



destea

department of
economic, small business development,
tourism and environmental affairs
FREE STATE PROVINCE

**THE DEPARTMENT OF ECONOMIC, SMALL
BUSINESS DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**

Service Delivery Improvement Plan

2015 - 2018

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Official Sign Off

It is hereby certified that this Service Delivery Improvement Plan:

Was developed by the Task Team appointed by the HOD in consultation with various units within the Department.

The SDIP was prepared in line with the current Strategic Plan (2015-2020) and the Annual Performance Plan (2015/16) of the DESTEA. It was compiled with the latest available information from departmental business units and other statutory sources.

Approved by:



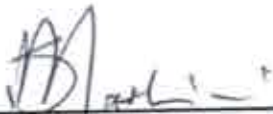
Mr. Tshepo Moremi

HOD: Economic, Small Business Development, Tourism and Environmental Affairs

Date:

19/06/2015

Authorised by:



Mr. Sam Mashinini, MPL

MEC: Department: Economic, Small Business Development, Tourism and Environmental Affairs

Date:

26/6/2015

1. INTRODUCTION

The Service Delivery Improvement Plan (SDIP, 2015-2018) for the Department: Economic, Small Business Development, Tourism and Environmental Affairs is informed by the 2015-2020 Strategic Plan, and is aligned to the Annual Performance Plan for 2015/16. The department has the environmental affairs, tourism support, economic development (line functions) through which it provides services to the public. This SDIP sets out the primary service areas that the DESTEA intends to improve on in the next three years, namely:

- i. Cooperatives Support.
- ii. Non-Financial Support to Businesses (Formal and Informal) through Micro Enterprise Support Programme.

The 2014 Baseline Study on Cooperatives in the Free State has established that there are 4 259 various types of co-operatives in the Free State P. Based on the recent update from CIPC, as of 31 May 2015, the number of registered cooperatives in the province has increased to 7 000. This study would enable the province to obtain information on operational and non-operational cooperatives and the type of interventions required to assist them. Currently departments in the province have their own programmes aimed at supporting these cooperatives. In 2013, Provincial EXCO Resolution mandated DESTEA to lead the process of coordination in support of cooperatives. Amongst other intended initiatives, is to procure certain number of items through them and to create secondary consumer cooperatives to ensure the sustainability of the primary cooperatives.

Another initiative aimed at supporting business is the Micro-Enterprise Support Programme. Through this programme, a myriad of businesses, both formal and informal, which often fail to pass the rigorous funding selection processes, are provided with non-financial support aimed at increasing their production capacity. Since the inception of the programme, extensive promotion of the programme was done which included electronic media interviews (Radio and TV), print coverage (newspapers) and information sessions in various towns and cities in the province where about 1 642 people were reached.

Of the 6 000 applications that were distributed in 2013/2014, additional 400 had to be printed because of increased demand to access MESP. Only 2 818 applications were received back, of which 283 were approved for funding, 33 declined, 37 referred to the Department of Agriculture and 6 referred back for verification. This implies that of the applications issued, the response was at 46, 97%. Of these received applications, 12, 72% were processed, a significantly low percentage. The Department intends to address the current backlog and to process 100% of applications received.

2. STEPS IN DEVELOPING THE DESTEA SDIP

The DESTEA used the following steps in developing its SDIP:

Step 1:

Due to the fact that the identified programmes fall under Economic Development Component, meetings were held with managers within this component to gather information, update the statistics that Department currently has and to set-up clear targets for three years in order to attain improvement on the identified services.

UNIT	NAME	DESIGNATION	GENDER	RACE
Small Business Development	Gadija Brown	Chief Director	Female	Coloured
Economic Development	Serekego Molelekoa	Acting Chief Director	Male	African
Cooperatives Unit	Dikgwadi Moja	Deputy Director	Male	African
LED Unit	Funi Nhlapo	Deputy Director	Female	African
Strategic Planning, Monitoring and Evaluation	Motlalepule Shopho	Strategic Planning Practitioner	Female	African
SMMEs and Cooperatives	Modise Sehularo	Director	Male	African
Strategic Planning	Dirk Hagen	Director	Male	White
Cooperatives	Masabata Nkonka	Assistant Director	Female	African

The representatives are mainly from management mostly ranging from Deputy Director to the Acting Chief Director. The presence of Deputy Directors provided critical information as they are the drivers of these programmes.

Step 2:

Drafting the SDIP using inputs received from engagements and submitting the draft document to the Director of Strategic Planning and to participants who appear on Step. This was to ensure the draft document has captured the inputs received and to ensure that the SDIP is aligned to the Strategic Plan and the APP.

Step 3:

An SDIP presentation was made at the Executive Management Team in order to raise awareness of the process that needs to be followed and to solicit further cooperation and support.

Step 4:

Submission of the Final SDIP Document to HOD for recommendation of approval to MEC.

PART A

Strategic Overview

1. VISION

"A transformed economy and a prosperous society that is living in harmony with its natural resources through integrated and sustainable economic growth".

2. MISSION

"Radically create a conducive, enabling environment for the creation of decent jobs, poverty and inequality reduction through sustainably managed environment and economic development programmes in the Free State."

3. CORE VALUES

The following are the core values of the Department:

VALUES	DESCRIPTION
Passion	We build and promote an energising and inspiring work environment
People Centric	We support and involve others in their endeavours to learn and expand their strengths (Learning and Innovation)
Performance	We involve everyone who is affected in our plans, goals and decisions (Professionalism)
Proactive	We adopt best available science and knowledge practices (Responsiveness)
Integrity	We drive the department's agenda above pursuing self interest (Honesty and Trustworthy)

4. LEGISLATIVE FRAMEWORK

The mission of the South African Government is "The creation of a people-centred and people-driven public service that is characterised by equity, quality, timeousness and a strong code of ethics".

In order to achieve this the government has developed a substantial body of enabling legislation to promote the transformation of the public service into a dynamic, results driven entity, focused on service delivery. Amongst others the following legislation were developed and adopted:

- Public Service Act, No. 103 of 1994
- The Public Service Amendment Act, No 5 of 1999
- Public Service Regulations
- White Paper on the Transformation of the Public Service, 1995
- White Paper on Transforming Public Service Delivery (Batho Pele, 1997)
 - To provide a policy framework and practical implementation strategy for the improvement of service delivery - applicable to all employees of the public sector (par. 2)
 - The Batho Pele White Paper set out 8 principles that must be adhered to for the transformation of Public Service delivery
 - To provide a strategy on how to improve access to public services to all citizens, inclusive of people with disabilities.
- Collective Agreements and Management Guides

The Constitution, 1996 (Chapter 10), amongst other things enjoins amongst other:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Services must be provided impartially, fairly, equitably and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Public administration must be accountable.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.
- Clause 9 makes reference to prohibition of unfair discrimination on the basis of disability.

5. MANDATE

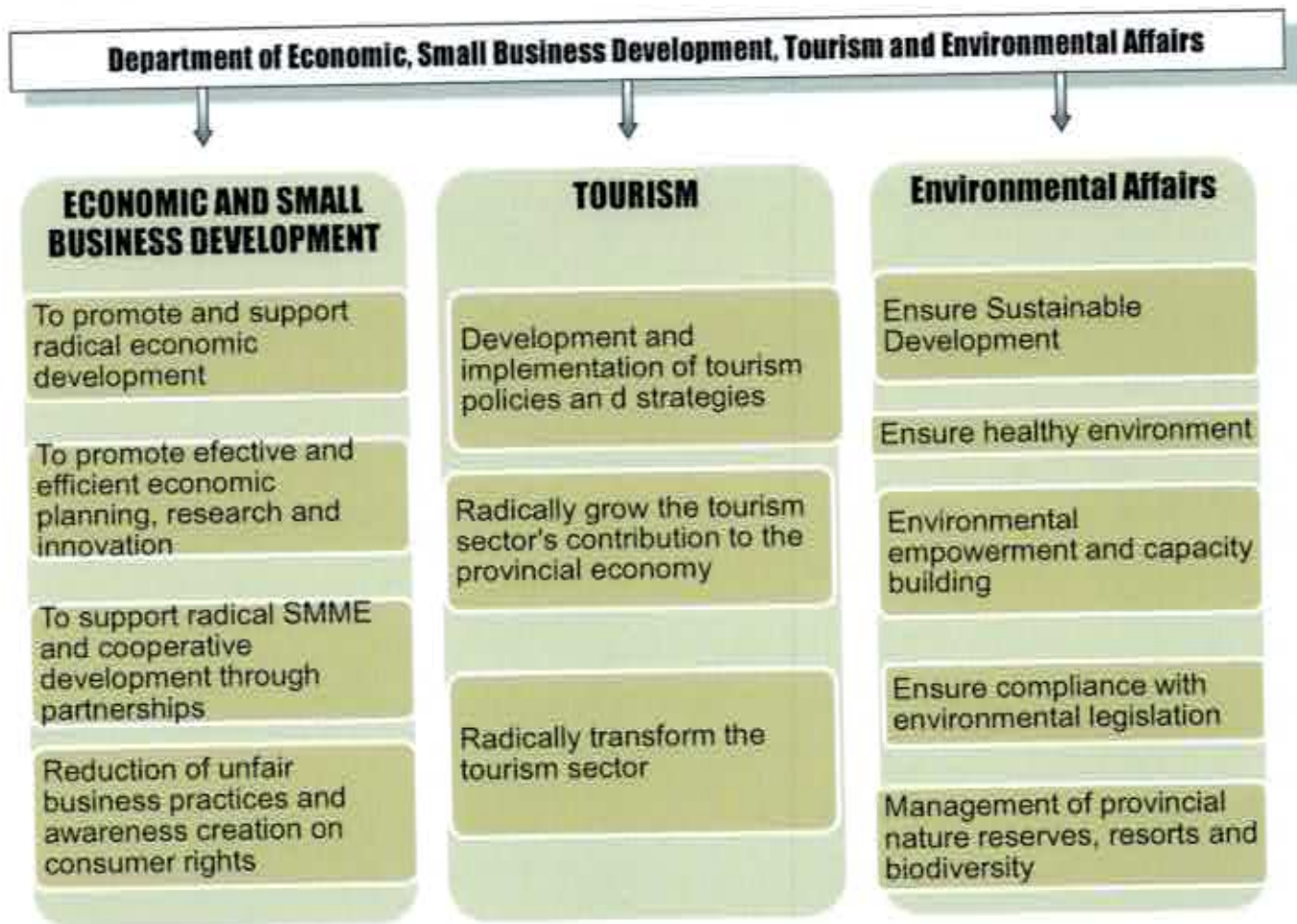
To provide sound economic and environmental management systems that ensure economic development and poverty reduction in the Free State, focusing mainly on the following:

1. Diversification of the Free State economy to ensure:
 - a. Acceleration of the economic growth rate
 - b. Creation of new employment opportunities; and
 - c. Reduction of economic inequalities

2. The need to stimulate business creation and expansion through improved service delivery, export and tourism promotion.
3. Ensuring effective, efficient and sustainable resource management.

6. CORE FUNCTIONS OF AND SUMMARY OF SERVICES THE DEPARTMENT

The Department comprises of three line functions namely Economic and Small Business Development, Tourism and Environmental Affairs. The core functions and services undertaken within these sectors are as follows:



7. SITUATIONAL ANALYSIS

At 31, 6%, the Free State Province has the highest unemployment rate in the country. According to StatsSA, the National average is 25, 5%. The picture is even bleaker with regard to the NEET

group (Youth Not in Employment, Education or Training) where the percentage is currently standing at 32, 4%.

The province has been experiencing a steady decline in key sectors like mining and agriculture, with job shedding being a major concern. Small business numbers in the province are in the main stagnant or declining, and employment uptake has declined substantially. Currently only 25% or less start-up businesses survive longer than one year, and of the survivors, less than 50% are operational longer than five years. Push factors are currently dominating the origin of new start-ups, emphasizing the fact that the socio-economic and regulatory environment in the province, and in the country as a whole, are not impacting negatively on small business development.

Due to these challenges confronting the Province, the Department identified technical support and grant funding to cooperatives and SMME's as critical areas to focus and to stimulate the local economy in order to create job opportunities and achieve economic growth. With regard to primary cooperatives, DESTEA plans to establish Secondary Consumer Cooperatives that are aimed at ensuring cooperatives that are self-reliant and sustainable.

1. Problem Statement

1. COOPERATIVES:

- 1.1 Implementation of Secondary Cooperatives in the province will address the lack of sustainability of cooperatives due to issues such as;
 - Limited financial and technical support (Cooperatives Incentive Scheme)
 - Lack of financial management and cooperative business skills
 - Access to markets
 - Absence of necessary documentation: Compliance with SARS, Bank Accounts, BBBEE Certificates etc.

2. SMMEs

- 2.1 Implementation of the Process Flow in the Department to address amongst other things the backlog on MESP (support of existing SMME/Cooperatives)
 - Limited financial and technical support.
 - Lack of financial management and cooperative business skills.
 - Access to markets.
 - Absence of necessary documentation: Compliance with SARS, Bank Accounts, BBBEE Certificates etc.

2. Challenges

- The department has sufficient staff compliment, with Service Centres established in various districts, except Xhariep. These staff members are still to be capacitated on

certain business skills (draw business plans, interpret financial information) and administrative skills (record keeping).

- Participation by government departments on Cooperatives -Technical Committee is lacking.
- Lack of continuity within the Inter-Departmental Forum on Cooperatives whereby departments often change representation to these meetings.
- Based on 2013/14 budgets, Departments of Education, Health, Agriculture, Deste, and Social Development had an estimated R400 million that could be used to procure certain goods from cooperatives. To date, no coordinated approach has been developed to ensure that government does provide market opportunity to cooperatives.
- Whilst Department of Agriculture and Rural Development continue to support cooperatives involved in food production, little attempt has been made to ensure that they are linked with Education's National School Nutrition Programme which has a budget allocation of more than R200 million.

CORRECTIVE MEASURES IN PLACE

- Conducting information session to re-educate Cooperatives on Cooperatives Principles and the Cooperative Act No14, 2005. (Regarding in-conflicts and lack of commitment).
- Working with stakeholders like; ILO to workshop Cooperatives on how to manage Cooperatives more efficiently and effectively (My Coop).
- Linking Co-operatives with funding agencies like; NEF, FDC, DTI and other relevant Departments according to their specific sectors.
- Linking Co-operatives with Agencies like SEDA for Capacity Building workshops on financial management and Business skills.
- Newly Registered Cooperatives to register with Treasury on the central data base of the province.
- The Inter-Departmental Cooperatives Forum whereby matters relating to cooperatives are discussed by various departments.

PART B SERVICE DELIVERY IMPROVEMENT PLAN

1. Legal Framework for SDIP

The development of the SDIP is informed by Section 195(5) of the South African Constitution (1996), which states that "the public administration must be governed by the democratic values and principles":

- a. A high standard of professional ethics must be promoted and maintained
- b. Efficient, economic and effective use of resources must be promoted
- c. Public administration must be development-oriented
- d. Services must be provided impartially, fairly, equitably and without bias
- e. People's needs must be responded to, and the public must be encouraged to participate in policy-making
- f. Public administration must be accountable
- g. Transparency must be fostered by providing the public with timely, accessible and accurate information
- h. Good human-resource management and career-development practices, to maximise human potential, must be cultivated
- i. Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation"

The implementation of these principles is governed by a Regulatory Framework, which includes the following, (but not limited to):

- i. Public Service Act, 1994 (Act no. 103 of 1994)
- ii. Public Service Amendment Act, 1999 (Act no. 5 of 1999)
- iii. Public Service Commission Act, 1997 (Act no. 46 of 1997)
- iv. Promotion of Administrative Justice Act, 2000 (Act no. 3 of 2000)
- v. Public Finance Management Act, 1999 (Act no. 1 of 1999)
- vi. Public Service Regulations, 2001
- vii. White Paper on the Transforming Public Service Delivery (Batho Pele), 1997
- viii. White Paper on Human Resource Management in the Public Service, 1997

Despite these pieces of legislation and policies, there seems to be a continuous weakness in the ability of the public service to comply and implement these policies effectively and efficiently. For this purpose, state departments are required to develop the SDIP, monitor and report on its implementation to the Department of Public Service and Administration (DPSA); as per Part III.C.1 and Part III.C.2 of the Public Service Regulations (2001).

The intention of developing a SDIP is to facilitate the commitment of State Institutions to continuous service delivery improvement mechanisms that seeks to improve the nature and quality of the actual service being provided and the manner in which the service is delivered.

2. Service Delivery Improvement Plan (SDIP) Objectives

The SDIP 2014/2018 aims to:

- Outline the key service(s) that DesteA provides
- Identify the service beneficiaries along with the key service(s)
- Identify the key service(s) that the DesteA will focus on improving
- Provide the current standards for the focus service

3. Service Delivery Improvement Plans

a. Record of Free State Cabinet Decision: Cooperatives

The Record of Cabinet Decision of the Cabinet Meeting held on the 30th May 2013 resolved to set-up the Technical Committee on Cooperatives comprised of HODs of Departments of Agriculture & Rural Development, Education, Health, Social Development, and Department of Economic, Small Business Development, Tourism & Environmental Affairs. The HOD of DESTEA, Mr. Mogokare Seleke has been appointed the chairperson of this Committee. Key activities were to register the cooperatives on the Provincial Centralised Supplier Database. Departments are to set-aside budget to be used to procure certain items from cooperatives.

b. Micro Enterprise Support Grant

The Department introduced the Micro Enterprise Support Programme Grant Funding targeting the micro enterprises and cooperatives. The rationale of this programme is premised on challenges micro-enterprises, cooperatives and informal businesses face when trying to access finance for even the smallest of their business needs. In line with

this programme, businesses are provided with productive assets for purpose of increasing their production levels to enable them to generate more revenue and create jobs.

Information sessions on this programme were held in different municipalities for interested business applicants. A total number of 1 684 people attended information sessions and by 31 March 2014, of the +4 000 applications received, only 283 applications were approved for assistance.

Challenges:

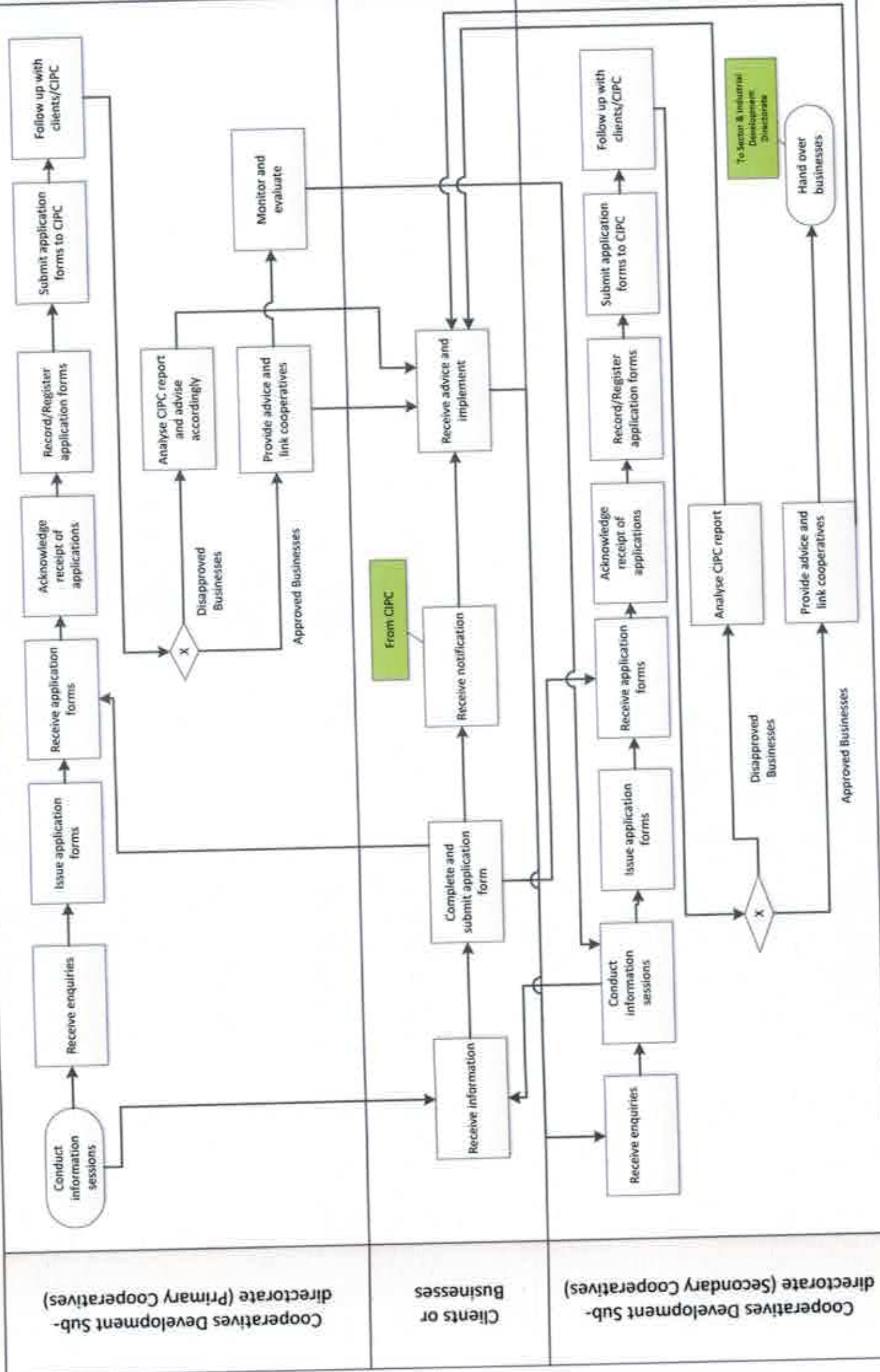
- Backlog on distribution of inventory
- Backlog of application (Assessed and Non Assessed)

Corrective measures in place:

- Completing the phase of distribution of equipment as the plan is in place.
- There is a model in place to address the outstanding application (Process Flow).

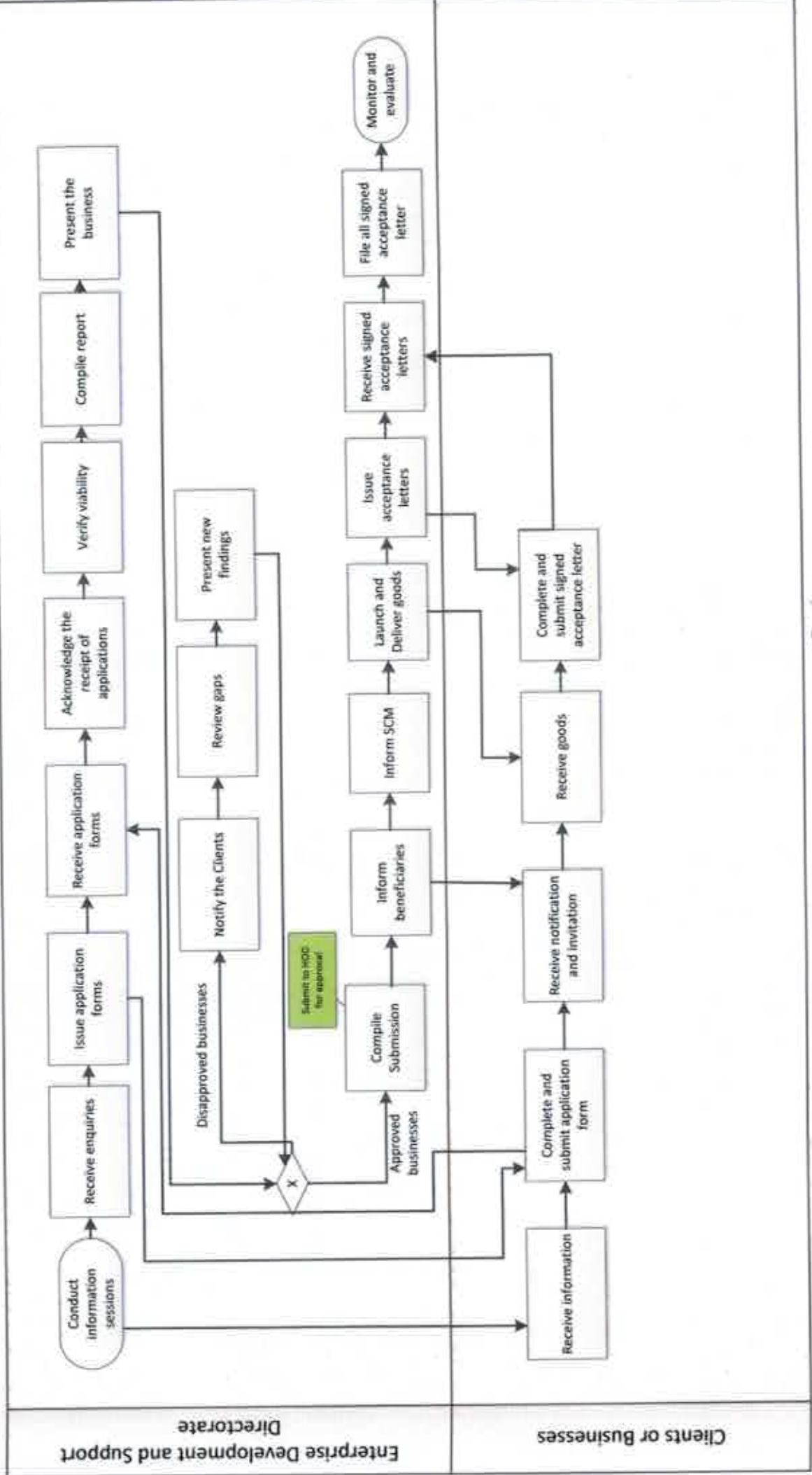
BUSINESS PROCESS MAPPING: COOPERATIVES DEVELOPMENT

Phase



BUSINESS PROCESS MAPPING: MICRO ENTERPRISE SUPPORT PROGRAMME (MESP)

Phase



START

PROCESS

DECISION

END

5. STAKEHOLDERS INTERNAL/EXTERNAL

The following are the stakeholders involved:

1. Small Business Development Chief Directorate
2. Cooperatives; Sub-Directorate
3. Small Enterprise Development Agency (Seda)
4. Small Enterprise Financial Agency (Sefa)
5. Social Development
6. Education
7. Business community
8. Local Municipality
9. Micro Enterprises
10. ILO
11. Rural Development and Land Reform
12. Department of Trade and Industry

6. Key Services identified for improvement:

Facilitate the establishment and support of cooperatives

Provide financial and non-financial support to micro enterprise and cooperatives

Key Services	Beneficiary	Current standard 01/04/2014 - 31/03/2015	01/04/2015 - 31/03/2016	Desired standard 01/04/2016 - 31/03/2017	01/04/2017 - 31/03/2018
Facilitate the establishment and support of cooperatives					
Support of existing cooperatives	Cooperatives	106 Cooperatives Supported.	15 Cooperatives.	20 Cooperatives.	30 Cooperatives.
	Quantity		Train existing cooperatives on my-coop training programme.	Train existing cooperatives on my-coop training programme.	Train existing cooperatives on my-coop training programme.
	Quality	Baseline study on cooperative to be conducted.	Update Information on Cooperatives Develop intervention strategy on assisting non-operational and operational cooperatives.	Update Information on Cooperatives.	Update Information on Cooperatives.
	Service standards	Two Weeks' Notice/Request (2 days per session).	Two Weeks' Notice/Request (2 days per session)	Two Weeks' Notice/Request (2 days per session).	Two Weeks' Notice/Request (2 days per session).
	Consultation	Update and utilise Database of cooperatives in the province.	Update and utilise Database of cooperatives in the province.	Update and utilise Database of cooperatives in the province.	Update and utilise Database of cooperatives in the province.
	Access			Maintain.	Maintain.

Key Services	Beneficiary	Current standard		Desired standard	
		01/04/2014-31/03/2015	01/04/2015-31/03/2016	01/04/2016-31/03/2017	01/04/2017-31/03/2018
	Cooperatives	1 Service Centre Launched (Parys).	4 Service Centres to be Established.	Development of an e-application of MESP and reporting system.	Development of an e-application of MESP and reporting system.
		DETEA services are listed on the charter and is posted on departmental public folder and website.	Display the Service Charter and Service Delivery Improvement Plan (SDIP) on the website.	Update the displayed Service Charter and SDIP annually.	Update the displayed Service Charter and SDIP annually.
		No measure existed.	Feedback Provided.	Feedback Provided Questionnaire.	Feedback Provided Questionnaire.
		Information on cooperative related issues provided during awareness campaigns and information sessions.	Printed brochures/pamphlets to be availed for cooperatives/Information Sessions.	Printed brochures/pamphlets to be availed for cooperatives/Information Sessions.	Printed brochures/pamphlets to be availed for cooperatives/Information Sessions.
		No measure.	Feedback will appear in the Annual Report.	Feedback will appear in the Annual Report.	Feedback will appear in the Annual Report.
		No Measure.	Queries handled through the Office of the HOD and/or the MEC.	Queries handled through the Office of the HOD and/or the MEC.	Queries handled through the Office of the HOD and/or the MEC.
		No Measure.	10 Cooperatives are supported and are sustainable.	20 Cooperatives are supported and are sustainable.	30 Cooperatives are supported and are sustainable.

Key Services	Beneficiary	Current standard		Desired standard		
		01/04/2014-31/03/2015	01/04/2015 - 31/03/2016	01/04/2016-31/03/2017	01/04/2017-31/03/2018	
	Cooperatives	Human Resource	DD: 1 ASD: 3 Officials: 34	DD: 4 ASD: 3 Officials: 34	DD: 5 ASD: 3 Officials: 34	
		Budget (inclusive of support of micro enterprises)	Included in the cost for support to micro enterprises and cooperatives below.	Included in the cost for support to micro enterprises and cooperatives below.	Included in the cost for support to micro enterprises and cooperatives below.	
		Time	230 days including	230 days	230 days	
		Provide financial and non-financial support to micro enterprise and cooperatives				
Support of existing micro enterprises	Micro enterprises and Cooperatives	Quantity	Of about 4000 applications received, 280 were processed	Address the backlog on MESP Applications	100% of applications received will be processed	
		Quality	Information Session with Business	Information Session with Business	Information Session with Business	
		Service standard		Addressing backlog	3 Months to process the application	
		Consultation	Awareness session will be conducted to inform the community of the services	Awareness session will be conducted to inform the community of the services	Awareness Sessions	
		Courtesy	No Measure	Feedback to Applicants	Feedback to Applicants	
		Access	4 Service Centres Established	Maintain and visitation of Xhariep District by officials from Head Office	Establish the Xhariep Service Centre	Maintain

Key Services	Beneficiary	Current standard		Desired standard	
		01/04/2014-31/03/2015	01/04/2015 - 31/03/2016	01/04/2016-31/03/2017	01/04/2017-31/03/2018
		DETEA services are listed on the charter and is posted on departmental public folder and website.	Display the Service Charter and Service Delivery Improvement Plan (SDIP) on the website.	Update the displayed Service Charter and SDIP annually.	Update the displayed Service Charter and SDIP annually.
		Information will be provided through media and the awareness campaigns	Information Sessions. Brochures and Pamphlets will be available at the service centres.	Information Sessions Brochures and Pamphlets will be available at the service centres.	Information Sessions Brochures and Pamphlets will be available at the service centres.
		No measure	Feedback will appear in the Annual Report	Feedback will appear in the Annual Report	Feedback will appear in the Annual Report
		A proper response to the applicant on why the application was not successful and measures to correct	Complaints and Compliments Charter to be displayed at service points	Complaints and Compliments Charter to be displayed at service points	Complaints and Compliments Charter to be displayed at service points
		No Measure	Queries handled through the Office of the HOD	Queries handled through the Office of the HOD	Queries handled through the Office of the HOD
		No Measure	Established Enterprises that are Sustainable Increased production and new job opportunities	Established Enterprises that are Sustainable Increased production and new job opportunities	Established Enterprises that are Sustainable
		Information			
		Openness and transparency			
		Redress			
		Value for money			

Key Services	Beneficiary	Current standard		Desired standard	
		01/04/2014-31/03/2015	01/04/2015 - 31/03/2016	01/04/2016-31/03/2017	01/04/2017-31/03/2018
					Increased production and new job opportunities
		Human Resources	DD: 4 ASD: 3 Officials: 34	DD: 4 ASD: 3 Officials: 34	DD: 5 ASD: 3 Officials: 34
		Budget (Covered above: cooperatives support)	R24,915m	R20,559m	R14,057m
	Micro enterprises and Cooperatives	Time	155 days	230 days	230 days

7. Service beneficiaries

Cooperatives
Small enterprises

PART C SDIP Implementation, Monitoring and Reporting Methods

The service delivery improvement plan is aligned to the strategic plan objectives with a specific measure of improving identified services. The implementation of the plan is infused into the day to day operational activities of the department, in particular the programme in which the standard is monitored. The standard is equally reported on a quarterly basis at the Quarterly Review, thereby facilitating tracking of compliance on a quarterly basis. The improvement actions planned herein, will be monitored through the in-year performance quarterly monitoring mechanisms.


Conclusion

The department is committed to delivering on its mandatory obligations and continuously strive to improve its services to its clients and appropriately account to its stakeholders. There is a deliberate intent from the Executive Management to see to the successful implementation of the improvement plan and achieve the objectives set out in this document.


8. Signatures and Contacts

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Mr. Tshepo Moremi
Acting HOD: DESTEA

14/06/2015
Date


Mr. Sam Mashinini
MEC: DESTEA

26/6/2015
Date

