

**ITEM NUMBER: C 12/04/21**

***RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 APRIL 2021***

**MC 38/04/21 REQUEST FOR FUNDING APPROVAL TO THE CAPE INNOVATION AND TECHNOLOGY INITIATIVE (CITI) TO TRAIN 30 ADDITIONAL BENEFICIARIES IN THE WOMEN IN BUSINESS PROGRAMME 2020/21**

It is **RECOMMENDED** that:

- (a) funds to the amount of R503 245 (VAT where applicable) be viremented from cost centre 19060503 and GL 413000 to cost centre 19060011 - Economic Development Facilitation and GL 457200
- (b) a disbursement of R503 245 (VAT where applicable) be made to the Cape Innovation and Technology Initiative (CITI) and debited from cost centre 19060011 - Economic Development Facilitation and GL 457200
- (c) the Enterprise and Investment Department, in consultation with the Legal Services Department, conclude an addendum to the 2020/21 Memorandum of Agreement (MOA) with CITI
- (d) Council delegates the signing of the addendum with CITI to the Director: Enterprise and Investment.

REPORT TO: COUNCIL

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1. ITEM NUMBER      **MC 38/04/21**

2. SUBJECT

REQUEST FOR FUNDING APPROVAL TO THE CAPE INNOVATION AND TECHNOLOGY INITIATIVE (CITI) TO TRAIN 30 ADDITIONAL BENEFICIARIES IN THE WOMEN IN BUSINESS PROGRAMME 2020/21.

**ONDERWERP**

VERSOEK OM BEFONDSINGSGOEDKEURING AAN DIE KAAPSE INNOVASIE- EN TEGNOLOGIE-INITIATIVE (CITI) OM 30 BYKOMENDE BEGUNSTIGDES IN DIE PROGRAM VIR VROUE IN BESIGHEID 2020/21 OP TE LEI.

**ISIHLOKO**

ISICELO SOKWAMKELWA KWENKXASO-MALI KWINKQUBO YOKUQEQESHA NENKCUKACHA YASEKAPA (CITI) UKUQEQESHA ABAXHASI ABANGAMA-30 KUMANQAKU KWINKQUBO YOSHISHINO 2020/21

M3072

3. DELEGATED AUTHORITY

In terms of delegation

This report is for    DECISION BY

**Committee name :**

The Executive Mayor together with the Mayoral Committee (MAYCO)

Council

#### 4. DISCUSSION

The Cape Innovation and Technology Initiative (CiTi) is Africa's oldest tech incubator. Working with government, business and society, CiTi promotes the inclusive growth of the digital economy.

The Cape Innovation and Technology Initiative (CiTi) was established in 1999. Over the past 20 years, CiTi has played an integral role in catalysing and supporting the Cape Town tech ecosystem, now recognized as the most productive on the African continent.

In 2019, both CiTi's Entrepreneur Development and Skills Development (CapaCiTi) programmes expanded to support entrepreneurs and youth across the country, and on a PanAfrican scale.

The Cape Innovation and Technology Initiative excels through:

- Great industry reputation for delivery, thought leadership and innovation.
- Physical presence in the vibrant communities of Woodstock and Khayelitsha.
- Complete end-to-end business support from idea stage to R30m-a-year companies.
- Scarce skills development and high-value job placement.
- Strong M&E and administration.
- B-BBEE Level 1 supplier that can address 3/5 elements of the B-BBEE scorecard.
- Strong corporate, public, academic and SMME partnerships; and
- Proven clustering and ecosystem development in FinTech, EdTech and gaming.

#### Background

A flagship 10-week programme aimed at women-owned businesses, creating a supportive space for women entrepreneurs to gain an in-depth, hands on, experiential learning experience of the tech tools available to aid in the growth and development of their businesses.

Women business owners are introduced to an extensive range of powerful online and digital programmes and platforms to support their business activities. The areas covered include: Admin, finance & accounting & tax, e-commerce plugins, graphic design, document management, digital marketing & social media, HR & personality profiling, project management & project communication, legal advice, payments & banking apps.

Most of the modules are facilitated by women entrepreneurs who themselves have years of experience and have implemented these tools in their own businesses creating a space where interactions are both practical and educational.

During 2021 our intention is to extend the reach of the WIB programme to both the Woodstock Barn and the Khayelitsha Barn.

Data gathered during the Khayelitsha Barn proof of concept phase provided evidence to show that the most well attended events are those aimed at women. The Barn currently has a

database of over 250 women business owners based in Khayelitsha and surrounds who would benefit from this programme. The programmes are tailored to the specific needs of the individual participants ensuring that content is relevant and applicable.

### **Activities**

Over and above the workshop content, the mentoring, the peer-to-peer learning, the soft skills and networking opportunities, this programme is also designed to provide the women-owned businesses with skills to develop a robust technology strategy for their business. An Audit Plan, a Tech Plan as well as a Technology Strategy are the final deliverables of this programme

An increasing number of women are embracing entrepreneurship, an area of opportunity that has, until recently, been dominated by men. Research shows that the challenges faced by women are not typically shared by their male counterparts.

Women are defying social norms, dealing with the challenge of having limited access to funding, credit or capital, navigating tough competition, limited support, inability to scale effectively and work-life balance.

Through the Women in Business Programme entrepreneurs are provided with strategic targeted support to enable the implementation and adoption of relevant technology tools to move their businesses to the next growth checkpoints.

### **Key programme outcomes/impact of the project**

- Business owners are better able to compete in the digital economy: They can leverage tools which help grow their businesses and can differentiate their offerings through digital channels.
- Increased consumption of tech products and bandwidth, benefitting the broader IT industry.
- Key entrepreneurial skills needed to build and grow businesses.
- Creating powerful networks with like minded women in business and the occurrence of positive collaboration.

### **Proposed amendment to the existing Memorandum of Agreement (MOA)**

Please note that this request to extend training to an additional 30 female owned businesses will require an amendment to the existing 2020/21 MOA. The existing 2020/21 MOA was signed in August 2020 and will expire on 30 June 2021. However, the training of the additional 30 female-owned businesses will take 10 weeks from the date of commencement. It is therefore proposed that an addendum be added to the existing MOA that will reflect the additional funding and duration of the training.

**Budget breakdown for the project**

The successful implementation of the program has resulted in extra demand and hence the request for expansion. The budget of R503 245,00 will cover an additional 30 female owned businesses to receive technology enablement training.

Monitoring and Evaluation	30 195
Project Management Costs	90 584
Training/Workshops/Mentoring Sessions/Online continued education/Graduation	317 044
Advertising, marketing, recruitment, branding	65 422
<b>Total</b>	<b>503 245</b>

- 4.1. Financial Implications  None  Opex  Capex
- Capex: New Projects
  - Capex: Existing projects requiring additional funding
  - Capex: Existing projects with no additional funding requirements

PROVIDE DETAIL - OUTLINE THE FINANCIAL IMPLICATIONS AND HOW IT WILL BE FUNDED. COMPLETE TABLE BELOW. IF FINANCIAL REQUIREMENTS OVERLAP INTO FUTURE YEARS INSERT ADDITIONAL COLUMNS ON THE RIGHT OF THE TABLE.

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Cost Centre	19060503
Cost Centre Description	Place Marketing
Cost Element	413000
Cost Element Description	Materials Consumables Tools & Equipment
Budget Provision 2020/2021	R 2.237.340.90
Spend to Date / Committed	R 0.00
Balance available	R 2.237.340.90
Funds required for this report.	R 503 245. 00

Budget provision for grants/ sponsorships (457200) are currently against materials consumables tools & equipment (413000) and will be viremented once approved by council or the relevant delegated authority in terms of the virement policy.

4.2. Policy and Strategy     Yes     No

4.3. Legislative Vetting     Yes     No

4.4. Legal Compliance   

This report complies with section 67 of the MFMA.

Staff Implications     Yes     No

4.5. Risk Implications     Yes     No

## 5. RECOMMENDATIONS

It is recommended that council approve that:

- a) Funds to the amount of R503 245 (VAT where applicable) be viremented from cost centre 19060503 and GL 413000 to cost centre 19060011 - Economic Development Facilitation and GL 457200.
- b) A disbursement of R503 245 (VAT where applicable) be made to CITI and debited from cost centre 19060011 - Economic Development Facilitation and GL 457 200.
- c) In consultation with Legal Services, the Enterprise and Investment Department conclude an addendum to the 2020/21 Memorandum of Agreement (MOA) with CITI.
- d) Council delegates the signing of the addendum with CITI to the Director – Enterprise and Investment.

## AANBEVELINGS

Daar aanbeveel word dat die Raad goedkeuring verleen aan die:

- a) Fondse ten bedrae van R503 245 (BTW waar van toepassing), gevirementeer word teen kostesentrum 19060503 en GL 413000 aan kostesentrum 19060011 – ekonomieseontwikklingsfasilitering en GL 457200.
- b) 'n Uitbetaling van R503 245 (BTW waar van toepassing) gemaak word aan CITI en gedebiteer word van kostesentrum 19060011 - ekonomieseontwikklingsfasilitering en GL 457 200.
- c) Die departement onderneming en investering in oorleg met regsdiens te 'n addendum tot die memorandum van ooreenkoms (MOA) 2020/21 met CITI sluit.

- d) Die Raad die ondertekening van die addendum met CITI deleger aan die direkteur: onderneming en investering.

## **IZINDULULO**

Kundululwe ukuba iBhunga maliphumeze ukuba:

- a) Izimali ezifikelele kwisixamali esingama R503 245 (kuquka iRhafuntengo apho kufanelekileyo), mazitshintshelwe ukususela kwiziko lendleko 19060503 neGL 413000 ukuba zibekwiziko lwendleko 19060011 elingezoQuquzelelo loPhuhliso lwezoQoqosho neGL 457200.
- b) Makuhlawulwe isixamali esingama R503 245 (kuquka iRhafuntengo apho kufanelekile) kwabeCITI kwaye sifumaneke kwiziko lendleko elingu19060011 – elingoQuquzelelo loPhuhliso lezoQoqosho neGL 457 200.
- c) Ngokucebisana nabeeNkonzo zoMthetho, iSebe lezoRhwebo noTyalomali maliqumbele isihlomelo kwiMemorandum yeSivumelwano (MOA) sangowama2020/21 kunye nabeCITI.
- d) IBhunga malinikezele igunya kuMlawuli wezoRhwebo noTyalomali ukuba atyikitye uxwebhu lesihlomelo sesivumelwano kunye nabeCITI.
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ANNEXURES: ANNEXURE (A) – CITI WIB PROGRAMME PROPOSAL

FOR FURTHER DETAILS CONTACT

NAME	Faith Kolala	CONTACT NUMBER	0214174020/0782150477
E-MAIL ADDRESS	fath.kolala@capetown.gov.za		
DIRECTORATE	EOAM	FILE REF No	
SIGNATURE : DIRECTOR	<b>Lance Greyling</b>	Digitally signed by Lance Greyling Date: 2021.03.23 16:00:04 +02'00'	

EXECUTIVE DIRECTOR

NAME		COMMENT:
DATE		
SIGNATURE	 Digitally signed by Ruby Goldsbloom Date: 2021.04.07 13:05:29 +02'00'	

CHIEF FINANCIAL OFFICER

NAME		COMMENT:
DATE		
SIGNATURE	 Digitally signed by Kevin Jacoby Date: 2021.04.09 09:28:55 +02'00'	

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- NON-COMPLIANT

NAME		COMMENT:
DATE		
SIGNATURE	 Digitally signed by Jason Sam Liebenberg Date: 2021.04.12 11:15:45 +02'00'	Certified as legally compliant based on the contents of the report and subject to Legal Services vetting the Addendum prior to conclusion thereof.

Making progress possible. Together.



City of Cape Town Funding Proposal

Funding Proposal for Extension on WIB Project



## 1. Background to the Organisation and Alignment to City of Cape Town Strategic Focus Area

### Background

Over the past two decades the Bandwidth Barn has been an active participant in incubating, developing, building, supporting and growing IT and ICT businesses in the Cape Town region.

Information technology has become more pervasive over the past 15 years, and today forms an integral ingredient for success across the innovation spectrum ranging from product and services innovation (such as the internet of things) to business model innovation (such as mobile money for the unbanked) to social innovation. The Bandwidth Barn supports IT-enabled innovation across a multitude of sectors, including FinTech (and blockchain), TravelTech, HealthTech, EdTech and OpenGov.

In addition, the Barn facilitates access to the digital economy by providing training and support programmes to businesses enabling the adoption of efficiencies and opportunities available through software, the internet, and mobile phones. In line with the innovation construct this platform generates opportunities for tech businesses to create products and services for these informed customers.

The Barn provides business development services and networking opportunities to businesses across the stage spectrum: from micro-enterprises looking to stabilize their incomes in Khayelitsha, to start-ups validating their ideas, to established businesses looking to unlock growth in Woodstock.

The culmination of offerings and activities build a vibrant ecosystem which fosters opportunities for the creation and growth of tech and tech-enabled businesses across the broader Cape Town.

*Project Alignment with City of Cape Town's Strategic Focus Area 1 Objectives and Economic Growth Strategy*

## Project One

### Product Description

#### **Top Tech Tools for Women in Business**

A flagship 10-week programme aimed at women-owned businesses, creating a supportive space for women entrepreneurs to gain an in-depth, hands on, experiential learning experience of the tech tools available to aid in the growth and development of their businesses.

Women business owners are introduced to an extensive range of powerful online and digital programmes and platforms to support their business activities. The areas covered include: Admin, finance & accounting & tax, e-commerce plugins, graphic design, document management, digital marketing & social media, HR & personality profiling, project management & project communication, legal advice, payments & banking apps.

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women business owners based in Khayelitsha and surrounds who would benefit from this programme. The programmes are tailored to the specific needs of the individual participants ensuring that content is relevant and applicable.

## Project Overview

### Benefits to participants/City

The entrepreneurs benefit from the extensive knowledge and expertise gained from highly skilled facilitators and mentors. The programme provides entrepreneurs with a platform to implement effective systems and processes through the deployment of tech products and services that enable growth, sustainability, and the room to scale.

The City benefits by supporting more businesses to participate and thrive in the digital economy. In turn, this creates a higher demand for tech products and services, tech enablement and a surge in tech support businesses.

This aligns closely with the City's vision as a vibrant economic hub and a centre of innovation.

### Inputs [human and material resources]

- Marketing and recruitment
- Programme designer/manager and administrative assistant
- Space, furniture, AV, connectivity, and other space and logistics services
- Catering, communication, and other event-management services
- Facilitator/s
- Speakers and mentors
- Development of techplans
- Social media and tech support
- Monitoring, evaluation, and reporting
- Communication of success stories
- Group mentorship sessions

An online Entrepreneur Development programme to further develop the skillset, mindset, attitude, and behaviours of the entrepreneurs to ensure they reach their new growth checkpoints in their entrepreneurial journey.

### Activities

1. The programme comprises 10 modules of approximately 3 hours each. The sessions include the following activities:
  - Baseline assessment of technology use, mid-way re-assessment and final tech strategy developed,
  - Series of case study and hands-on workshop to introduce business owners to tools and platforms,
  - Inspirational and practical discussions and networking opportunities with other women entrepreneurs,
  - Small group mentorship on specific topics.
2. Online component comprises of further 10 modules, completed over a 10-month period

*Module 1: Developing an entrepreneur's mindset*

Entrepreneurs will learn about the importance of developing an entrepreneurial mind-set, and study from the examples of successful global and home-grown entrepreneurs.

*Module 2: Problem identification and solutions development*

Entrepreneurs will learn about the challenges facing different communities today, and the work that is being done in overcoming them, various problem-solving methods, and the ability to formulate solutions to a variety of problems.

*Module 3: Creating an entrepreneurial strategy*

Entrepreneurs will explore the fundamentals of business strategy and look at how to start formulating your business plan, as well as the importance of a personal entrepreneurial strategy.

*Module 4: Defining and marketing your value proposition*

Entrepreneurs will discover the world of marketing and learn how to define their target market. They will also learn how to define a specific value proposition for their business.

*Module 6: The fundamentals of small business finance*

This module covers all Entrepreneurs need to know regarding the basics of small business finance and accounting. This includes the interpretation of various accounting reports and setting and managing a budget for your business.

*Module 7: Talent management and staff development*

Entrepreneurs will learn about human resources and labour law in a South African context, discover when to outsource various tasks or when to hire full-time employees. Value-based leadership will be explored.

*Module 8: The art of clear and constructive communication*

Entrepreneurs will discover the importance of constructive communication, how to improve as a communicator, and the best ways to approach conflict in their business.

*Module 9: Intrapreneurship: Becoming indispensable*

You don't need to own a business to have an entrepreneur's mind-set. This module looks at ways of progressing within organisations, working as a professional, and becoming a linchpin of an organisation.

*Module 10: Sharing the dream: Pitching your business plan*

During the course you will be led on a journey to completing a business plan. In this module, Entrepreneurs will learn presentation skills and create a presentation of their business plan. They will also learn about ways in which they can foster further opportunities for presenting their business plan.

3. Group mentoring sessions will take place for 10 months post programme. The topics will tie into the monthly online programme.

We propose a group mentorship programme for each candidate. Research shows positive results from group mentorship sessions as participants are exposed to an increased body of knowledge and learning experiences to improve reflection and critical thinking aptitude. Group mentoring creates a learning unit which promotes diversity of thinking, practice, and understanding.

Small group settings build the individual confidence of mentees to share ideas, feedback and opinions.

Group mentoring improves mentee capacity to receive and apply constructive feedback.

Post programme monthly sessions would serve to ensure that the implementation of the skills and knowledge gained during the training programme has been adequately implemented. A mentor is a crucial resource to ensuring that participants are moving forward to the next growth checkpoints in their journey.

#### Outputs

- Each participant will develop a plan to implement tech platforms and tools to support her business.

#### Outcomes/impact of the project

- Business owners are better able to compete in the digital economy: They can leverage tools which help grow their businesses and can differentiate their offerings through digital channels.
- Increased consumption of tech products and bandwidth, benefitting the broader IT industry.
- Key entrepreneurial skills needed to build and grow businesses.
- Creating powerful networks with like minded women in business and the occurrence of positive collaboration.

#### Stakeholders including other funders to the project, if any:

- Our recruitment channels include tapping into all networks where female entrepreneurs may operate such as 'Old Girl' school alumni, South African Women in Entrepreneurship Network (SAWEN), TechWomen, Khayelitsha Business Forum, Woman in Business initiatives, Alumni programmes, etc.
- There are currently no other funders on this project. We would value the continued support of the City of Cape Town.

#### Target beneficiaries, number of beneficiaries, start and completion dates:

- Khayelitsha and Woodstock: 30 micro and small women-owned businesses. Target of 50% black women. Completed June 2021.

#### Beneficiaries by (Size and Type)

- Khayelitsha and Woodstock: 30 micro and small women-owned businesses
- Target of 50% black women

**Geographical Area (location) e.g., Khayelitsha, Gugulethu, Mitchells Plain, etc.**

- The Khayelitsha programmes attract businesswomen from Khayelitsha and the broader Cape Flats (the facility is located centrally on Spine Road).
- The Woodstock programmes attracts businesswomen mainly from the City Bowl and Southern Suburbs, but as far afield as the Bellville Metropole.
- 

**Anticipated deliverables/challenges**

The redesigned Top Tech Tools for Women in Business programme piloted in Woodstock in 2016 has successfully been adapted for Khayelitsha businesses.

- An online component has been developed and successfully implemented
- A network of mentors to facilitate the mentor groups have been identified.

**Budget breakdown for the project**

Monitoring and Evaluation	30 195
Project Management Costs	90 584
Training/Workshops/Mentoring Sessions/Online continued education/Graduation	317 044
Advertising, marketing, recruitment, branding	65 422
Total	503 245

The 10-week programme will consist of 30 women per cohort and the budget will cover the following elements:

- Programme design
- Recruitment and Marketing
- Selection and Recruitment (includes telephonic and face-2-face interviews and final selection)
- Facilitation and workshop presenters
- Group Mentorship Sessions
- Online course adaptation
- Programme Management
- Monitoring and Evaluation

This is then followed by the 10-month online programme.