. BACKGROUND & INTRODUCTION

In 1994, when the democratic Government came into power after the transition from apartheid, it was decided that other direct intervention in the redistribution of assets and opportunities was needed to resolve the economic disparities created by apartheid policies which had favoured white individuals and business owners.

To address inequalities, combat poverty and reduce unemployment, Government promulgated empowerment legislation and policies in the form of Employment Equity Act (Act 55 of 1998), Skills Development Levy Act (Act 9 of 1999) and the Preferential Procurement Policy Framework Act (Act 5 of 2000). Further amendments to the above Acts were gazetted as a result of the evolving legislation and developments within the country. This saw the introduction of BEE policies, which were intended to transform the economy to be representative of the race of the country.

BEE was defined in the 2001 Commission Report as follows:

- ▶ It is an integrated and coherent socio-economic process.
- ▶ It is located within the context of the country's national transformation programme, namely the RDP.
- ▶ It is aimed at redressing the imbalances of the past by seeking to substantially and equitably transfer and confer the ownership, management and control of South Africa's financial and economic resources to the majority of its citizens.
- ▶ It seeks to ensure broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity.

Upon review of the findings of the 2001 Commission Report, Government embarked on a comprehensive programme to provide a legislative framework for the transformation of South Africa's economy. In 2003, the Broad-Based Black Economic Empowerment (B-BBEE) Strategy was published as a precursor to the B-BBEE Act, No. 53 of 2003.

The goal of the national BEE strategy, which is reiterated in the B-BBEE Act, is to facilitate broad-based black economic empowerment by:

- ▶ Promoting economic transformation in order to enable meaningful participation of Black people in the economy;
- ▶ Achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;
- ▶ Increasing the extent to which communities, workers, co-operatives, and other collective; enterprises own and manage existing and new enterprises, and increasing their access; to economic activities, infrastructure, and skills training;
- ▶ Increasing the extent to which black women own and manage existing and new enterprises and increasing their access to economic activities, infrastructure, and skills training;
- ▶ Promoting investment programs that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;
- ▶ Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership, and skills; and
- ▶ Promoting access to finance for black economic empowerment.



As already mentioned, the national B-BBEE strategy framework laid the basis for the B-BBEE Act of 2003. The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy.

The Act provides a legislative framework for the promotion of B-BBEE, empowering the Minister of Trade and Industry to issue Codes of Good Practice and publish Transformation Charters, and paving the way for the establishment of the B-BBEE Advisory Council.

However, the Act is hardly prescriptive; in particular, it does not stipulate policy measures, programs, or targets to guide the implementation of the B-BBEE policy and programs. Much of the implementation guideline is provided in the B-BBEE Codes of Good Practice Gazetted on the 9th of February 2007.

The Codes provide a standard framework for the measurement of broad-based BEE across all sectors of the economy. The intention of the Codes of Good Practice is to level the playing field for all entities operating within the South African economy, by providing clear and comprehensive criteria for the measurement of broad-based BEE. Given the nature of the policies that were implemented, it is clear that these will need to be revised in accordance with the evolving landscape, in order for it to meet the overall objectives.

It is with this in mind that the B-BBEE amendment bill was approved by the President in January 2014 and gazetted amendments to the Codes of Good Practice in October 2013. The Bill and the revised Codes enhance the implementation of B-BBEE and contain principles and guidelines that will facilitate and accelerate the implementation process thereof.

National Government encourages provincial Government to utilise the above mentioned legislation as guidelines in order to develop tailored solutions for a Province's specific needs. The purpose of this B-BBEE strategy is to devise appropriate programmes that provide achievable strategies to increase the meaningful participation of black people within the economy. The strategy acknowledges that a transformed country will translate into a successful economy.

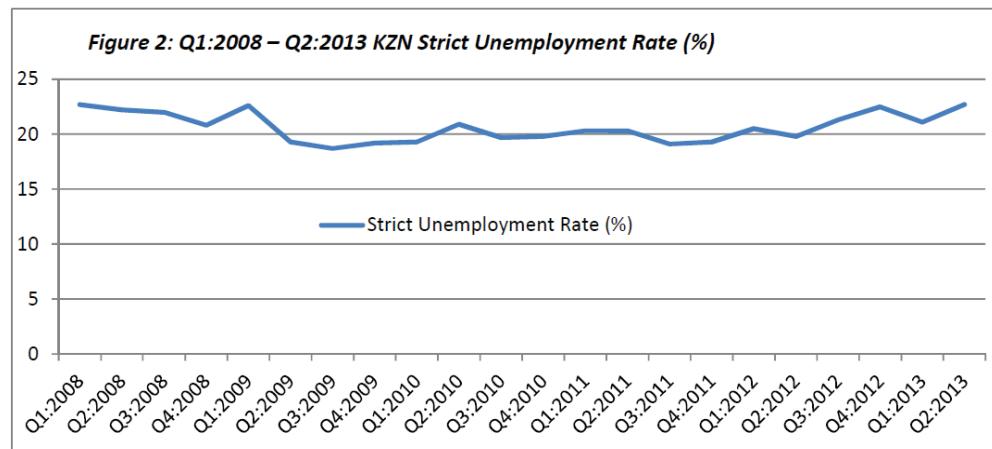
KwaZulu-Natal is the third richest Province in South Africa after Gauteng and the Western Cape in terms of total income. However, this is tarnished by high poverty rates and inequalities in the distribution of income and has the third highest incidence of poverty after the two other predominantly rural Provinces of the Eastern Cape and Limpopo.

Based on information extracted from the “Economic development and Growth in EThekwini - Quarterly Labour Force Survey, 2nd Quarter 2013 reports” it was evident that KZN reached its highest unemployment rate since early 2008.



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### Diagram 2: 2008-2013 Trend Analysis of unemployment rate in KZN



Source: Quarterly Labour Force Survey 2nd Quarter 2013

It is apparent from the above diagram that urgent intervention is required to ensure that this trend does not continue. We acknowledge that the employment of our people will foster a climate conducive to economic growth and it is for this reason that the Province deemed it necessary to revise the KZN B-BBEE Strategy to ensure that it is aligned to the key issues facing the Province.

This document is therefore a KZN B-BBEE Strategy that commits the Provincial Government and its relevant stakeholders to the promotion and economic empowerment of black people within the Province. This strategy is projected to operate over the next sixteen years (i.e. 2014 - 2030). It will be reviewed after five and ten years respectively by the Department of Economic development, Tourism and Environmental Affairs (EDTEA) to gauge its implementation and performance status. Accordingly, the focus of the new KZN B-BBEE strategy is implementation, not policy.



### 3. OVERVIEW OF THE CURRENT POSITION

#### 3.1 Definition and Guiding Principles of B-BBEE

##### What is B-BBEE?

The definition as per the Act has been extracted below:

“Broad-Based Black Economic Empowerment” means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to—

- a) increasing the number of black people that manage, own and control enterprises and productive assets;
- b) facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- c) human resource and skills development;
- d) achieving equitable representation in all occupational categories and 20 levels in the workforce;
- e) preferential procurement; and
- f) investment in enterprises that are owned or managed by black people”

##### Definition of Black

The definition as per the Codes has been extracted below:

Is a generic term which means African, Coloureds and Indians

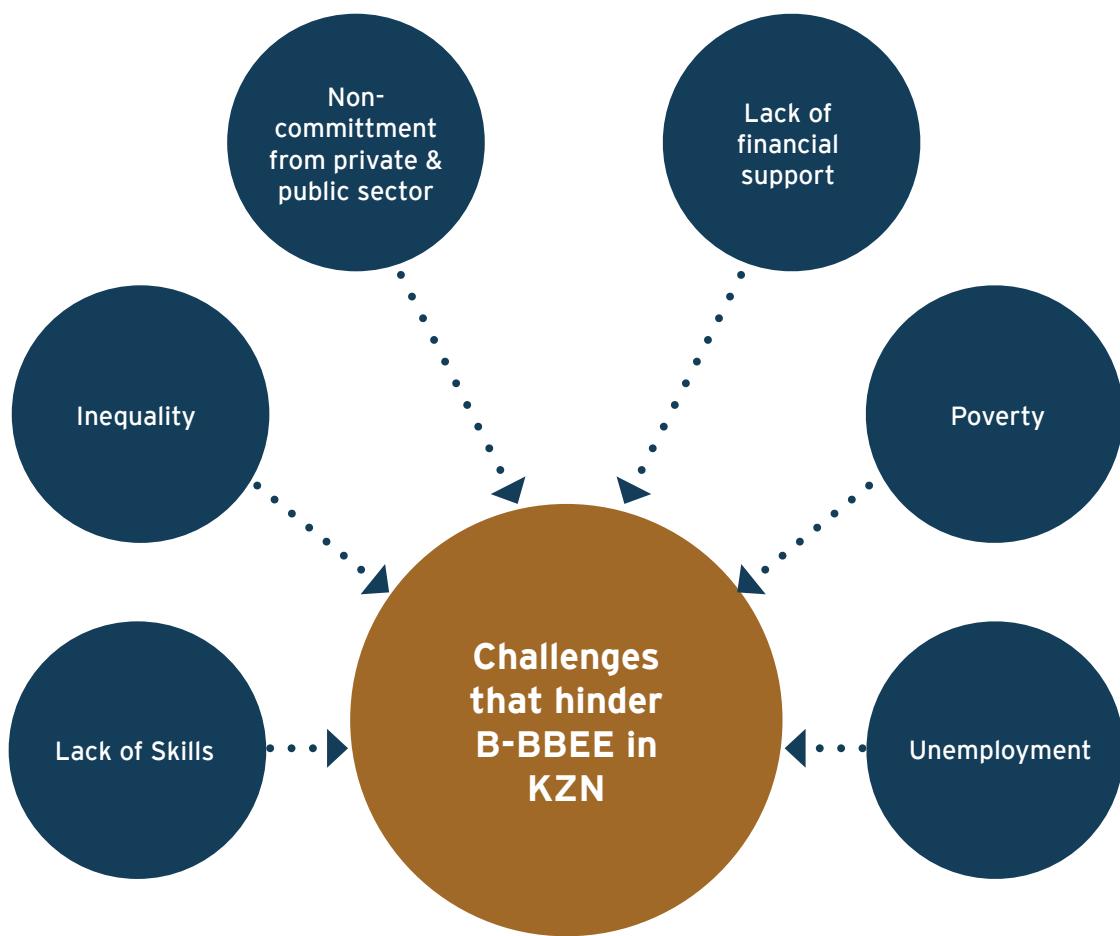
- (a) who are citizens of the Republic of South Africa by birth or decent; or
- (b) who became citizens of the Republic of South Africa by naturalisation:
  - (i) before 27 April 1994;
  - (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.

#### 3.2 Socio-Economic position in the context of B-BBEE

There are challenges that still restrict black people from actively participating in the economy. Factors such as lack of skills, inequality, non-commitment from private and public sector, lack of financial support, poverty and unemployment remain major constraints to economic development and transformation.



Diagram 3: Challenges that hinder B-BBEE:



Source: Author's own Formulation, KZN B-BBEE Strategy Review 2013/2014

B-BBEE still faces a number of hindrances and many businesses cannot maximise on the points available on the scorecard due to factors listed above. The country has experienced declining investment combined with an unstable employment environment which also resulted in a lack of job creation.

The private sector has inadequately addressed B-BBEE and has at times merely implemented minimum requirements to meet Government's tender requirements. There are limited numbers of black people, especially black women, in controlling positions, managerial positions and in specialised professions due to the lack of skills base to fill such positions. There is also inadequate investment in skills development across various sectors.



### 3.3 B-BBEE Policy Alignment

#### 3.3.1 Enabling Framework

##### ► Employment Equity Act and all subsequent amendments

The Employment Equity Act was enacted in 1998 to address the imbalances caused by Apartheid and other discriminatory laws in the national labour market. The primary purpose of the Act is the promotion of equal opportunity and fair treatment in employment through the elimination of unfair discrimination as well as the implementation of affirmative action measures to ensure equitable representation of designated groups in throughout the workforce.

The Employment Equity Act was amended in January 2014. There are a number of revisions, chief among them, the increase in the fines for offences.

##### ► Skills Development Act and all subsequent amendments

The Skills Development Act was enacted in 1998 to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work.

Skills Development is a critical focal point for the empowerment of black people within South Africa.

##### ► Preferential Procurement Policy Framework Act and all subsequent amendments

Public Sector Procurement is governed by the Preferential Procurement Policy Framework Act (PPPFA) which was enacted in 2000. However, there was no alignment between the Codes and the PPPFA, therefore an amendment to the PPPFA was enacted in December 2011. The amendments to the PPPFA require that public entities consider an entity's B-BBEE certificate when considering the B-BBEE factors in the scoring system.

The legislation now provides a scoring system for potential suppliers when awarding public sector procurement. This scoring system is fundamentally determined using 2 factors, namely:

- General Factors, such as quality, price and functionality; and
- B-BBEE Factors, such as black ownership of the entity/ potential supplier.

In terms of the revised PPPFA regulations fully compliant B-BBEE enterprises with a level 1 contribution will score 20 points (for contracts worth between R30 000 to R1 million) or 10 points (for contracts above R1 million). The measurement criteria within the PPPFA should be followed and any amendment thereto.



#### ► **National Development Plan**

In August 2012, Parliament released the first National Development Plan (NDP) for South Africa. The aim of the NDP is to eliminate poverty and reduce inequality by 2030.

According to the plan, South Africa will be able to realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society which is critical to achieving transformation.

In order to bring about transformation of the economy and creating suitable expansion for job creation, the NDP proposes:

- Increasing exports;
- An efficient infrastructure that is conducive to growth and job creation;
- Reducing the cost of living and raising the standards of education and healthcare;
- Reducing regulatory compliance for small and medium sized enterprises;
- Support for small businesses;
- An improved and expanded skills base;
- A commitment to an approach that supports domestic/ local procurement;
- A higher rate of investment through public and private partnerships; and
- Creating a responsive labour market.

#### ► **The B-BBEE Amendment Bill**

The draft B-BBEE Amendment Bill was gazetted for public commentary in December 2011. In 2012 Cabinet approved the Amendment Bill for tabling in Parliament. The Amendment Bill was gazetted as Act No.46 of 2013 in January 2014.

The Bill enhances the current legislation, but introduces a number of new measures. The new measures seek to:

- Establish a B-BBEE Commission to play an oversight and advocacy role;
- Develop a Monitoring, Evaluation and Reporting framework (consistent application across all spheres of Government and sectors);
- Establish a regulatory framework for measuring impact;
- Introduce penalties and offences; and
- Align and complement the B-BBEE Act to other key pieces of legislation and policy instruments.

#### ► **The Revised B-BBEE Codes of Good Practice**

In October 2013 the revised B-BBEE Codes were gazetted. The revised Codes enhance the implementation of B-BBEE and contain principles and guidelines that will facilitate and accelerate the implementation of B-BBEE.



The revised Codes include the following modifications:

- ▶ The turnover thresholds have been raised for all entities;
- ▶ All companies except Exempted Micro-Enterprises (EME's) will be required to comply with all 5 pillars of the scorecard;
- ▶ Introduction of priority elements and sub-minimum targets. The priority elements are:
  - ▶ Ownership;
  - ▶ Skills Development; and
  - ▶ Enterprise and Supplier Development
- ▶ Entities that do not achieve the 40% sub-minimum targets for the above priority elements will face its overall score being discounted.
- ▶ Enhanced recognition for EME's and Qualifying Small-Enterprises (QSE's)
  - ▶ EME's and QSE's that are 100% black owned qualify as level 1 contributors; and
  - ▶ EME's and QSE's that are at least 51% black owned qualify as level 2 contributors.
- ▶ A reduction of the original 7 pillars of the generic scorecard into 5 pillars.

### 3.3.2 Legislation & Regulation

Apart from the enabling framework discussed above, provincial government also has at its disposal a number of provincial and national legislative and strategic policy documents to positively impact certain goal areas of this strategy. These legislative and strategic policy documents include:

*Table 2: Applicable Provincial & National Legislation*

Policy/Legislation	Intention
Provincial Growth and Development Strategy (PGDS)	The plan outlines job creation, human resource development, human and community development, strategic infrastructure, environmental sustainability, governance and policy and spatial equity as strategic goals that need to be achieved.



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Policy/Legislation	Intention
Provincial Spatial Economic Development Strategy (PSEDS)	<p>KZN Govt through the economic cluster developed the PSEDS as a sector plan of the PGDS.</p> <p>The PSEDS is based on 4 pillars:</p> <ol style="list-style-type: none"><li>1. Increasing investment in the province;</li><li>2. Skills and capacity building;</li><li>3. Broadening participation in the economy; and</li><li>4. Increasing competitiveness.</li></ol> <p>The main programmes to support the strategies are:</p> <ul style="list-style-type: none"><li>► Foreign Direct Investment;</li><li>► Investment in Infrastructure;</li><li>► Sector Development;</li><li>► Corridor Development;</li><li>► Small town rehabilitation programme; and</li><li>► LED Initiatives.</li></ul>
KZN Youth Economic Empowerment Strategy	Developed to devise programmes that ensure all young women and men in KZN are provided meaningful opportunities to participate in the mainstream economy of the Province.
KZN Gender and Women Economic Empowerment Strategy	Strategy developed to increase support for gender and women economic empowerment in the province, to achieve a greater contribution by women entrepreneurs in local and district offices and to create job opportunities to reduce unemployment and poverty.
National Development Plan	Provides a broad strategic framework to guide key choices and actions aimed at reducing poverty and raising living standards. The aim of the NDP is to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society which is critical to achieving transformation.
Industrial Policy Action Plan 2 (IPAP2)	<p>IPAP2 builds on the National Industrial Policy Framework (NIPF) and the 2007/08 IPAP. Its purpose is to expand production in value-added industries of production and value-added manufacturing that compete in export markets as well as compete in the domestic market against imports. IPAP2 is consequently designed to address the decline in industrial and manufacturing capacity and contribute to the reduction of unemployment.</p> <p>The IPAP2 sets out to contribute to rural development, advanced technological capabilities, downstream minerals beneficiation, promotion of energy efficient goods and services, strengthened linkages between tourism and cultural industries, interaction between sector strategies, green industries, renewable energy and the creation of sustainable jobs.</p>



National Strategy for the Development and Promotion of Small Business in South Africa	The main objective of this strategy is to regulate, stimulate and promote small business activities in South Africa. The key objectives of the strategy are to: <ul style="list-style-type: none"><li>▶ Create an enabling environment for small enterprises;</li><li>▶ Create long-term jobs;</li><li>▶ Support the advancement of women in all business sectors;</li><li>▶ Address the legacy of apartheid-based disempowerment of black enterprises;</li><li>▶ Facilitate greater education of income, wealth and earning opportunities;</li><li>▶ Level the playing fields between large and small enterprises as well as between rural and urban businesses.</li></ul>
Integrated Small Enterprise Development Strategy (ISEDS)	The objective is to provide access to support and development services to previously disadvantaged persons in order to integrate them into the core of the economy, with access to local, national, African and international markets.
The National Local Economic Development (LED) Framework	The objective of the framework is to support local economies in realising their optimal potentials and making local communities active participants in the economy of the country.

Source: Author's own Formulation, KZN B-BBEE Strategy Review 2013/2014

### 3.4 International Best Practice

A component of the strategic review was to undertake a best practice review of affirmative action policies globally and within other Provinces. KZN is not exclusive to the challenges it faces and there is much to gain from undertaking this review. Our approach to global case studies is not limited to success stories, but also to instances where transformation has failed as there is much to learn from failures as there is from successes.

An outline of the policies has been summarised within the tables below:

**Table 3: Best Practice International**

Best Practice: International	Intention
Malaysia	<ul style="list-style-type: none"><li>▶ Malaysian Government introduced the New Economic Policy (NEP) in 1970, which accorded the Malays (Bumiputera) preferential treatment in order to correct the racial imbalances.</li><li>▶ Notable features of the NEP include: <b>Representation in education</b><ul style="list-style-type: none"><li>▶ New school-level institutions for Bumiputera</li><li>▶ Creation of quota systems and scholarship programmes for university enrolment</li><li>▶ Cultivation of science and engineering graduates</li><li>▶ Establishment of junior residential colleges primarily for pupils in rural underprivileged areas</li><li>▶ Quota system implemented in awarding public service department scholarships</li></ul></li></ul>



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**Table 3: Best Practice International (Cont..)**

Best Practice: International	Intention
	<p><b>Employment in managerial and skilled positions</b></p> <ul style="list-style-type: none"> <li>▶ Preferential employment policies through public sector is a major factor in Malay professional and middle class</li> </ul> <p><b>Equity and property ownership</b></p> <ul style="list-style-type: none"> <li>▶ Highest priority of the NEP's objectives and the area of starker Bumiputera representation. No effective control transferred. Privatisation led to concentrated wealth accumulation</li> </ul> <p><b>Managerial and enterprise development</b></p> <ul style="list-style-type: none"> <li>▶ Spearheading Malay business with seed funds or guarantees from government. Most ventures failed , due to poor governance, inexperience or corruption</li> <li>▶ Take-over of foreign owned companies facilitated promotion of Malay management. These firms were going to be state-owned and Malay-managed; however, the Malay pre-maturity showed up in lack of competency and gross under-performance</li> </ul>
Brazil	<ul style="list-style-type: none"> <li>▶ Brazilian legislators enacted the “Law of Social Quotas.”</li> <li>▶ As of August 2012, the new law requires public universities to reserve half of all new admission spots for its low-income students and compels its institutions to diversify significantly.</li> <li>▶ Quota-based programs guarantee a certain percentage of university admission slots to students based on race and/or class.</li> </ul>

**Table 4: Best Practice: Other Provinces**

Best Practice: Their provinces	Intention
Gauteng B-BBEE Strategy	<ul style="list-style-type: none"> <li>▶ This strategy was designed to be the Gauteng province's mechanism to achieve sustainable and inclusive economic development, social stability, and labour absorbing economic growth.</li> <li>▶ Growth sectors within the economy have been identified for targeted and increased support and investment.</li> <li>▶ A performance matrix has been developed and all departments, agencies and municipalities in Gauteng will be measured against the performance targets of the performance matrix.</li> <li>▶ All Gauteng Province government departments and their agencies or SOE's will report monthly and quarterly on B-BBEE against the performance matrix.</li> <li>▶ Provision for an LED programme. The programme will include SMME infrastructure and support</li> </ul>



**Table 4: Best Practice: Other Provinces**

Best Practice: Their provinces	Intention
Western Cape B-BBEE Strategy	<ul style="list-style-type: none"> <li>▶ In 2006 Western Cape Provincial Government embarked on a process to adopt a B-BBEE Strategy in a manner which is implemented and aligned with the legislative and policy frameworks as well as that of the national governments focus on B-BBEE.</li> <li>▶ The aim is to promote increased access to business opportunities in Western Cape and to assist in the development of a tool to promote the Provincial B-BBEE Policy.</li> <li>▶ The following are the Province's initiatives to adopt and implement B-BBEE: <ul style="list-style-type: none"> <li>▶ A B-BBEE Procurement Programme relating to provincial procurement; and</li> <li>▶ A B-BBEE Supplier Development Programme</li> </ul> </li> <li>▶ There is a particular focus on women participation.</li> </ul>

Source: Author's own Formulation, KZN B-BBEE Strategy Review 2013/2014

### 3.5 Stakeholder Input

Reviewing the KZN B-BBEE Strategy required consultation with stakeholders within the Province both in the private and public sectors with a view to develop the strategy implementation and monitoring plans. Stakeholder consultations are vital in this review process as it provides an opportunity to gain insight from different perspectives and to avoid adopting a narrow view to the challenges KZN faces.

Stakeholders within the following entities were consulted:-

- ▶ National Advisory Council
- ▶ Professional Bodies
- ▶ Provincial Public Entity
- ▶ B-BBEE Consultancy Firm
- ▶ Chamber of Commerce
- ▶ Local Government Department

The outcome of the consultations has been formatted around the work-streams of the KZN B-BBEE Strategy and has been summarised as follows:

#### 3.5.1 Summary of Stakeholder Input

##### i) Skill Development

The following are stakeholder input with regards to the skills development:

- ▶ Bursaries should be issued within Government Departments to develop skilled employees;
- ▶ Skills development of small and medium enterprise;
- ▶ Provision for Mentorship programmes;
- ▶ Introduce Government funded apprenticeships and learnerships;
- ▶ Industries should work close to universities and FET colleges to develop scarce skills in the Province;



- ▶ ASGISA - a development program identifying, by name, skills that were lacking in the country. Government should advise private sector that there is a plan and should provide plans to develop the skilled person;
- ▶ Government must identify in detail the technical expertise required and have plans to address the requisite skills shortage. This will demonstrate to private sector that Government understands and is addressing this challenge;
- ▶ Skills Development - school education to be attended to at a national level as it is beyond the capacity of provincial departments;
- ▶ Tertiary Education - Government should ensure that FET Colleges operate efficiently;
- ▶ Monies paid to SETA's needs to be properly managed;
- ▶ Incentives for businesses that are investing in training; and
- ▶ Skills Development to grow pipeline, Government should identify children within the community/ underprivileged children and develop their skills.

### ii) Procurement

The following stakeholder input with regards to the procurement was noted:

- ▶ Inconsistencies with tender requirements. Education of all provincial departments and municipalities on procurement policies;
- ▶ Targeted procurement should be followed;
- ▶ Procurement should focus on the effective black ownership of the company as well as the applicable B-BBEE status level;
- ▶ Requesting the detailed B-BBEE Scorecard report issued by the agency to support the issued certificate; and
- ▶ Large entities should be targeted to procure from small entities in designated areas or areas surrounding the large entities business. This will drive transformation, because the small entities may employ local individuals as well as contribute through the investment in corporate social responsibility as part of its transformation initiative thereby driving B-BBEE in the Province.

### iii) Financing

The following stakeholder input with regards to the financing was noted:

- ▶ Grant funding;
- ▶ Mentorship and capacity building should go hand in hand with financing;
- ▶ Enquiry into a company before funding is granted to avoid reckless funding;
- ▶ Obtaining funding is a challenge. Should be equipped with the appropriate tools, for example, IDC, Ithala and National Empowerment Fund;
- ▶ Debt financing vs. equity financing;
- ▶ Issue of risk involved in funding In other countries, the Government sets up schemes and provides for failure rates of a certain magnitude;
- ▶ Most of funds currently available are insufficient and businesspersons should have security in order to secure the funding; and
- ▶ Government should have the necessary skills to assess the deals.



#### iv) Enterprise Development

The following stakeholder input with regards to the enterprise development was noted:

- ▶ Education/ training of small and medium entrepreneurs;
- ▶ Educating provincial departments and municipalities
- ▶ Target entities from disadvantaged areas in order to grow and develop them accordingly;
- ▶ Enterprise development should not just be a tick box exercise;
- ▶ Setting parameters so that it aims to develop the enterprise. Show that steps are taken e.g. improve capital within the entity;
- ▶ Government must ensure that there is a large database of small suppliers and ensure that they are utilised adequately;
- ▶ Government should also develop a facility for retired/ semi-retired professionals to provide guidance and mentoring to small entities;
- ▶ Job coaching for small businesspersons; and
- ▶ Creation of a small business support unit.

#### v) Enforcement and Compliance

The following stakeholder input with regards to the enforcement and compliance were noted:

- ▶ If B-BBEE continues to be driven by Government, it will not work. It needs to be a South African imperative. It needs to be from people's hearts and until there is a shift in attitude, it is just going to be a play of numbers;
- ▶ B-BBEE monitoring and compliance should be more efficient;
- ▶ B-BBEE legislation enacted before PPPFA - Government must observe its own policy and do so rigorously and not bend the rules Private sector only complies if Government is a customer;
- ▶ Enforcement - DTI has been silent and should play a more active role and request Government departments to submit B-BBEE certificates similar to how tax returns are submitted; and
- ▶ Black ownership should be an enforceable criterion.



### 3.6 Summary of Lessons

#### 3.6.1 Human Resource Development

##### i) The need to develop skills

An evident shortcoming noted during our research is the lack of skills and inexperience which led to gross under-performance in the managerial and enterprise development components. A key factor which hampers small business development is the lack of entrepreneurial skills.

With the advancements in technology and mechanisation, there is a need for skilled labour. This necessitates equipping people with skills and is of paramount importance to increase their chances of employment and meet the skills needs of the country, and will eventually boost the country's economy.

##### ii) Investment in education

Investing in education early is much more efficient than repairing later. This ensures that there is a growing and constant supply of skilled labour force.

The development of junior colleges in rural areas will enhance access to facilities that can lead to the alleviation of poverty and unemployment in rural areas.

#### 3.6.2 Ownership, Deal structuring and Financing

##### i) The need for government support

Support by Government does not only involve the investment of funds or seed capital for enterprises to grow and develop. It requires a fair and just Government, free of corruption and provision of services such as development of business plans, market research, and access to finance, financial planning and management and mentorship offered under the various schemes developed by the Government. The Malaysians failed to develop managerial and enterprise development because of poor governance and support.

#### 3.6.3 Legislative and Compliance

##### i) The need for reporting structures

The Gauteng model demonstrates the need to track and report on performance based on a performance matrix. The need to track and report on B-BBEE implementation by all government departments is of paramount importance for B-BBEE in the province if it is to succeed.



### 3.6.4 Sector matrix enterprise and supplier development

#### i) The need to create provincial enterprise development fund

The Enterprise Development Fund is an initiative between the Western Cape Department of Economic development, Tourism and Environmental Affairs and the National Empowerment Fund (NEF) aimed at supporting qualifying small, medium and micro enterprises (SMME's) as well as co-operatives in the Western Cape with financial support. The Enterprise Development Fund aims to assist and accelerate the development of the operational and financial capacities of qualifying businesses.

Therefore, based on the above summary of lessons, it can be noted that provincial government intervention is necessary to achieve goals for each pillar.

## 4. KWAZULU - NATAL (KZN) B-BBEE STRATEGY

### 4.1 Vision

An integrated socio-economically transformed province co-ordinating and facilitating an enabling environment in the public and private sectors of economy where representation of all people reflects the provincial demographics.

Key words upon which the vision is built are as follows:

- ▶ **Integrated socio-economic:** Implied in the vision is an inclusive and enabling environment for all South Africans which involves raising awareness, developing skills creating a market for emerging black businesses and support of disadvantaged rural communities.
- ▶ **Transformation:** Transformation should not only be viewed as a tool to address the imbalances of the past, but as a strategic tool for sustainable economic development.
- ▶ **Representation of all people:** The fundamental aspect of B-BBEE is for black persons / groups to become active participants of the mainstream economy therefore, the aim would be for the Province to reflect participation by all people equitably irrespective of race or gender differences.

### 4.2 Mission Statement and Goals

To facilitate, co-ordinate stakeholders and leverage resources for the implementation of economic transformation strategies and projects.



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### 4.3 Goals and Strategic Objectives

Table 6: The KZN B-BBEE Strategy Goals and Strategic Objectives

Pillars	Goals and Strategic Objectives
<b>Primary Pillars</b>	
Ownership, deal structuring and Financing	<b>Goal 1: To develop and grow sustainable enterprises in KZN</b> 1.1 Provision of Empowerment Funding for B-BBEE deal structuring; and 1.2 Provision of due diligence and mentoring 1.3 Open markets and strategic partnerships 1.4 Measure B-BBEE (deals) trends in KZN
Sector Matrix Enterprise and supplier development	<b>Goal 2: Sector Specific B-BBEE Enterprise Development</b> 2.1 To nurture and promote black industrialists 2.2 To develop an enterprise development model 2.3 To develop intervention that will expedite the graduation of small enterprises
<b>Cross -Cutting Pillars</b>	
Human Resource Development	<b>Goal 3: To support implementation of initiatives that promote the enhancement of skills development, management control and employment equity</b> 3.1 Identify and develop critical and core skills 3.2 Co-ordinate implementation of skills development fund 3.3 To ensure that there is equitable representation of target groups in all levels
Legislation and enforcement	<b>Goal 4: To develop proficient institutions to monitor compliance of B-BBEE within the province</b> 4.1 Co-ordination of KZN B-BBEE Advisory 4.2 Monitor B-BBEE compliance 4.3 To ensure B-BBEE policy compliance 4.4 To manage B-BBEE business database
Information dissemination	<b>Goal 5: To improve B-BBEE information accessibility</b> 5.1 To improve easy access to B-BBEE information 5.2 To facilitate B-BBEE advocacy and information dissemination

Source: Author's own Formulation, KZN B-BBEE Strategy Review 2013/2014

The above table details the three work streams that will drive the implementation process throughout the province. The work streams have been aligned as far as possible to the identified needs of the province and to the amended B-BBEE legislation.



## 4.4 Pillars of the KZN B-BBEE Strategy

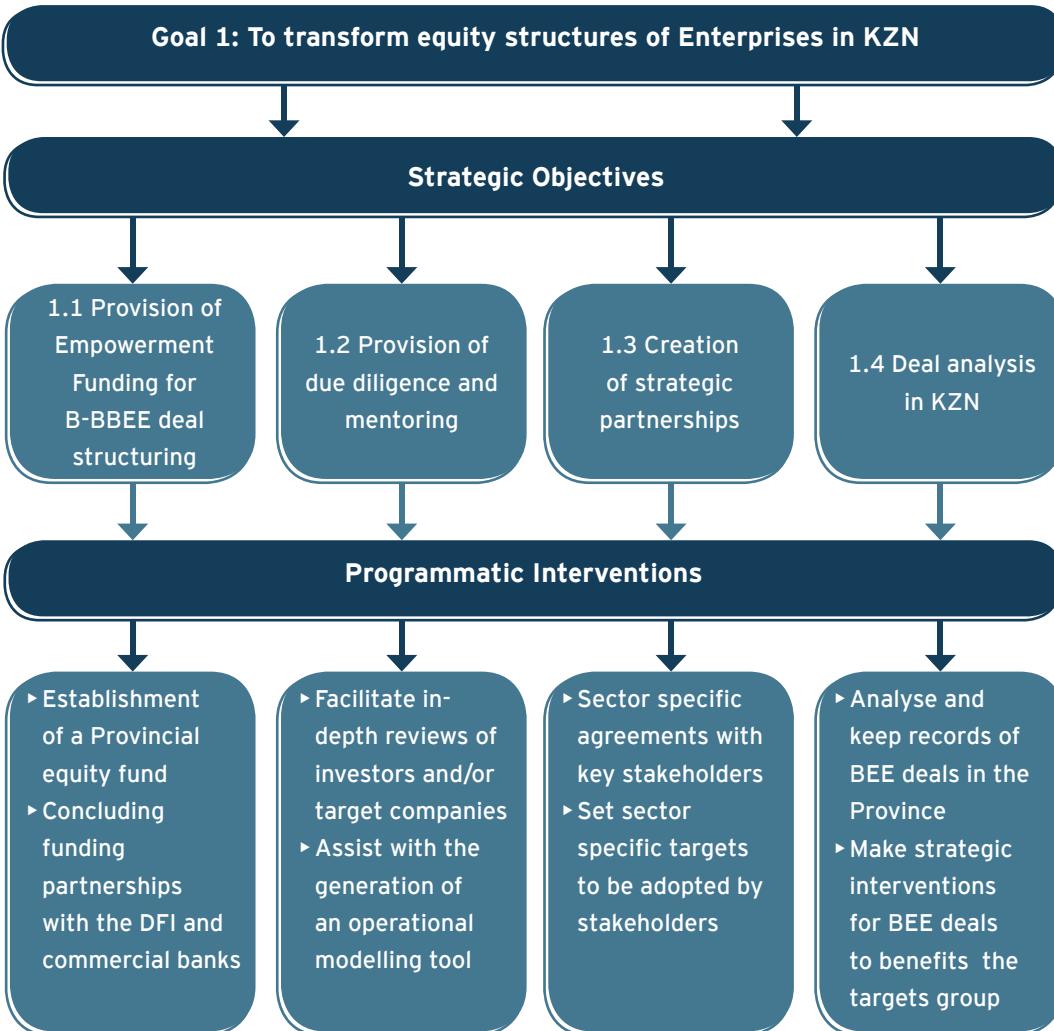
Pillars	
Primary	Ownership, deal structuring and financing
	Sector matrix enterprise and supplier development
Cross-cutting	Legislation and enforcement
	Human resource development
	Information dissemination

The primary pillars directly impact on improving access to economic opportunities in a way that empowers black persons and/or groups. These are ownership, deal structuring & financing and enterprise & supplier development.

The cross-cutting pillars represent indirect contributions to economic empowerment and act as enablers for the efficacy of the primary pillars in B-BBEE implementation. These are programmes required to prepare black persons and/ or groups to effectively participate in ownership, preferential employment practices, potential enterprise opportunities or the growing of enterprises.

## 4.5 Goals, Strategic Objectives and Programmatic Interventions

### 4.5.1 Ownership, Deal Structuring and Financing





#### 4.5.1.1 Strategic Objective 1.1: Provision of Empowerment Funding for B-BBEE deal structuring

##### Programmatic Interventions

###### i) Establishment of a Provincial Equity Fund (PEF)

One of the foremost challenges facing black people is the lack of finance or access to finance. Even if these new black enterprises have access to finance capital, they do not qualify for bank loans as they do not have credit history and collateral. Thus there is a need for Government to create a dedicated fund for the promotion and support of black enterprise development in the Province.

The PEF should encompass the following functions:

- ▶ Focus on short fall or own contribution;
- ▶ Financing and administering B-BBEE equity deals;
- ▶ Collateral support; and
- ▶ Business development services such as constant coaching, business plan, regulatory compliance and business etiquette among others.

This fund should be strengthened by private financial sector involvement as indicated above.

Adequate compliance and enforcement processes should be implemented to ensure that funding adequately addresses the needs of black people within the Province in a manner that is effective, efficient and sustainable.

###### ii) Concluding funding partnership with the DFI and commercial banks

In order to support developing enterprises, partnerships with other commercial banks and DFI should be formed.

DFI can be regarded as a catalyst for economic growth in the Province. KZN is rich in its natural resources and the country acts as a gateway to Africa. A targeted investment partnership with foreign investors must be established to benefit the local economy in terms of job creation and knowledge spill-over.

Apart from DFI, Government can encourage commercial banks to robustly pursue funding support of black start-up businesses. The largest commercial banks are the Amalgamated Banks of South Africa (ABSA), First National Bank, Nedbank and Standard Bank. Commercial banks also have subsidiary companies that can assist with asset financing. The Department is aware that many financial institutions already target black entrepreneurs; however, the Department will continue to lobby as many of them as possible to offer more financial support to hopeful black businesses in KZN.

Encouraging banks to fund black business ventures will increase the credit worthiness and business success of black enterprises and enable them to graduate from micro credit to borrowing from formal sector financial institutions.



#### 4.5.1.2 Strategic Objectives 1.2: Provision of due diligence and mentoring

##### Programmatic Interventions

###### i) Facilitate in-depth reviews of proposed transactions

A due diligence exercise contributes significantly to informed decision making by enhancing the amount and quality of information available to decision makers. It is critical however that this information is thereafter systematically used to deliberate on the potential transaction and all its costs, benefits, and risks.

Small businesses are often unsuccessful due to inadequate investigation and planning prior to entering into the business venture. It is vital to the success and sustainability of small black businesses that detailed due diligence procedures are initially applied as deemed applicable to the scale of the proposed transaction.

Support for this will be catered for within the Black Industrialist Hub elaborated on under the Sector matrix enterprise and supplier development pillar.

###### ii) Assist with the generation of an operational modelling tool

Critical to the success of any organisation is the development of an operational model clearly articulating the overall strategy and the organisational goals and targets.

We will assist with an online tool to be made available to all applicants for a nominal fee which will generate an operating model to facilitate the streamlined execution of the overall strategy.

#### 4.5.1.3 Strategic Objectives 1.3: Creation of strategic partnerships

##### Programmatic Interventions

###### i) Sector specific agreements with key stakeholders

Growing small businesses is a viable option for growing the Province's economy. It is important for corporate South Africa and Government to work together.

Large businesses and Government should work closely with each other to create a thriving small business economy if South Africa is to meet its real growth potential and create decent, sustainable jobs.

Provincial Government will conclude agreements with key stakeholders in sectors that currently as well as potentially differentiate KZN competitively from a cost, location and labour perspective.

###### ii) Set sector specific targets to be adopted by stakeholders

Provincial Government together with key stakeholders as a collective will reach consensus to specify the targets and metrics of measurement that will assess sector compliance with the strategy.



#### 4.5.1.4 Strategic Objectives 1.4: Deal analysis in KZN

##### Programmatic Interventions

###### i) Analyse and keep records of B-BBEE deals in the Province

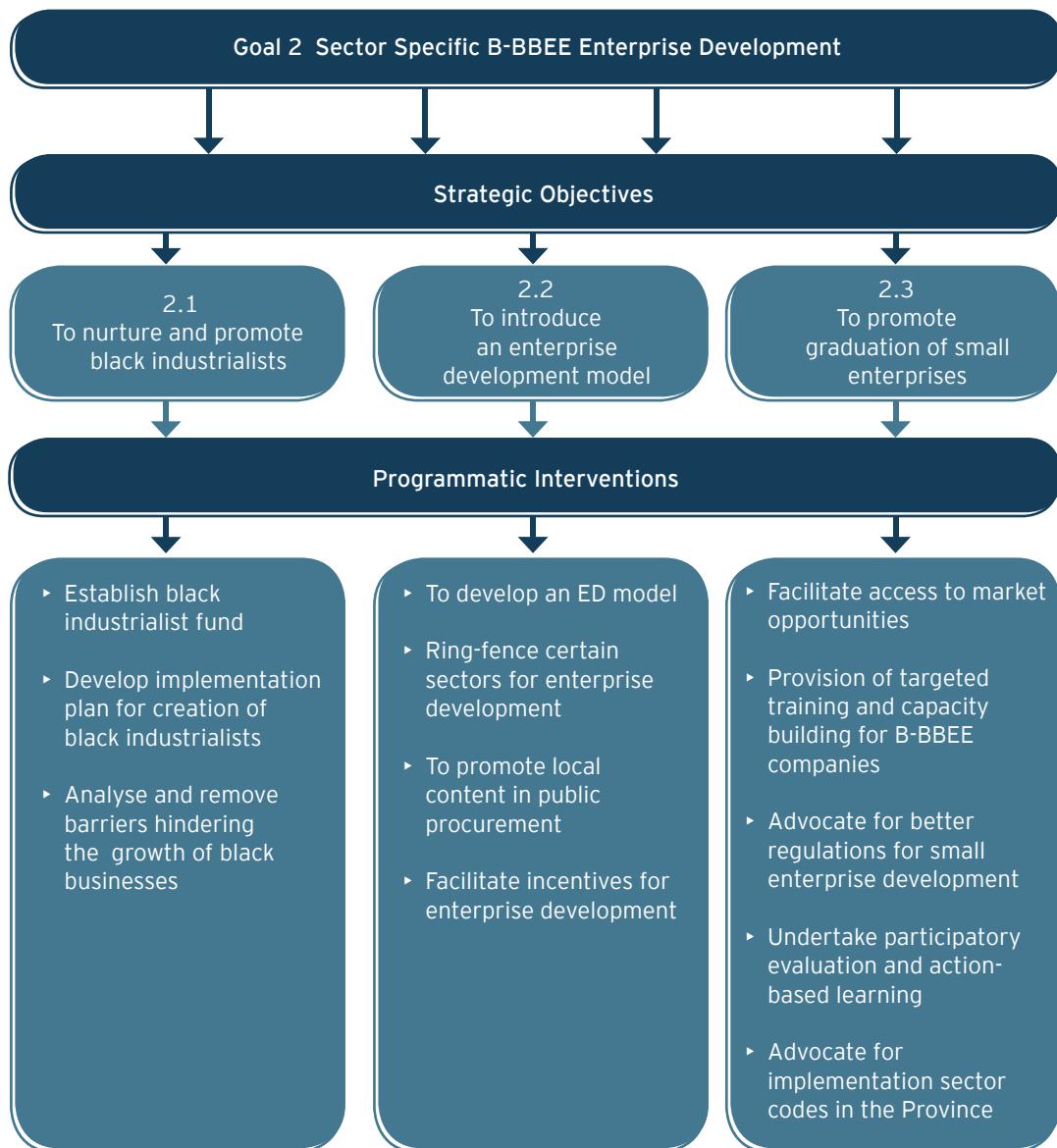
The B-BBEE compliance unit will undertake scientific deal analysis per industry within the province. The findings of the same will be utilised to assess the following:

- ▶ Successes experienced within certain industries that may be used as best practice;
- ▶ Challenges and/or barriers to entry into specific industries.

###### ii) Make strategic interventions for B-BBEE deals to benefits the target groups

Provincial Government will make strategic interventions, which may take on various forms to channel deals to the B-BBEE target groups. Such strategic intervention will be transparent and subject to governance procedures and the objectives of the strategy.

#### 4.5.2 Sector matrix enterprise and supplier development





#### 4.5.2.1 Strategic Objective 2.1: To nurture and promote black industrialists

##### Programmatic Interventions

###### i) Establish black industrialist fund

The EDTEA will partner with the Provincial Treasury to set up a specific Black Industrialists Fund (BIF) within the PEF to focus on the creation of black industrialists across all sectors. The BIF will be designed to support black entrepreneurs wishing to start new businesses as well as support existing black-owned enterprises with expansion capital. The BIF will be guided by the criteria followed by the NEF when carrying out the objectives of this policy.

###### ii) Develop implementation plan for creation of black industrialists

The creation of black industrialists is one of the key priorities of the EDTEA. The EDTEA together with key stakeholders will develop and maintain an implementation plan for the creation of black industrialists. The implementation plan will outline the steps that would support black industrialists within the Province. The BIF will be designed to support existing black entrepreneurs with great potential for growth so that they can develop into black industrialists.

In addition, the KZN Industrial Hubs, and the Industrial Development Zones provide strategic opportunities for the creation of Black Industrialists. The BIH will create an enabling environment for access to economic development interventions that are provided by various institutions.

The BIH will provide a one-stop-shop and afford the following services to support black entrepreneurs:

- ▶ Tax, PAYE, VAT and other South African Revenue Services (SARS) related services;
- ▶ B-BBEE verification services or related information and training;
- ▶ Legal assistance;
- ▶ Business management related issues; and
- ▶ Human resource management.

###### iii) Analyse and remove barriers hindering the growth of black businesses

Provincial Government will engage a specialist market research agency to gather and analyse information /statistics with respect to barriers that hinder the growth of black businesses within the Province.

The outcome of such analysis will be one of the tools that inform the strategy, implementation and policy review process.



#### 4.5.2.2 Strategic Objective 2.2: To introduce an enterprise development model

##### Programmatic Interventions

###### i) To develop an enterprise development model

In achieving this goal the EDTEA requires the creation of an inclusive business model that directly integrates low-income people as entrepreneurs, suppliers, distributors, retailers, employees and consumers. The EDTEA will formalize more collaborative approaches between large companies, small enterprises, public sector entities, civil society organizations and the poor themselves. This will address the market failures and the governance gaps that currently exclude or disadvantage many small enterprises and low-income households from prospering.

###### ii) Ring-fence certain sectors for enterprise development

Enterprise development can be undertaken in all sectors, however, the implementation and success rates of programmes will differ from sector to sector. Provincial Government on the advice of market specialists will ring-fence certain sectors for enterprise development.

These ring-fenced sectors earmarked for enterprise development are pivotal for the development of black entrepreneurs within the Province.

###### iii) To promote local content in public procurement

Provincial Government will through its local supply chain give preference for the procurement of local content. Such preference will be aligned to relevant legislation, governance procedures and policies around public procurement.

###### iv) Facilitate incentives for enterprise development

Enterprise development has been a controversial area in terms of B-BBEE. The support claimed for enterprise development has not always resulted or ever intended for black entrepreneurs to become financially and operationally independent.

Provincial Government will implement an incentive mechanism in order to encourage enterprise development within the Province. Such incentive programmes will be aligned for the development of targeted strategic corridors that pave the way for black B-BBEE entrepreneurs to gain mainstream access to economic opportunities.



#### 4.5.2.3 Strategic Objective 2.3: To develop interventions that will expedite the graduation of small enterprises

##### Programmatic Interventions

###### i) Facilitate access to market opportunities

Provincial Government, through its various departments, will facilitate market access for small enterprises. Through its strategic partners and networks, indaba's and discussions, EDTEA will seek to promote small business in the market areas where it foresees a perfect fit between the opportunities and the service delivery of small businesses.

###### ii) Provision of targeted training and capacity building for B-BBEE companies

EDTEA will develop training programmes that better equip small enterprises to manage their businesses, source funding, develop capacity and compete effectively in the marketplace.

Learnings from the research into the barriers for entry and common reasons as to why black businesses fail amongst others, will be used as inputs into the development of course material.

###### iii) Advocate for better regulations for small enterprise development

Along with other large corporations operating in South Africa the EDTEA has a strong political voice and access to Government. The broader business community could become stronger advocates for small enterprise development and for the necessary regulatory changes needed to support small-scale entrepreneurs.

###### iv) Undertake participatory evaluation and action-based learning

The EDTEA should identify a set of key development performance indicators, which could be tracked on an ongoing basis alongside traditional business performance metrics. These could include the following:

- ▶ Creating opportunities for entrepreneurship and employment,
- ▶ Number of new enterprises and jobs created, number of first-time owners,
- ▶ Promoting women's economic empowerment: Number of women entrepreneurs,
- ▶ Catalyzing human development: Number of people who receive training on business skills or safety procedures, total number of hours of training delivered per year, surveys on participants' satisfaction with the training delivered.

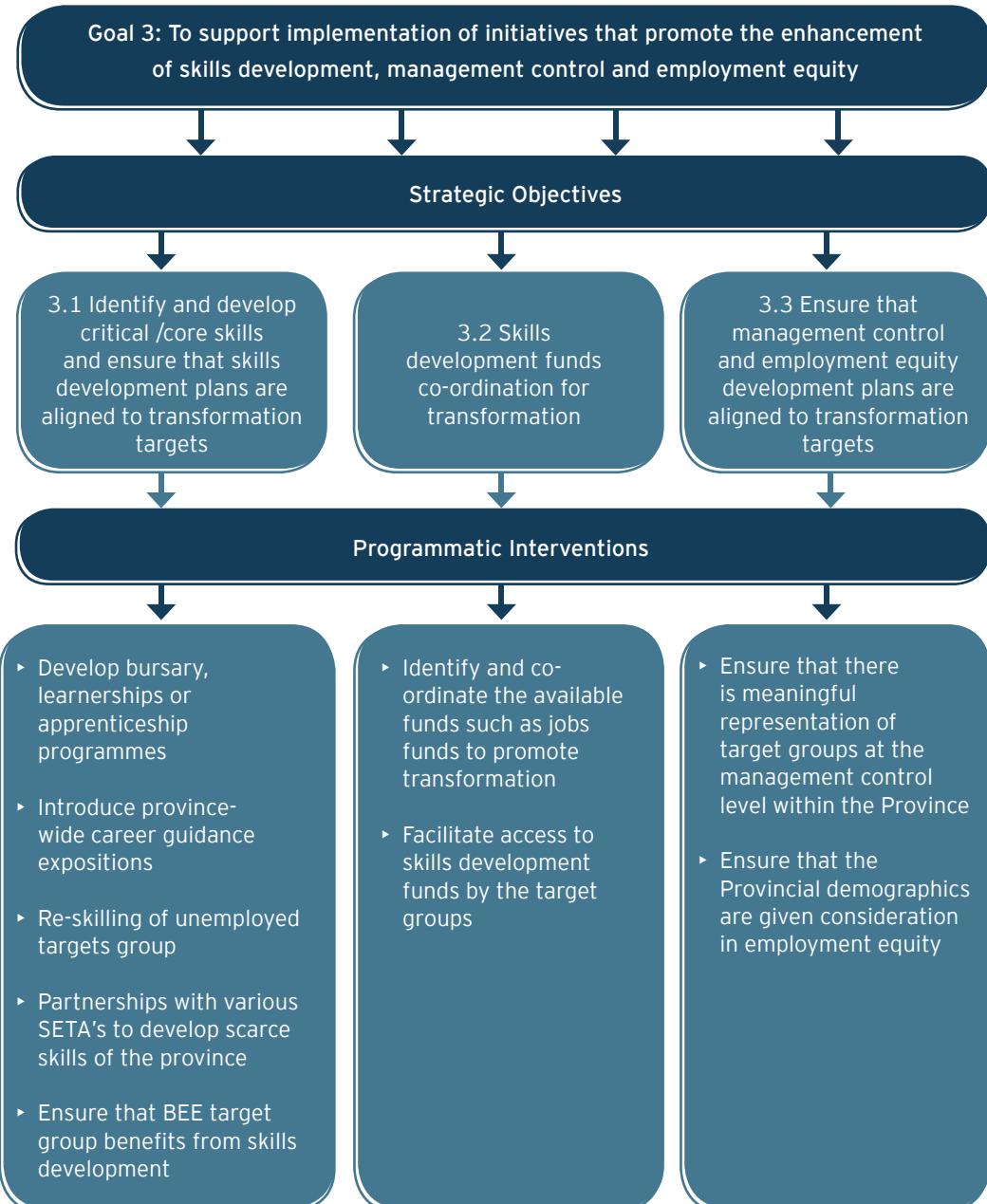
###### iv) Implementation sector codes in the Province

B-BBEE Sector Charters are formulated at a national level, therefore the practical application and how such translates into a Province specific context will require further investigation. In order for meaningful transformation to occur within the Province's economic climate, the various industry sectors need to be engaged.

EDTEA will engage with the various industry sector councils with a view to successfully implement sector codes within the Province.



#### 4.5.3 Human Resource Development



##### 4.5.3.1 Strategic Objective 3.1: Identify and develop critical / core skills and ensure that skills development plans are aligned to transformation targets

###### Programmatic Interventions

###### i) Develop bursary/ learnership or apprenticeship programmes

This programme is aimed at providing bursaries to potential young entrepreneurs. Students who excel in schooling subjects and exhibit strong leadership abilities but are unable to continue with their studies because of financial constraints should be targeted for the bursary and learnership/apprenticeship programmes.

Private businesses must be encouraged to up-skill youth and train them in the necessary skills. This will be advantageous for both the employer and the individual, as the youth will be equipped with industry relevant skills that are required by public and private business will develop a pool of skills that they require to be efficient in their businesses.



## ii) Introduce province-wide career guidance expositions

This programme will target students from high school up to tertiary level. Many youth go through their school education not knowing which career path they would like to follow. The main cause of this is the lack of information that they have about various careers. Starting career guidance from an early age will equip youth with the knowledge they need to make informed decisions about their prospective careers. Career expositions would expose youth to various tertiary institutions, various businesses, as well as influential people. These expositions should also look to align the, sometimes lofty, expectations of the youth with the tangible work opportunities in the region. Companies should be invited to these career expositions, which will most likely be held at schools, and make presentations regarding their areas of work and the opportunities which exist in the industry.

## iii) Re-skilling

This programme recognises that skills development cannot be wholly focussed on preparing young people to migrate from learning institutions to the workplace. There is a need for the re-skilling / training up of the existing workforce.

Re-skilling is required to improve productivity, address current and potential future skills shortages, realise strategic goals and remain competitive as well as relevant in today's turbulent economic environment.

## iv) Partnerships with the various SETA's to develop scarce skills of the Province

The Province faces unemployment challenges that are driven by an absence of an adequately skilled labour force. This is often the case where there is a mismatch in skills supplied by the local labour force and skills demanded by industry.

It is essential for provincial Government to know what skills major companies in a local area require, so that educational institutions may be structured to respond to these needs. In order to address this, provincial Government will have to develop a partnership with the various SETAS' to set-up a database of the scarce skills in the Province. A scarce skill is a qualification or job for which there are too little people in South Africa doing the job. A scarcity in qualifications or jobs can come from the fact that the occupation is new and very few people have studied to fill these posts/ vacant positions. It can also happen that people have not chosen to study for the course and a scarcity developed in the job. This process may require the appointment of suitably qualified service providers to perform a skills audit for the Province.

Once the scarce skills have been identified through the partnership process detailed above; private companies, provincial departments and state owned entities will be required to base their offer of bursaries, learnerships and apprenticeships programmes on the shortages of skills identified for the Province.

Educational institutions should then be able to draw on this database or rather offer this service to prospective students to ensure that they, as far as possible offer courses which reflect local industry needs and students have the opportunity to choose a career in which employment opportunities exist.



- v) Ensure that BEE target group benefits from skills development programmes

Through its monitoring mechanisms, the EDTEA will assess and keep records of the number of black learners who were delegates in the training sessions conducted across the Province.

#### **4.5.3.2 Strategic Objective 3.2: Skills development funds co-ordination for transformation**

##### **Programmatic Interventions**

- i) Identify and co-ordinate the available funds such as jobs funds to promote transformation

The Province will proactively identify, co-ordinate and channel available funds to promote transformation. The aim of this intervention is to ensure that funds that are currently available are utilised optimally.

- ii) Facilitate access to skills development funds by the target groups

Black people requiring funds to pursue studies need to know and be able to access funding schemes that provide support in this regard. The EDTEA together with other key stakeholders will investigate various mechanisms that will provide target groups with the funding that they require for their studies.

#### **4.5.3.3 Strategic Objective 3.3: Ensure that management control and employment equity development plans are aligned to transformation targets**

##### **Programmatic Interventions**

- i) Ensure meaningful representation of target groups at the management control level within the Province.

The Province will proactively identify, co-ordinate and channel available funds to promote transformation.

- ii) Ensure that the Provincial demographics are given consideration in employment equity

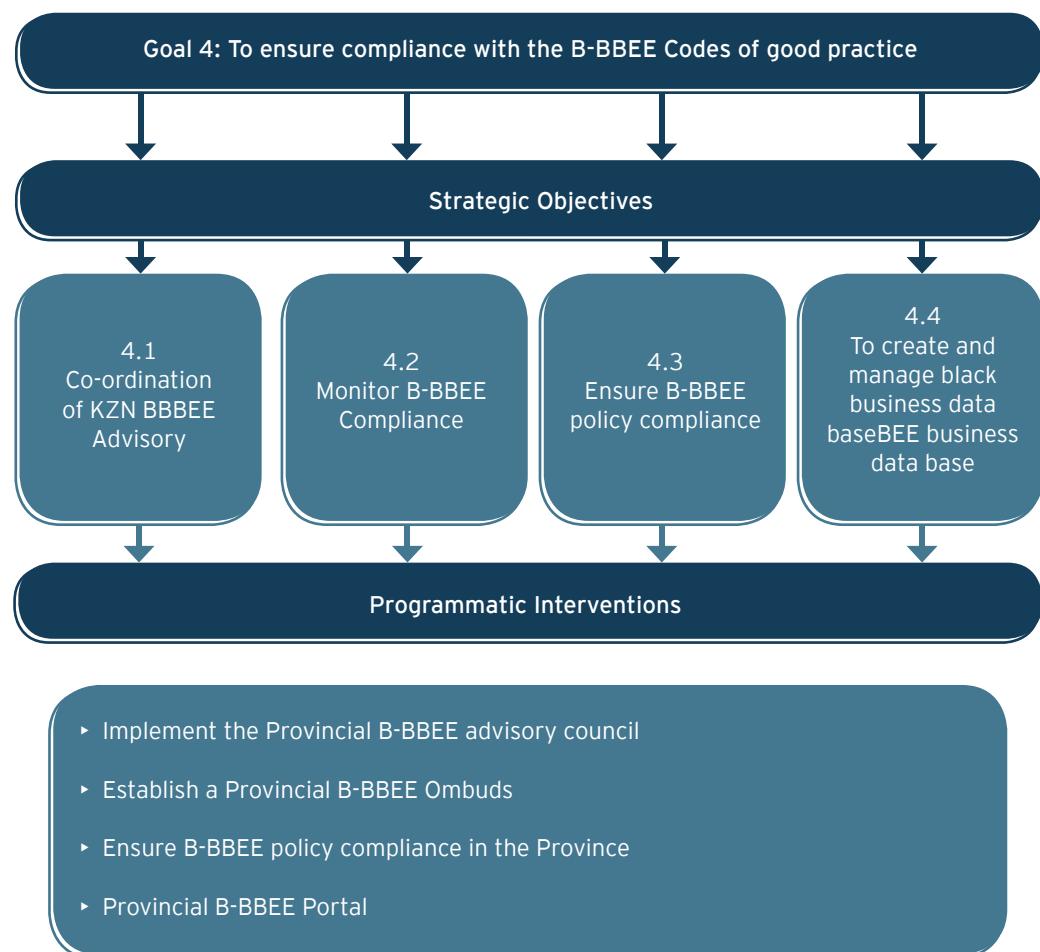
The demographics (race, gender, skills set of individuals, etc.) of the Province should be mapped on a continuous and consistent basis. The Province active labour force at the various levels of occupational categories within the employment equity levels should be correlated to the demographics of the Province.

The degree of such correlation will vary amongst the various industry sectors. Research and data will be collected and analysed. This research will establish the underlying development needs for those industry sectors which have a low degree of employment equity / Provincial demographic correlation.



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#### 4.5.4 Legislation and Enforcement



##### 4.5.4.1 Strategic Objective 4: To ensure compliance with the B-BBEE Codes of good practice

###### Programmatic Interventions

###### i) Implement the Provincial B-BBEE Advisory Council

The EDTEA in conjunction with the Office of the Premier shall establish the KZN B-BBEE Advisory Council. The Council shall include representatives from organised business, labour, youth, women, Government and the community. The rules, regulations and procedures of the Council shall be determined by its constitution as approved by its members, cabinet, etc.

The Provincial B-BBEE Advisory Council will:

- Advise the Premier on B-BBEE progress in the Province;
- Oversee the coordination of the implementation of the B-BBEE strategy and policy in the Province;
- Oversee the coordination of implementation measures in each provincial department;
- Review progress in achieving B-BBEE objectives;
- Assist potential B-BBEE partners to source the necessary funding and support services;



- ▶ Provide advice to the Department and the Premier (or his representative), in light of experience, on new programs and instruments to achieve the objectives of this strategy; and
- ▶ Overall monitoring on the state of B-BBEE performance in KZN with a view of presenting policy recommendations to address challenges in the implementation of this strategy.

#### ii) Establish a Provincial B-BBEE Ombuds

The EDTEA shall set up an independent Ombuds Office which will be governed by its own Bill. The Ombuds will deal with all B-BBEE related malpractices in the Province. The role of the Ombudsman is to enhance the integrity and fairness of KZN's BBBEE processes by providing an independent and objective assessment of complaints which are lodged by various stakeholders. The Ombudsman will also decide and assist with interpretations or obtain one from the BEE Council or a court of law, and ensure consistency within the Industry.

#### iii) ENSURE B-BBEE Policy Compliance

The B-BBEE policy compliance Unit has been established within the EDTEA. The B-BBEE compliance serve the following function:

- ▶ B-BBEE policy training and advocacy
- ▶ B- BBEE complaints handling
- ▶ Develop B-BBEE Ombudes business plan, strategies, and Bill
- ▶ Refer serious cases of B-BBEE malpractices for possible prosecution.
- ▶ Conclude the Memorandum of Understanding (MOUs) with Institution performing similar functions.

#### iv) Provincial B-BBEE Portal

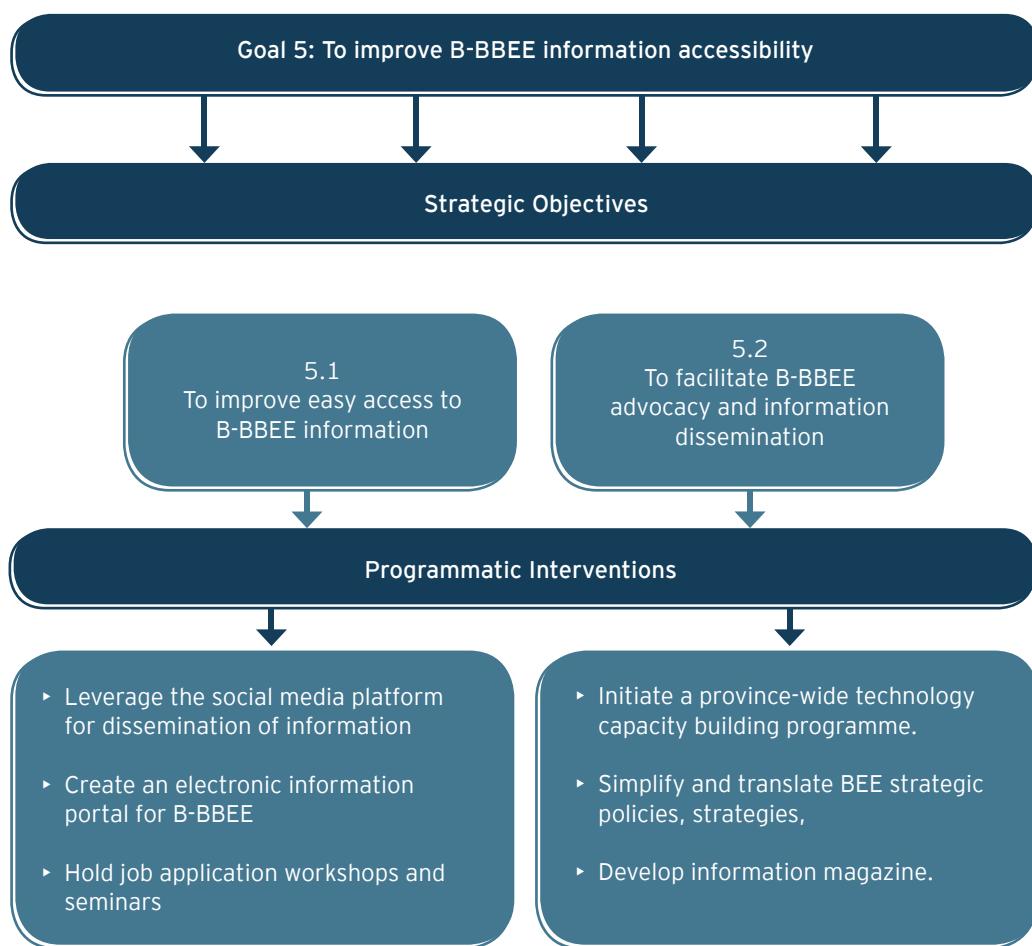
The EDTEA will set up an IT portal for black business database, more especially for companies operating in KZN. The EDTEA will conclude a Memorandum of Understanding with all KZN based B-BBEE Verification Agencies and Approved Auditors to submit verification certificates to be kept in the portal, to:

- ▶ This will serve as a central repository to minimise B-BBEE malpractices.
- ▶ Register B-BBEE companies, more especially those not doing business with Government.
- ▶ Serve as a tool to check the authenticity of B-BBEE Verification certificates.
- ▶ To track the growth of B-BBEE companies.
- ▶ To match small B-BBEE companies with well-developed businesses.



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#### 4.5.5 Information dissemination and advocacy



##### 4.5.5.1 Strategic Objective 5.1: To improve easy access to B-BBEE information

###### i) Leverage the social media platform for dissemination of information

Information dissemination is the key to achieving transformation. Empowerment programmes and initiatives must be effectively communicated to black people through various platforms.

An increasingly important platform is that of ‘social media’. While printed media and audio-visual media remain important, social media has experienced exponential growth. Social media, through Facebook and Twitter, has become a very effective way of mobilising individuals.

As such this strategy should attempt to make extensive use of these platforms to disseminate information to black people. This should involve setting up a Facebook Page and Twitter Profile, which may be used to disseminate information to black people.



## ii) Create an electronic information portal for B-BBEE

The Internet is one of the best platforms to disseminate information. Provincial Government should consider establishing a website focusing on B-BBEE within the Province. This website would contain the latest B-BBEE related policies and strategies from national and provincial Government; a list of empowerment initiatives; a database of important contacts; links to the Department of Trade and Industry and the Department of Small Business Development and online entrepreneurship tutorials.

The website would also include forums in which B-BBEE entrepreneurs can interact over economic issues and a business expert who responds to questions submitted online.

Drafting and distribution of print and electronic materials that seek to educate and generate a better understanding of transformation by all. Provides a platform where the public can obtain documents on B-BBEE.

## iii) Hold job workshops and seminars

The job application processes is a stressful exercise that all prospective employees have to go through. The burden of this process can be reduced when there is information and knowledge on how to best handle it.

Holding workshops and seminars for black job seekers would assist in the overall process. The content of the workshops and seminars would incorporate methods of finding work; CV writing; and include job readiness training. These workshops and seminars may be incorporated into those hosted by job search centres described within the Youth Economic Empowerment Strategy.

### 4.5.5.2 Strategic Objective 5.2: To facilitate B-BBEE advocacy and information dissemination

#### i) Initiate a Province-wide Technological Capacity Building Programme

There has been great advancement in the way people communicate using technology. This amongst other things includes the use of social media to communicate. It is therefore important that black people are encouraged to make use of technology available to them especially amongst each other and in terms of acquiring information. The province should embark on a Technological Awareness and Capacity building programme in schools and other learning institutions.

#### ii) Simplify and translate BEE strategic policies, strategies

The B-BBEE legislation and related documentation is voluminous. The largeness and scope of this information presents a challenge to readers. B-BEE strategies and policies need to be translated into less complicated messages and respective tasks that quickly convey to the common man, the intention and spirit of the legislation.

#### iii) Develop information magazine

An information magazine highlighting best practices, management innovations, current industry and B-BBEE legislative news will communicate with Provincial Government's managers.



This magazine's primary aim is to assist managers and their departments/agencies to improve the B-BBEE transformation efforts by providing various pieces of valuable information which could be translated and implemented to the manager's own specific areas.

## 4.6 KZN B-BBEE Implementation structure

The Provincial Government will establish the B-BBEE Implementation Team to drive transformation across various sectors of the economy. The implementation will be structured into the following work-streams/sub-committees:

- Enterprise and Supplier Development
- Legislations and Enforcement
- Human resources development
- Ownership, structuring of B-BBEE deals

The Implementation team will be divided into the following sectors:

### 4.6.1 Private Sector

The private sector will be divided into the following sub-structures: Exempted Micro-Enterprises, Qualifying Small Enterprises, and Large companies. There will be four annual meetings (once in each quarter) for each sub structure.

### 4.6.2 Public sector

The public sector's B-BBEE implementation structure will include representatives from all the provincial Government departments, public entities/state-owned enterprises, district municipalities. There will be four annual meetings (once in each quarter) for each sub structure.

### 4.6.3 B-BBEE forums

The department will form strategic B-BBEE sector forums to deal with specific sector challenges and strategic alternatives. The B-BBEE forums will meet whenever the need arises as determined by the forum itself.

### 4.6.4 B-BBEE Implementation focal point

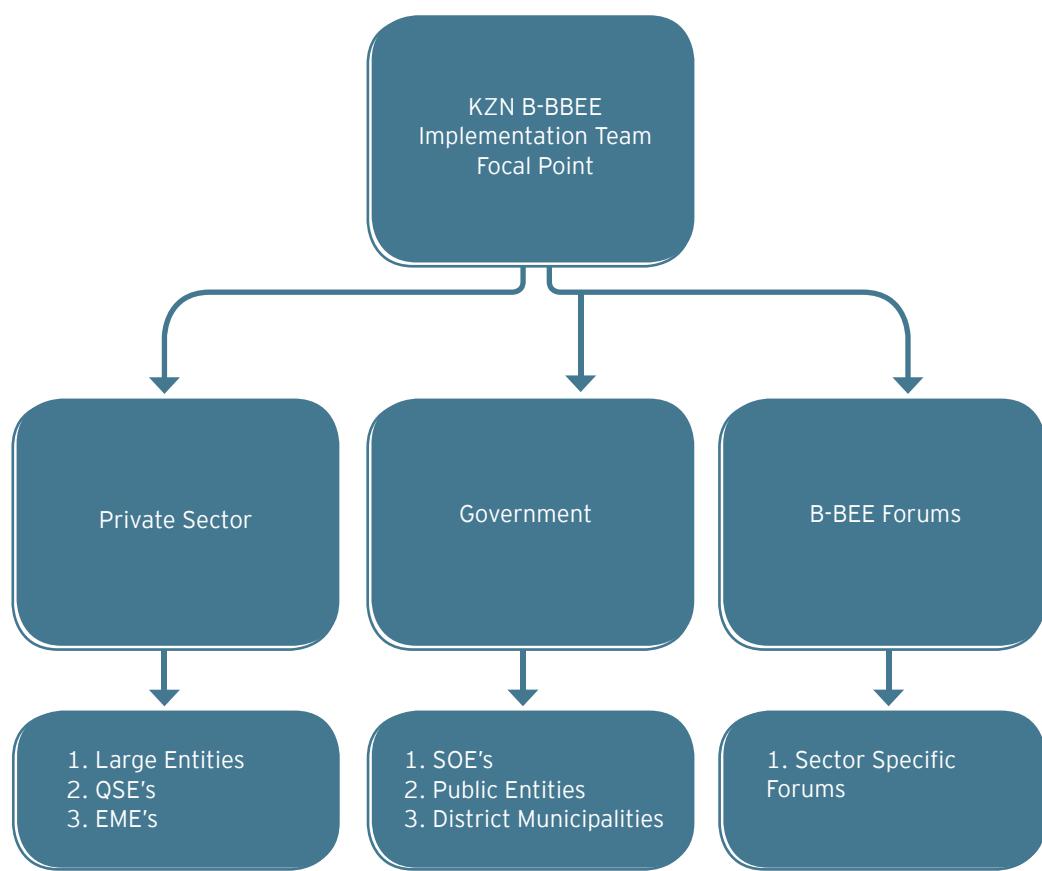
The B-BBEE focal point will include all the KZN B-BBEE Implementation structures and it will meet bi-annually. The focal point will be chaired by the MEC for Economic Development Tourism and Environment Affairs. It will deal with B-BBEE strategic issues which are of Provincial or National interest.



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The following is the diagrammatic representation of the KZN B-BBEE implementation across the economy:

**The diagram 4.7 represents the KZN B-BBEE Implementation Structure**



Source: Author's own formulation, KZN B-BBEE Strategy Review 2013/2014



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**edtea**

**Department :**

**Economic Development, Tourism and  
Environmental Affairs**

**PROVINCE OF KWAZULU-NATAL**

**KWAZULU-NATAL BLACK ECONOMIC EMPOWERMENT STRATEGY**

**(2014-2030)**

**IMPLEMENTATION PLAN**



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## 1. Introduction

The KwaZulu-Natal Government, together with its partners, have developed and adopted the KwaZulu-Natal Broad-Based Black Economic Strategy (“KZN B-BBEE Strategy” or “the strategy”) 2014-2030. The strategy is based on 5 pillars; namely ownership, deal structuring and financing, sector matrix enterprise and supplier development, human resource development, legislation and enforcement and information dissemination. The main objective of the strategy is to mainstream black participation in the economy and decision making process. Therefore, in order to attain this, there is a need for an implementation plan that will guide the actions needed, direct resource inputs and determine roles to be played by the different stakeholders within and outside the Province. Moreover, there is a need to ensure strong co-ordination of all stakeholders, or role players to optimise on the use of the limited fiscal resources in KZN.

## 2. Background

The vision of the KZN B-BBEE Strategy (2014-2030) is to have an integrated socio-economically transformed Province co-ordinating and facilitating an enabling environment in the public and private sectors of economy where representation of all people reflects the Provincial demographics.

Black people in KwaZulu-Natal constitute the largest population group within the Province, the majority of whom do not have access to the mainstream economy. This race group constitutes the bulk of our human capital potential which demands prioritisation to accelerate the rate of development of the country. Black as defined within the B-BBEE Codes of Good Practice is a generic term which means African, Coloured and Indian people who are citizens of the Republic of South Africa by birth or descent, or who became citizens of the Republic by naturalisation before 27 April 1994 or on or after 27 April 1994 if entitled to acquire citizenship prior to this date.

There remain challenges that hinder black people from actively participating in the economy. The majority of black people do not have access to basic services like education, sanitation and water. High levels of black unemployment contribute to poverty and increased crime which may lead to political instability.



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## KZN B-BBEE strategy implementation plan

The KZN B-BBEE Strategy implementation plan is developed to identify specific short, medium and long term projects to implement the various programmatic interventions identified in the strategy. The strategy implementation plan further identifies the stakeholders required to implement the various projects within specific time frame.

### 3. Ownership, Deal Structuring And Financing

#### Goal 1: To transform equity structures of Enterprises in KZN

##### 3.1 Strategic Objective 1: Provision of Empowerment Funding for B-BBEE deal structuring

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Establishment of a Provincial equity fund	<ul style="list-style-type: none"><li>▶ KZN B-BBEE Equity Fund</li><li>▶ Deal structuring advisory services</li></ul>	EDTEA, Growth Fund, Ithala Bank, IDC, NEF	2015 - 2020	Funding for B-BBEE deals, training and mentorship programme
Concluding funding partnerships with the DFI and commercial banks	<ul style="list-style-type: none"><li>▶ Conclusion of Memorandum of Understanding funding Partnerships</li></ul>	EDTEA, Growth Fund, Ithala Bank, IDC, NEF	2015 - 2020	Strategic partners, expertise in deal structuring,



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### 3.2 Strategic Objective 2: Provision of due diligence and mentoring

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Facilitate in-depth reviews of investors and/or target companies	<ul style="list-style-type: none"><li>▶ Due diligence reviews for B-BBEE</li><li>▶ Mentorship and advisory service on B-BBEE deals</li></ul>	EDTEA, Growth Fund, Ithala Bank, IDC, NEF, DTI, Private sector	2015 - 2020	Funding and mentorship
Assist with the generation of an operational modelling tool	<ul style="list-style-type: none"><li>▶ Operational modelling tool support</li></ul>	EDTEA, Growth Fund, Ithala Bank, IDC, NEF, DTI, Private sector	2015 - 2020	Funding and expertise

### 3.3 Strategic Objective 3: Creation of strategic partnerships

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Sector specific agreements with key stakeholders	<ul style="list-style-type: none"><li>▶ Agreements with key sector specific stakeholders</li></ul>	EDETEA, TIK, Business Chambers, Private Sector	2015 - 2020	Financial commitment and strategic partnership
Set sector specific targets to be adopted by stakeholders	<ul style="list-style-type: none"><li>▶ Round table discussions with various Industry Sector councils as well as National B-BBEE Sector councils</li><li>▶ Provincial Industry Sector Scorecards</li></ul>	EDTEA, TIK, DTI, Business Chambers, Private Sector	2014 - 2020	Commitment of stakeholders and financial support of programmes



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### 3.4 Strategic Objective 4: Deal analysis in KZN

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Analyse and keep records of B-BBEE deals in the Province	► Research and analysis of B-BBEE deals in the Province	EDTEA, Growth Fund, Ithala Bank, IDC, NEF, DTI, Private Sector, Provincial Treasury	2015 - 2020	Financial resources and expertise
Make strategic interventions for B-BBEE deals to benefits the target group	► Business Matching database	EDTEA, Growth Fund, Ithala Bank, IDC, NEF, DTI, Private Sector, Provincial treasury	2015 - 2020	Financial resources and expertise



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## 4. Sector Matrix Enterprise and Supplier Development

### Goal 2: Sector Specific B-BBEE Enterprise Development

#### 4.1 Strategic Objective 1: To nurture and promote black industrialists

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Establish black industrialist fund	<ul style="list-style-type: none"><li>▶ Black industrialist fund</li><li>▶ Business linkages</li><li>▶ Access to markets</li><li>▶ Ring-fencing of strategic sectors for enterprise development</li><li>▶ Strategic partnership with the private sector and Multinational corporations</li></ul>	Government, DFIs, SOEs, and Private sector	2015 - 2030	Human and financial resources
Develop implementation plan for creation of black industrialists	<ul style="list-style-type: none"><li>▶ Black industrialist development implementation plan</li></ul>	EDTEA, DTI	2015 - 2020	Human and Financial resources
Analyse and remove barriers hindering the growth of black businesses	Research and analysis of barriers that hinder black businesses / industrialists	EDTEA	2015 - 2030	Financial Resources



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#### 4.2 Strategic Objective 2: To introduce an enterprise development model

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
To develop an Enterprise development model	<ul style="list-style-type: none"><li>▶ Identification of key sectors for enterprise development</li><li>▶ Establishment of B-BBEE Unit in each provincial government department</li><li>▶ Entering into agreement with the private sector for support</li><li>▶ Analysing key sector for enterprise development graduation.</li><li>▶ Co-ordination of incentives schemes for enterprise development</li></ul>	EDTEA, DTI, Private sector	2015 - 2020	Mentorship, capacity building and financial resources
Ring-fence certain sectors for enterprise development	<ul style="list-style-type: none"><li>▶ Implementation of public procurement to support enterprise development.</li><li>▶ Lobby key stakeholders to support enterprise development</li><li>▶ Implementation of percentage Net Profit After tax to support enterprise development</li></ul>	Government, Private Sector	2014 - 2030	Commitments by both government and private sector
To promote local content in public procurement	<ul style="list-style-type: none"><li>▶ Alignment of government policies to support local suppliers.</li><li>▶ Setting of clear targets for local content.</li><li>▶ Development of suppliers in key sectors for local content</li><li>▶ Training and development for SCM practitioners</li><li>▶ Development of government practise notes to support local content.</li></ul>	National and Provincial Treasury, DTI, EDTEA	2015 - 2030	Market opportunities, financial commitment for training and development



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#### 4.3 Strategic Objective 3: To promote graduation of small enterprises

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Facilitate access to market opportunities	<ul style="list-style-type: none"><li>▶ Establishment of courses that educate black entrepreneurs to maximise opportunities in the market place</li><li>▶ Business 2 Business Programme</li></ul>	Government and private sector	2015 - 2030	Market opportunities and funding
Provision of targeted training and capacity building for B-BBEE companies	<ul style="list-style-type: none"><li>▶ Mentorship Learning Programmes</li><li>▶ KZN Mentorship Incentive Scheme</li></ul>	Department of education, EDTEA, SEDA, SMME Agency	2015 - 2020	Training and development, Funding
Advocate for better regulations for small enterprise development	<ul style="list-style-type: none"><li>▶ Initiation of discussions with small enterprises</li><li>▶ Regular engagement with the National Government</li></ul>	All government departments, and Public Entities and SOEs	2014 - 2016 2015 - 2017	Government support
Undertake participatory evaluation and action-based learning	<ul style="list-style-type: none"><li>▶ Participatory Evaluation and Action-Based Learning Programmes</li></ul>	All government departments and Public Entities/SOEs	2014 - 2016	Support from stakeholders
Advocate for implementation sector codes in the province	<ul style="list-style-type: none"><li>▶ Regular engagement with industry sector councils</li><li>▶ Establishment of key sector specific Forums.</li><li>▶ Agreement on key targets for B-BBEE implementation</li><li>▶ Adoption and monitoring of sector specific Action Plans</li></ul>	EDTEA, Chambers, Sector Councils	2015 - 2020	Stakeholders commitments



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## 5. Human Resource Development

**Goal 3:** To support implementation of initiatives that promote the enhancement of skills development, management control and employment equity

**5.1 Strategic Objective 1:** Identify and develop critical /core skills and ensure that skills development plans are aligned to transformation targets

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Develop bursary, learnerships or apprenticeship programmes	► SAQA Accredited Bursary, Learnerships and Apprenticeship Programmes	SETAs, Provincial Government, Private Sector, Business Chambers	2014 - 2030	Opportunities for placements, financial supports
Introduce province-wide career guidance expositions	► Career expositions / career days	SETAs, Provincial Government, Private Sector, Business Chambers, NYDA, SEDA, EDTEA, Tertiary Institutions, Department of Labour	2014 - 2030	Opportunities for placements, financial supports
Re-skilling of target group	► Re-skilling Programme across various industry sectors	SETAs, Provincial Government, Private Sector, Business Chambers, NYDA, SEDA, EDTEA, Tertiary Institutions, Department of Labour	2014 - 2030	Opportunities for placements, financial supports



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Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Partnerships with various SETA's to develop scarce skills of the Province	► Formulation of a Provincial scarce skills listing	EDTEA, SETAs, Provincial Government, Private Sector, Business Chambers	2014 - 2030	Opportunities for placements, financial supports
Ensure that BEE target group benefits from skills development	► Conduct local industry skills audits and verify that members of the target group were beneficiaries of skills development	EDTEA, Chambers, all government departments	2014 - 2030	Opportunities for placements, financial supports

## 5.2 Strategic Objective 2: Skills development funds co-ordination for transformation

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Identify and co-ordinate the available funds such as jobs funds to promote transformation	► Creation and conclusion of strategic partnership with the Job Fund. ► Provide technical assistance for application of jobs fund at Provincial level. ► Engage the jobs fund on its key requirements to support transformation	All government departments	2015 - 2020	Financial support
Facilitate access to skills development funds by the target groups	► Establishment of a Provincial skills desk to create awareness of skills development opportunities , match individuals and create access to funds	All provincial government department (BEE Unit)	2015 - 2020	Financial resources



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**5.3 Strategic Objective 3: Ensure that management control and employment equity development plans are aligned to transformation targets.**

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Ensure that there is meaningful representation of target groups at the management control level within the Province	<ul style="list-style-type: none"><li>▶ Lobby government and the private sector to have B-BBEE Practitioners participation in all Equity Committees.</li><li>▶ Lobby the National government to have a provincial focus on employment equity stats.</li></ul>	Government and private sector	2014 - 2030	Opportunities for B-BBEE target group
Ensure that the Provincial demographics are given consideration in employment equity	<ul style="list-style-type: none"><li>▶ Continuous research and analysis of Provincial demographics against labour force trends.</li><li>▶ Continues B-BBEE Verification</li></ul>	Government and private sector	2014 - 2030	Opportunities for B-BBEE target
	<ul style="list-style-type: none"><li>▶ Review of industry sector employment equity plans and actuals labour force profile</li></ul>	Government and private sector	2014 - 2030	Opportunities for B-BBEE target



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## 6. Legislation and Enforcement

**Goal 4:** To ensure compliance with the B-BBEE Codes of good practice

### 6.1 Strategic Objective 1: Co-ordination of KZN BBBEE Advisory

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Implement the Provincial B-BBEE advisory council	<ul style="list-style-type: none"><li>▶ Co-ordination and management of KZN B-BBEE advisory council</li><li>▶ Support for its sub-committees</li><li>▶ Monitoring of the status of B-BBEE in the Province</li></ul>	EDTEA, Office of the Premier.	2015 - 2030	Financial support, participation and commitments of stakeholders

### 6.2 Strategic Objective 2: Ensure B-BBEE Compliance

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Ensure B-BBEE policy compliance in the Province	<ul style="list-style-type: none"><li>▶ Establishment of B-BBEE Ombudses</li><li>▶ Handle B-BBEE Complaints</li><li>▶ Entering into Memorandum of Understanding with relevant institution (Commercial crime, State Agencies).</li><li>▶ Provide B-BBEE Monitoring and Evaluation/Verification</li></ul>	EDTEA, Community safety and liaison, State agencies	2014 - 2030	Commitment from key stakeholders



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Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Provincial B-BBEE Portal	<ul style="list-style-type: none"><li>▶ Creation and maintenance of an online Black Business Database.</li><li>▶ Conclusion of MOU with KZN based Verification Agencies/ Auditors to access B-BBEE certificates.</li><li>▶ Lobby the KZN based Verification Agencies to operate in rural area</li></ul>	EDTEA, Provincial Treasury	2015 - 2017	Commitment from stakeholders, financial and market opportunities
	<ul style="list-style-type: none"><li>▶ Management and marketing of the Black Business Data Base to support transformation.</li><li>▶ Provision of business to business linkages</li></ul>	EDTEA, TIK, Treasury, Private sector	2015 - 2020	Commitment from stakeholders, financial and market opportunities



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## 7. Information Dissemination

**Goal 5: To improve B-BBEE information accessibility**

### 7.1 Strategic Objective 1: To improve easy access to B-BBEE information

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Leverage the social media platform for dissemination of information	<ul style="list-style-type: none"><li>▶ KZN B-BBEE Portal / Blog</li><li>▶ KZN B-BBEE Facebook, Twitter, other relevant social media pages / alerts</li></ul>	Government Communication & Information System (GCIS), Community Radio Stations, Tertiary Institutions, Private Sector, EDTEA	2015 - 2020	Financial support and market opportunities
Create an electronic information portal for B-BBEE	<ul style="list-style-type: none"><li>▶ Online business queries</li><li>▶ Business blogs</li></ul>	Government Communication & Information System (GCIS), Community Radio Stations, Tertiary Institutions, Private Sector, EDTEA	2015 - 2020	Business opportunities



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Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Hold application workshops and seminars	► Job Application Workshop	KZN B-BBEE / Youth Directorate, NYDA, SEDA, EDTEA, Tertiary Institutions, Department of Labour	2015 - 2030	Business opportunities

## 7.2 Strategic Objective 2: To facilitate B-BBEE advocacy and information dissemination

Programmatic Intervention	Focus Projects	Responsibility	Timeframe	Resources
Initiate a province-wide technology capacity building programme.	► Technological Capacity Building programme	Government Communication & Information System (GCIS)	2014 - 2030	EDTEA, Private Sector, the dti, SEFA
Simplify and translate B-BBEE strategic policies, strategies	► Condensed B-BBEE policies, strategies. ► Translation of B-BBEE information into IsiZulu ► Develop and distribution of B-BBEE information manual ► Develop B-BBEE Information magazine ► Develop B-BBEE financial manual	EDTEA	2015 - 2016	Financial resources



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## 8. Conclusion

Black participation within the economy remains a major challenge and requires the urgent attention and coordination of Government, the private sector, and civil society to exploit partnership opportunities to reduce unemployment and ensure economic empowerment; hence the inclusive approach of this implementation plan. The involvement and commitment of social partners is imperative to achieving all the goals as set out in the KZN B-BBEE Strategy (2014-2030). This implementation plan provides focus projects, responsibility organisations, and timeframes for the goals as identified in the strategy (2014-2030). The EDTEA, supported by other provincial departments, will lead the process of coordinating, implementing, and monitoring the impact of the strategy (2014-2030) and implementation strategy.