

Enterprise & Supplier Development

By donating towards the Trust's agriculture initiatives, companies have an opportunity to earn the full allocation of points for Enterprise and Supplier Development (40 points), and Socio-Economic Development (5 points), which are also considered compulsory elements on the revised B-BBEE scorecard.

One of the easiest ways to earn points is through the Enterprise and Supplier Development Element. This Element counts for 40 points on the Generic Scorecard and 30 points on the Qualifying Small Enterprise (QSE) Scorecard.

The three sub-elements are:

1. Enterprise Development

The focus is on assistance to, and development of, Black Owned Enterprises, as well as the support of Black Entrepreneurs (at least 51% Black owned and a Turnover of less than R 50 million pa).

According to clause 3.2.5.12 of Statement 600 of the B-BBEE Codes of Good Practice, payments made by the Measured Entity to a third party (The Siyazisiza Trust) to perform enterprise development on the Measured Entity's behalf qualifies as an Enterprise Development Contribution.

For Enterprise Development, companies will have to spend 1% (1% QSE) of their net profit after tax.

All of the Trust's Enterprise Development beneficiaries 100% Black owned are EMEs (Exempt Micro Enterprises) and, as such, any contributions made are multiplied by a factor of 1.25.

Support can take the form of "grants", "loans" etc.

2. Preferential Procurement

The preferential procurement element of the B-BBEE scorecard measures the extent to which a company purchases its qualifying goods and supplies from B-BBEE compliant suppliers, as evidenced by the B-BBEE scorecard rating of the supplier.

According to the B-BBEE Codes of Good Practice, companies procuring goods or services from the Trust, as a Level 1 QSE, would obtain 135% recognition of procurement spend against their BEE score.

There are a number of products and services that which could be procured from the Trust, these include:

- Services: The Trust has a wealth of in-house expertise and knowledge in the field of rural development:
 - Community development
 - Enterprise development
 - Programme & project management
 - Agricultural technical services

- Agricultural infrastructure & design
- Agro-Ecology and permaculture
- Agro-processing development
- Products: The Trust supports and represents over 72-agricultural collectives and agri-enterprises. Some of the products that can be currently procured from our beneficiaries via the Trust include:
 - Fresh produce
 - Processed goods – such as puffed grains & vegetable powders

3. Supplier Development

Whilst preferential Procurement will dictate who your suppliers are going to be in future – new stringent requirements around Preferential Procurement will force businesses to broaden their supplier database. Supplier Development will become very important because businesses are going to struggle with their Preferential Procurement, and therefore they will need to develop Suppliers to fulfil their supply chain needs.

The focus is on assistance to, and development of, Black Owned Enterprises and the support of Black Entrepreneurs (at least 51% Black owned and a Turnover of less than R 50 million pa).

For Supplier Development, companies will have to spend 2% (1% QSE) of their net profit after tax, per annum.

Such supports can take the form of “grants”, “loans”, early payment terms, etc.

Skills Development

The revised codes of good practice also offer companies the opportunity to maximise their points for skills development. Companies who might find it difficult to achieve the skills’ development spend target can now increase their score by funding the Siyazisiza Trust’s skills development programmes for agricultural producers or the Siyazisiza Trust’s own black employees.

Skills development measures the extent to which companies carry out initiatives designed to develop the competencies of black people internally and externally.

Companies are required to spend 6% of their payroll on training. This training includes the following:

- Spend on black people
- 85% on accredited courses
- 15% can be on non-accredited training

The Trust is not yet an accredited training provider, however, it does provide a range of Category F and G training, as well as mentoring in agriculture and enterprise development to its 100% black beneficiaries.



Socio-Economic Development

The Siyazisiza Trust has been supporting social-economic development for over 30 years, with the objective of facilitating income generating activities for targeted beneficiaries. Under the SED element, companies can make contributions to the Trust as monetary or non-monetary (services).

As a Public Benefit Organisation with Section 18A Status, companies making monetary or asset donations under this category would be able to obtain the double benefit of an 18A deduction (up to 10% taxable income) as well as the relevant B-BBEE points.

For Socio-Economic Development, companies have to spend 1% of their net profit after tax per annum, to receive up to five points on their B-BBEE score card.