

# Eastern Cape Development Corporation

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## OVERVIEW



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The Eastern Cape Development Corporation (ECDC) was established through the promulgation of the Eastern Cape Development Corporation Act (No. 2 of 1997).

The stated rationale for establishment of the ECDC was to create “a more financially viable corporation” able to address “the challenge of developing the provincial economy”.

The establishment of the ECDC saw the merging of four legacy agencies and development banks that operated in the previous homeland areas, namely:

- 1) The Transkei Development Corporation,
- 2) The Transkei Small Industries Development Organization (TRANSIDO),
- 3) The Ciskei People’s Development Bank,
- 4) The Ciskei Small Business Corporation.

Provincial Proclamation 1 of 2001 then formally merged the ECDC with the Centre for Investment and Marketing in the Eastern Cape (CIMEC), bringing the trade and investment promotion functions into the ECDC.



## Vision

A leader in facilitating inclusive sustainable economic growth.

## Mission

To promote and coordinate inclusive economic development through innovative finance and investment solutions.

## Values

In pursuit of its vision and mission the ECDC is committed to and guided by the following values:

- **Customer Centrism:** We place maximum value on the centrality of customer in delivering our mandate
- **Accountability:** We are answerable for our actions
- **Professionalism:** We are defined by our positive, presentable demeanour and our quest for continuous improvement.
- **Integrity:** In all our dealing with people we are known for our spirit of honour, reliability, ethical and moral standards.
- **Teamwork:** None of us is as productive as all of us when we complement each other to achieve a common goal



# INVESTMENT MANAGEMENT, TRADE & INVESTMENT PROMOTION (TIPIIM)

The ECDC has the mandate to promote the Eastern Cape as an attractive destination for foreign direct investment (FDI) and local direct investment (LDI). This requires a solid validated project pipeline, promoting industry sectors with high-potential and qualified projects and not merely sector opportunities.

The ECDC Trade, Investment Promotion & Investment Management (TIPIIM) Strategy presents a functional approach to pre- and post-investment services to investors and exporters – targeting the priority sectors and related industries identified by the ECDC E.D.P.

## **Trade, Investment and Innovation Unit performs the following sub-programmes:**

- Investment Promotion into the Eastern Cape
- Trade Promotion, provide support to local exporters to improve export capabilities and easy access to export markets (incorporating the creative industries)
- Fund Management and Strategic Partnering
- Investment Projects and Fund Structuring



# INVESTMENT MANAGEMENT, TRADE & INVESTMENT PROMOTION (TIPIIM)

## Economic Development Fund

- To facilitate growth and industrial development in the Eastern Cape
- Acting as a catalyst for economic development in identified key sectors
- Creating opportunities for economic participation of black-owned business and black industrialists
- Enhancement and further expansion of the value chains of traditional core industries within the Eastern Cape
- Facilitating the establishment of new industries that have been identified as strategically impactful and sustainable to the province over the medium- to long term
- Assist in the creation of industrial infrastructure
- Modernisation of the local economy, with specific attention being paid to the development of the digital sector
- Act as an intermediary for facilitating partnerships between large-scale private industry and SMMEs
- Facilitating co-operative partnerships with other government agencies in order to augment high impact projects that are aligned with the fund's (or any of its constituent fund products') mandate
- Catalyse & reinforce the commercial viability of potential high impact SMMEs

# INVESTMENT MANAGEMENT, TRADE & INVESTMENT PROMOTION (TIPIIM)

## Export Market Access Fund

The Export Market Access Fund is aimed at providing export funding to export ready local companies; assisting with packaging and positioning of local products and services for export markets; addressing various technical needs and challenges relating to international market access faced by local companies; positioning of the Eastern Cape Province as a reliable source market for exports as well as stimulating job creation through increased exports.

## Eastern Cape Film Investment Fund

The Eastern Cape Development Corporation (ECDC) realises the investment promotion potential value of promoting the Eastern Cape as a destination for hosting national & international film & television productions.

### Production Funding Categories

- Feature Film R 1.5 million
- Drama/TV Series R 2 million
- Reality Shows R 1.5 million
- Telenovela's R 3 million
- Documentaries R 1 million
- Animations R 1 million



# PROPERTIES AND INFRASTRUCTURE MANAGEMENT SERVICES

The ECDC currently has a DIVERSE property portfolio with an estimated value of approximately R1,2 billion consisting of commercial, industrial, and residential property together with tracks of vacant land in:

- Mthatha, Butterworth, Buffalo City and Komani areas.

The Unit has four functional areas:

- Leasehold management,
  - Asset management,
  - Facilities management, and
  - Strategic project management.
- ***Leasehold Management:*** Incorporates the leasing and tenant management of rental units owned by the corporation.
  - ***Asset Management:*** Focuses on ensuring the property assets are valued, protected, accounted for, and developed in an optimum manner.
  - ***Facilities Management:*** Ensures that property assets are physically maintained, safe and healthy in accordance with company policy that conforms to relevant legislation requirements.
  - ***The Strategic Project Management:*** Focuses on capital infrastructure project planning, development and implementation on behalf of the corporation, and for its clients through project implementation services.



# RURAL AND ENTERPRISE FINANCE AND BUSINESS SUPPORT

The Rural and Enterprise Finance and Business Support Division serve as a catalytic, sustainable provider and aggregator of enterprise finance and business support solutions for the growth and development of competitive small enterprises in identified priority sector industries, including within small towns, rural areas, and townships.

## FINANCIAL

### Bridging Loans

- Contract / order-based loans for provision of working capital required to execute government or private sector contracts/orders – 1 to 6 months term.

### Risk Capital Fund

- ECDC has established a pilot Risk Capital Fund (RCF) programme with the objective of promoting the development of innovative businesses ideas/concepts that support the growth of the Eastern Cape economy, contribute towards the creation of sustainable jobs as well as contribute towards the competitiveness of the province.

# RURAL AND ENTERPRISE FINANCE AND BUSINESS SUPPORT

## INCENTIVE PROGRAMMES

### Jobs Fund

- We provide non-repayable financial assistance by way of incentives to any EC based enterprise that show signs of financial distress – in the main, this is intended to save and create jobs at least for a period of 12 months from 5 – 250 jobs with >70% being SA citizens.
- This Fund incorporates a programme focusing on Small Towns, Rural and Township Entrepreneurship Programme (STRTEP) which is intended to support infrastructure upgrades, purchasing of essential equipment, etc., – maximum of R150k ≤ 20% cap for working capital.
- Support formal and informal business that have been existence for a period of a year.

### Imvaba

- Imvaba targets co-operatives based in EC, it focuses on nine targeted sectors, but the most common type of co-operatives are in primary agriculture such as (potato farmers, beekeepers but also manufacturing of clothes, branding and IT solutions, etc.,)
- We provide non-repayable financial incentives ideally for financing start-ups, capital equipment in line with the business requirements of the co-operative.
- The incentive is capped at R600k per co-operative for up to five years
- ECDC is considering expanding its support to enterprising individuals and enterprises within a co-operative to deepen the support provided to ensure success of the co-operatives.

# RURAL AND ENTERPRISE FINANCE AND BUSINESS SUPPORT

## NON FINANCIAL SUPPORT

Business support services entails *inter alia*, procurement and payment of independent consultants by ECDC to help enterprises to write and bankable business plans for consideration by ECDC and other DFI's.

Both financial and non-financial offerings are administered through various frameworks that contain targeted sectors, qualifying criteria, governance structures, etc. to ensure accountability.

- Development of Marketing Collateral (i.e., website design, business cards, banners, online stores, etc.,)
- Development of Business Plans
- Business Development Training through partnership programmes
- Business Incubation Programmes ( i.e., iHub, Chemin)

## ECONOMIC DEVELOPMENT COORDINATION AND SECTOR SUPPORT

The Economic Development Coordination and Sector Support Division advances coherence in the planning, executing, financing, and implementation of economic development projects and infrastructure in the province. It contributes to the following outcomes through its key result areas:

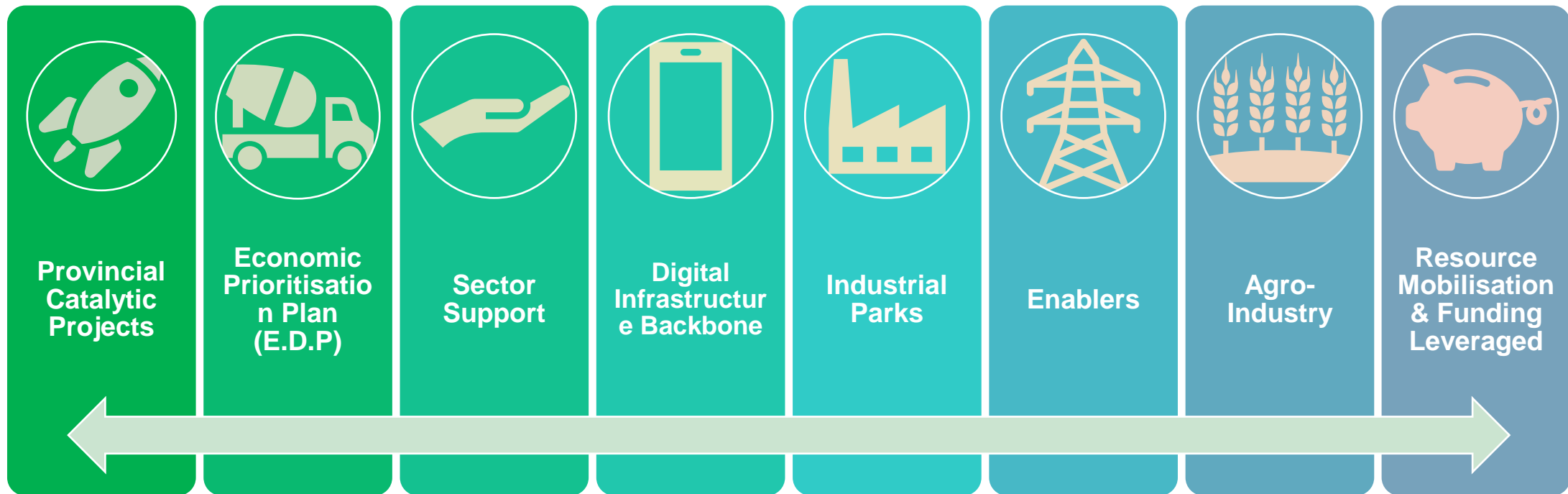
- **A financially viable and sustainable organisation:** To engage with government and private sector to secure support and funding for economic development projects and programmes.
- **Enhanced planning and coordination of economic development programmes and projects:** To strengthen business development and sector intelligence capabilities, to inform evidence-based decision-making, and to prioritise sectors and industries that stand to better transform the structure of the economy - precision planning and facilitation of economic development projects.
- **A well-governed, agile, and high-performing organisation,** through its focus on improving the efficiency and effectiveness of management processes and systems to enhance performance.



# STRATEGIC FOCUS AREAS

The objective of all the strategic focus areas is to ensure that the province achieves the maximum impact in terms of:

- Improved employment opportunities, particularly in rural economies & youth employment
- Equitable distribution of economic opportunities
- Stronger GVA growth
- Efficient processes and support for investments and businesses



## Our Foot Print

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# THANK YOU!

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