



WESTERN CAPE PROVINCIAL PARLIAMENT

COMMITTEE SECTION

ROUTE FORM

Contact person: Zaheedah Adams

Ext: 1641 Date: 31 October 2018

Instructions:

- a) "Subject" must be clear.
b) Please complete designation where the * is indicated.
c) Complete "For Attention" with a checkmark.
d) Use the code list to complete the "request" - column.

Subject:

Oversight Visit Report: Zoe Incubation Centre in Delft

Table with 5 columns: FOR ATT., PERSONS INVOLVED, REQUEST, INITIAL, DATE. Rows include Zaheedah Adams, Lizette Cloete, Mario Sassman, Jabu Nkabinde, Beverley Schafer, and Jasmin Glass.

Code List

- 1 For your information
2 For your information and forwarding
3 For your information and signature
4 Approval
5 Approval and forwarding
6 Approval and signature
7 Further instruction
8 See comments
9 Further attention

COMMENTS:

Four horizontal lines for entering comments.





Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE

REPORT OF THE STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE ON AN OVERSIGHT VISIT TO THE ZOE INCUBATION CENTRE IN DELFT ON 19 SEPTEMBER 2018

The Standing Committee on Economic Opportunities, Tourism and Agriculture, having visited the Zoe Incubation Centre in Delft on 19 September 2018, reports as follows:

Delegation

The delegation comprised of the following Members:

Schäfer, BA (DA) (Chairperson and leader of the delegation);
Mnqasela, M (DA)
Nkondlo, N (ANC)

Apologies

Maseko, M (DA)
Tyatyam, S (ANC)

The Committee Coordinator, Ms Z Adams, and the Senior Coordinator, Ms L Cloete, accompanied the delegation.

1. Background and introduction

The Standing Committee on Economic Opportunities, Tourism and Agriculture visited the Zoe Incubation Centre (hereafter “the Centre”) in Delft on 19 September 2018. The visit focused on the purpose of the Centre, its business model and the alignment of the Centre’s business model to the provincial strategy on the Fourth Industrial Revolution.

Delft is a community that has a high level of unemployment, gangsterism, substance abuse and poverty. The Zoe Incubation Centre is a public facility whose mission is to eradicate unemployment, oppression and illiteracy within the Delft community, through skills training and awareness programmes. The Centre aims to provide the community with skills that will allow them to break free from systemic poverty.

The Centre’s programmes are run by members of the community and Mzansi Digital Republic Trust (hereafter “Mzansi”), which was founded by the Home of Compassion, a non-profit organisation focused on holistic human capital developments, and Information Communication and Electronic Media Group (ICE Media).

The Centre assists all age levels of citizens in the Delft community, starting at the Early Childhood Development stage and offering shelter to youth roaming the streets of Delft. Youth are fed and church buildings are used to shelter homeless youth on the condition that they attend school full time.

The Centre also offers the following:

- Developmental courses in arts and crafts, life skills, HIV/Aids, hygiene and nutrition;
- Skills training in terms of baking, cooking, plumbing, brick laying, farming and computer skills; and
- Practical training where trainees are given the opportunity to use their skills in a working environment, and practice their skills until they are proficient.

Once trainees complete the practical component of the programmes, they are ready for placement in the formal economy. The Centre has established relationships with a number of recruiting agencies through which trainees can be placed into formal job opportunities. Those that show entrepreneurial potential can then proceed to the entrepreneurial development stage where they are trained and mentored until they are fully fledged entrepreneurs.

2. Overview of the visit: Site tour and briefing meeting with the leaders of Mzansi Digital Republic and the facilitators of the Zoe Incubation Centre

The Committee was welcomed by Mzansi's Group Executive Chairperson, Mr Charles George, and the Chief Executive Officer, Mr Aubrey Botha. The Members were taken on a walking tour and briefed on the various sections of the Centre.

2.1 The Business Model – Mzansi Digital Republic and the Zoe Incubation Centre

In 2014, Home of Compassion partnered with the Western Cape's Department of Economic Development and Tourism (hereafter "the Department") to implement part of the Department's Broadband strategy for free basic internet connectivity in the Delft community. 25 base stations were erected for the Delft community within a 300 metre radius of each other. The base stations provide the community with access to broadband, and are predominantly situated at schools and places of mass socialisation such as taxi ranks.

Mzansi aims to create digital citizens with the vision of unlocking the benefits of the knowledge-based economy for the digitally excluded and marginalised. Mzansi's digital citizenry programme is based on the following:

- Internet and Communications Technology (ICT) infrastructure to establish fundamental connectivity in previously disadvantaged areas;
- Web-enabled devices to connect to the internet and IT infrastructure;
- Online community platform to empower collaboration, social engagement and digital citizenship;
- Electronic and Mobile Commerce (E and M-Commerce), to unlock financial opportunities and online business within the Delft community; and
- Online support through call centres and logistical services to maximise human interaction in the digital ecosystem and for job creation.

The core foundation for all Mzansi's programmes is its ICT infrastructure. Mzansi has built a WiFi Mesh Network (hereafter "the Network") with 25 sites all over the pilot community of Delft. This network is called Mzansi Connect.

2.2 The Call Centre Initiative

The Committee was briefed on the importance of Business Process Outsourcing (BPO) for the province, and the area of Delft, specifically. Mzansi has worked with Zailab to open and operate the country's first 60 seat decentralised community-based contact centre that uses Artificial Intelligence (AI) and machine learning software for superior customer experience and employment aggregator. The contact centre serves as an incubation centre that will enable agents to work from home within a year. The aim is to allow the Province to increase the size of the call centre industry while lowering operational costs, thereby making the province more competitive with other BPO destinations.

The contact centre and the Mzansi platform works together to create one point of entry for corporations that want to do business with the Mzansi consumer. Corporate clients are offered the following:

- A business ecosystem that is supported by a world class contact centre with AI technology;
- Contact centre agents that serve as price brokers ensuring the best price for digital citizens;
- Agents that offer post sales service and promote online store special offerings;
- Agents that support partner retailers with information on loyalty programmes; and
- An upsell on existing products and services to increase spend and ease of use.

So far, contact centres have consistently created employment in the country. The contact centre in Delft has created employment opportunities and enabled community members to better their quality of life. The Centre now has the ability to employ approximately 180 Delft community members to work on the contact centre project being piloted by Mzansi and Zailab. The idea is to transfer this model to other areas within the province and country.

3. Observations during the site tour

- 3.1 The Centre is focused on preparing the Delft community for the Fourth Industrial Revolution, specifically looking at job creation within the community, and how to limit the outflow of revenue from the area.
- 3.2 The Centre offers a retail service that employs four women from the Delft community. School uniforms are made for learners who cannot afford to buy the uniforms. Matriculants are also rewarded with matric ball dresses that are designed and made at the Centre.
- 3.3 The Centre offers a retail service that employs four women from the Delft community. School uniforms are made for learners who cannot afford to buy the uniforms. Matriculants are also rewarded with matric ball dresses that are designed and made at the Centre.
- 3.4 There is a bakery on site that bakes bread and doughnuts. Individuals are taught to bake and to be self-sustainable so that they can establish their own businesses.
- 3.5 The Centre is in the process of establishing a fully functional studio where live shoots and broadcasts will take place.
- 3.6 With the Fourth Industrial Revolution, up to 40% of jobs in construction will not be required and up to 65% of jobs in retails will be lost. Many individuals in poorer areas are employed

in these jobs; therefore, it was imperative that Mzansi became innovative in its quest to uplift these communities and close the increasing digital divide.

- 3.7 The ICT courses offered at the Centre are accredited through the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA).
- 3.8 Courses offered at the Centre run over a six month period; however, for the first three months, the Centre works with individuals to address/unlearn negative behaviour.
- 3.9 The public WiFi hotspots created by Mzansi in Delft are the largest in the country. The Delft community takes ownership of the broadband base stations; therefore, the base stations have not experienced incidents of theft or vandalism.
- 3.10 Mzansi Connect provides the Delft community with WiFi vouchers at R10 per Gigabyte of data, as it was found that users preferred WiFi data over cellular data because it is cheaper and the users' experience was better. Most network providers have limited infrastructure within Delft. In areas where there is good WiFi, prepaid airtime sales has decreased.
- 3.11 Mzansi has developed the "Mzansi Lifestyle App" (hereafter "the app") with a built-in E-Wallet, Communicator and online mall, to assist in keeping money circulating within the Delft community for longer. The app puts essential and local goods and services in the users' hands, thereby localising more of the area's economic activities.
- 3.12 The Mzansi E-Wallet manages the WiFi top-up vouchers sales and provides for a model that could feed back in to the government's broadband strategy. The Network makes R5,20 from each voucher that is sold. On average, each vendor sells 90 vouchers per day to ensure profitability, with an average income of R8 100 per vendor.
- 3.13 Besides purchasing mobile prepaid airtime and WiFi top-up vouchers, the Mzansi Connect service also allows Delft residents to purchase or pay for electricity and water, to transfer money, to purchase household goods, and to hail a taxi from their homes. All these services offer the community the element of safety and security as the transactions are safe and cashless.
- 3.14 Once WiFi hotspots were established in communal areas, Delft community members started congregating in these spots. Thereafter, vendors started selling goods in those areas. As a result of this economic stimulus, these hotspots became vibrant communal spaces.
- 3.15 The demand for private lines in the Delft community is growing. Mzansi is in the process of installing fibre in the ground to accommodate the demand.
- 3.16 Mzansi has encouraged community members to download an app called ICECam that allows individuals to create content and take selfies through the app, which will be posted to social media. Every like, share and comment on the post allows the user to earn crypto currency called "JETS", which allows them to purchase goods such as toiletries and food. The app is also used for marketing purposes to track information such as the gender of the user, the type of handset being used, the network being used and the time spent on the device.
- 3.17 The Centre needs the assistance of all three levels of government and private corporations to ensure that its business model remains successful and can be replicated in other areas.

4. Recommendations

The Committee recommended the following:

- 4.1 That Mzansi pilot its platform and successful business model in other areas in the Western Cape,

such as the informal areas in Hermanus;

- 4.2 That Mzansi explore the untapped potential of bringing together all three spheres of government – national, provincial and local government – as well as private corporations to assist in replicating Mzansi’s business model in other areas in the Western Cape;
- 4.3 That Mzansi specifically focuses on cultivating a better relationship with local government, mayoral forums and officials responsible for the Local Economic Development strategy in order to demonstrate the success of its business model that is being piloted in Delft;
- 4.4 That Mzansi demonstrates its business model to delegates from the National Council of Provinces when a delegation visits the Western Cape again; and
- 4.5 To update the Standing Committee on its progress at least twice a year via email.

5. Conclusion

The Chairperson thanked the presenters from Mzansi, Zailab, Home of Compassion, the Department of Economic Development and Tourism, and the beneficiaries for availing themselves to address the Committee and give Members a tour of the Centre.

.....


MR T SIMMERS, MPP
CHAIRPERSON: STANDING COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE

DATE: 30 October 2018