

# Supporting informal enterprises to create job opportunities and grow the economy



**GROWING INFORMAL ENTERPRISES**

**CREATING JOBS**

**STRENGTHENING THE ECONOMY**

**FIGHTING POVERTY**

## FOR MORE INFORMATION

Visit [www.iesp.org.za](http://www.iesp.org.za)

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PPT specialises in developmental projects and initiatives for disadvantaged communities and special needs groups and works closely with communities, government, donors and civil society organisations in achieving its mission. PPT prepares and manages projects at scale, develops policies and strategies and innovates based on real-world experience.



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*“Working to change the lives of the poor through appropriate and sustainable development.”*



**SITHUTHUKISA AMABHIZINISI AMANCANE EKWAKHENI  
AMATHUBA EMISEBENZI NOKUKHULISA UMNOTHO WEZWE.  
INFORMAL ECONOMY SUPPORT PROGRAMME IN ETHEKWINI**

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# IESP 2013 - 2021

## A GROUND-BREAKING INITIATIVE

The Informal Economy Support Programme (IESP) is a specialised business support initiative and is the first of its kind in South Africa. The IESP reaches micro and informal enterprises (MIEs) in eThekweni Municipality in innovative and cost-efficient ways. It creates jobs through customised business support interventions across a range of productive sectors (e.g. manufacturing, specialised retail, services, construction and agriculture). It provides much-needed support for MIEs and the informal economy which are recognised as critical in addressing joblessness and sustainable economic growth. The programme is in its second phase (2018-2021) following a successful pilot phase (2013-2016). The IESP is managed and operated by Project Preparation Trust (PPT) and is currently co-funded by the Jobs Fund, eThekweni Municipality and the Department of Small Business Development (DSBD). The IESP has expanded its offering to include proactively responding to the COVID-19 pandemic in order to rescue MIEs at risk of closing down and save jobs and to assist MIEs to mitigate the risk of COVID-19 transmission in the workplace.

## HOW DOES THE IESP ASSIST ENTERPRISES?

### BUSINESS ASSESSMENT

To understand the business and identify practical actions which can unlock growth and job creation (these form part of a business development plan and participation agreement).

### ACCESS TO BUSINESS SPECIALISTS & PROFESSIONALS

- Access to services by
- Business coaches and mentors
  - Marketing specialists
  - Accountants
  - Attorneys
  - Labour experts
  - Tax consultants
  - Website developers
  - Manufacturing technicians
  - Procurement and tender consultants

### ACCESS TO NEW MARKETS

E.g. assessing new markets, product development, marketing, negotiating with new buyers.

## SUCCESS 2013-2020

**533 new permanent jobs created in 97 enterprises**

**149 enterprises supported**

- 290 people trained
- 45 micro-grants or small loans have been disbursed.
- IESP capacity established with an internal team of 7 people and a panel of 43 out-sourced specialists .
- Database of 762 MIEs established.

## GOALS - CURRENT PHASE (2018-2021)

The current phase (April 2018 to March 2021) aims to create 750 new permanent jobs from 105 high-potential, carefully selected MIEs. IESP capacity, systems and enabling collaborations are being enhanced. It also aims to establish a platform for further replication and upscaling.

### WORK-SPACE ACCESS AND OPTIMISATION

E.g. support in identifying better space which is still affordable or improved utilisation of existing space.

### CUSTOMIZED ON-THE-GROUND TRAINING

Customised training to address specific needs or selective classroom-based training. Typical focus areas include: business management, recordkeeping, managing stock, cash-flow analysis, marketing, product development, customers service etc.

### ACCESS TO FINANCE

Support in accessing business finance including the provision of 40 micro-grants to high-performing MIEs and assistance in applying for business loans.

### SECTOR COLLABORATIONS

Assisting groups of enterprises in a particular sector (e.g. agriculture, clothing manufacturing or food services) to access a new market by means of a joint supply agreement with a wholesaler or to achieve

## ENTERPRISE SELECTION PROCESS



## PROJECT IMPLEMENTATION PROCESS



## ENTERPRISE SELECTION CRITERIA

### JOB CREATION POTENTIAL

The business must be able to create at least 5 new, permanent jobs. These jobs must exist for at least a year.

### PRODUCTIVE SECTORS

There is a preference for businesses that are in productive sectors with some level of specialisation (e.g. manufacturing, specialised services or retail).

### ENTREPRENEUR COMMITMENT AND ABILITY

The entrepreneur must be committed, have sufficient knowledge and skills of their sector, have a proven track record in business and be willing to work collaboratively with the IESP team and partners (including providing information for monitoring and evaluation).

### BUSINESS VIABILITY

There must be a viable product/service that the enterprise has the capacity to provide and for which there is a market demand. Furthermore, there must be the potential to make sufficient profit as well as the potential for job creation through business expansion and optimisation. The business must be currently operating, due to the high failure rate of start ups.

### ENTERPRISE OWNERSHIP

Enterprises need to be black-owned

### LOCATED IN ETHEKWINI

The IESP only has a mandate to support MIEs which are located or based within eThekweni Municipality.



## HOW TO APPLY

Complete and submit an IESP application form. Apply online at: [www.iesp.org.za](http://www.iesp.org.za)

PPT will screen all applications. Only those enterprises that meet the aforementioned selection criteria will be contacted for further assessment. If an enterprise is selected, a participation agreement will be signed based on a business development plan and a job creation target. The participation agreement will include a specified package of IESP support which will be provided to the enterprise.

“With the re-opening of the economy, the township and village economies require special focus if government is to achieve the aspirations of the new economy post-COVID-19 which were clearly articulated by President Cyril Ramaphosa.”

- Khumbudzo Ntshavheni (Minister for Small Business Development)

