

**TERMS OF REFERENCE FOR A NAMAKWA SEZ SMME AND SUPPLIER
DEVELOPMENT STRATEGY**

PROPOSAL NO: NCEDA/PMU-24/004

- ELIGIBILITY** : The Northern Cape Economic Development, Trade and Investment Promotion Agency herewith invites bid proposal from adequately qualified and experienced consulting companies to compile a enterprise (SMME) and supplier development strategy for the Namakwa SEZ.
- DUTY STATION:** : Kimberley.
- CONTRACT PERIOD:** : Concluded on appointment.
- REPORT TO** : The Chief Executive Officer, or Project Executive Northern Cape Economic Development, Trade, and Investment Promotion Agency, South Africa or designated official.
- APPOINTMENT BY** : Northern Cape Economic Development, Trade, and Investment Promotion Agency (NCEDA).
- REFERENCE** : Namakwa SEZ enterprise (SMME) and supplier strategy.

All interested and competent service professional service providers (PSP) that specialise in economics, socio-economic development, economic planning and analysis or developmental economic and supplier development are hereby requested to submit a quotation with all the requisite compliance documentation for the following project: Namakwa SEZ Small, Micro and Medium Enterprises (SMME) and supplier development strategy.

The Namakwa Special Economic Zone site is located in the Khai Ma Municipal area, Namakwa District, Northern Cape Province.

The deadline for the submission of the quotation will be **08 March 2024**

1. INTRODUCTION

The Namakwa Special Economic Zone (SEZ) is a priority project for the country and Northern Cape alike and forms part of the Northern Cape Industrial Corridor. The corridor stretches from Kathu Industrial Park to the proposed Boegoebaai deep port harbour.

‘Special Economic Zones (SEZs) are geographically designated areas of a country set aside for specifically targeted economic activities, supported through special arrangements (that may include laws) and systems that are often different from those that apply in the rest of the country and is legislated by the SEZ Act 16 of 2014. South Africa recognises industrial development as a critical route to sustainable economic development, prosperity and successes.

Namakwa SEZ is a priority node for industrialisation which is envisaged to be a critical contributor to employment creation and overall development of the Northern Cape. The SEZ is geared to create a conducive environment for manufacturing capabilities of industries and the creation business and employment opportunities. It is therefore important to ensure meaningful inclusion of SMME’s and suppliers in the development SEZ, which have been recognised in various literature as catalysts that can contribute to overcoming various socio-economic impacts faced by the county.

The Namakwa investment is beyond concept and feasibility phase having secured an anchor investor and a successful business case been approved by the DTI.

The Project Manager for the establishment of SEZ is NCEDA and will represent the Northern Cape Provincial Government and the DTIC. The project quality governance will be via the Namakwa SEZ Project Steering Committee. The operational Namakwa SEZ Project Management Unit will support the successful service provider appointed.

1.1. SITE DESCRIPTION, LOCATION AND LAYOUT

The Namakwa SEZ will be located on a portion of RE/57 of the Farm Aroams 57 Portion 1 of the farm Bloemhoek 61 property Aggeneys in the Khai Ma Local Municipality, in the Northern Cape Province. The SEZ is located approximately 14 km east of the town of Aggeneys, along the southern border of the N14. Aggeneys is located approximately 165 km east of Springbok and 60 km west of Poffader the main municipal town. Aggeneys was established in 1976 and is a mining town that hosts the Black Mountain Mine, an underground base-metal operation that produces zinc, lead, copper and silver. Aggeneys is situated in a semi-desert landscape with diverse and complex geology and ecology. Approximate latitude and longitude as available near the project site are as follows:

Latitude: 29°15'10" S Longitude: 18°54'26" E.

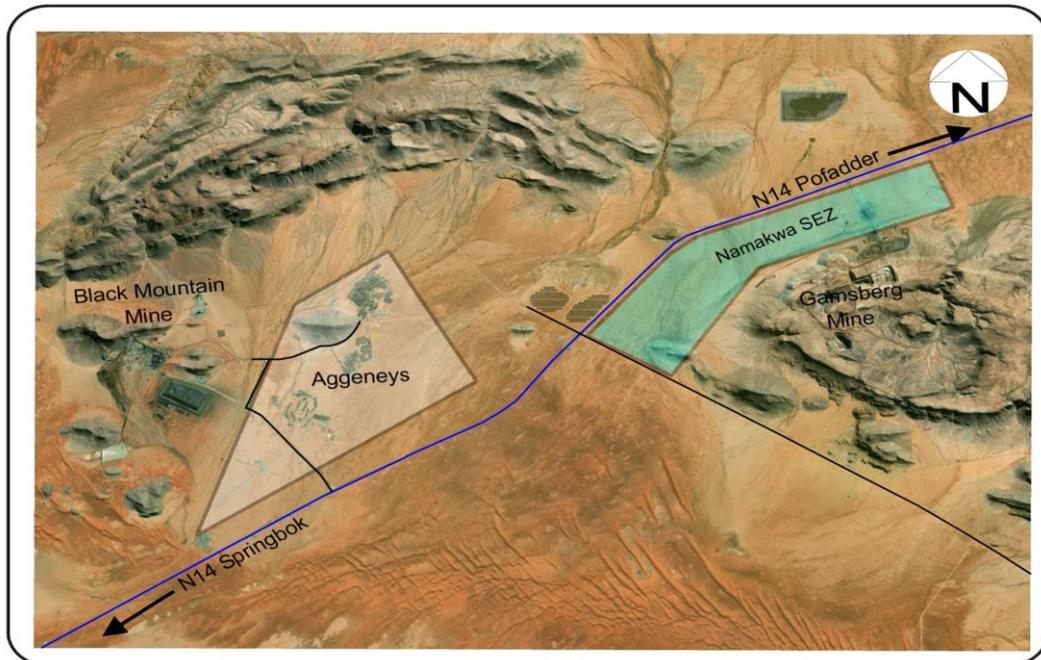
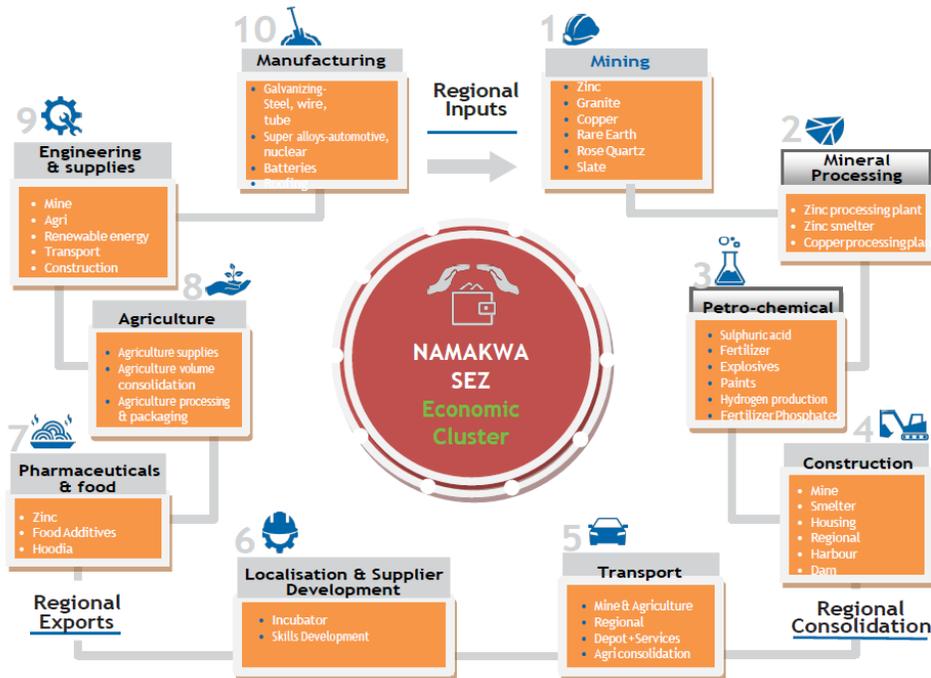


Figure 1: Namakwa SEZ site

1.2. NAMAKWA SEZ ECONOMIC CLUSTER



The Namakwa SEZ focuses on several sectors which is depicted in the figure above. SMME and supplier development will invariably be focused on those sectors.

Socio - economic development

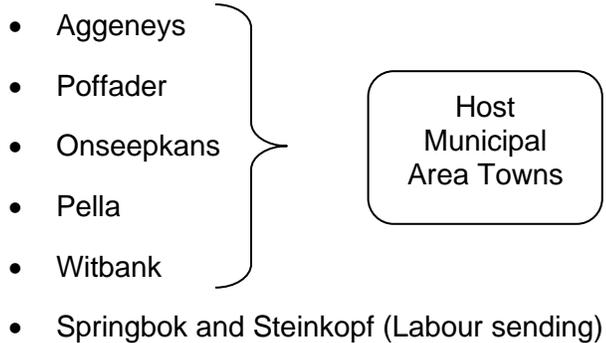
Khâi-Ma Local Municipality and Aggeneys specifically is a distressed area in socio-economic difficulty, being a spatially and economically isolated area with little economic activity. With the establishment of the Black Mountain Mine and Gamsberg mine, attraction of Aggeneys as a business location increased and attraction of employees from Namakwa and Khâi-Ma Municipality while some of them are from other parts of the country and even from outside the country.

Agriculture also plays an important role in the economy of Khâi-Ma, especially in areas such as Pella, Onseepkans and Witbank.

The establishment of a SEZ in Namakwa will have a tremendous impact on the communities of Namakwa District, and Khâi-Ma Local municipalities. Social impacts include:

- Health
- Education
- Training and skills development
- The local economies.

Affected communities.



Localisation and SMME development

The intention is to have maximum localisation of SMME's and suppliers to support the industrial process but also the rapid social and residential expansion in the region, and ultimately ensure job creation for the broader Namakwa region and Northern Cape. The main objective of the small micro and medium enterprise (SMME) development and supplier programme for the Namakwa SEZ is to support the development of SMMEs and suppliers in the region that can be integrated into the supply chain of the SEZ entity and larger companies that operate and invest in the SEZ.

This localisation drive will unpack the extent of the mining, industrial and social investment for Namakwa SEZ, Namakwa District and Northern Cape. This will produce an investment analysis combined with the local population and enterprise competency scan. The strategy will advise the comprehensive enterprise and supplier strategy and support required to ensure local enterprise development and participation in the Namakwa SEZ development and operations.

Incubation

International literature indicates that successful SEZ programmes focus on a holistic package of business development support which includes infrastructure, skills development, technology, research and development, market support, finance, market access logistics and incubation programmes. This is affirmed by the SEZ strategy which requires a long-term planning view for SEZ and SMMEs participating in the programme.

Namakwa SEZ will require incubatory services located in the zone linked to the sectors that are to locate within the zone. The incubator will consist of a network of small business enterprises that will enable entrepreneurs and SMMEs to access business assistance facilities, knowledge, finance, mentorship and support. Creating shared value by identifying and developing partnerships is one of the instrumental practices for driving business goals. Leveraging these partnerships will enable the incubator to create social and economic value for communities, and also to address the immediate needs and challenges of entrepreneurs. The ultimate goal is to nurture the potential of local entrepreneurs in order to ensure that the local economy is able to deliver opportunities that can extend beyond mining. One of the most effective ways of building stronger communities is through enterprise development.

It will provide local SMME's in the Northern Cape with an enabling environment to grow their businesses, supported by a comprehensive enterprise and supplier development programme, and in the process ensure that the region increases its capacity to stimulate future economic prosperity in the province.

2. SCOPE OF WORKS

Namakwa SEZ is a greenfield Special Economic Zone development which requires a qualified and experienced professional service provider to develop a SMME and supplier development strategy. The need for the strategy is premised on a partnership with the local and regional communities through SMME and supplier development programmes for the SEZ site development and future operations. The program will facilitate the creation of an enabling environment for the growth and sustainability of the SMME and suppliers' sector in the area and broader region.

It will provide local SMME's in the Northern Cape with an enabling environment to grow their businesses, supported by a comprehensive enterprise and supplier development programme, and in

the process ensure that the region increases its capacity to stimulate future economic prosperity in the province. Vedanta Zinc International currently plays a pivotal role in the socio economic development initiatives of the region through their Social and Labour Plan programmes.

Namakwa SEZ is being funded by the government to implement and manage this newly established Special Economic Zone, which necessitates compliance with all the country's legislative and regulatory requirements (BBBEE, preferential procurement). This will require the study to capture the following throughputs in a bid to enhance the elements of localisation and SMME cultivation within industrial developments. The following activities will need to be conducted to develop a comprehensive and inclusive SMME and supplier development framework:

- i. Provide a research and execution methodology benchmarking with other SEZ's in South Africa.
- ii. Conduct a situational analysis and prepare a status quo report - Assessment of existing industries, SMMEs, and suppliers in the area and wider region (Namakwa and Northern Cape). Existing data sets will be used in a desktop study approach.
- iii. Develop an institutional tool by formulating a comprehensive framework outlining the procedural steps for SMMEs and suppliers to register on databases at the local municipality, district, and provincial levels. This integrated framework seamlessly interfaces with the Namakwa SEZ, serving as an effective screening tool to ascertain the locality of SMMEs and suppliers.
- iv. Develop a strategic framework and programme for the development and promotion of SMME's and suppliers. This should include but is not limited to the identification of opportunities for infrastructure, access to finance, technology, and markets for SMME's and suppliers to participate in SEZ by leveraging available government and non-government initiatives/funding mechanisms.
- v. Develop a methodology/model to grow SMME's from start-up to medium sized and final graduation through an incubatory process.
- vi. Develop a methodology/model to support suppliers from start up to maturity through financial and non-financial support to ensure participation in the mainstream supply chain of the SEZ entity and investor tenant supply chains.
- vii. Project the future economic impact of the zone once fully operational linked to the strategic framework and ensures the promotion of regional integration and value addition to enhance SMME participation.

- viii. Develop an implementation plan and a plan of action to assist and support SMME's with participation in the SEZ development and operations through an incubatory process.
- ix. Develop a proposed model with options that the SEZ will utilize in supporting SMME's in an incubator with mentoring of SMME's and support to suppliers.
- x. Develop a monitoring and evaluation matrix for the SMME and supplier development performance once the programme is implemented.

3. THE FOLLOWING DOCUMENTS ARE REQUIRED FROM THE SERVICE PROVIDER

- 1.1 A quotation in respect of all your fees and charges/ disbursements (costs) must be submitted.
- 1.2 The service provider must reflect a detailed account of the fees and disbursement schedule.
- 1.3 Proof of qualification and registration with relevant.
- 1.4 Company profile , references and a portfolio of similar project.
- 1.5 Methodology and implementation plan for the scope of works
- 1.6 Time Schedule for the delivery of the study.

4. SOLUTION PARAMETERS / INFORMATION GATHERING

The successful Service Provider is expected to make contact with all the relevant and required officials and units within and outside government to obtain relevant information that is required for the project. Existing information which is available generally will be made available to the successful service provider. ***However, the responsibility for collecting information necessary for the successful execution of the project remains entirely with the service provider.***

To deliver on the deliverables, the outcomes of project should be in the form of text, maps, graphics and photographs. A tabular format shall be used for the purpose of summarising the information collected.

It is recommended that more visual representation (maps, graphics, and photographs) form

part of the deliverable and the conceptual framework section of the work package. A text box or other mechanisms may be used to provide an explanation, relevant information, or analysis.

NCEDA will provide comment and feedback to the service provider for amendment purposes.

6. PROJECT TIME FRAME

It is expected that the project will be completed within six (6) months from the date of appointment.

All relevant documentation will be provided to the Service provider.

7. CONTENTS OF THE PROJECT PROPOSAL

A clear and concise project proposal covering the aspect listed below is required;

- i. An executive summary.
- ii. A project plan
- iii. The proposed methodology should indicate a detailed list of data to be gathered and how it will be processed. The methodology should also indicate the project milestones that will be used to measure the project progress.
- iv. The budget.
- v. The names and CV"s containing detailed information on relevant experiences of all the persons who will be **directly** contributing to the project, and their roles thereof.
- vi. Evidential and documentary proof of professional qualification, registration, and affiliation.
- vii. Any shortcomings in the study specifications, how these ought to be addressed and the cost implications thereof.
- viii. The following technical information must be submitted with the Bid proposal:
 - Years of experience of each resource;
 - Relevant planning experience in this geographical region;
 - Relevant professional experience during the last five years;
 - Organisational, managerial and technical ability;

- Full CV"s of all members of the Team
- Associations and Professional Affiliations.
- Portfolio of similar work conducted.

Requirements for submission:

Consultants will need to demonstrate that that they have a clear understanding of these Terms of Reference. Emphasis will be placed on the quality of experience and expertise of the consulting team, the extent that the team can provide the integrated knowledge and expertise required to facilitate decision making processes.

The following support documents (if PFMA or AG require additional documentation a formal request will be issued) will be required to accompany your quotation to ensure that NCEDA as a 3C government entity remain PFMA compliant:

- Detailed quotation,
- Project plan,
- Billing and payment schedule,
- SARS certificate in good standing,
- Valid CSD,
- Company profile that will indicate competence and references relevant to this assignment.

COMPLIANCE DOCUMENTS

- SBD 4 - Bidders' documents
- SBD 6.1 – Preference points
- Certified BBBEE Affidavit
- Valid CSD report

80-20 PREFERENCE POINTS

SPECIFIC GOALS	PREFERENCE POINTS
Women	5
People with disabilities	4
Promotion of EME's	4
Locality	5
Youth	2
TOTAL	20

Service providers claiming points for the above specific goals MUST provide proof by submitting a valid CSD report and documentation confirming that the business is an EME. Should you fail to provide proof, points for EME will not be allocated.

Applicable preference points – 80/20

Closing date: 08 March 2024

Closing time: 16h00

All enquiries can be directly forwarded to myself.

- Mr Shawn Modise
- smodise@nceda.co.za & Telephone Number: 053 110 0289

For Supply Chain Management related enquiries Contact:

- Mrs. Boitshupo Buang
- Email: bmatsime@nceda.co.za & Telephone Number: 053 110 0289

PROPOSALS MUST BE HAND DELIVERED OR COURIERED TO

Quinn House, Ground Floor
20 -22 Villiers Street
Kimberley Central
Kimberley
8300

No emailed or Faxed proposals will be accepted.