**Logo

Description automatically generated**

**NATIONAL ASSEMBLY**

**WRITTEN**

**QUESTION NUMBER 2253**

**DATE OF PUBLICATION: 10 SEPTEMBER 2021**

**PQ 2253/2021 Mr K Ceza (EFF) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Whether her department has developed mechanisms with sector departments to implement township economic zones within rural municipalities; if not, why not; if so, what are the relevant details? NW2560E

**REPLY:**

We have integrated township development to the District Development Model (DDM) One Plans. The effort of pursuing a coordinated framework through the DDM approach presented an opportunity for balanced ecosystem for integrated development. This process requires cooperation of all three spheres of government to ensure efficient and well-coordinated implementation of the interventions and programmes including the Special Economic Zones.

We are working closely with The Department of Small Business Development, which is currently implementing the Township and Rural Entrepreneurship Programme (TREP) that is reflected in various Municipal Economic Recovery Plan that were developed with guidance from the Department of Cooperative Governance as a critical programme to relieve Township business from the haltfelt impact of the pandemic. The TREP is a dedicated programme to transform and integrate opportunities in townships and rural areas into productive business ventures. The focus is to create platforms which provide the business support infrastructure and regulatory environment that enables entrepreneurs to thrive. TREP places priority on spatial location as it is focused on enterprises based in townships and/or rural areas that have the potential or capacity to supply goods and services to public and private sector, local, provincial, and national government departments on a sustainable basis.

There are operational Special Economic Zones that are located in townships in partnership with rural municipalities, including the Nkomazi SEZ in the Mpumalanga, Nkowankowa SEZ and Seshego SEZ, both in Limpopo. Furthermore, there are 10 designated and proposed Special Economic Zones in seven Provinces which include, Duwazi SEZ in Limpopo, Namakwa SEZ in Northern Cape, Bojanala SEZ in Northwest, Vaal River SEZ in Gauteng which are located in townships.

It is for this reason that the Department of Cooperative Governance plays an active role in the Project Steering Committee (PSC) of the Department of Trade, Industry and Competition on SEZ and Industrial Parks to address challenges that are encountered at municipal level in the implementation of SEZs including Red Tape related challenges. Other challenges that has been noted particularly in the township economic zones include issues of infrastructure, electricity, access to water and rail and road facilities. These challenges have an impact on the investor confidence. In this regard, several recommendations have been put forth to the DTIC in relation to the role of SEZs in the South Africa economic reconstruction and recovery plan.

It is against this background that the Department approached the United Nations in South Africa to support the implementation of the DDM and to enhance the Department’s support initiatives. The outcome has been the development of district specific implementation plans built on three interrelated pillars: Unlocking Economic Value Chains, Social Transformation and Service Delivery enhancement. The first pillar encompasses the development of tools and unlocking of opportunities for inclusive and sustainable economic growth.

The delivery mechanism arranged to carry out these interventions has been realised in the establishment of Business Solution Centres, structures setup to provide business development services for micro- and small-enterprises with special focus on women- and youth-led SMMEs. The Business Solution Centres will also function as one-stop facilities whereby a range of services will assist small businesses and aspiring entrepreneurs in overcoming obstacles such as lack of management skills and access to capital and market entry. Through this provision, training and services will endow this important sector with the skills and capabilities to succeed in the economic ecosystem and realise its full potential.