



GAUTENG ENTERPRISE PROPELLER

**ANNUAL PERFORMANCE PLAN
2024/2025**



GAUTENG PROVINCE
ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

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The Annual Performance Plan for the Gauteng Enterprise Propeller is available on:

www.gep.co.za

EXECUTIVE AUTHORITY STATEMENT

In aligning with the State of Nation Address (SONA) and State of Province Address (SOPA) commitments, the Gauteng Department of Economic Development (GDED) continue to prioritize meeting the Township Economic Development Act (TEDA) obligations, key amongst which is enterprise development. The Act provide the legal framework for unlocking opportunities for small businesses and the transformation of townships into major economic nodes for the Gauteng province. The Premier's elevated priorities, Priority 1 (Accelerate economic recovery) and Priority 2 (Improve living conditions in townships, informal settlements, and hostels (TISH)) brings impetus to our focus on programmes that will grow the provincial economy and the township economy specifically. The GEP is well place as one of the implementing agencies of the DED to contribute towards the TISH within townships. Through GEP's Township Economic Partnership Fund (TEPF), SMMEs in townships are set to benefit be it within the taxi economy, backyard realty etc.

The 2024/25 APP is developed on the back of the high rise in unemployment unprecedented in the history of South Africa. The state of the economy in the country and the province continues to be dire, characterised by national and global recessionary pressures. The Russia Ukraine war will continue to slow economic growth compounded by inflationary pressures and diminishing households purchasing power. Loadshedding remains a major stumbling block for economic growth domestically exacerbating the ongoing closure of mainly township-based small enterprises and the resultant job losses. It thus follows that various tailor-made financial and non-financial support interventions, provided through GEP, need to contribute to salvaging surviving small enterprises and revive those that are on the brink of collapse. In this regard, there will be a need to expand the outreach of financial and non-financial support to small enterprises in the province.

The accelerated implementation of the various GEP Funding Partnerships is critical given the current economic crisis. GEP must be at the forefront of stimulating the catalytic intervention of these Funds in the rescue of struggling small enterprises. Set turnaround times need to be met in the assessment, approval, and funding of financial and non-financial support applications in this regard.

GEP's role is vital in the rescuing of our economy, mainly by cushioning the declining small enterprises through financial and non-financial support interventions.



Ms. Tasneem Motara (MEC)

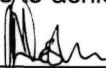
Executive Authority

ACCOUNTING AUTHORITY STATEMENT

At the centre of our commitments remain those made, through the Gauteng Department of Economic Development in the Service Delivery Agreement of the Member of the Executive Council. Our focus, unlike in the recent past, is on ensuring that we provide quality services that will contribute to the sustainability of the small enterprises, efficiently utilizing our meagre resources and extending our outreach in the TISH areas. Recapitalization of the Entity remains an engagement point of the Board and the Shareholder, with the aim of ensuring sustainable funding of the financial and non-financial programmes.

The spinoffs of the existing Partnership Funds will start to bear fruits in the upcoming financial year and remain resource launchpads, that should benefit our already economically depressed small enterprises. We remain focused on prioritising Partnerships that relate to financial, non-financial support and youth employment facilitation programmes that can also help to alleviate the province's youth unemployment.

The Executive Authority is continuously supporting the Entity in realizing its intended objectives, as it continues to work towards providing sustainable support to small enterprises. I am confident that the annual performance plan will provide us with ideas, plans, and interventions to achieve the desired results.



Ms. Lebogang Leshika

Chairperson of the Board

CHIEF EXECUTIVE OFFICER STATEMENT

We continue to prioritize support to small enterprises based in the Special Economic Zone (SEZs), Industrial hubs and TISH areas in the upcoming period – our key contribution to the realisation of the TEDA. Our aim will be to provide sustainable business development interventions to the small enterprises, in addition to the various capacity building initiatives provided by other GDED Agencies.

Improved due diligence of loan deals and aggressive debt collection measures has assisted in the improvement of debt collection, thus contributing to the envisaged financial stability of the Entity. Our aim remains to ensure that our Balance Sheet improve as an avenue for leveraging of Partnership Funds and the sustainability of the Entity.

The Cooperatives Support Strategy remain an intrinsic part of the policy fundamentals that inform our program/project implementation. The cooperatives benefit from similar Business Development initiatives aimed at small enterprises, to address the declining survival rate thereof.

Our contribution to the Township, Informal Settlements and Hostels (TISH) Strategy will largely be through the provision of grants to Informal Traders based in the targeted areas. The various Business Development interventions accessed through our regional offices are also largely provided to small enterprises based in Townships and Informal Settlements. Furthermore, the TEPF has assisted homeowners in townships on their back yard rental stock business aspirations, a programme that we intend on accelerating in this new financial year. Therefore, we are confident that through these interventions, SMMEs in township and hostels will be provided with a “lifeline”, increasing their chances of sustainably navigating through these tough economic conditions.

In the upcoming period, the increasing demand for our services will be accompanied by improved turnaround times on assessment, approval, and funding of both financial and non-financial applications. Strides made to stabilise the entity and entrenching proper governance in the past year has adequately positioned the entity to continue meeting the expectations of its mandate and priorities of the province.



Mr. Saki Zamxaka

Chief Executive Officer

OFFICIAL SIGN-OFF

It is hereby certified that this 2024/25 Annual Performance Plan:

- 1) Was developed by the management team of the Gauteng Enterprise Propeller, under the guidance of the Board.
- 2) Considers all the relevant policies, legislation, and other mandates for which the Gauteng Enterprise Propeller is responsible.
- 3) Accurately reflects the Outputs and Targets which the Gauteng Enterprise Propeller will endeavour to achieve over the 2024/25 financial year.



Mr. Sello Manoto
Acting GM: Corporate Support and Administration

23/02/2024

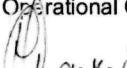
Date



Mr. Imraan Khan
Chief Operational Officer

23/02/2024

Date



Ms. Nosipho Khonkwane
GM: Strategy, Monitoring and Evaluation

23/02/2024

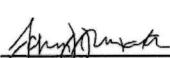
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Ms. Batandwa Damoyi
Chief Financial Officer

23/02/2024

Date



Mr. Saki Zamzaka
Chief Executive Officer

23/02/2024

Date

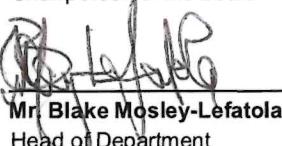
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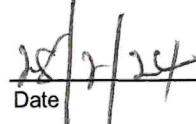
Ms. Lebogang Leshika
Chairperson of the Board

28/02/2024

Date



Mr. Blake Mosley-Lefatola
Head of Department



Ms. Tasneem Motara (MEC)
Executive Authority

29/02/2024

Date

ABBREVIATIONS AND ACRONYMS

4IR	4 th Industrial Revolution
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BER	Bureau for Economic Research
CBD	Central Business District
CIPC	Companies and Intellectual Property Commission
DDM	District Development Model
DFI	Development Finance Institution
DPME	Department of Planning, Monitoring and Evaluation
DTIC	Department of Trade Industry and Competition
ESG	Environmental, Social and Governance
FY	Financial Year
GCR	Gauteng City Region
GDED	Gauteng Department of Economic Development
GDP	Gross Domestic Product
GEM	Gauteng Entrepreneurship Model
GEP	Gauteng Enterprise Propeller
GFCF	Gross Fixed Capital Formation
GGT2030	Growing Gauteng Together, Roadmap to 2030
GIBUS	Gauteng Informal Business Upliftment Strategy
GIIMP	Gauteng Integrated Infrastructure Master Plan
GPG	Gauteng Provincial Government
GSDF	Gauteng Spacial Development Framework
ICT	Information and Communication Technology
IDFC	Ithala Development Finance Corporation Limited

IM	Investment Management
IMF	International Monetary Fund
MEC	Member of the Executive Council
MOOC	Massive Open Online Courses
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MV	Military Veteran
NDP	National Development Plan
PFMA	Public Finance Management Act
PRASA	Passenger Rail Agency of South Africa
PwD (s)	People With Disability/ies
Q	Quarter
QLFS	Quarterly Labour Force Survey
R&D	Research and Development
SA	South Africa
SADC	South African Development Community
SARB	South African Reserve Bank
SARS	South African Revenue Services
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SOE	State-Owned Enterprise/Entity
SONA	State of the Nation Address

SOPA	State of the Province Address
TEDA	Gauteng Township Economic Development Act
TER	Township Economy Revitalisation
TMR	Transformation, Modernisation and Re-industrialisation
TVET	Technical and Vocational Education and Training
UN	United Nations
US/USA	United States of America
YES	Youth Employment Service

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PART A: OUR MANDATE

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

There are updates to the legislative and policy mandates outlined in the 2020-2025 Strategic Plan, summarised as follows:

- Constitution of South Africa Act (No. 108 of 1996)
- Gauteng Enterprise Propeller Act (No. 5 of 2005) (GEP Act)
- Gauteng Township Economic Development Act (No.2 of 2022)
- Companies Act, 2008 (No. 71 of 2008)
- Public Finance Management Act (No. 1 of 1998), as amended (PFMA)
- Full suite of governance legislation, including, amongst others:
 - King IV Code on Corporate Governance in SA (2016)
 - Intergovernmental Relations Framework Act (No. 13 of 2005)
 - Consumer Protection Act, 2008 (No. 68 of 2008)
 - National Credit Act, 2005 (No. 34 of 2005)
 - Protection of Personal Information Act, 2013 (No.4 of 2013)
 - Preferential Procurement Policy Framework Act, 2000 (No. 5 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (No. 53 of 2003) National Development Plan, Vision 2030 - Chapter 8
- Sustainable Development Goals - Goals 5, 8 and 9
- African Union 2063 - Aspirations 1, 6 and 7
- Medium-term Strategic Framework (MTSF 2019-2024) - Outcome 1 and 2
- Ten Pillars of Transformation, Modernisation and Reindustrialisation (TMR)
- Growing Gauteng Together 2030 (GGT2030) - Priority 1 and 5
- Other key Gauteng policies and strategies supporting GGT2030:
 - Township Economy Revitalisation Strategy
 - Township Economic Development Act
 - Tshepo 1 Million
 - Gauteng Entrepreneurship Model
 - Gauteng Spatial Development Framework (GSDF) 2030
 - The GCR Integrated Infrastructure Master Plan (GIIMP)
 - Gauteng City Region Economic Development Plan
 - Gauteng Informal Business Upliftment Strategy (GIBUS)
 - GCR Governance and Planning Roadmap
 - Townships, Hostels, and Informal Settlements Strategy (TISH)

1.1. THE SUPREME COURT OF APPEAL BBBEE RULING

As a result of the SCA ruling handed down in 2022, the Preferential Procurement Regulations, 2017, issued under section 5 of the Preferential Procurement Policy Framework Act (PPPFA), 2000, were invalidated.

In accordance with the regulations, pre-qualification criteria are stipulated before tenders can be evaluated on price, functionality, and other factors. Typically made example of a tenderer must meet a minimum broad-based black economic empowerment (B-BBEE) status level of contributor, as well as be a qualifying small business owned at least 51% by blacks.

As a result of the minister issuing the regulations in 2017, the court ruled that he was acting ultra vires (outside his powers). In an appeal to the SCA, AFRI Business enlisted the SA Property Owners Association (Sapoa) as an amicus curia (friends of the court) after the Pretoria High Court dismissed its application to have the regulations issued by then Finance Minister Pravin Gordhan reviewed and discarded.

GEP Like other Public Entities was impacted by Treasury moratorium on procurement because of the Ruling, resulting in non-achievement of some set procurement targets. It is envisaged that the Ruling will still impact the Agency in the 2023/2024 financial year until the new Preferential Procurement Regulations are finalized by National Treasury.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

There are updates to the 2020-2025 Strategic Plan and the Annual Performance Plan. See annexure A of the 2024/2025 APP. The Strategic Plan reflects as follows:

2.1. PRIORITIES OF THE 7TH ADMINISTRATION

The 2024 SONA made it clear that South Africa continues to face the stark reality of slow economic growth bedevilled by constant energy shortages that have disrupted business and social activities. Although the economy continues to create jobs to a limited extent, the high unemployment rate remains a challenge and the majority of South Africans are carrying the burden of high unemployment, high living costs and are unable to escape poverty.

Key priorities of SONA that need to inform the focus of GEP's strategy include:

- 1) Implementation of the District Development Model (DDM) that is fundamentally changing government's approach to local development.
- 2) Adherence to set Fiscal and monetary policy measures to counter the economic pressure on business and consumers.
- 3) State-owned entities (SOEs) continued contribution to growth and development as part of the economic reform measures.
- 4) Continuous address of the youth unemployment crisis – (1) creating opportunities for employment, and (2) self-employment.

The Gauteng 7th Administration:

"Growing Gauteng Together: Our Roadmap to 2030" (GGT2030). GGT2030 reflects how the Gauteng City Region seeks to address the fundamental problems of inclusive growth and

employment; poverty and hunger; education and healthcare; social justice and social cohesion; safety and security; gender equality and youth empowerment, urbanisation, and migration; climate justice and the impact of the 4th Industrial Revolution.

“Our number one goal is to create jobs” and the Province continue established social compacts with each of the following ten high-growth sectors:

- 1) Energy, with a focus on new technologies and a diverse energy mix;
- 2) Transportation and logistics;
- 3) ICT, media and digital services – the digital economy;
- 4) Tourism and hospitality;
- 5) Agri-food and agribusiness, focusing on value chains;
- 6) Construction and infrastructure;
- 7) Automotive, aerospace and defence;
- 8) Financial services;
- 9) Cultural and creative industries; and
- 10) Industrialisation of cannabis.

Number of SMMEs in South Africa

According to the Bureau for Economic Research (BER) in the year up to the third quarter of 2022, the number of SMMEs in South Africa rose by 279 038 (11.6% year-on-year). On an annual basis, the 17% increase in formal SMMEs is encouraging – even though the majority of SMMEs still operate in the informal space.

Key Indicator	2021 Q3	2022 Q3	2023 Q3	y-o-y change
Number of SMMEs in SA	2 363 513	2 404 564	2 683 602	11.6%
Number of formal SMMEs	653 530	677 786	792 838	17.0%
Number of informal SMMEs	1 580 155	1 641 859	1 791 317	9.1%

Source: SEDA SMME Quarterly Update 3rd Quarter 2023

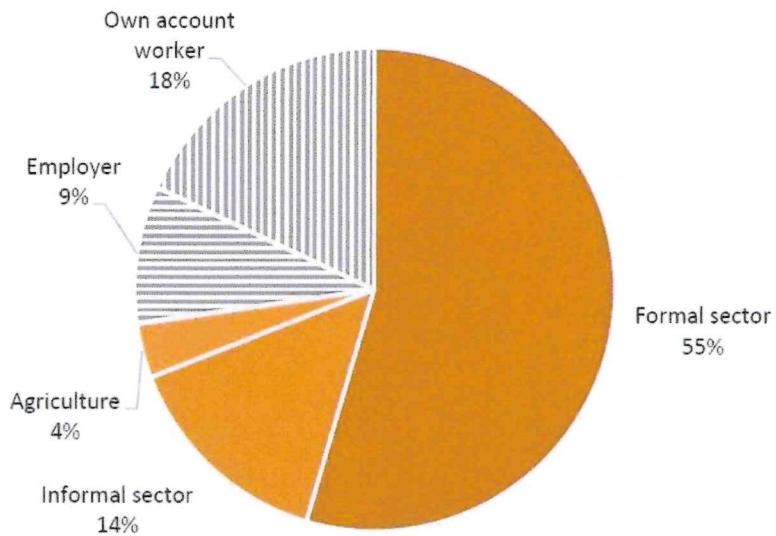
Employment provided by SMMEs in South Africa

SMMEs provided 9.31 million jobs in the second quarter of 2023. This constitutes 59% of total employment in South Africa at the time. Of the 9.31 million jobs, close to 27% was for the SMME owners themselves, and the balance of 73% was for other workers they hired.

Key Indicator	2022 Q3		2023 Q2	
	Number	Distribution	Number	Distribution
Formal sector	4 575 128	46.9%	5 078 663	54.5%
Informal sector	2 134 474	21.9%	1 353 259	14.5%
Agriculture	631 057	6.53%	338 555	3.6%
Private households	13 091	0.1%	5 101	0.1%
Provided to others	7 353 749	75.4%	6 775 578	72.8%
% Female		36.3%		38.4%
Employer	866 747	8.9%	853 917	9.2%
Own account worker	1 537 817	15.8%	1 681 321	18.1%
Total	9 758 313	100%	9 310 816	100%

Source: SEDA SMME Quarterly Update 3rd Quarter 2023

Of the jobs provided by SMMEs, 54.5% were in the formal sector in 2023 Q2, which is an increase of 7.6% from 2022 Q3. The portion of these jobs that went to women also increased from 36.3% to 38.4% in 2023 Q2.



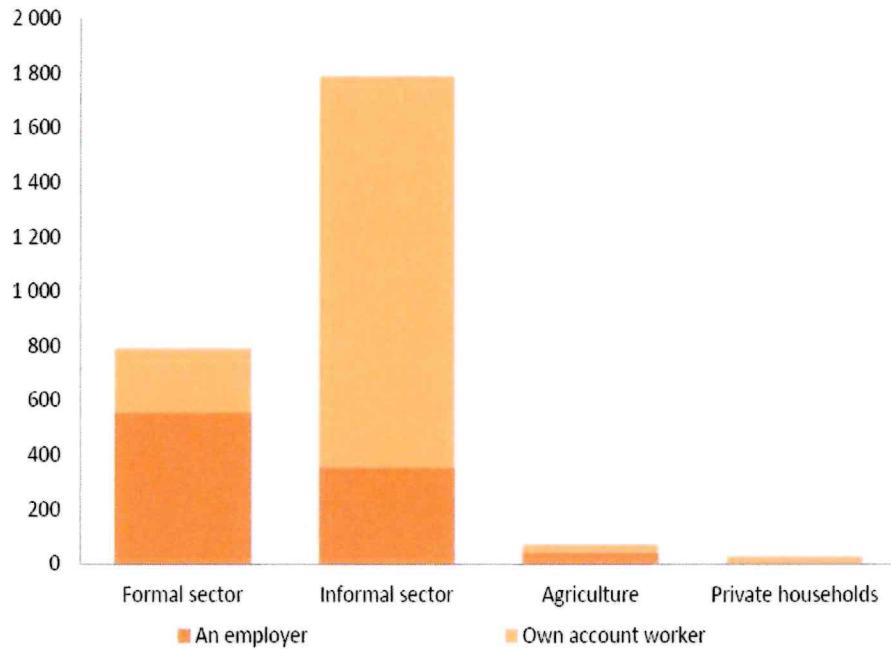
Source: SEDA SMME Quarterly Update 3rd Quarter 2023

SMMEs by Formal and Informal Sector in South Africa

The share of SMMEs operating in the informal sector returned to 67% by the third quarter of 2023, after peaking at 70% in the first quarter. As such, the proportion of those operating in the formal sector recovered from 26% to 30% over the same period. Most SMMEs in the formal sector are employers (70%), while in the informal sector, only 20% employ others besides themselves.

Type	Formal Sector	Informal Sector	Agriculture	Private Households	Total	Distribution
An employer	556 396	355 578	41 264	5 191	958 429	35.7%
Own account worker	236 442	1 435 739	30 560	22 433	1 725 174	64.3%
Total	792 838	1 791 317	71 824	27 624	2 683 602	100%
% per sector	29.5%	66.8%	2.7%	1.0%	100%	

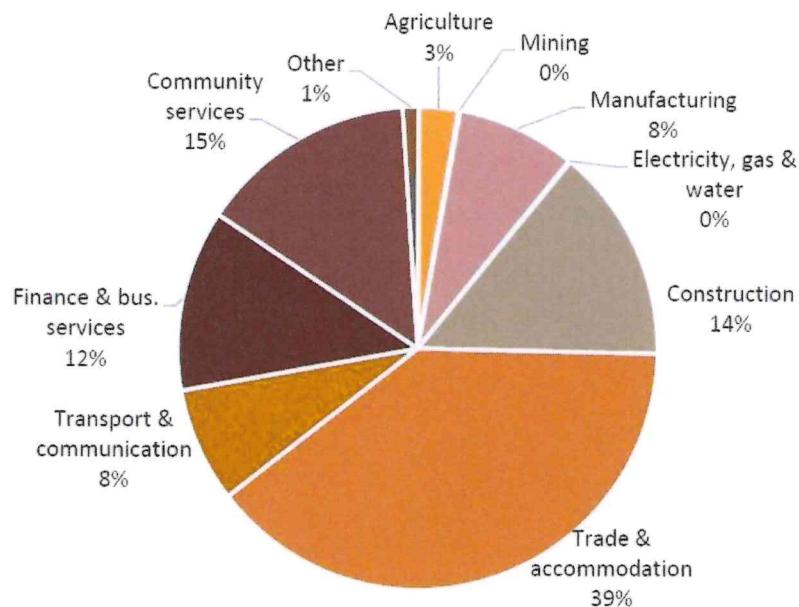
Source: SEDA SMME Quarterly Update 3rd Quarter 2023



Source: SEDA SMME Quarterly Update 3rd Quarter 2023

SMMEs by Industry

In the third quarter of 2023, the increase in SMMEs was most prominent in four sectors of the economy. The rise of just more than 48 000 firms in trade and accommodation could be partially connected to the 19% increase in tourists who arrived by air. Compared to a year ago, around half of the increase in SMMEs was in this sector (134 000), most probably because opening a small tuck shop is an easy option for new entrepreneurs. Of note is the large increase of 71 000 construction sector firms over the year.



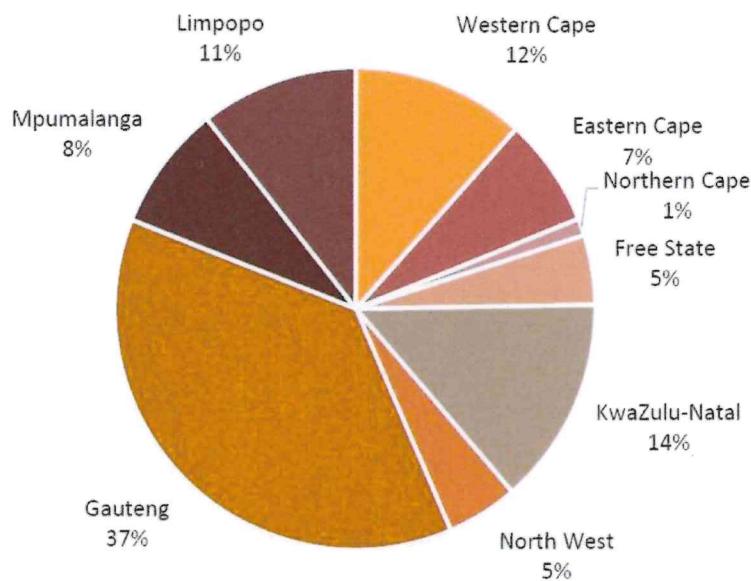
Source: SEDA SMME Quarterly Update 3rd Quarter 2023

Key Indicator	2022 Q3		2023 Q3	
	Number	Distribution	Number	Distribution
Agriculture	63 888	2.7%	71 824	2.7%
Mining	0	0.0%	2 365	0.1%
Manufacturing	198 274	8.2%	216 255	8.1%
Electricity, gas & water	2 353	0.1%	1 961	0.1%
Construction	315 909	13.1%	386 910	14.4%
Trade & accommodation	917 240	38.%	1 050 996	39.2%
Transport & communication	177 332	7.4%	206 162	7.7%
Finance & bus. services	358 111	16.0%	325 771	12.1%
Community	323 426	13.5%	392 701	14.6%
Other	21 032	0.9%	28 658	1.1%
Total	2 404 564	100%	2 683 602	100%

Source: SEDA SMME Quarterly Update 3rd Quarter 2023

SMMEs by Province

In the year to 2023 Q3, the number of SMMEs declined only in one province: KwaZulu-Natal. This happened along with an increase in overall employment, implying that many workers in KwaZulu-Natal had the opportunity to work for larger firms. Further, there was a disproportionately large increase in the number of SMMEs operating in the Northern Cape (61%) and Limpopo (42%). These might be due to spin-offs of a general recovery in total employment (up 17.6% in the Northern Cape and 16.7% in Limpopo). At the end, Gauteng remains the province with the most SMMEs, 37.5% of the total.



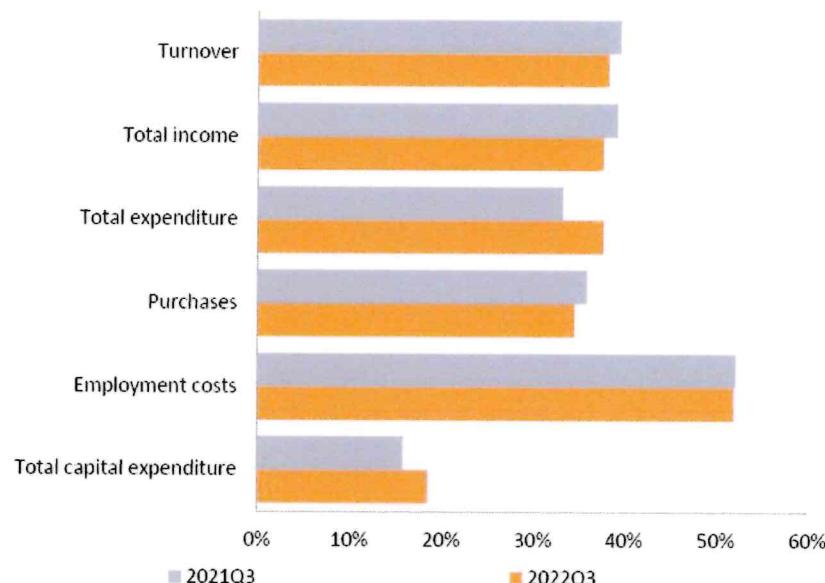
Source: SEDA SMME Quarterly Update 3rd Quarter 2023

Key Indicator	2021Q3		2022Q3	
	Number	Distribution	Number	Distribution
Western Cape	260 207	10.8%	312 269	11.6%
Eastern Cape	172 333	7.2%	196 136	7.3%
Northern Cape	19 129	0.8%	30 761	1.1%
Free State	123 269	5.1%	125 152	4.7%
KwaZulu-Natal	392 283	16.3%	375 209	14.0%
North-West	125 790	5.2%	129 513	4.8%
Gauteng	917 043	38.1%	1 005 288	37.5%
Mpumalanga	194 831	8.1%	225 368	8.4%
Limpopo	199 680	8.3%	283 907	10.6%
Total	2 404 564	100%	2 683 602	100%

Source: SEDA SMME Quarterly Update 3rd Quarter 2023

Economic Contribution of SMMEs

The share that SMMEs contribute to the turnover of all enterprises decreased to 38.2% in the third quarter of 2023, from 39.5% a year before. Their share of capital expenditure is larger than a year before, up from 15.8% to 18.5%. Regarding employment costs, their share was virtually unchanged around 52%, despite a drop of 2.5% in their employment costs.



Source: SEDA SMME Quarterly Update 3rd Quarter 2023

The South African economy, and the SMME sector, have been hit by several shocks which have derailed the post-covid recovery, for example, the flooding in KwaZulu-Natal and strike-related export disruptions. Although natural disasters, protests and strikes are a regular feature of the South African business landscape and, where possible, business should aim to have buffer available to cope with these interruptions to production and income. More intense and frequent load-shedding relative to earlier years is to be expected through at least 2023. This hurts production, adds to the cost burden, and so directly weighs on the profitability of businesses.

In part due to the expectation of more load-shedding in 2024, the South African economy is set to slow. This will weigh on general demand in the South African economy and hurts employment and investment growth prospects, which provides a further challenge to SMME owners following years of hardship. Fortunately, the expectation is that the electricity constraint should be alleviated somewhat from 2025 onwards and that economic growth should improve slightly too. Furthermore, while the load-shedding cost is set to remain for some time, general inflation is set to slow during this year. This should make turnover management easier for SMMEs.

2.2. GGT2030 – IMPLEMENTATION OF THE GCR VISION ALONG FIVE DEVELOPMENT CORRIDORS

GGT2030¹ defines the Vision of the Gauteng City Region (GCR) as:

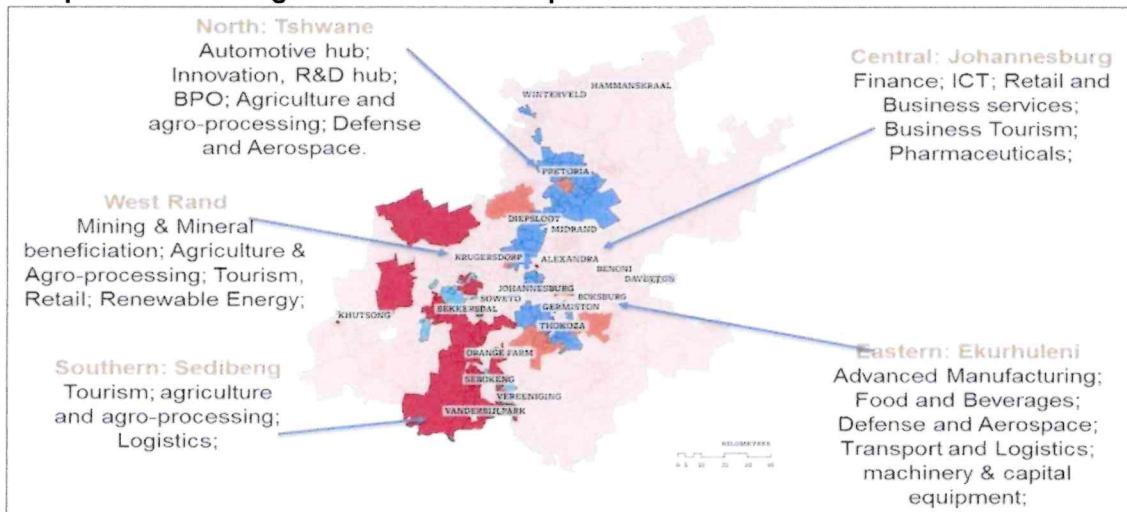
A smart, seamlessly integrated, socially cohesive, economically inclusive City Region at the cutting edge of new Africa's industrialisation:

- with an innovation-driven, knowledge-based economy and sustainable industries – Africa's hub of the fourth industrial revolution and especially artificial intelligence;
- an accountable, responsive, transparent, and clean government and an active citizenry.

Through strategic public and private sector investment in five development corridors, Gauteng is building a globally competitive GCR, which is a multi-tier and mega Special Economic Zone. It is a catalyst for industrialisation of neighbouring provinces – Limpopo, North West, Mpumalanga and Free State through joint inter-provincial planning, investments initiatives and infrastructure delivery.

This Vision of the “Gauteng we want by 2030” will be implemented along five development corridors that have distinct industries and different comparative advantages:

Comparative advantages of the GCR development corridors



There will be continued significant investment in each of these corridors, comprising a total of more than 8 000 economic and social infrastructure. Driven by integrated planning characterised by collaborations and leveraging, GEP's role is to tap into the investment opportunities and provide the necessary financial and development support to small enterprises to be able to access the opportunities provided by the developments of each corridor. The role of GEP becomes critical in

¹ Growing Gauteng Together 2030, Final Draft

increasing its footprints and responsiveness in the leveraging of economic opportunities created within the GCR. The comparative advantages of each corridor, and targeted developments, provides direction to GEP in terms of the sectors to focus on, considering repositioning and remodelling of GEP to play a significant role in industrial development within the province.

The plans for each corridor are summarised in the table below:²

Development corridor plans and priority developments

Northern Corridor (Tshwane) Consolidate Tshwane's Position as The Capital of the Republic and the Hub of The Automotive Industry Manufacturing, Innovation, R&D, Aerospace And Defence Industries.

Together with the private sector, government is unlocking more than R60 billion investment in key areas over the next decade. These include:

- The Automotive SEZ;
- Rosslyn Auto City;
- Menlyn Maine development;
- High-tech SEZ;
- Construction SEZ;
- Consolidate and regenerate existing areas (CBD, Centurion and Silverton);
- Infrastructure investment to revitalise townships and create economic opportunities; and
- Expansion of the Innovation Hub, contribute towards the vision of building an innovation ecosystem in Gauteng.

Central Corridor (Johannesburg)

Consolidate Johannesburg's Position as Africa's Financial and Technological Nerve Centre; and Pre-eminent Hub for Innovation, Research And Development

- The pipeline of concrete projects includes major investments in Rosebank, Sandton, Midrand and Fourways;
- The revitalisation of the Joburg inner-city;
- The mega projects in the south from Soweto to Orange Farm; and
- Revitalisation of townships

Together with the private sector, more than R200 billion of private investments in Johannesburg is being unlocked.

Western Corridor (Westrand)

Diversification of the West Rand economy anchored on mining to include tourism, agri-business and agro-processing

² Growing Gauteng Together 2030, Final Draft

There is a focus on investing in the creation of new industries, new economic areas and new cities. The focus of the joint initiatives is around tourism, agriculture and agro-processing and renewable energy projects. This includes diversifying the West Rand economy away from reliance on mining to include bus manufacturing, agri-business and agro-processing, renewable energy and tourism. The pipeline of concrete projects includes:

- The expansion of Busmark bus manufacturing plant;
- The Lanseria Airport expansion and the new Lanseria City Development;
- The Agro-processing Mega Park and Logistics Hub on the N12 highway, and other private sector mega projects

These projects are adding over R25 billion worth of investment into the western corridor.

Southern Corridor (Sedibeng)

Revitalise the economy of Sedibeng, which has suffered significant de-industrialisation due to the collapse of the steel industry

Sedibeng's catalytic investment projects include:

- The Savannah City
- Vaal River City and the Vaal University Village precinct to include:
 - Cargo airport and logistics hub
 - The Vaal Special Economic Zone
 - AB InBev investment project
 - Vaal Marina development and logistics and mining investments in Lesedi; and
 - The Gauteng Highlands projects

Working with national government, the private sector, SOEs and universities to direct infrastructure initiatives and human capital development interventions towards the same vision.

Collectively, these projects will unlock over R20 billion investment into the Vaal economy.

Eastern Corridor (Ekurhuleni) Build Ekurhuleni and OR Tambo International Airport Hub into Africa's largest Aerotropolis with advanced manufacturing and agro-processing capabilities, as well as globally competitive logistics capacity

Ekurhuleni's catalytic investment projects include:

- Tambo Springs Logistics Gateway;
- The PRASA-Gibela rail manufacturing hub in Nigel;
- The expansion of the Airport by Airports Company SA;
- Industrial Development Zone for jewellery manufacturing;
- Agro-processing and fuel-cell technology development;
- The development and investment in the fuel-cell technology;
- OR Tambo University of Science and Innovation; and
- Other major private sector developments taking place along R21 highway.

These projects will unlock over R200 billion worth of investment.

2.3. GEP LINE OF SIGHT TO NATIONAL AND PROVINCIAL MEDIUM-TERM PRIORITIES

The table below reflects GEP's **primary** line of sight to the National Development Plan, Vision 2030; MTSF 2019-2024; GGT2030; and Gauteng Economic Cluster Priorities:

NDP, Vision 2030	MTSF 2019-2024	GCT2030	Gauteng Economic Cluster Priorities	GEP Response (Provincial Plan Commitments)
Chapter 3: Economy and employment	Priority 2: Economic transformation and job creation:	Priority 1: Economy, jobs and infrastructure	<p>The clarion call is to support enterprises, including black industrialists, and to save and create decent jobs in the core industries of manufacturing, agro-processing, mining and beneficiation, and tourism.</p> <p>Specify, to:</p> <ul style="list-style-type: none"> ▪ Ensure DFIs pay more attention to employment creation, empowerment industrial diversification and development, small businesses and co-operatives. ▪ 30% of Gauteng spend to be ringfenced for township enterprises. ▪ Targeted financial support to township – based enterprises; aimed at improving their liquidity and sustainability. ▪ Localisation and product accreditation support to enhance formalisation, competitiveness and market readiness of township enterprises. ▪ Commit to upstream value capture in big-ticket spending areas of roads, housing and health. 	<p>1) Remodelling of GEP to facilitate growth and sustainability of emerging black industrial enterprises (in high growth sectors)</p> <p>2) Investment attraction and access to funding through partnerships and an integrated DFI referral system.</p> <p>3) Provide support to enterprises through Resource mobilisation.</p> <p>4) Provide opportunities for small enterprises to access government procurement opportunities through off-take agreements.</p> <p>5) Provide business development support to township-based small enterprises in key sectors, including:</p> <ul style="list-style-type: none"> ▪ Construction and manufacturing; ▪ Clothing and textile, leather and footwear; ▪ Wholesale and retail sector. <p>6) Business development support provided to township enterprises across all regions, at a spatial level, including the depressed regions.</p>

Impact Statements: <ul style="list-style-type: none"> Unemployment reduced to 20% - 24% with 2 million new jobs, especially for youth; Economic growth of 2%-3%; and Growth in levels of investment to 23% of GDP. 	<p>Outcome: A growing, labour-absorbing, inclusive, innovative, sustainable and globally competitive economy. Focus: 10 x high growth sectors.</p> <p>1) Create decent employment through inclusive growth:</p> <ul style="list-style-type: none"> Increase investment in the economic development of townships, deteriorating areas and peri-urban areas; Adopt measures to improve youth employment levels, including working with the Youth Employment Service (YES) and initiatives through Tshepo 1Million; Investing for accelerated inclusive growth; Improve the ease of doing business. <p>3) Industrialisation, localisation and exports:</p> <ul style="list-style-type: none"> Support localisation and industrialisation through government procurement (on designated products and services). <p>4) Reduce concentration, and monopolies and expanded small business sector:</p> <ul style="list-style-type: none"> Facilitate the increase in number of functional small 	<p>Also, collaboration in other sectors such as agriculture and agro-processing, climate and green economy, internet access and 4IR, tourism and informal economy.</p> <p>1) Create decent employment through inclusive growth:</p> <ul style="list-style-type: none"> Multi-tier SEZ interventions - depressed regions and key SEZ sectors, e.g. automotive. Reduced concentration of monopolies in key sectors of the economy – industrialisation, access to markets. <p>Therefore, to re-model and reposition the GEP to play a greater role as a vehicle to deliver financial and development support to emerging enterprises</p> <p>12) Implement procurement set-asides in line with MTSF targets – 40% women and 30% youth-owned businesses.</p> <p>2) Create an efficient, competitive and responsive economic infrastructure network:</p> <ul style="list-style-type: none"> Financial support provided for small enterprises in the prioritised sectors, including manufacturing and agro-processing. Support provided to informal businesses to formalise. Support co-operatives to be investment ready. Implement the youth accelerator programme across the five regions. Prioritise the provision of support to women-owned and persons with disabilities' enterprises.
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	<ul style="list-style-type: none"> ▪ Invest in SEZ to grow an inclusive economy, supportive of high-growth sectors, namely, agro-processing, creative and cultural, high-tech sectors / knowledge / digital / gaming; ▪ Strengthen development finance towards SMME development (50% of DFI financing to SMMEs); ▪ SMME development through incubation centres and digital hubs (270 established); ▪ Ensure inclusion of SMMEs in localisation and buy local campaigns; ▪ Explore the introduction of measures (such as tax breaks) for the first two years to support the establishment of new, small youth-owned start-ups (100,000 start-up youth business per annum - Job Summit Agreement).
5)	<ul style="list-style-type: none"> ▪ Quality and quantum of investment to support growth and job creation improved: ▪ Improve the quality and rate of infrastructure investment (R5 billion Infrastructure Fund). <p>Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities:</p>
6)	<ul style="list-style-type: none"> ▪ Minimum 40% target for Women, 30% for Youth and 7% for Persons with Disabilities.
	<ul style="list-style-type: none"> ▪ Invest in corridor-focused economic development to address Gauteng's regional economic inequalities and promote balanced development; ▪ Support local manufacturing by mandating the State to purchase 75% of goods and services from local producers, especially women and youth-led producers; ▪ Secure industrial financing for productive economic sectors, e.g. manufacturing competitiveness enhancement programme; ▪ Implement a cumulative incubation programme to provide skills and jobs in various sectors including furniture, artisans, chemical, pharmaceuticals, and mining. <p>3) Rigorously support the expansion and sustainability of SMMEs:</p> <ul style="list-style-type: none"> ▪ Launch the SMME fund to support the TER action plan; ▪ Address the domination of agriculture inputs by big business and the monopoly domination of agro-processing and food retail; ▪ Ensure that all SMMEs and township businesses contracting with the government are paid within 15 days;

- | | |
|--|---|
| Empower a significant number of emerging black firms as contractors and subcontractors, including women and youth-owned. | <p>4) Continue driving inclusive economic growth and meaningful economic opportunities for all, with specific focus on:</p> <ul style="list-style-type: none">○ SMMEs, co-operatives, township businesses, black-owned enterprises; and○ Target groups (youth, women and persons with disabilities) – supported by incubation programmes, improved access to funding and grants, access to market initiatives. <p>5) Deliver on the priority actions related to agriculture, agro-processing and associated infrastructure:</p> <ul style="list-style-type: none">▪ Continued support for farmers across the various agricultural value chains. <p>6) Developing the informal economy through inclusive growth.</p> |
|--|---|

Chapter 13: Building a capable and developmental State	MTSF Priority 1: A capable, ethical, and developmental State: Impact Statements: <ul style="list-style-type: none">▪ Public value and trust;▪ Active citizenry and partnerships in society.	Priority 5: Building a capable, ethical, and developmental State: Strategic Intent: Ensuring an accessible, responsive, ethical State that delivers. Primary Focus Areas: <ul style="list-style-type: none">1) Building efficient, smart systems, processes, and points of access that provide seamlessly integrated services across the Province – with government functioning as ‘one’;2) Prioritising a professional, performance-driven public sector for all of Gauteng;3) Eliminating corruption;4) Improving oversight and accountability to optimise government delivery;5) Driving meaningful two-way engagement with communities, as the basis for good governance.	As per MTSF and GGT2030	Sound governance, stakeholder oriented and high-performing organisation, including: <ul style="list-style-type: none">1) Reconfiguration and recapitalisation of GEP.2) Strategically aligned organisational structure – capacitated to implement strategy.3) Achieving and maintaining a clean audit outcome.4) Ensuring the financial sustainability of GEP.5) Improving customer satisfaction levels.6) Improving service delivery turnaround times.7) Improved systems and processes, based on 4IR / new technologies.8) Stringent consequence management.9) Employee performance management development.10) Develop alternative funding and partnership models.
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2.4. GEP FLAGSHIP PROGRAMMES / PROJECTS

GEP's programmatic response to the above priorities will be through several flagship programmes and ring-fenced projects, with ring-fenced budgets as follows:

OUTPUTS	2024/25 Budget R'000	2025/26 Budget R'000	2026/27 Budget R'000
Baseline Allocation	190 689	189 532	198 251
Ringfenced Budgets	74 241	75 125	78 499
Township Enterprise Revitalization (TER)	55 000	55 000	55 000
Youth Project Management Office (PMO)	10 000	10 000	10 000
Probity Audit	100	100	100
Project Evaluation (M&E requirements)	500	500	500
Discretionary Allocation	125 089	123 932	132 651

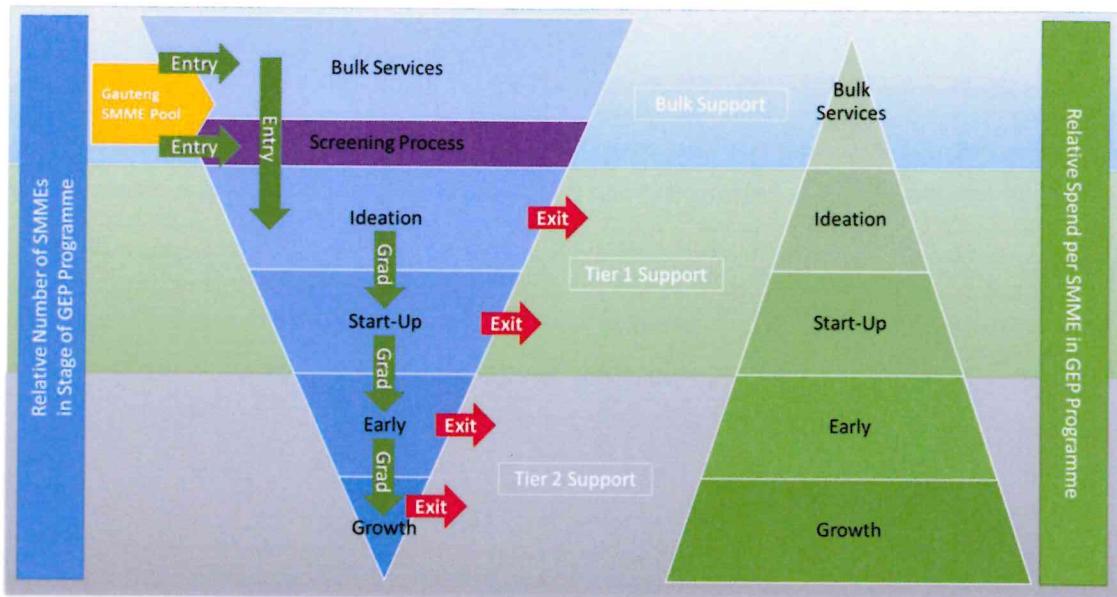
2.5. GAUTENG ENTREPRENEURSHIP MODEL INFORMING THE GAUTENG ENTERPRISE PROPELLER STRATEGY FOCUS FOR 2020/21-2024/25

GEM approach assists in striking a balance between the well-to-do businesses and those that are still emerging and need further jump-starting. The model addresses the challenges of small enterprises and co-operatives that are highly informal through the provision of compliance support, such as accreditation, product refinement, development of business plans and increased participation in the mainstream economy.

For the Gauteng Province, the model proposes that the programme outcomes should comprise a mixture of both large-scale broad impacts, as well as narrow, high-growth potential impact. It is necessary to position the support programme in two tiered levels that allow for the realisation of broader impact in the form of mass SMME development, while also allowing for the support of a selected number of elites 'gazelles' that would create greater economic growth and job creation impact.

The figure below reflects the structure of the support functions of the GEM.

Gauteng Entrepreneurship Model – structure of support functions



Gauteng Entrepreneurship Model, 2018

Drawing from the above figure, the model posits that the province plays a holistic and coordination role in the development process for small enterprises in the Gauteng Province (aggregator), through the following support elements:

- 1) **Bulk support elements:** In recognition of the large number of potential entrepreneurs and SMMEs that may require government support, the bulk support at this stage is focused on mass participation, allowing for maximum reach, and for the current "open-door" policy and function of entrepreneurship support to continue.
 - a) During this stage, the relative spend per business should be a minimal amount and should be focussed on basic support elements around informal business support and compliance aspects, such as CIPC and SARS registration and generic training.
 - b) Participation of SMMEs in this stage of support is also not based on any entry criteria but is open to any entrepreneurs that approach DFIs for funding.
- 2) **Tier 1 support elements:** This stage of the small enterprise development process is made up of ideation and start-up phase businesses. These stages are the start of the entrepreneurial journey for any small enterprise and are based on the development of the concept and concept validation (ideation), to activation of the business (start-up).
 - a) The critical thrust of this stage of the programme is to provide the support that **creates an environment in which entrepreneurs can explore and test concepts**. During the ideation stage, ideas should be tested, and failure should be embraced, and **risk-taking supported**, as key learning experiences that allow entrepreneurs to gain the knowledge, skills and capabilities that will equip them to identify business opportunities; to better

turn such opportunities into viable enterprises, effectively manage business risks and obstacles, and better manage their businesses.

GEP will provide bulk support to ensure that SMMEs and co-operative meet the traditional funder requirements. Its main responsibility is to prepare SMMEs and co-operatives to graduate or transition to the higher level characterised by market readiness and access to financial resources (higher thresholds). The table below depicts the SMMEs and co-operatives developmental growth paths and will serve as a guide for GEP in providing targeted support to entrepreneurs, particularly in the pre-start-up (ideation) and start-up phases.

Entrepreneurship growth path

Phase	Pre-Start-Up	Start-Up	Survival/Scale	Maturing	Long Haul
Characteristics	<ul style="list-style-type: none"> ▪ Idea development and business conceptualisation ▪ Research and planning 	<ul style="list-style-type: none"> ▪ Establishment of business and skilled team ▪ Reliant on knowledge and skills owner(s) ▪ Development of product offering and validation of market ▪ Product/service take-up and sales 	<ul style="list-style-type: none"> ▪ Business growing ▪ Expansion of staff complement ▪ Quality assurance becomes key ▪ Establishment of efficient systems ▪ Business become an attractive investment 	<ul style="list-style-type: none"> ▪ Business is well established ▪ Good growth and revenues ▪ Product diversification and expansion opportunities investigated ▪ Increase export sales 	<ul style="list-style-type: none"> ▪ Growth slows down ▪ Business needs to find new opportunities ▪ Founders sell or exit the business

Source, GEM, Gauteng Enterprise Propeller: 2018

Considering the above entrepreneurship pipeline, the Gauteng Province through GEM will focus on bringing the marginalised section of small enterprises into the mainstream economy. This will include identifying preparation, investment readiness support, concept preparation and improvement. GEP's focus will be on the provision of support to small businesses in the pre-start-up (ideation) and start-up phases of entrepreneurship development, followed by a referral, monitoring and mentoring process for the growth, maturity and long-haul phases.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court ruling updates relating to GEP.

PART B: OUR STRATEGIC FOCUS

Informed by the Gauteng Enterprise Propeller Act (No. 5 of 2005), other instructing legislation and policy, and under the strategic theme of GGT2030, the 6th Administration of the Gauteng Provincial

Government (GPG) has mandated GEP to be positioned as the centre or face of entrepreneurship, small enterprise development and industrial development in the Gauteng Province.

Specifically, the GEP mandate is to:

- Promote entrepreneurship, mobilise resources and facilitate an integrated approach to entrepreneurial development and support within the province.
- Provide financial and business development support for the growth and sustainability of small enterprises.
- Facilitate investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors in the province.

The mandate is carried out to ensure the sustainability, growth, and competitiveness of small enterprises as meaningful contributors to the overarching impact of the Gauteng Department of Economic Development, which is, ***"An inclusive and sustainable economic growth that stimulates jobs within the Gauteng City Region"***. The foundation of the mandate is a well-governed and high-performing organisation.

Aligned to this mandate understanding, the 2020/21–2024/25 Strategic Plan outlines the high-level strategic framework of GEP as follows:

VISION

A responsive and impactful propeller for sustainable business enterprises in the Gauteng Province

MISSION

In achieving its vision, the Gauteng Enterprise Propeller defines its mission as:

- Establishing a high performing professional, ethical and capable institution.
- Promoting entrepreneurship and facilitating an integrated approach to entrepreneurial development and support within the province.
- Creating Strategic Partnerships with a range of institutions for sustainable small enterprises and Cooperative development and support.
- Developing innovative financial solutions, tools, and channels to speedup increased market participation in the provision of affordable finance.
- Facilitating investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors.

The Mission is enabled by a well governed and high performing organisation.

VALUES

In working towards the achievement of its vision and mission, the Gauteng Enterprise Propeller subscribes to the following internal values which are in line with the *Batho-Pele* principles:

Value	Description - What it means in practice
Motivation	Passion for excellence in delivering quality services to Gauteng entrepreneurs.
Ownership	Accountability, honesty, and integrity displayed by management and employees in all stakeholder interactions.
Ubuntu	Compassion, respect, and dignity to be central in collaborations with other institutions to make a meaningful impact in small businesses.
Diversity	Recognising that it takes people from different backgrounds to make an organisation succeed.
Ethical Leadership	Demonstrating ethical leadership consistently to ensure the organisation is managed according to the code of ethics and led effectively.
Dependable	Customer centricity, responsiveness and striving to provide excellent client experiences.

The values require targeted management focus to ensure they are visible and "lived", and they are to be assessed as part of the performance management approach of the Gauteng Enterprise Propeller, under direction of the Board and the Chief Executive Officer.

GEP'S OUTCOMES				
Outcome 1: Improved Balance Sheet to support small enterprises	Outcome 2: Increased contribution of small enterprises in the Gauteng economy		Outcome 3: Sustainable enterprises that create and maintain jobs	
Outcome 4: Sustainable Black-owned industrial enterprises participating in high growth sectors	Outcome 5: Well-governed and high-performing organisation			

4. UPDATED SITUATIONAL ANALYSIS

A comprehensive situational analysis, including a PESTEL and SWOT, have been conducted and the findings are presented in the Strategic Plan for 2020/21–2024/25, to which this Annual Performance Plan is aligned.

SWOT Analysis:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Governance structures in place. • Accessibility and co-location of entities. • Ability to provide financial and non-financial support. • Partnerships with all the three National DFIs in the Province 	<ul style="list-style-type: none"> • High Cost to Income Ratio. • High % of Non-Performing Loans (NPL). • Inadequate Skills-Set. • Inadequate ICT system.
<ul style="list-style-type: none"> • Create an enabling environment for small businesses to access opportunities in the province. • GEP is positioned as a Resource Aggregator. • Partnerships and collaboration through Setas, DFIs and non-bank lenders, Private sector ESD and CSI, SEZs, industrial parks, agri-parks etc. • Creation of a strong pipeline of small businesses targeting public procurement. • Strengthen intergovernmental relations. • Improved marketing and communication for visibility enhancement. • Strengthen Post Investment programme function for improved collections. 	<ul style="list-style-type: none"> • Non-compliance with the Offtake agreement framework. • PFMA inhibiting transformation programs e.g. set asides. • Environment not conducive to support small businesses (covid-19) • Low debt collection due to depressed economy, poor due diligence. • Cyber crime

PESTLE Analysis:

POLITICAL	ECONOMIC	SOCIAL
<ul style="list-style-type: none"> Change of political leadership. New policy imperatives/priorities. Prioritization of Township businesses 	<ul style="list-style-type: none"> Poverty. Low economic growth. Loadshedding. Proximity and concentration of National DFIs in the province. Low investor confidence and credit ratings downgrade. 	<ul style="list-style-type: none"> Population migration to Gauteng Increase in grant beneficiaries. Unemployment and income inequalities
TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
<ul style="list-style-type: none"> Fourth industrial revolution Cyber security Digitization 	<ul style="list-style-type: none"> Climate Change Transition to green energy Water scarcity 	<ul style="list-style-type: none"> Copyright and patent laws National Credit Act Protection of Personal Information Act National small enterprise Bill Township Economy Development Act BBBEE Act

4.1. EXTERNAL ENVIRONMENT ANALYSIS

4.1.1. MACRO SOCIO-ECONOMIC ENVIRONMENT

Global Economic Developments

According to the International Monetary Fund (IMF), the global recovery from the pandemic of COVID-19 and the recent invasion of Russia to Ukraine is still fragile. Despite the quick economic recovery in 2023, and the progress of price stability from last year's peak, it is still early to be comfortable about economic status. Economic activities still suffer a short fall because of the likes of COVID-19 and Russia-Ukraine war, especially in emerging markets like, India, China, Brazil, and South Africa and developing economies. Several factors, such as the long-term results of the COVID-19 pandemic, the war between Russia and Ukraine as well as the effects of monetary and fiscal policy to intensify price stability (keeping inflation as low as possible) and recalling of fiscal support because of elevated levels of financial obligations still holds back the recovery phase.

Global growth is estimated to slow down from 3.0 percent in 2023 to 2.9 percent in 2024, which is a slight decrease from that of 2022-2023. Advanced economies such as, Canada, Australia, and Denmark to mention few, expect a slow down of 1.5 percent in 2023 to 1.4 percent in 2024. Both emerging markets and developing economies are expected to decrease by 4.0 percent for both 2023&2024 because of the property crisis in China as one of the reasons. Global inflation is estimated to decrease from 6.9 percent in 2023 to 5.8 percent in 2024.

Even though there are slight decreases in the global growth for 2023-2024 from that of 2022-2023, the economic outlook is still fragile because of the war between Russia and Ukraine and the severe storm of COVID-19. The property crisis in China is one of the reasons for emerging markets to have a negative slop. Global inflation encountered a decrease from 6.9 percent in 2023 to 5.8 percent in 2024 and is expected not to return to its target until 2025.

Policy makers must endeavor to assist both emerging markets and developing economies to improve their financial stability by putting necessary measures on both fiscal and monetary policy. This, among other things, will help to mitigate the property crisis faced by China and it will contribute positively to the global growth arena. Central banks need to restore dignity in fiscal policy in terms of debt controls and monetary policy must strive to maintain the price stability for relief of financial stress from both emerging and developing economies. However, there is a positive decline in global inflation from 2022 to 2023 and 2024 which indeed demonstrates a positive economic outlook. (Source: IMF Economic Outlook Report October 2023)

South African Economic Context

According to Statistics South Africa, economic growth in the third quarter of 2023 has decreased by 0.2 percent after a reasonable growth from the previous two consecutive quarters. This contraction was caused by headwinds in the third quarter including the outbreak

of avian flu in the Western Cape. This happened also because of weaker demand where manufacturing production declined by 1,3 percent. South Africa achieved a positive outcome in the balance of payment where exports increased by 0,6 percent and imports decreased by 8,6 percent in the third quarter of 2023. (Source: Statistics South Africa 2023, Q3 Gross Domestic Product)

Quarterly labor force released by Statistics South Africa shows that unemployment decreased by 0,2 percent in the third quarter of 2023. It fell from 32,6 percent from the previous quarter to 31,9 percent in the third quarter. In digital terms, the number of unemployed persons decreased by 72 000 and the number of employed persons arose by 399 000. The number of people who have since stopped looking for a job has decreased by 26 000 and the number of people who were not economically active decreased by 160 000 between quarter two and quarter three.

The formal sector played a vital role in the number of people employed in the third quarter of 2023, with increases in the finance industry by 230 000 and construction contributed about 122 000 and community and social services with a total of 101 000. (Source: Statistics South Africa 2023, Q3 Quarterly Employment Statistics Survey)

The annual inflation rate has decreased from 5,5 percent to 5,1 percent in the third quarter of 2023. It is within the target range of 3-6 percent as outlined by the South African Reserve Bank. This means that consumers are paying less than they used to pay in the previous quarter. The annual inflation for the previous quarter of 2023 was at 6,0 percent compared to that of 2022 which was at 6,9 percent. Inflation was high in the first month of 2023 from January-May, with the headline hitting 6,0 percent. It then decreased below this level for the remaining seven months of the year. The highest inflation rate in 2023 was recorded in March at 7,1 percent and the lowest was recorded in July 2023 at 4,7 percent. (Source: Statistics South Africa 2023, Q3 Consumer Price Index)

4.1.2. GAUTENG SOCIO-ECONOMIC ENVIRONMENT

Gauteng is located in the central north-eastern interior of the country. Covering 18,178km², the Province constitutes 1,4% of the total land area of South Africa, making it the smallest of South Africa's 9 provinces. Despite its size, Gauteng is home to 25% of South Africa's population, and generates just over a third of the country's gross domestic product, making it the nation's biggest provincial economy.³ Over the past five years, the Gauteng economy attracted R199 billion of foreign direct investment, and created 469 000 new jobs.⁴

Gauteng's economic footprint extends beyond its borders into the neighbouring provinces of the Free State, Mpumalanga and North West. The cities and towns of Rustenburg, Potchefstroom, Sasolburg, Secunda, Witbank and Middleburg are functionally connected to the province to form a wider city region. Gauteng is the 26th largest city region in the world and presents significant opportunities to drive growth for South Africa. Gauteng City Region economic assets rival other

³ Statistics South Africa, 2022

⁴ Gauteng SOPA, July 2022

major international cities, with leading universities, a young and increasingly educated workforce, access to well-connected infrastructure networks and a democratic governance system. Fifteen Global 2000 company headquarters are based in Gauteng, which compares favourably with that of Shenzhen (12), Mexico City (12), Santiago (9), Istanbul (7) and Cape Town (6)⁵.

By its strategic position in the national and SADC economy, Gauteng is best placed to champion an inclusive and growing economy, one that is labour-absorbing and ecologically sustainable. The province is resilient and, despite the tough global and national economic conditions, has maintained its position as the economic powerhouse of South Africa, contributing 34% to the economy.

4.1.3. SMALL ENTERPRISES DEVELOPMENT LANDSCAPE

The NDP ascribes a critical role to small enterprises in contributing to the growth of the South African economy, eliminating inequality, and reducing poverty. All over the world it has been recognised that the small business sector plays an important, if not a critical role, in the economic and social development of a country. This also applies to South Africa, where the small business sector has previously been neglected during much of the century, following the discovery of diamonds and gold and the establishment of a modern, capitalist economy with almost exclusive white control.

While the importance of large industrial, mining and other enterprises for the growth of the economy cannot be denied, there is ample evidence that the labour absorptive capacity of the small business sector is high, and the average capital cost per job created is usually lower than in big business, and its role in technical and other innovation is vital.

Globally over the last decade, it has become clear that big business and the formal economy is not able to create sufficient employment, and that SMMEs are key drivers of growth and job creation in better performing and more stable economies. This has been shown to be the case in Germany, India, Malaysia, the People's Republic of China and Taiwan, amongst others, in which small businesses represent over 95% of total businesses and employ between 60% and 85% of the total workforce. On the other hand, the contribution and participation of small business in the South African economy is far below its potential. SMMEs represent 98% of all businesses but employ only 47% of the total workforce⁶.

<https://finances.worldbank.org/Other/MSME-Country-Indicators-2014/psn8-56xf/data>

4.1.4. STATUS OF ENTREPRENEURSHIP IN GAUTENG

Drawn from the approved Gauteng Entrepreneurship Model (GEM)⁷, this section describes the status of the entrepreneurial landscape in Gauteng with respect to the profile and needs of small enterprises in the province. The insights have been developed by analysing the GEP database of support beneficiaries, complemented by an SMME Survey conducted among a sample of known SMMEs in the Province.

The data reveals the following:

- 1) Most participating SMMEs indicated that they were in operation for more than five years, yet support agencies report significant failure rates and poor sustainability of small businesses in South Africa and the Province. Many of these entities do not reach maturity, as the business owners are concurrent jobseekers, or not adequately capacitated to run a business, or unable to overcome growing challenges.
- 2) While businesses may remain registered and operational businesses over prolonged periods of time, most businesses are micro to small and are characterised as survivalist enterprises. These SMMEs do not appear to be truly sustainable and impactful, as is reflected in the limited job creation and income generation impact. They also often do not have the capacity to deliver (on time, to specified requirements, and in large quantities) on larger contracts.
- 3) Businesses in the services and construction sectors are the dominant business types in the province, with a significant share of businesses remaining informal/not registered. There is also limited business involvement in manufacturing, with many suppliers acting in wholesale capacity as middlemen to larger producers.

While entrepreneurs/ business owners may have, the technical skills required in delivering a specific product or service, they often lack the basic business skills (business management, marketing, accounting, customer service, etc.) required for successful business development.

In developing the GEM, the functioning and execution of support programmes aimed at entrepreneurship development were reviewed, from which the following findings were derived:

- 1) The current focus of government support programmes is on businesses in the start-up phase, with limited support in the ideation (pre-start-up to introduce new ideas and products and test markets), or growth phases (to take businesses to maturity and increase reach and impact).
- 2) Government support programmes tend to:
 - a) Focus on the quantity of businesses supported, rather than selecting “real entrepreneurs” with the potential to sustain and grow businesses (i.e. low entry threshold for support).

⁷ Gauteng Entrepreneurship Model Framework and implementation Plan, Final Draft, October 2018 (Data Analysis and Insights attributed to Urban-Econ)

- b) Provision of a generic product offering of ad-hoc support elements, rather than following an integrated development growth path and ongoing mentorship support with those businesses showing potential for growth. No graduation system or exit strategy is in place.
 - c) Limited monitoring/evaluation and aftercare of businesses supported, to determine impact and/or further support needs.
 - d) Priority groups/sectors in line with the economic base of specific regions and the policy direction of the province are not specifically/sufficiently targeted.
- 3) There appears to be limited cooperation, networking, and collaboration among government support agencies, as well as with other DFIs and the private sector, resulting in duplication, inefficiencies and such entities working in silos.
- 4) Systems are also not well integrated to identify businesses that are perpetually accessing grants from different agencies, without such interventions resulting in successful and sustainable businesses.

The above salient macro and sectoral environment trends and factors served to inform and provide context to the discussions on the GEP performance delivery environment and organisational environment reflected below.

4.2. INTERNAL ENVIRONMENT ANALYSIS

The GEP Board and management deliberated extensively on the internal/organisational environment which have bearing on the formulation of the 2020-2025 Strategic Plan and this 2024/25 Annual Performance Plan as is reflected in the sections below.

Highlights of achievements include:

- 1) GEP Strategy revision to align to TER and TMR Strategies (2015/16);
- 2) TER Strategy implementation through the GEP Community Fund, CAP and Township Business Renewal programmes.
- 3) Youth Accelerator Programme (solid results - to be remodelled to align with broader socio-economic challenges).
- 4) Pitching Booster Programme (solid results - to be remodelled to align with broader socioeconomic challenges).
- 5) Co-operatives boot camps to enhance capacity of township co-operatives and improve investment readiness; and
- 6) Establishment of Partnership Funds to supplement resources required for the expansion of financial support to small enterprises. The Township Economic Development Fund already has committed loans expended in the fall of the previous financial year.

Medium term priorities for the organisation, which respond to the reconfiguration of the Agency include the following:

- 1) In line with GEM, GEP will invest in those small businesses with an entrepreneurial mind-set - those willing and able to put in the work and build equity in the business, including with own money (cradle to grave approach to ensure sustainability of supported enterprises).
- 2) GEP will embrace four elements - accountability in our value chain; transparency in all areas of our business; openness and institutional integrity. These are enablers for resources mobilisation.
- 3) Remodelling - development of business case for GEP to play with the industrial financing space. Development of an Industrial Financing Product to create and grow sustainable employment and stimulate economic growth in the province.
- 4) Turnaround of GEP - resolve the burning issues around governance, policies, structure, debt collection, due diligence, etc.
- 5) Review GEP product offerings in line with the provincial mandate and strategy.
- 6) Target high-impact projects with huge economic multipliers AND balance development with high-impact interventions, e.g. development of Industrial Finance Product, Project Finance and Innovation Fund (4IR related projects/initiatives)).
- 7) Re-skilling and up-skilling of employees to meet the new challenges (becoming fit for purpose).
- 8) Maintain organisational stability within GEP.
- 9) GEP as a Provincial Resource Aggregator.
- 10) GEP to focus on localisation to increase production output of small businesses.
- 11) Strong focus on Agglomeration economies (targeting industrial sector clusters).
- 12) Forge strong collaborations and leveraging on economic opportunities in all the Gauteng Economic Corridors.

GEP as a Resource Aggregator Towards Small Business Development

The Gauteng Enterprise Propeller is in the process of strengthening its role as a Provincial Resource Aggregator. GEP will provide both Financial Support and Business Development Support to small enterprises in the multi-tier SEZ, the Industrial hubs, Agri-Parks, and all provincial Apex Programmes.

In response to the National and Provincial Economic Reconstruction and Recovery Plans and in the aftermath of the recent economic unrests in Gauteng, GEP will continue to fund small

enterprises affected by the 2021 economic unrests in Gauteng through the Gauteng Rebuilding Fund as part of the Gauteng Provincial Government's economic response. The fund includes equal contributions by GEP and the Industrial Development Corporation (IDC).

PART C: MEASURING OUR PERFORMANCE

The GEP Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2024/25, in the sections below:

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The GEP is constituted by the following programmes and aligned sub-programmes:

Programme N°	Programme Name	Sub-Programmes
Programme 1	Administration	<ul style="list-style-type: none"> ▪ Office of the Chief Executive Officer ▪ Office of the Chief Financial Officer ▪ Corporate Support and Administration ▪ Risk and Audit ▪ Strategy, Monitoring and Evaluation
Programme 2	Investment Management	<ul style="list-style-type: none"> ▪ Loan Management
Programme 3	Enterprise Support	<ul style="list-style-type: none"> ▪ Business Development Support ▪ Regional Operations
Programme 4 <i>(New, dependent on GEP repositioning)</i>	Resources Mobilisation and Industrial Financing	<ul style="list-style-type: none"> ▪ Resources Mobilisation and Strategic Partnerships

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. PROGRAMME PURPOSE

The purpose of Programme 1: Administration is to provide strategic leadership and transversal support services required by the GEP's core functional programmes and to ensure the successful implementation of the Entity's mandate through sustainable and integrated support and services.

5.1.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

"a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province"

the Administration Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 2: Increased contribution of small enterprises in the Gauteng economy

The 2024/25 performance plan of Programme 1 is reflected in the log frame tables below:

Programme 1 - Administration: Outcomes, Outputs Indicators and Annual Targets:

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS	
				2020/21	2021/22	2022/23		2023/24	2024/25
Enabling enterprise and supplier development to meet government demands, including through access to finance	2. Increased contribution of small enterprises in the Gauteng economy to benefit target groups	2.1. GEP procurement setasides to benefit target groups	2.1.1. Percentage of procurement spend on small enterprises owned by women	40%	41%	55%	50%	50%	50%
			2.1.2. Percentage of procurement spend on small enterprises owned by youth	30%	38%	50%	45%	45%	45%
			2.1.3. Percentage of procurement spend on small enterprises owned by persons with disabilities	7%	7%	9%	7%	7%	7%

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27
	2.1.4 Percentage of valid procurement Invoices paid within 15 days	-	100%	100%	100%	100%	100%	100%	100%	100%	100%
5. Well-governed and high-organisation	5.1 Unqualified Audit Opinion	5.1.1 Annual audit opinion	Unqualified Audit opinion for 2019/2020	Unqualified Audit Opinion for 2020/2021	Unqualified Audit Opinion for 2021/2022	Unqualified Audit Opinion for 2022/2023	Unqualified Audit Opinion for 2023/2024	Unqualified Audit opinion for 2024/2025	Unqualified Audit for opinion 2025/2026	Audit for Opinion 2025/2026	Audit for Opinion 2025/2026

Programme 1 - Administration: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct- Dec 2024	Q4 Jan - March 2025
2.1.1. Percentage of GEP procurement spent on small enterprises owned by women	Finance	50%	5%	10%	15%	50%

OUTPUT INDICATORS	RESPONSIBILITY	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - March 2025
2.1.2. Percentage of procurement spend on small enterprises owned by youth	Finance	45%	10%	20%	30%	45%
2.1.3. Percentage of procurement spend on small enterprises owned by persons with disabilities	Finance	7%	2%	3%	5%	7%
2.1.4. Percentage of valid procurement invoices paid within 15 days	Finance	100%	100%	100%	100%	100%
5.1.1 Annual audit opinion	Risk and Audit	Unqualified Audit opinion for 2023/2024	-	-	-	Unqualified audit opinion for 2023/2024

5.1.3. PROGRAMME 1: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Administration Programme aligns with the MTSF 2019-2024 and GGT2030 priorities of **building a capable, ethical, and developmental State**. The Programme is vital to ensuring the GEP can meet the expectations of the 6th Provincial Administration for the Entity is to be positioned as Gauteng's DFI and centre for SMMEs development and growth in the province. There are many elements to this mandate, including the need to reconfigure and capacitate the organisation to fulfil the role, to improve business processes and systems, to strengthen the governance framework and to ensure the GEP is adequately capitalised to support high-impact enterprise development programmes, including industrial sectors.

It is within this context that the main priority of the Administration Programme over the short to medium-term is to work closely with the Shareholder to finalise GEP reconfiguration and recapitalisation. The immediate priority of the Administration Programme is to enable the Agency to attain a clean audit outcome by meeting the three conditions of a clean audit, namely, unqualified audit opinion on the audit of financial statements, and zero findings on the audit of performance information and non-compliance with legislation. This will be pursued by ensuring the prior year external and internal audit action plans are implemented. A baseline stakeholder satisfaction rating will be determined by conducting a satisfaction survey by the end of the financial year.

Focus will also be given to ensuring the employment equity targets are achieved and that GEP implements the GGT2030 priority on procurements set asides, particularly to ensure that women, youth, and people with disabilities benefit from GEP procurement spend.

5.1.4. PROGRAMME 1 – ADMINISTRATION: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
Administration	99,295	105,942	81,948	65,712	62,196	61,039	69,758	
Total payments and estimates	99,295	105,942	81,948	65,712	62,196	61,039	69,758	

Expenditure Estimates:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation 2023/24	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2024/25	2025/26	2026/27	
Economic classification								
Office of the CEO	18,312	19,537	20,123	20,123	20,123	20,123	20,123	20,123
Office of the CFO	18,890	20,155	20,759	20,759	20,759	20,759	20,759	20,759
Corporate Support and Administration	22,470	23,974	24,693	18,790	18,790	18,790	18,790	18,790
Goods and services	39,623	42,276	16,373	6,040	2,524	1,367	10,086	
Total payments and estimates	99,295	105,942	81,948	65,712	62,196	61,039	69,758	

Expenditure Estimates by Economic Classification:

Programme 1: Administration (R'000)	Audited outcome			Adjusted appropriation 2023/24	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2024/25	2025/26	2025/26	
Economic classification								
Current payments	-	-	-	-	-	-	-	-
Compensation of employees	50,599	59,672	59,672	59,672	59,672	59,672	59,672	59,672
Goods and services	36,117	39,623	22,276	6,040	2,524	1,367	10,086	
Total	86,716	99,295	81,948	65,712	62,196	61,039	69,758	

Resources' contribution to achieving the outputs:

The budget allocation for Programme 1 remains R62m and will continue to contribute towards the ramping up of procurement expenditure.

For personnel, related expenditure, the allocated budget in the financial period will amount to R59million for Programme 1. The allocation for Goods and Services is mostly for the leases and implementation of IT contracts including provision for the procurement of day-to-day operations of the organisation.

5.2. PROGRAMME 2: INVESTMENT MANAGEMENT

5.2.1. PROGRAMME PURPOSE

The purpose of Programme 2: Investment Management (IM), is to ensure the optimal deployment of available loan and grant funding to support the development, growth and sustainability of qualifying small enterprises. The Programme is tasked to manage the loan book effectively through the approval of loans, disbursement of approved loans and timeous loan recoveries.

5.2.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

"a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province"

the Investment Management Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 3: Sustainable enterprises that create and maintain jobs

Outcome 4: Sustainable Black-owned industrial enterprises participating in high growth sectors

The Investment Management Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Loan Management	Funding of all small enterprises, including cooperatives and informal businesses

The 2024/25 performance plan of Programme 2 is reflected in the log frame tables below:

Programme 2 – Investment Management: Outcomes, Outputs Indicators and Annual Targets:

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	ESTIMATED PERFORMANCE				MEDIUM-TERM TARGETS		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Enable co-investments between state and private sector as well as wider investment facilitation in infrastructure	3. Sustainable enterprises that create and maintain jobs	3.1. Financially supported small enterprises creating jobs	3.1.1 Percentage of loans committed from the Investment Management programme	-	-	297%	100%	100%	100%	100%
		3.1.2 Percentage rate of committed loans disbursed	3.1.2 Percentage rate of committed loans disbursed	91%	96%	85%	85%	85%	85%	85%
		3.1.3 Percentage of blended funding committed for youth-owned small enterprises disbursed	3.1.3 Percentage of blended funding committed for youth-owned small enterprises disbursed	-	-	97%	85%	85%	85%	85%
		3.2 Grant funding for small enterprises	3.2.1 Percentage of grants committed	-	-	170%	100%	100%	100%	100%

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27		
			3.2.2. Percentage rate of committed grants disbursed	-	94%	100%	90%	90%	90%	90%		
			3.3.1 Percentage of grants committed for informal traders	-	-	154%	100%	100%	100%	100%	100%	
			3.3. Grant funding for informal traders									

Programme 2 - Investment Management: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
3.1.1 Percentage of loans committed from the Investment Management programme	Investment Management	100%	10%	40%	60%	100%
3.1.2 Percentage rate of committed loans disbursed	of Investment Management	85%	5%	30%	65%	85%

OUTPUT INDICATORS	RESPONSIBILITY	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 - Apr - Jun 2024	Q2 - Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
3.1.3 Percentage of funding committed for youth-owned small enterprises disbursed	Investment Management	85%	5%	30%	65%	85%
3.2.1 Percentage of grants committed	Regional Operations	100%	10%	23%	66%	100%
3.2.2 Percentage rate of committed grants disbursed	Regional Operations	90%	5%	30%	60%	90%
3.3.1 Percentage of grants committed for informal traders	Regional Operations	100%	10%	23%	66%	100%

5.2.3. PROGRAMME 2 – INVESTMENT MANAGEMENT: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The contribution of the Investment Management Programme is to MTSF 2019-2024 Priority 2: Economic transformation and job creation; and GGT2030 Priority 1: Economy, jobs, and infrastructure. The Programme is pivotal to government's priority of supporting small enterprises, particularly those that are township-based, to become sustainable and meaningful participants in the economy, thus creating sustainable jobs.

Effectively managing the loan book through loan approvals, timeous disbursements and high rates of loan recoveries is an important element of the development, growth, and sustainability of SMMEs in the province. By integrating financial support with the non-financial support mechanisms of the Enterprise Support Programme, the GEP will work towards achieving the outcome on increasing the number of sustainable small enterprises, as reflected in the Strategic Plan.

Key priorities include:

- 1) Optimising the available capital by providing loans to a fewer number of small enterprises with high potential for growth and job creation.
- 2) Ensuring that loans approved are disbursed timeously.
- 3) Improving debt collection and pushing up the targets for loans recoveries. Inherently, this means improving the due diligence processes.
- 4) Ensuring that priority is given to funding small enterprises owned by women, youth and people with disabilities, towards an allocation of 30% to women, 30% to youth and 5% to people with disabilities.

5.2.4. PROGRAMME 2 – INVESTMENT MANAGEMENT: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 2: Investment Management (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Investment Management	30,851	32,916	33,903	60,656	76 566	80 656	85 656
Total payments and estimates	30,851	32,916	33,903	60,656	76,656	80,656	85,656

Expenditure Estimates by Economic Classification:

Programme 2: Investment Management (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Economic classification							
Current payments	-	-	-	-	-	-	-
Compensation of employees	10,656	11,370	11,710	10,656	10,656	10,656	10,656
Goods and services	20,195	21,547	22,193	50,000	65 000	70 000	85 000
Total	30,851	32,916	33,903	60,656	76,656	80,656	85,656

Resources' contribution to achieving the outputs:

Investment Management Programme's budget allocation will assist in the capitalization of the programme and ensure that emerging small enterprises benefit from loan funding.

Included in the amount of R65 million is 30 million baseline allocation and 35 million projected collections for the year 2024/25 and subsequent increase of 5 million year on year until 2026/27.

5.3. PROGRAMME 3: REGIONAL OPERATIONS AND ENTERPRISE SUPPORT

5.3.1. PROGRAMME PURPOSE

The purpose of Programme 3: Regional Operations and Enterprise Support is to provide tailor-made, business development support for the development and growth of small enterprises through the Gauteng Entrepreneurship Model (GEM) stages of ideation, start-up and early growth. Furthermore, through a referral system to ensure investment ready small enterprises receive the required financial support through GEP loans or through loans provided by other DFIs or cofounders. The Programme is responsible for handholding supported businesses in the growth, mature and decline stages using business monitors and mentors, and to intervene timely to support sustainability and mitigate business failure.

5.3.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

"a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province"

the Enterprise Support Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 3: Sustainable small enterprises that are creating jobs

The Regional Operations and Enterprise Support Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Regional Operations (regional) and Enterprise Support (central, head office)	<ul style="list-style-type: none"> ▪ Mentoring; ▪ Post-investment support and aftercare; ▪ Business incubation; ▪ Product development; ▪ Facilitation of grant funding for qualifying small enterprises; ▪ CIPC registrations; and ▪ Informal traders support.

The 2024/25 performance plan of Programme 3 is then reflected in the log frame tables below:

Business Development Support

The Business Development Support will assist to improve the performance of the enterprise, access to markets and ability to comply and compete. Furthermore, the program assists in developing productive capacities of small businesses. It includes an array of business services such as training, marketing, information. The business development interventions that the entity provides include Planning, Human Resources, Operational Support, Quality support, technical support, legal support and raising finance support interventions.

Programme 3 – Regional Operations and Enterprise Support: Outcomes, Outputs Indicators and Annual Targets:

GGT2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27		
Business Development Support to improve SMME compliance capabilities	3.Increased number of supported small enterprises that are sustainable and creating jobs	3.1. Business Development Interventions for small enterprises in all the economic sectors	3.1.1. Percentage of Business Development interventions committed for small enterprises.	-	-	-	199%	100%	100%	100%	100%	100%
Integrate youth employment and self-employment channels into all economic initiatives in partnership with Tshepo 1 Million	3.2 Youth supported through the Youth Accelerator Programme	3.2.1 Number of youths that benefitted from the Youth Accelerator Programme	533	109	94	100	100	100	100	100	100	100

Programme 3 – Regional Operations and Enterprise Support: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
3.1.1 Percentage of Business Development interventions committed for small enterprises	Regional Operations	100%	5%	35%	80%	100%
3.2.1 Number of youth that benefitted from the Youth Accelerator Programme	Enterprise Support	100	-	-	50	50

5.3.3. PROGRAMME 3 – REGIONAL OPERATIONS AND ENTERPRISE SUPPORT: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The contribution of the Regional Operations and Enterprise Support Programme is to MTSF 2019/2024 Priority 2: Economic transformation and job creation; and GGT2030 Priority 1: Economy, jobs, and infrastructure.

The short to medium term focus is on:

- 1) Implementation of the Gauteng Entrepreneurship Model (GEM) and ensuring an integrated approach, with the Investment Management Programme, in working towards the outcome of ensuring the sustainability of small enterprises, as reflected in the Strategic Plan.
- 2) Refining of the Business Development Support products to be implemented in support of the priorities of the 6th Administration.
- 3) Continued focus on the Youth Accelerator Programme and prioritising support for enterprises in the depressed regions as per GGT2030.

5.3.4. PROGRAMME 3 – REGIONAL OPERATIONS AND ENTERPRISE SUPPORT: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 3: Regional Operations and Enterprise Support (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
108 607	101,204	107,979	111,216	94,965	87,837	87,837	87,837	
108 607	101,204	107,979	111,216	94,965	87,837	87,837	87,837	

Expenditure Estimates by Economic Classification:

Programme 3: Regional Operations and Enterprise Support (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
Economic classification								
Current payments	-	-	-	-	-	-	-	-
Compensation of employees	52,837	56,374	58,064	52,837	52,837	52,837	52,837	52,837
Goods and services	48,367	51,605	53,152	42,128	35,000	35,000	35,000	35,000
Total	101,204	107,979	111,216	94,965	87,837	87,837	87,837	87,837

Resources' contribution to achieving the outputs

The budget allocation for Programme 3 supports a range of business development support projects aimed at developing and supporting SMME's and co-operatives and ensuring they are provided with access to market opportunities, including the Youth Accelerator Programme and targeted support for small enterprises in key sectors. The budget allocation also caters for the rollout of targets relating to supporting township manufacturers and small enterprises in the construction industry.

The budget includes the implementation of Gauteng's Township Economic Revitalisation projects, which are aimed at enhancing reindustrialisation through the development of black-owned enterprises. These programmes seek to increase the number of SMMEs, and co-operatives actively participating in the Gauteng's mainstream economy and identified priority economic sectors.

5.4. PROGRAMME 4: RESOURCE MOBILISATION AND INDUSTRIAL FINANCING

5.4.1. PROGRAMME PURPOSE

The purpose of Programme 4: Resources mobilisation and industrial financing is to actively promote entrepreneurship in the province, to mobilise resources through strategic partnerships and to facilitate an integrated approach among DFIs and other role-players to entrepreneurial development and support within the province. The Programme is also aimed at supporting the industrial development drive of the province by facilitating investment in high-impact business enterprises that dilute monopolies and stimulate high rates of employment.

5.4.2. PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the GEP's vision of:

"a responsive and impactful propeller for sustainable business enterprises in the Gauteng Province"

the Resources Mobilisation and Industrial Financing Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: Improved Balance Sheet to support small enterprises.

The Resources Mobilisation and Industrial Financing Programme covers the following sub-programme and functions:

Sub-Programme	Functions
Stakeholder Management and Resources Mobilisation	<ul style="list-style-type: none">▪ Resources mobilisation▪ Stakeholder management▪ Industrial financing

Programme 4 is reliant on the repositioning and recapitalisation of the GEP to play a more significant role in high-growth sectors through support for emerging black industrial enterprises. As the repositioning process is not yet concluded, the performance information is limited to the current function of stakeholder management and resources mobilisation.

The 2024/25 performance plan of Programme 4 is then reflected in the log frame tables below:

Programme 4 – Resources Mobilisation and Industrial Financing: Outcomes, Outputs Indicators and Annual Targets:

GGT 2030 STATEMENT	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
				2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
Enabling enterprise and supplier development to meet government demands, including through access to finance	1. Improved Balance Sheet to support small enterprises	1.1 Collections from the Loan Book	1.1.1 Collection rate of the Loan Book	-	15%	41%	41%	25%	25%	25%	

Programme 4 – Resources Mobilisation and Industrial Financing: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	RESPONSIBILITY	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
			Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
1.2.1 Collection rate of the Loan Book	Finance	25%	-	15%	20%	25%

5.4.3. PROGRAMME 4 – RESOURCES MOBILISATION AND INDUSTRIAL FINANCING: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Resources Mobilisation and Industrial Financing Programme is newly established to give effect to the directive of the 6th Administration that GEP be repositioned as the centre (face) of entrepreneurship in Gauteng, by ensuring an integrated approach among DFIs and other strategic partners in the Province. The New Vision and Plan that advocates for GEP as a Resource Aggregator in the province would ensure the realisation of integration and creation of sustainable businesses.

The focus of the Programme is, therefore, on mobilising resources and building partnerships with co-funders and other delivery partners to significantly upscale the levels and extent of support, both financial and Business Development support provided to small enterprises in Gauteng.

5.4.4. PROGRAMME 4 – RESOURCES MOBILISATION AND INDUSTRIAL FINANCING: RESOURCE CONSIDERATIONS

Expenditure Estimates:

Programme 4: Resources Mobilisation and Industrial Financing (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
Industrial Financing Programme	-	-	R200m	R150m	-	-	-	-
Total payments and estimates	-	-	R200m	R150m	-	-	-	-

Expenditure Estimates by Economic Classification:

Programme 4: Resources Mobilisation and Industrial Financing (R'000)	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
Economic classification								
Compensation of employees	-	-	-	-	-	-	-	-

Goods and services	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

The funding of Programme 4 will continue to be supplemented by the Compensation of Employees and Goods and services Budgets under Programme 3. However, a process will be undertaken to establish a Cost Centre for this Programme. Employees under this Programme are remunerated through Programme 3.

6. UPDATED KEY RISKS

Outcome	Key Risk	Risk Mitigation/Opportunities
1. Improved Balance Sheet to support small enterprises	<ul style="list-style-type: none"> ▪ Negative association risks with mobilised partners. ▪ Reputational risk impact on GEP's brand for attraction of potential partners. ▪ Limited human resource and legal capacity for resource mobilisation and management. ▪ Limited attraction of capital 	<ul style="list-style-type: none"> ▪ Vetting of and risk assessment on potential partners. ▪ Obtaining clean audit opinion, obtaining improved brand survey outcomes, implementation of the governance maturity aligned to ESG model and mapping of enabling stakeholders and partners. ▪ Implementation of the skills audit outcomes, recruitment of the panel of service to aggregation of funds for SMMEs (asset managers /fund managers), including setting-up of the Provincial Capital Fund
2. Increased contribution of small enterprises in the Gauteng economy	<ul style="list-style-type: none"> ▪ Change of government policy of empowerment (e.g. set-asides) ▪ Inability to maximise on procurement opportunities and empowerment policy opportunities. 	<ul style="list-style-type: none"> ▪ Identification and securing of offtake agreements with other government agencies and private sector. ▪ Increasing procurement from youth, women and disabled persons - owned SMMEs, including increased disbursement of financial support to these SMMEs ▪ Funding and business support of black industrialist ▪ Funding of new players in the new economics sectors and high growth sectors
3. Sustainable enterprises that create and maintain jobs	<ul style="list-style-type: none"> ▪ Limited capital for business finance (financial, nonfinancial, industrial support). ▪ Investing in or funding of businesses in poorly performing economic sectors. 	<ul style="list-style-type: none"> ▪ Shareholder recapitalisation of GEP and capital risk-sharing with partners for funding of (financial, non-financial, industrial support). ▪ Enhanced due diligence supported by industry research to inform economic outlook and

Outcome	Key Risk	Risk Mitigation/Opportunities
	<ul style="list-style-type: none"> ▪ Non-investment in new economic sectors. ▪ Non-application of the ESG (Environment, Social Inclusivity and Governance) Model in business finance (financial, non-financial, industrial support). ▪ Poorly defined and implementation of the pre-investment and post-investment strategy. ▪ Non-application of GEM model for formalisation and sustainability of businesses. ▪ Limited due diligence and definition of business processes. 	<p>performance. Investment into business expansions of performing and existing business (receipt of dividends).</p> <p>Funding of feasibility studies for new economic sectors with a view of bringing in new players</p> <p>Development and implementation of the ESG matrix, as part of enhanced due diligence, including sourcing of ESG.</p> <p>Benchmark, develop and implement the enhanced pre-investment and post-investment strategy (panel of mentors).</p> <p>Development and implementation of a non-financial support strategy aligned to GEM.</p>
4. Black-owned industrial enterprises participating sustainably in high growth sectors	<ul style="list-style-type: none"> ▪ Non-identification of the monopolies and lack of penetration strategy. 	<p>Automation of the enhanced due diligence business processes, reskilling and recruitment of suitable investment managers (financial, non-financial, industrial support).</p> <p>Implementation of the targeted black empowerment industrial financing through capital risk sharing aligned to ESG Model (emphasis on financial and social returns to GEP).</p> <p>Research and identify high financial and social return projects for funding an business development financial funding for labour intensive industrial monopolies through equity investment.</p>

Outcome	Key Risk	Risk Mitigation/Opportunities
5. Well-governed and high-performing organisation.	<ul style="list-style-type: none"> ▪ Poor organisational and employee productivity. ▪ Poor governance (internal controls, compliance, risk management and governance). ▪ Low organisational and employee productivity due to coronavirus lockdown (i.e. 36 days and level 4 lockdown), thus negatively affecting the rolling-out APP targets, adequacy and spending of budgets and execution of operational plans and governance activities ▪ Limited availability of tools of trade for on-site and virtual employees (such as data allocation, laptops and ICT applications, vehicle) ▪ Limited budget availability for both financial and nonfinancial support, including special Shareholder/mandated projects ▪ Limited communication with both internal and external stakeholders in relation to the coronavirus effects 	<ul style="list-style-type: none"> ▪ Defined employee and organisational performance targets for contracting purposes, defined remuneration philosophy (short and long-term incentives), embedding and practice of GEP values for improved organisational culture. ▪ Tracing and monitoring of the implementation of the strategic risk mitigations, internal audit, external audit logs, including the Board annual risk assessment outcomes ▪ Tracing and monitoring of the organisational productivity and performance core card ▪ Tracing and monitoring of the organisational productivity and performance score card ▪ A Board-supported business continuity plan in place and being costed for implementation ▪ Explore purchase of all tools of trade and upgrading of data allowance for all staff, including installation of required ICT applications ▪ Leveraging on Strategic Partnerships in government (e.g. Dept. of Small Business Development) and private sector to mobilise resources and facilitate integrated responses to support distressed small enterprises across the Province; ▪ Crisis communication plan will be developed and rolled-out to inform all stakeholders about active GEP operations

The detailed Gauteng Enterprise Propeller Risk Register is reviewed monthly by Exco, and quarterly at each meeting of the Risk and Governance Committee and the Board.

7. PUBLIC ENTITIES

N/A

8. PUBLIC / PRIVATE PARTNERSHIPS

GEP has an SMME Partnership Programme with the Industrial Development Corporation (IDC)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: ADMINISTRATION

Indicator Title	Percentage of procurement spend on small enterprises owned by women
Definition	This indicator measures the percentage of GEP procurement spent on women owned businesses. Women are adult female human beings.
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by women divided by the total Rand value of procurement Budget for women service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, CSD Report and Proof of Payments
Assumptions	Suppliers are registered on the central supplier database Suppliers banking details are updated
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 52% procurement spend to small enterprises that are owned or controlled by women
Indicator Responsibility	CFO

Indicator Title	Percentage of procurement spend on small enterprises owned by youth
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Definition	This indicator measures the percentage of GEP procurement spent on youth owned businesses. The National Youth Policy defines youth as any persons between the ages of 14 and 35 years. Youth is the time of life when a person is young and often means the time between childhood and adulthood (maturity).
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by youth divided by the total Rand value of procurement Budget on youth service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, CSD Report and Proof of Payments
Assumptions	Suppliers are registered on the central supplier database Suppliers banking details are updated
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 45% procurement spend to small enterprises that are owned or controlled by youth
Indicator Responsibility	CFO

Indicator Title	Percentage of procurement spend on small enterprises owned by persons with disabilities
Definition	This indicator measures the percentage of GEP procurement spent on businesses owned by persons with disabilities. Persons with disabilities are people who have long-term physical, mental, intellectual, or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.

	A person has a disability if they have a physical or mental impairment, and the impairment has a substantial and long-term adverse effect on the person's ability to carry out normal day-to-day activities.
Source of data	SCM Procurement Spend Report / Quarterly Management Accounts Report
Method of Calculation / Assessment	Sum of the Rand value of GEP procurement spend on small enterprises that are owned by persons with disabilities divided by the total Rand value of procurement Budget on persons with disabilities-owned service providers over the same cumulative (year-to-date) period, expressed as a percentage.
Means of verification	SCM Procurement Spend Report, B-BBEE Certificate or CSD Report and Proof of Payments
Assumptions	Suppliers are registered on the central supplier database Suppliers banking details are updated
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 7% procurement spend to small enterprises that are owned or controlled by persons with disabilities.
Indicator Responsibility	CFO

Indicator Title	Percentage of valid procurement Invoices paid within 15 days
Definition	This indicator measures the percentage of valid procurement Invoices paid within 15 days after submission for payment to the Office of the CFO.
Source of data	Payment Report / Management Accounts Report
Method of Calculation / Assessment	Total number of valid invoices paid within 15 days after receipt, divided by the total number of invoices received for payment.
Means of verification	Payment Report
Assumptions	Timeous submission of valid Invoices for payment

Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable</u> 100% payment of valid procurement invoices within 15 days
Indicator Responsibility	CFO

Indicator Title	Annual audit opinion
Definition	The performance indicator measures annual audit opinion obtained in the previous financial year for both financial and non-financial
Source of data	Signed 2023/2024 External Audit Report
Method of Calculation / Assessment	Signed 2023/2024 External Audit Report
Means of verification	Signed 2023/2024 External Audit Report
Assumptions	Unqualified audit opinion received
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	Unqualified Audit opinion
Indicator Responsibility	GM: Risk and Audit

PROGRAMME 2: INVESTMENT MANAGEMENT

Indicator Title	Percentage of loans committed from the Investment Management Programme
Definition	<p>This indicator measures loans that are committed against allocated budget.</p> <p>Loans committed are funds GEP is willing to pay for received, assessed, and adjudicated loan applications, if certain predetermined conditions are met by the applicants.</p> <p>Loans committed will also include those that were committed in the previous financial year.</p> <p>Small enterprises to benefit from the loans include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> • Automotive, Aerospace and Defence • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis
Source of data	Signed commitment list from the previous financial year / Loan Approval List
Method of Calculation / Assessment	Sum of the rand value of committed loans divided by the total budget allocated at the beginning of the financial year for the Investment Management Programme, to determine the percentage of committed loans from the Investment Management Programme
Means of verification	Management and Board Committee Resolutions
Assumptions	Approved loan applications committed

Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 100% of approved loans committed from the Investment Management programme
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed loans disbursed
Definition	This indicator is measuring loans disbursed. Disbursement means the payment of money for committed loan applications. The disbursed loans include those that were committed but not disbursed in the previous financial year.
Source of data	Loan approval list / Disbursements Report / Signed commitment list
Method of Calculation / Assessment	Sum of the total monetary value of disbursed loans divided by the total monetary value of the committed loans to determine the percentage of loans disbursed.
Means of verification	Signed commitment list from the previous financial year, Management and Board Committee Resolutions, Proof of Payments
Assumptions	Committed loans disbursed. Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative

Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 90% of committed loans disbursed
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed blended funding for youth-owned small enterprises disbursed
Definition	<p>This indicator is measuring disbursements of the blended funding for youth-owned small enterprises against allocated budget.</p> <p>Disbursement means the payment of money for committed blended funds applications.</p> <p>Blended funds refer to funds comprising equal split of loans and grants.</p> <p>The disbursed blended funding includes funds committed but not disbursed in the last quarter of the previous financial year.</p> <p>The budget ring fenced for the blended funds dedicated to youth-owned enterprises is not less than R10m in the 2024/2025 financial year.</p> <p>Small enterprises to benefit from the blended funds include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> • Automotive, Aerospace and Defence • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis
Source of data	Blended finance approval list / Disbursement Report Limited to Budget

Method of Calculation / Assessment	Sum of the total monetary value of the blended funds disbursed for youth-owned businesses divided by the total monetary value of the blended funds committed, to determine the disbursement rate.
Means of verification	Management and Board Committee Resolutions and Proof of Payments
Assumptions	Committed loans disbursed Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	As per indicator
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 85% of approved blended funding for youth-owned small enterprises disbursed
Indicator Responsibility	COO

Indicator Title	Percentage of grants committed
Definition	<p>This indicator measures grants that are committed against allocated budget.</p> <p>Grants committed are funds GEP is willing to pay for received, assessed and adjudicated grant applications, if certain predetermined conditions are met by the applicants.</p> <p>Grants committed will also include grants committed but not disbursed in the previous financial year.</p> <p>Small enterprises to benefit from the grants include those in the priority sectors and /or high growth sectors i.e.</p> <ul style="list-style-type: none"> • Automotive, Aerospace and Defence • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix

	<ul style="list-style-type: none"> • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis
Source of data	Signed commitment list from the previous financial year / Grants Approval List
Method of Calculation / Assessment	Sum of the total rand value of committed grants divided by total budget allocated at the beginning of the financial year for grants, to determine the percentage of committed grants
Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Grant applications committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	All Gauteng Regions
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> 100% of approved grants committed
Indicator Responsibility	COO

Indicator Title	Percentage rate of committed grants disbursed
Definition	<p>This indicator is measuring grants disbursed.</p> <p>Disbursement means the payment of money for committed grant applications.</p> <p>The disbursed grants will include grants committed but not disbursed in the previous financial year.</p>
Source of data	Grants approval list / Disbursement Report / Signed commitment list

Method of Calculation / Assessment	Sum of the total monetary value of disbursed committed grants (excluding grants for informal traders) divided the total monetary value of committed grants (excluding grants for informal traders), to determine the disbursement rate
Means of verification	Signed commitment list from the previous financial year, Management / Board Committee Resolutions and Proof of Payments
Assumptions	Committed grants disbursed. Limited to Budgeted funds
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	All Gauteng Regions
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable.</u> 90% of approved grants disbursed
Indicator Responsibility	COO

Indicator Title	Percentage of grants committed for informal traders
Definition	This indicator measures grants that are committed for informal traders. Informal traders are unregistered (with CIPC) enterprises in the unaccounted sectors of the economy. Examples of informal traders include spaza shops, hawkers, and pavement sellers / as per GIBUS. The committed grants will also include those that were committed but not disbursed in the previous financial year.
Source of data	Signed commitment list from the previous financial year / Informal Traders Grants Approval List
Method of Calculation / Assessment	Sum of rand value of committed informal traders grants divided total budget allocated at the beginning of the financial year for informal traders grants, to determine the percentage of grants committed for informal businesses
Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Grant funding committed

Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable 100% of approved Grants for informal businesses committed
Indicator Responsibility	COO

PROGRAMME 3: ENTERPRISE SUPPORT AND REGIONAL OPERATIONS

Indicator Title	Percentage of Business Development Interventions committed for small enterprises
Definition	<p>This indicator is measuring the rand value invested on Business Development Interventions against allocated budget</p> <p>Business Development initiatives committed are in line with Section 4 (2) (a) of the GEP Act, include, but not limited to the following:</p> <ul style="list-style-type: none"> (i) assisting with business plans; (ii) accounting and legal services; (iii) computer and other skills training; (iv) tender information and advice; (v) access to government information and incentives; (vi) import and export advice; (vii) manufacturing advice; and (vii) assistance with client relations, marketing, and research. <p>Small enterprises to benefit from the Business Development initiatives include those in the priority sectors and /or high growth sectors i.e. Automotive, Aerospace and Defence</p> <ul style="list-style-type: none"> • Transportation and logistics • ICT and digital services with a focus on the gig economy • Energy, with a focus on new technologies and diversifying the energy mix • Tourism and Hospitality • Food, Beverages, Agro-processing, and agribusiness

	<ul style="list-style-type: none"> • Construction and Infrastructure • Financial services • Cultural and creative services • Industrial Cannabis <p>The committed Business Development initiatives will also include initiatives committed but not disbursed in the last quarter of the previous financial year.</p>
Source of data	Signed commitment list from the previous financial year / Business Development Support Approval List
Method of Calculation / Assessment	Sum of the rand value of Business Development initiatives committed divided by total budget allocated at the beginning of the financial year for Business Development interventions, to determine the percentage of Business Development initiatives committed
Means of verification	Management and/ or Board Committee Resolutions
Assumptions	Management and/ or Board Committee Resolutions Business Development Support interventions committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable.</u> 100% of approved Business Development interventions committed
Indicator Responsibility	COO

Indicator Title	Number of youths benefitted from the Youth Accelerator Programme
Definition	<p>This indicator is measuring the number of youths approved for the Youth Accelerator Programme supported through training / job placement opportunities.</p> <p>Youth is an adult below age of 35 at the time of approval for placement in the Programme.</p>

Source of data	GEP performance reports.
Method of Calculation / Assessment	Simple count of the number of youths benefitting from the Youth Accelerator Programme.
Means of verification	Placement letter / Contract and Identity Document / Training / stipends report
Assumptions	Positive responses by sector participants and beneficiaries.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> ▪ 100% youth ▪ 50% women
Spatial Transformation (where applicable)	Across all Gauteng regions.
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	<u>Higher than targeted performance is desirable.</u> 100 youths benefitting from the Youth Accelerator Programme in 2024/25.
Indicator Responsibility	COO

PROGRAMME 4: RESOURCE MOBILISATION AND INDUSTRIAL FINANCING

Indicator Title	Collection rate of the Loan Book
Definition	<p>This indicator measures the collection rate against the active (loans that are not handed over to Legal) loan book.</p> <p>Collection is the money collected from due debts on the GEP Loan Book</p> <p>Loan Book is the collective value of the loans owed to GEP.</p>
Source of data	Debtors Report, Age Analysis Report and Net Present Value Report
Method of Calculation / Assessment	Sum of paid due debts on the GEP active Loan Book divided by the total due debts on the GEP active Loan Book, to determine the collection rate
Means of verification	Debtors Report

Assumptions	Due debts on GEP active Loan Book collected
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	25% collection rate of the Loan Book
Indicator Responsibility	CFO

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

Key changes from the 20/21 – 2024/25 strategy

Old	New
Vision Sustainable SMMEs and Cooperatives propelled into the mainstream economy of Gauteng Mission: <ul style="list-style-type: none"> • Promoting entrepreneurship, mobilising resources, and facilitating an integrated approach to entrepreneurial development and support within the province • Providing financial and non-financial support for the growth and 	Vision Responsive and impactful propeller for sustainable business enterprises in the Gauteng Province Mission: <ul style="list-style-type: none"> • Establishing a high performing professional, ethical and capable institution; • Promoting entrepreneurship and facilitating an integrated approach to entrepreneurial development and support within the Province;

<ul style="list-style-type: none"> • sustainability of small enterprises; and • Facilitating investment in high impact business enterprises that transform the structure and competitiveness of industrial sectors 	<ul style="list-style-type: none"> • Creating Strategic Partnerships with a range of institutions for sustainable SMME and Cooperative development and support; • Developing innovative financial solutions, tools and channels to speedup increased market participation in the provision of affordable finance; • Facilitating investment in high-impact business enterprises that transform the structure and competitiveness of industrial sectors.
GEP STRATEGIC OUTCOMES	
Increased resources mobilised to support entrepreneurial development within the Gauteng City Region	Improved Balance Sheet to support small enterprises;
Increased access to procurement opportunities for township enterprises and enterprises owned by targeted groups (black, women, youth, PwD and MV) Increased number of supported small enterprises that are sustainable and creating jobs	Increased contribution of small enterprises in the Gauteng economy. Sustainable enterprises that create and maintain jobs.
Increased participation of black-owned business enterprises in historically monopolised industrial sectors	Sustainable Black-owned industrial enterprises participating in high growth sectors.
GEP Strategic Pillars (Inputs added on the Promote, Mobilise and Integrate Pillar)	

	Resource Aggregator Model
	Agglomeration Clusters Economies of Scale (Industrial sector)
	Localisation

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Gauteng Enterprise Propeller.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Gauteng Enterprise Propeller.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Not applicable to the Gauteng Enterprise Propeller.

9. INFRASTRUCTURE PROJECTS

Not applicable to the Gauteng Enterprise Propeller.