

# CIDA Empowerment Fund



## Meeting Partner Companies' BEE Objectives

### 1. Ability to contribute to empowerment in a measurable and meaningful way

Partnering with CIDA Empowerment Fund gives companies the ability to make a measurable and meaningful contribution to empowerment which can be reported to stakeholders. CIDA is able to provide clear and accurate reporting of key deliverables including educational impact, student employment, employment creation, and enterprise development:

#### 1.1 Short-term Educational Impact

In 2006, CIDA staff educated and developed:

- 360 students in foundation year
- 900 students in a BBA Degree
- 300 banking learnerships
- 150 orphans and at risk youth (life skills training)
- 1500 call centre trainees
- 1000 unemployed youth (vocational training)

#### 1.2 Short-term Employment Impact

CIDA has empowered thousands of previously unemployed individuals to participate in the South African economy:

- 210 Bachelor of Business Administration graduates employed
- 400 CIDA Foundation students employed
- 1 800 Connectivity - trained employees employed in banking and call centers
- 530 000 community members trained through CIDA Extranet
- 1 000 hawkers and small businesses trained
- 26 561 (9079 in 2005 alone) employees upskilled through Connectivity

#### 1.3 Economic Impact

CIDA's direct empowerment impact is transparent and measurable. In the current year, CIDA graduates working in the market place will earn in excess of R100 million in salaries. Over the course of their careers, these same graduates will earn in excess of R3 billion – now that's empowerment!

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### 2. The Introduction of an authentic broad-based BEE partner

<b>Corporate Social investment (CSI)</b>	S18 tax exemption Transparency through governance Measurability Focused specified interventions Rural and community involvement
<b>Enterprise Development</b>	Nelson Mandela Extranet Programme CIDA-Branson School of Entrepreneurship CIDA-Business Seed Fund CIDA- Branson Incubator
<b>Preferential Procurement</b>	Nelson Mandela Extranet Programme CIDA-Branson School of Entrepreneurship CIDA-Branson Incubator
<b>Skills Development</b>	100%-owned training company, Connectivity Mentorship and learnership programmes Fully accredited BBA programme
<b>Employment Equity</b>	300 CIDA black graduates per annum Ability to be developed into senior management
<b>Equity Ownership</b>	100% black-owned and controlled entity Broad-based: 60% women Designated group (youth)
<b>Management and Control</b>	100% black-owned and controlled entity Broad-based: 60% women, 100% youth

- CIDA fulfils the DTI's BBBEE criteria with absolute integrity.
- CIDA is educating previously disenfranchised and financially disadvantaged youth throughout South Africa.
- CIDA is empowering women, who make up 58% of the current student body, and at least 60% of the beneficiaries of the Trust.
- CIDA is empowering rural communities, which account for 60% of the institutions intake.
- CIDA is empowering South Africa's youth.

### 3. The introduction of a highly regarded BEE partner

CIDA is heralded by:

- President Thabo Mbeki as an 'education innovator';
- Nelson Mandela as an 'inspiration';
- Professors at Harvard, Berkeley, MIT, Cambridge and the London School of Economics as a 'unique and powerful education model';
- The World Economic Forum as a 'Global Leader for Tomorrow'.

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### 4. The Introduction of a long-term broad-based BEE partner

CEF is looking to establish long-term partnerships with a select group of companies operating within South Africa. Given CEF's primary objective of ensuring the sustainability of an education group, its focus is on generating long-term dividends from its partner companies, not in making a short- or medium-term capital profit. CEF is an Endowment Fund, not a private equity fund. We invest for the long-haul.

### 5. Improved corporate image and stakeholder approval

Partner companies' corporate image stands only to benefit as a result of being intricately linked to CIDA's efforts to educate future South African leaders every year. Through a partnership with CIDA Empowerment Fund, companies will benefit from positive PR, marketing and branding of the association with CIDA and genuine empowerment.

### 6. Employee and community empowerment

CIDA Empowerment Fund's contribution will not be limited to improved BEE credentials for partner companies, but will extend to CIDA offering a variety of possible tuition programmes to company employees, children of employees, and communities and schools of choice. These will include full tuition scholarships for CIDA's university-level BBA degree, vocational and skills development courses, as well as customized programmes developed with partner companies. Establishing a partnership with CIDA is consequently likely to be supported by staff, boosting company morale and improving staff retention ratios.

### 7. Customer empowerment

A certain number of free tuition scholarships per annum will be offered to the customers and children of customers of partner companies, both for its university-level degree programmes, as well as for its vocational and skills development programmes. Establishing a partnership with CIDA is consequently likely to increase customer brand loyalty.

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### 8. Value Add

- **Improved market reach and brand awareness**

Over the past 3 years, CIDA students have trained approximately 500-000 community members throughout South Africa, 300 000 of whom are living in the rural areas. In the words of our ex-president, the honourable Nelson Mandela, CIDA has an 'extraordinary reach across our nation'; a reach which can be aggressively leveraged by partner companies to build brand awareness and market share. CIDA students are South Africa's future generation of leaders; business's future consumers; and community's trendsetters and peer educators. Their brand-building capacity is phenomenal.

- **Marketing leverage**

Selecting CIDA as an empowerment partner has significant customer appeal.

- **Network access**

CIDA has an extensive corporate, state, local and international network.

- **Corporate Social Investment ("CSI") Administration**

Given its extensive involvement in community development, CIDA is well placed to assist partner companies in the implementation and management of their CSI programmes, significantly reducing associated administration costs.

- **Up-skilling employees**

Connectivity, a wholly owned subsidiary of CIDA, is one of the most highly regarded training companies in South Africa. Connectivity can assist partner companies in managing effective skills development and learnership programmes.

- **Management and strategic vision**

Partner companies will be able to draw on the financial and business expertise of CIDA Empowerment Fund's management team.

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### 9. Broad-based Representation

While the CIDA 'mothership' campus is currently situated in Johannesburg CBD, its broad-based empowerment impact extends throughout South Africa and beyond. The CIDA student body is drawn from all over South Africa, with a special emphasis on accepting applicants from the poorer regions. The geographic composition of the current campus student body of approximately 1260 students is as follows:

<b>CIDA BBA Students</b>	
<b>% Black Students</b>	<b>100%</b>
% Students from Kwa-Zulu Natal	40%
% Students from Limpopo	28%
% Students from Gauteng	20%
% Students from Mpumalanga and North West	7%
% Students from Free State	3%
% Students from Eastern, Western and Northern Cape	2%
<b>% Students from rural areas</b>	<b>60%</b>
<b>% Female Students</b>	<b>58%</b>
<b>% Disabled Students</b>	<b>2%</b>

CIDA is looking to open two new campuses over the next 24 months: CIDA KwaZulu-Natal; and CIDA Limpopo.

CIDA believes the youth it empowers must empower their communities. CIDA students train over 100 000 individuals annually (and have trained over 500 000 individuals over the past five years) in basic literacy, mathematics, financial and computer skills, and HIV/AIDS awareness through the Nelson Mandela Extranet Programme.

CIDA is also working hard to grow its intake of women, evidenced by the initiation of its Women on the Move Project in partnership with SA Life College and Lovelife.

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