



KWAZULU-NATAL
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



PRESENTATION TO THE PROVINCIAL TOURISM AND INVESTMENT COMMITTEE (PITC)

OPERATION VULA

17 SEPTEMBER 2020

GROWING KWAZULU-NATAL TOGETHER



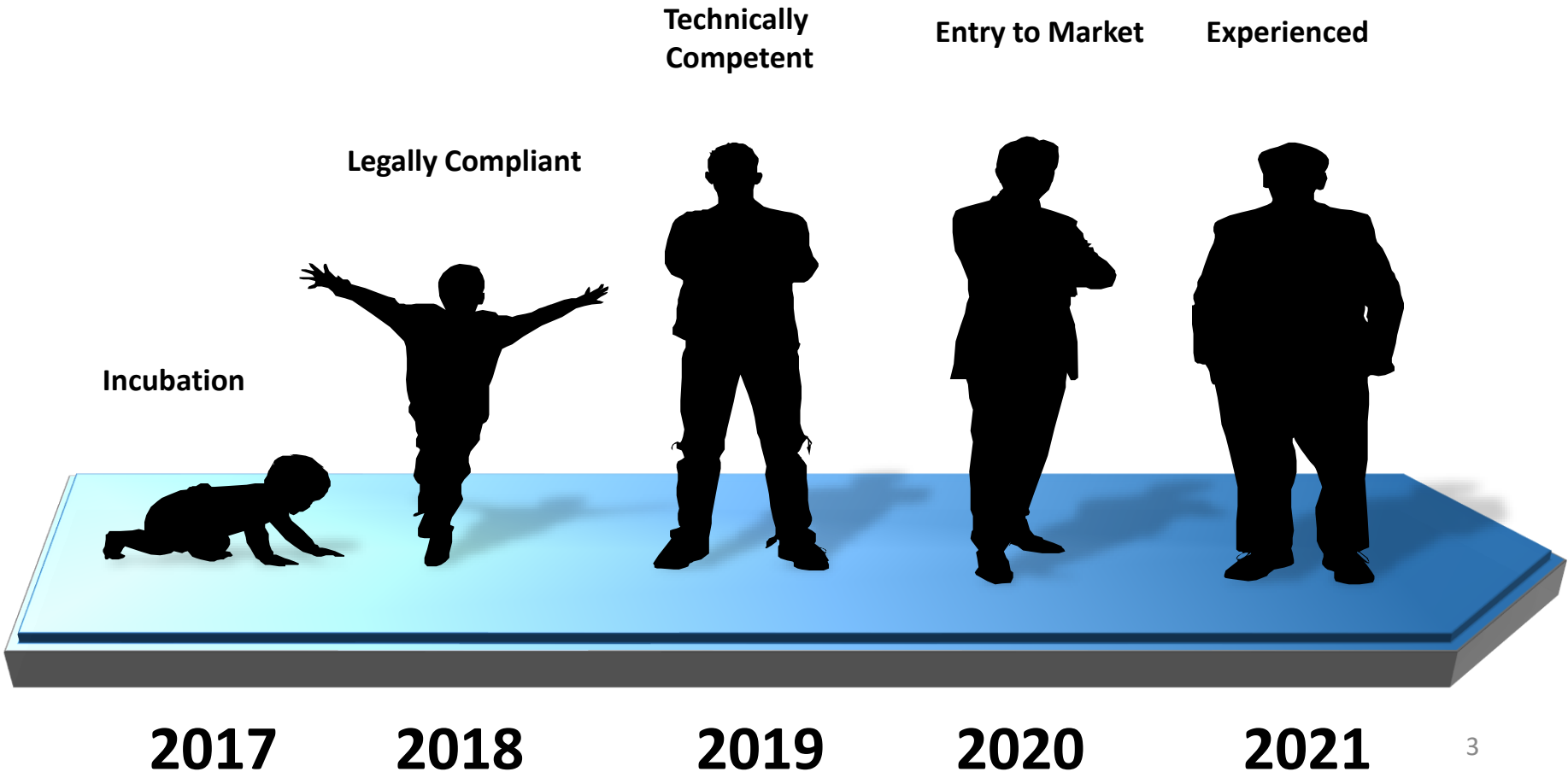
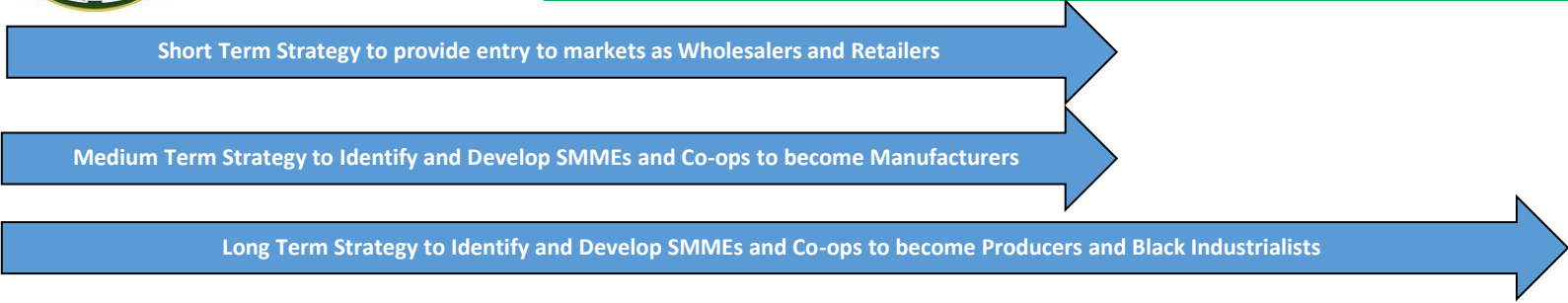
KWAZULU-NATAL
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

Presentation Outline

- ❑ Background to Operation Vula
 - ❖ *Implementation Model*
 - ❖ *Medium to a long term strategy*
- ❑ Strategic achievements and challenges
- ❑ Interventions
- ❑ Support for Small Business
- ❑ Conclusion

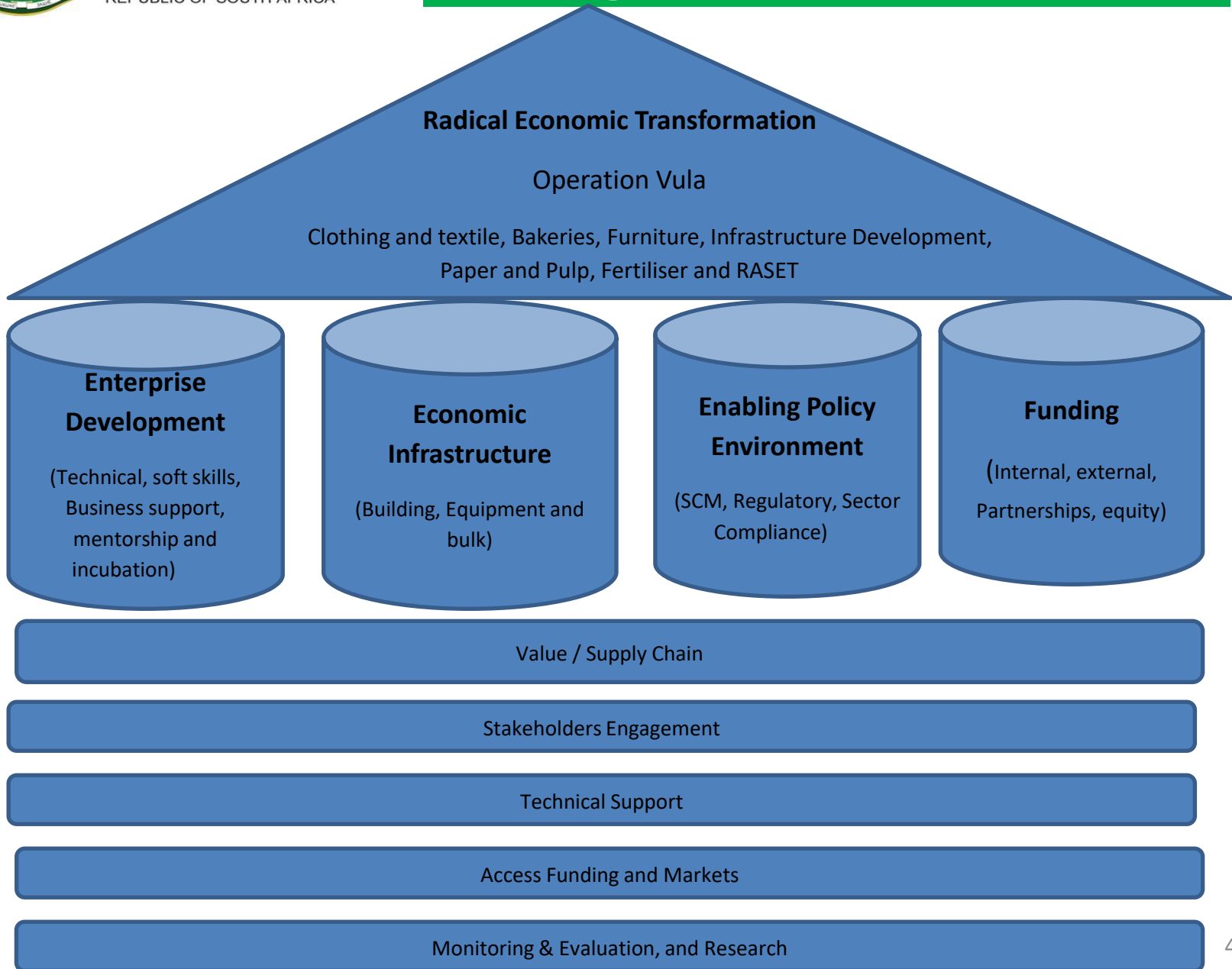


SHORT, MEDIUM AND LONG TERM STRATEGIES





Integrated Approach





☐ Services

- Business Registration
- Project Packaging
- Project Management
- Technical support(Compliance, Funding, Referrals)
- Capacity Building Coordination
- Stakeholder facilitation
- Business Support Services
- **Project Selection:** Due diligence Committees within the Department utilising Operation Vula Fund Policy (Open selection process to the public).

☐ Interphase

- Small Businesses (SMME, Cooperatives, Social enterprises)
- District and Local Municipalities
- District Development Agencies (where applicable)
- Public and individuals



Incubation, Legal Compliant and Technical Competent

Project	Description	Budget	Progress
Small Enterprise training and capacity building	Provide business, entrepreneurial and technical skills and knowledge to cooperatives to improve operational efficiency and effectiveness in their businesses	R27 509 752	<ul style="list-style-type: none">• A total of 533 cooperative members were trained in partnership with KZN TVET colleges as follows:<ul style="list-style-type: none">- Umfolozi: 293- Umthashana: 50- EThekwini: 54- Esayidi: 49- UMgungundlovu: 44- Amajuba: 43• Training focus: coop governance & leadership, business management, garment making, crop and stock production, baking, carpentry, block making• Budget spent: R10 094 688,85





Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Enterprise Development Fund	Improved access and efficacy to finance and financial services by small enterprises.	R43, 2 million	<ul style="list-style-type: none">• 248 small enterprises were provided with Business Loans under the KZN Enterprise Development Fund, with total loan amount of R43,2 million• Business loans supported small enterprises in agriculture, construction, logistics (mining), manufacturing, property development, trade & services including NSNP.• 1211 jobs facilitated through supported and funded small enterprises



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Pulp and paper (Toilet Paper) products small manufacturers	Provide full package business support to emerging small manufacturers of toilet paper and other paper products.	R18 351 000.00 (Committed OVF)	<ul style="list-style-type: none">• The Department has committed R18 351 000.00 on OVF to support 15 existing small enterprises in the toilet paper manufacturing for• These small enterprises have been linked with the Black Industrialist in the toilet paper manufacturing to provide coaching.



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Clothing and textile small enterprise manufacturers	Provide full package business support to emerging small manufacturers of clothing and textile products.	R25 688 143 (Committed OVF)	<ul style="list-style-type: none">• The Department has committed R25 688 143 to support 87 existing small enterprises in the clothing and textile• These small enterprises are from different Districts in the Province





Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Black Supplier Development Programme (Clothing & Textile)	<ul style="list-style-type: none">This is a partnership programme between EDTEA and the Clothing & Textile Cluster in KZNThe Cluster consist of 52 firms members and employs 10 000 people in KZN	<ul style="list-style-type: none">R2 500 000	<ul style="list-style-type: none">11 firms are assisted annually to access market opportunitiesThe programme has created approximately 6936 jobs. This can be translated into 1445 direct jobs, 5491 indirect jobs.The following training has been provided: introduction to lean & continuous improvement, garment pricing & costing





Clothing and Textile SEZ

- SEZ concept document completed and approved by EDTEA and DTI
- N3/N2 Corridor approach supporting the whole Clothing and textile value chain (from Newcastle-Ladysmith- Mooi-river- PMB- Hammasdale-EThekwini-DTPC- Isithebe
- Identification of SEZ sites and their suitability assessments completed – Ezakheni identified as the anchor site. Other sites will be Special Industrial Zones.
- Engagements with several stakeholders is underway (DTI, Ithala, TIKZN, DBSA, DTPC, UThukela Economic Development Agency)
- Investor attraction is underway
- EDTEA/TIKZN has secured the services of an expert to develop the Business case for the SEZ (Geotech report, EIAs approvals, Master Plan report, Engineering Services)
- The conclusion of the SLA and MOA between DTP Corporation/EDTEA/TIKZN and Ithala for SEZ operation is underway



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Small Enterprise in Bakery	Provide full package business support to emerging small manufacturers in Bakery.	R11 790 000.00 (Committed OVF)	<ul style="list-style-type: none">• The Department has committed R11 790 000.00 to support 15 (fifteen) existing small enterprises in the Bakery.• These small are from different Districts in the Province





Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
SMME and Co-ops Incubation and Shared Economic Infrastructure for cleaning detergents (Cont.)	Establishment, renovation and refurbishment of appropriate economic infrastructure to support SMMEs and Cooperatives in Cleaning & Detergents.	R15 910 000	<ul style="list-style-type: none"> • INK • EDTEA initially trained 102 individuals from INK area in cleaning detergents skills • EDTEA formalized them into small enterprises, some of whom are currently operating individually in their own sites. • Their products and production are not in compliance with SABS regulatory requirements which dictates on the facility and production process: <ul style="list-style-type: none"> ❖ EDTEA is currently working with the following regulatory bodies: National SEDA incubation programme, Technology Innovation Agency, SABS, CSIR, MUT (Technology Station), CHEMIN, CHIETA. • Pilot site has been identified and secured at IDFC's KwaMashu Section E Motor Park factory units. This site will be equipped with modern equipment's and machinery that is compliant with industry norms and standards. • R15 910 000 has been transferred to the IDFC as the implementation Agency.



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
SMME and Co-ops Incubation and Shared Economic Infrastructure for cleaning detergents (Cont.)	Establishment, renovation and refurbishment of appropriate economic infrastructure to support SMMEs and Cooperatives in Cleaning & Detergents.	R36 000 000	<p>King Cetshwayo & UMkhanyakude:</p> <ul style="list-style-type: none">• The 9 (nine) existing small manufacturers of detergents and cleaning chemical products from King Cetshwayo and UMkhanyakude who are currently operating individually have grouped together and established a new business entity, Vula Chemicals And Logistics (PTY) Ltd.• IDFC Industrial Park premises at ESikhaleni Township have been identified to establish a shared production facility. The identified building needs renovations, refurbishment, fittings, equipment, machinery and relevant certification for compliance. <p>Ugu:</p> <ul style="list-style-type: none">• Gamalakhe Traders Village, owned by Ray Nkonyeni Local Municipality, has been identified for the establishment of the shared production facility for the 11 (eleven) small manufacturers of detergents and cleaning chemical products . Currently there are 4 active SMMEs who have been assisted with branding, market access.• Negotiations with Ray Nkonyeni Local Municipality have commenced towards establishment of the facility.



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
SMME and Co-ops Incubation and Shared Economic Infrastructure for cleaning detergents (Cont.)	Establishment, renovation and refurbishment of appropriate economic infrastructure to support SMMEs and Cooperatives in Cleaning & Detergents.	R2 000 000	<p>UMgungundlovu & Harry Gwala:</p> <ul style="list-style-type: none"> The 11 (eleven) existing small manufacturers of detergents and cleaning chemical products from UMgungundlovu and Harry Gwala have grouped together and established a new business entity, Executive Enviro Detergents and are using an existing facility in UMzimkhulu. The entity has applied for funding to OVF to purchase machinery, equipment and raw material.
		R5 403 193 (Committed OVF)	<p>ILembe:</p> <ul style="list-style-type: none"> The 8 individual small manufacturers of detergents and household chemical products are at different levels of operation in rural areas and are in need of equipment's A detailed due diligence conducted and submitted to OVF for funding.



Detergents Infrastructure Support

Details	Zululand	Amajuba	UMzinyathi
Description of premises	Lease option Ulundi Local Municipality is pursued over a minimum of 5 years. The site measures approximately 2000m ² (2 hectares) and currently occupied by local trainees in soap manufacturing.	Warehouse/workshop previously owned by Durnacol mine in Danhauser and has been donated to the community	Support the three individual SMMEs at their operations
Current status/State of readiness	Three container structures (2 – 6x3m = 36m ² and 1 – 6x2 = 12 ²) are installed on site for utilization on the production of soap, storeroom and office administration respectively.	Negotiations with the community Section 21 company being undertaken.	One of the beneficiaries at Greytown has been supported by the local municipality with equipment and raw materials to the value of R160 000.
Ownership Structure	Ulundi Local Municipality Vacant land	Section 21 (community) Structure is in place, Warehouse/workshop	Individual business premises Individual business premises
Renovations/Requirements	Structure, furniture, machinery, equipment and raw material	Assessment of the building, renovations, refurbishments, fittings, certification for compliance	To be determined, including machinery, equipment and raw material
Estimated number of beneficiaries	10	20	3



Access to Funding, Markets and Graduation

Project	Description	Budget	Progress
Eco-furniture manufacturing programme (UMgungundlovu)	<ul style="list-style-type: none">This programme deals with training and development of SMMEs operating in the furniture commodity	<ul style="list-style-type: none">R5 Million	<ul style="list-style-type: none">This project deals with furniture manufacturing and it provides long-term job opportunities for previously unemployed workers who have become skilled in using timber from alien invasive pine, gum and wattle.8 SMMEs have been formed. They have in turn employed approximately 350 people. Revenue generated is approximately R14 million per annum.

Strategic Partnerships

Strategic Partner	Focus Areas	Status
Small Enterprise Development Agency (SEDA)	Training, Incubation, Technical assistance(business plans, funding referrals)	Current
Durban University of Technology (DUT)	Training (e-learning) targeting local municipalities and government officials	Current
University of KwaZulu-Natal (UKZN)	LED practitioners training and capacity building	Current
All KZN TVET Colleges	Soft skills and technical skills training	Current
Provincial Sister Departments	Collaboration on legislation and compliance, marketing events, project implementation and Capacity Building, youth fund administration, Operation Vula	Current
Ithala Development Finance Corporation	Enterprise Development Fund, RASET, Co-operative Grant Fund (disbursement mechanism)	Current
Department of Trade and Industry (DTI)	Black industrialist Programme	Current
Department of Small Business Development (DSBD)	Small business support Red Tape Reduction	Current
Mangosuthu University of Technology (MUT), National SEDA Incubation Programme, Technology Innovation Agency, SABS	Detergents manufacturing Incubation and Mentoring	Current
B-BBEE Commission	Technical Support on B-BBEEE Compliance	Current
Private sector Specialists -Dunlop	Youth in tyre fitment and repairs, Incubation training , mentorship and funding	Current
Growth Fund	Youth Fund admin, Black Industrialist, Equity Fund	Current

THANK YOU

**GROWING
KWAZULU-NATAL
TOGETHER**