

Executive Chairperson of the National Youth Development Agency (NYDA), Ms Asanda Luwaca

Invitation to the launch of the research report titled: “A promise without commitment: Overview of state compliance with President’s 40% procurement allocation”.

Commission for Gender Equality (CGE)

24 October 2022

Southern Sun Hotel, OR Tambo Airport

All protocol observed

Greetings to all the youth gathered here today.

I want to thank the Commission for Gender Equality (CGE) for extending an invite to participate as a panelist at today’s launch of the research report title ‘A promise without commitment: Overview of State Compliance with President’s 40% Procurement Allocation’. When I first received the invitation, there were a few things that ran through my mind. Firstly, do I anchor my input on the importance of this discussion from the perspective of a women or that of a young person in South Africa? I then realized I have the unique opportunity, to focus on what this discussion means for youth in general and young women in particular. I must commend the research report that analysed the implementation of the progressive call by President Cyril Ramaphosa in August 2020, where he outlined the plans by government to expand women’s access to economic opportunities by setting aside 40% of public procurement for women-owned businesses.

This call was made against the backdrop when global gender parity has remained unattained and progress still too slow for many women and girls around the world. According to the World Economic Forum’s Global Gender Gap Report 2021, another generation of women will have to wait for gender parity. As the impact of the COVID-19 pandemic continues to be felt, closing the global gender gap has increased by a generation from 99.5 years to 135.6 years. The report has an extensive literature review that contextualises the discussion of gender parity from the lens of procurement contributing towards women’s economic empowerment. I encourage everyone to engage with the report and its research findings. The key area of discussion was on the proportion of spend that National and Provincial governments have undertaken in procuring goods and service from women- owned businesses (focusing on black-women- owned business) given that 40% quote allocation (to support and promote women’s access to economic opportunities) as announced by the President however, this has not been legislated. The report makes five main findings, but what became particularly important for me, was the third recommendation.

I want to center my input on the recommendation that makes the call that:

“The state procurement processes, including existing policies and legislation, be thoroughly reviewed, and where appropriate, amendments should be made to

strengthen support for promoting women-owned businesses through state procurement processes”.

I will do this in the context of the Public Procurement Bill and the various gaps we have identified as the Agency. Most importantly, how can this piece of legislation strengthen support for promoting women-owned businesses through procurement processes, with a focus on young people in particular.

Public Procurement Bill

As the National Youth Development Agency, we have been grappling with the Constitutional Court’s judgment of regarding the 2017 Preferential Procurement Regulations. National Treasury gazetted the draft Preferential Procurement Regulations in February 2022 to prescribe the threshold amounts in which the 80/20 and 90/10 preference point systems must be used and other matters necessary or expedient in order to achieve the objects of the Act. This allows for the NYDA to make inputs that which will in favour of young person in South Africa. The Initial challenge of a young person in business in South Africa is the perceived fact that the service that they render are not of satisfactory standards. The majority of the young people in business remain marginalised and excluded in procurement processes based on the mentioned assumption. This narrative exacerbates challenges faced by young people to participate in the mainstream economy.

The object of the Act is based on the constitution, particularly section 217 which specifically deals with public procurement of goods and services and implementing a procurement policy providing for advancement of persons disadvantaged by unfair discrimination. The current draft bill, in our view, does not help to advance companies owned by people who are women or youth because it’s silent in this regard. Furthermore, we have made our submission that the Preferential Procurement Policy Framework Act, 2000 section 2(1)(f) should also be viewed to cater for youth.

The Bill applies in all public entities; therefore, it will provide the NYDA to advance its agenda for the youth. The National Youth Policy 2030 proposes that youth procurement must set aside about 30% in the public and private sector organisations. In addition, it provides the CGE a similar opportunity to advocated for 40% procurement allocation be set aside for women.

The Bill speaks of the fact that the accounting officer ought to ensure that some groups (Women, Youth, People with disability, people from disadvantage community) are given preferences. Ours as the NYDA is to ensure that young people are adequately prepared through the non-financial interventions we have in place such as business management training, mentorship, Market linkages, corporate governance trainings, and the likes. We further advocate for there to be interventions that are intentional in addressing the historical gender gap that manifests itself in the procurement process.

Despite significant progress in women’s rights since the adoption of the Beijing Declaration and Platform for Action 27 years ago, women and particularly young women, still work more

hours, earn less, have fewer choices, are disproportionately under-represented and risk violence in all aspects of their lives.

Over 50% of female youth between the ages of 20–24 are not in employed, educated or trained. We cannot negate the impact of economic marginalisation of young people has dire consequences, both for individual youth and for nationwide cohesion. Opportunities to gain employment in secure and meaningful jobs, or pursue financial independence, are a key feature of a well-functioning society. Without access to economic opportunities, bidding for government and private sector work will increase the high unemployment rate.

Therefore, in our view, it is imperative that government does the following:

- Provide work exposure for youth
- Support existing and upcoming youth enterprises and cooperative
- Support youth owned business and ring fence 30% set aside on SCM targets
- Provide collateral grant funding
- Implement enterprise development programmes

Set asides means a policy or programme targets percentage of procurement exclusively for certain categories of enterprises on procurement by supply chain process or government departments and state- owned entities, the set aside also includes private sector involvement and participation. There has not been reporting on the percentage achievements by government departments and many reasons given why youth owned entities are not participating especially in industries that have previously been dominated by minorities the like water sector, energy, mining, manufacturing, and agriculture etc. Therefore, it is imperative that SCM process do cater for youth owned business, youth with disabilities, young women as well as youth in the rural areas.

Products and Services of the NYDA in an evolving business environment:

We, the youth are faced with the legacy of apartheid and the challenges borne of democracy, with the eminent reality of new threats such as the global health pandemic, climate change, increasing mental health challenges and the wrapped advancement in areas such as Information and Communication Technology (ICT).

The NYDA Grant Programme which is designed to provide young entrepreneurs with an opportunity to access both financial and non- financial business development support in order to enable them to establish or grow their businesses. The programme focuses on youth entrepreneurs who are at intentional, promising, and at their early stages of enterprise development. For instance, in the NYDAs 2021/22 Annual Performance Report, the gender parity in the grant programme reflected 54% being males and 44% female grant recipients. This is in line with today's discussion because as the NYDA, we equally have a role to play in ensuring gender mainstreaming is reflected in our work. With the added responsibility of supporting tomorrows female owned business to be in a position to benefit from procurement allocation.

In closing,

The NYDA commends the CGE for using its platform to spark conversations on the “Overview of state compliance with President’s 40% procurement allocation”. In addition, on identify solutions to achieve women’s economic empowerment through the lens of procurement allocation.

The agency has a critical role play in how it supports the youth in general, and young women in particular, who are starting businesses that provide quality services in various sectors in order to be eligible for procurement opportunities both in the public and private sector.

I thank you!