



## small business development

---

Department:  
Small Business Development  
**REPUBLIC OF SOUTH AFRICA**

**DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**

### **STRATEGIC PLAN**

**for the fiscal years**

**2016/17 – 2020/21**

## Table of Contents

OFFICIAL SIGN-OFF .....	3
FOREWORD BY THE MINISTER .....	4
OVERVIEW BY THE DIRECTOR GENERAL.....	7
<b>PART A: STRATEGIC OVERVIEW .....</b>	<b>10</b>
1. VISION .....	11
2. MISSION .....	11
3. VALUES.....	11
4. LEGISLATIVE AND OTHER MANDATES.....	12
4.1. Constitutional Mandate.....	12
4.2. Legislative Mandate.....	12
5.1 Policy Mandates .....	13
4.3 Relevant Court Rulings .....	15
4.4 Planned Policy Initiatives.....	15
5 SITUATIONAL ANALYSIS .....	15
5.2 Performance Environment .....	15
5.3 Organisational Environment .....	18
5.4 ORGANISATIONAL STRUCTURE .....	21
5.5 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS .....	22
<b>PART B: .....</b>	<b>25</b>
<b>STRATEGIC OBJECTIVES .....</b>	<b>25</b>
<b>PART C: LINKS TO OTHER PLANS.....</b>	<b>38</b>
11. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS .....	39
12. CONDITIONAL GRANTS .....	39
13. PUBLIC ENTITIES.....	39

<b>ANNEXURES</b> .....	<b>42</b>
<b>ANNEXURE A: SUMMARY OF POST ESTABLISHMENT AS AT 31 MARCH 2015</b> .....	<b>43</b>
<b>ANNEXURE B: COMMENTARY OF THE REVISED STRATEGIC PLAN</b> .....	<b>44</b>
<b>ANNEXURE C: LIST OF ABBREVIATIONS</b> .....	<b>45</b>

## OFFICIAL SIGN-OFF

It is hereby declared that this Strategic Plan was developed by the management of the Department of Small Business Development under the guidance of the Executive Authority, Minister Lindiwe Zulu, MP.

The Strategic Plan takes into account all the relevant policies, legislation and other mandates for which the Department of Small Business Development is responsible, and accurately reflects the strategic outcome oriented goals and strategic objectives which the Department of Small Business Development will endeavour to achieve over the period 2016/17 – 2020/21.



**SHUMANI MATHOBO**  
**ACTING CHIEF FINANCIAL OFFICER**



**EDITH V VRIES**  
**ACCOUNTING OFFICER**



**MS LINDIWE ZULU, MP**  
**EXECUTIVE AUTHORITY**

## FOREWORD BY THE MINISTER



I am pleased to present the Strategic Plan of the Department of Small Business Development. I do so confident that the strategic objectives that we have set for ourselves are responding to the real needs of small businesses and co-operatives across the length and breadth of our country.

The department has come a long way since its proclamation in July 2014. It has now become a fully-fledged independent department capable of discharging its mandate. We continue to grapple with the task of building a new department, setting up policies and systems as well as forging a new departmental culture. Our Strategic Plan is informed by the mandate with which we have been entrusted placed as well as national priorities as expressed in the National Development Plan (NDP): Vision 2030, 2014/19 Medium-Term Strategic Framework and the State of the Nation Address delivered during the term of the 5<sup>th</sup> Administration.

The overarching thrust of these policy documents is to drive an agenda of radical socio-economic transformation which would manifest in a better life for all its citizens in an

inclusive society and a thriving economy. An agenda which starts a journey towards 11 million new jobs by 2030, create jobs.

The Second Phase of our Transition demands that we redouble our resolve to accelerate our onslaught against economic exclusion, landlessness, poverty and homelessness. Indeed, it is unacceptable that, twenty-two years since our freedom, the triple challenge of poverty, unemployment and inequality still largely bears the face of black, rural women face and that almost 66% of the unemployed are young people. It must worry all of us and propel us into a collective radical action which will transform our economy and responds to the needs of the masses of our people.

The main focus of our interventions will be women, youth and people with disabilities. Our support will seek to address competitiveness and the sustainability of small businesses and cooperatives, training and development, access to finance, business skills development, commercialisation, market access, and advancing localization. In this regard we have introduced a deliberate spatial focus on enterprises and cooperatives in townships and rural towns which we will drive in partnership with national departments with complementary mandates, provincial departments responsible for economic development and with local government.

Small, micro and medium enterprises (SMMEs) have the potential to be the main driver of economic growth, poverty eradication and job creation. We see the SMMEs sector and co-operatives as an economic empowerment vehicle for historically disadvantaged people. Hence, through this Strategic Plan, we are communicating a message that economic growth and job creation will come from the implementation of policies that allow small businesses and co-operatives to thrive and grow.

Indeed, the country's high rate of unemployment and extreme inequality call for bold and far-sighted interventions. The National Development Plan is the blueprint for addressing poverty, unemployment and inequality. It sets an ambitious aim to treble the size of the economy by 2030, a daunting challenge that will require our collective contribution. Meeting the NDP's growth target of 5.4% for the next 16 years would not only guarantee South Africa's material prosperity, but would be an elevating and inspiring narrative for the country – 'an optimistic new story', as the NDP phrases it.

As the NDP makes clear, getting South Africa onto a high-growth trajectory demands that we fundamentally change our game plan and place small businesses and co-operatives at the

centre of our war against poverty, inequality and unemployment. Developing a strong and growing SMMEs community is a cornerstone of the NDP's vision. SMMEs are expected to be central to South Africa's job creation efforts, and, in line with international trends, the NDP projects about 90% of jobs will be created through small and expanding companies by 2030.

The department undertook a programme review process to ensure that all our programmes are aligned to the new mandate of radical economic transformation as articulated by the President in the State of the Nation Addresses. The Strategic Plan also seeks to ensure that it advances the objectives of the current term of government as reflected in the Medium-Term Strategic Framework (MTSF) 2014-2019. I am convinced that at the conclusion of the review process, the department will be better placed as an effective and reliable instrument serving small businesses and co-operatives.

The reality is that, working alone the department will not be able to achieve many of the objectives that we have set for ourselves. Hence, we have consistently called for partnerships with various stakeholders. We know, as a matter of fact that when shared, the load becomes lighter.

In pursuit of these partnerships, we are signing transversal agreements with sister departments. We are doing this in order to ensure that opportunities for SMMEs and co-operatives are made available. We are also upscaling our partnerships with the private sector to ensure that small businesses access the huge resources that the private sector commands.

The enormity of the tasks that lie ahead does not deter us. We are determined and energised to deliver, mindful that failure is not an option. Together, we will spare neither effort nor strength in our task of implementing the commitments reflected in the strategic plan. We will continue to summon our collective energy to work with even more determination in pursuit radical economic transformation.

I commit to lead by example, to provide executive leadership and consistent oversight to ensure the effective implementation of this Strategic Plan.

**MS LINDIWE ZULU, MP**  
**MINISTER OF SMALL BUSINESS DEVELOPMENT**

## OVERVIEW BY THE DIRECTOR GENERAL



The Department of Small Business Development's (DSBD) strategic plan sets out the strategic outcome oriented goals and strategic objectives that the DSBD will seek to achieve over the next five years (2016–2021). Both the strategic planning documents were prepared informed by the strategic imperatives as identified in the National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF) of government, especially in respect of economic growth and employment creation. Through the MTSF 2014-19, which is essentially the first 5-year implementation plan of the NDP, the DSBD is tasked to contribute to two Outcomes, namely; Outcome 4: Decent employment through inclusive growth, and Outcome 7: Rural development. The DSBD will also make a meaningful contribution to the development of the small business sector through its interventions in the Nine-Point Plan, which are principally aimed at *unlocking the potential of SMMEs, co-operatives, township and rural enterprises*.

The department's strategic goals over the next five financial years will be to ensure that we establish **an effective and efficient administration**; create **an enabling environment for competitive small businesses and co-operatives**; and that we develop **sustainable small business and co-operatives in townships and rural areas**.

It is envisaged that the attainment of the above-mentioned strategic outcome-oriented goals will place the department in a good position to become a steady enabler for a productive



small business sector that could contribute to the creation of employment opportunities, especially in the townships and rural areas.

In the quest to deliver on its strategic objectives and targets, the DSBD will put a concerted effort on the implementation of its value chain operating model, which will require a structural and psychological shift. Successfully implemented, the value chain model will enable the DSBD to lead and advocate for SMMEs and Co-operatives sector driven performance, strategically identify gaps in the markets as well as in policy and, identify opportunities that could be leveraged upon by stakeholders in the SMMEs and Co-operatives arena.

In the main, the implementation of the value chain based model will allow for the following improvements:

- Value chain based product and services architecture;
- Address SMMEs and Co-operatives sector deficiencies;
- Position the department as the custodian of overall small business sector performance;
- Customer-centric; and
- Reduce complexity, enable performance measure for executive and promote accountability.

To this end, the DSBD has consulted extensively and will proceed to re-organise itself in alignment with the value chain model to adequately deliver on its mandate and address the felt needs of SMMEs and Co-operatives, which include, but are not limited to skills development, infrastructure support, access to markets, access to finance and simplifying the regulatory environment. By pursuing the value chain approach, the DSBD, will, among others, focus on a comprehensive research agenda that will be aimed at identifying the key areas of support that SMMEs and Co-operatives require, and design and introduce interventions that recognise the varying business needs that occur at different points of the business lifecycle.

Over the strategic plan period, the DSBD will review the strategy for SMMEs development and entrepreneurship to accommodate the recent economic activities and cycles. The DSBD plans to amend the National Small Business Act, 1996 to provide for policy clarity on matters pertaining to the definition amongst others. In this regard, attention will be given to nationwide consultation engagements. Other priorities include the implementation of the 30% set-aside public sector procurement programme by the public sector, which is a unit of work to be undertaken and led by National Treasury. Another key focus area is the research on legislative and regulatory protocols impeding SMMEs.

The DSBD will also continue to provide business support services to SMMEs and Co-operatives through direct support to informal businesses via the Informal and Micro Enterprise Development Programme. The DSBD will provide financial support to co-operatives through the Co-operatives Incentive Scheme (CIS) whilst small and medium enterprises are to be supported through the Black Business Supplier Development Programme (BBSDP) and other targeted interventions.

The DSBD will also continue to focus on building strategic partnerships with the both the public and private sectors in order to intensify support to SMMEs and Co-operatives. These partnerships are geared towards collectively facilitating and unlocking market opportunities for SMMEs and Co-operatives; enhancing the capacity of SMMEs and Co-operatives to meet supply demands at required standards. The latter will be realised through the introduction of mechanism akin handholding instruments such as incubation support and supplier development programmes.

The department will continue to provide oversight support to the Small Enterprise Development Agency (Seda) and Small Enterprise Finance Agency (Sefa) and work with them to implement some of government small business priority projects such as the SMMEs payment hotline and the Business Rescue Strategy.

The DSBD developed its Strategic Plan and Annual Performance Plan taking into consideration the approved budget allocation over the MTEF period, available and forecasted human resources requirements and challenging operating environment. I am adamant that with the support of the Minister, the Deputy Minister, and our strategic partners, the DSBD will deliver on its strategic outcome-oriented goals and strategic objectives over the next five financial years, 2016/17-2020/21.

**EDITH VRIES**  
**DIRECTOR-GENERAL**

## **PART A: STRATEGIC OVERVIEW**

## **1. VISION**

A radically transformed economy through effective development and increased participation of small, micro and medium enterprises (SMMEs) and co-operatives in the mainstream economy.

## **2. MISSION**

To create a conducive environment for the growth and sustainability of small businesses and Co-operatives through the provision of financial and non-financial business support services.

## **3. VALUES**

- Integrity – to consistently honour our commitments, uphold ethical, honest behaviour and transparent communication.
- Professionalism – to serve with utmost respect, competence, mannerism and cooperate with all role players
- Accessibility – to always be available and accessible in providing public services to our society
- Commitment – to be committed to efforts of job creation, alleviating poverty, reducing inequality.

## 4. LEGISLATIVE AND OTHER MANDATES

### 4.1. CONSTITUTIONAL MANDATE

The Department of Small Business Development derives its legislative mandate from the Supreme Law of the Republic, the Constitution, within the purport of Section 22 and Section 32.

#### 4.1.1. Section 22: Enshrines Freedom of Trade, Occupation and Profession.

Section 22 states as follows: *“Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law”.*

#### 4.1.2. Section 217 requires that:

- 1) When an organ of state contracts for goods and services, it must do so in accordance with a system which is fair equitable, transparent, competitive and cost effective;
- 2) It does not prevent the organs of state from implementing a procurement policy providing for the protection or advancement of persons or categories of persons disadvantaged by unfair discrimination

### 4.2. LEGISLATIVE MANDATE

The DSBD's work is governed by a broad legislative framework, as outlined below:

**Table 1: Key Legislation for the department**

NAME OF ACT	KEY RESPONSIBILITIES
1. National Small Business Act, (No.102 of 1996) amended 2004 and thereafter referred to as the National Small Business Amendment Act (No. 29 of 2004)	To provide for the establishment of the National Small Business Advisory Council and the Small Enterprise Development Agency; to provide guidelines for organs of state in order to promote small business in the Republic; and to provide for matters incidental thereto.
2. Preferential Procurement Policy Framework Act, 2000 (No. 5 of 2000)	The purpose of the Preferential Procurement Regulations is to ensure that government's preferential procurement procedures are aligned with the aims of the Broad-Based Black Economic Empowerment Act, 2003 and the associated

NAME OF ACT	KEY RESPONSIBILITIES
	Codes of Good Practices.
3. Co-operatives Act, 2005 (No. 14 of 2005)	To provide for the formation and registration of co-operatives; the establishment of a Co-operatives Advisory Board; the winding up of co-operatives; the repeal of Act 91 of 1981; and matters connected therewith.
4. Broad-Based Black Economic Empowerment Act, 2003 (No. 53 of 2003)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue Codes of Good Practice and publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.

### 5.1 POLICY MANDATES

While the supreme development goals of South Africa are enshrined in the Constitution of the Republic of South Africa, 1996, the National Development Plan – Vision 2030 provides a bold and a long-term development outlook that defines a desired destination for all South Africans, and identifies the roles to be played by different sectors of the society in order to reach that goal.

The NDP was developed on the basis that South Africa needs an economy that is more inclusive, more dynamic and in which the fruits of growth are shared more equitably. The plan envisions that in 2030 the economy should be in full employment, and be able to serve the needs of all South Africans from different racial, social and economic backgrounds: and thus become more inclusive and grow faster consequently eliminating poverty and reducing inequality.

The Department of Small Business Development plays a major and direct role in implementing Chapters 3 and 6 of the NDP, which deal with the economy and employment and rural inclusive growth respectively. The department has put together goals and objectives in place to address areas that will increase participation of small businesses and Co-operatives in the mainstream economy and contribute to employment and economic growth. These include creating an enabling environment for competitive small businesses and Co-operatives to stimulate jobs and wealth creation, providing business support services to small businesses and Co-operatives and targeted business support services to informal businesses and small businesses and Co-operatives in townships and rural areas.

The NDP builds on the government's New Growth Path that aims to create 5 million jobs by 2020 and bring about a new more inclusive, labour-intensive and efficient economy. There is a growing consensus that creating decent work, eliminating poverty and reducing inequality can only happen through a new economic growth path founded on restructuring the South African economy to improve its performance in terms of labour absorption and the composition and rate of growth.

The NDP is being implemented over the next 17 years and the Medium Term Strategic Framework 2014-19 is the first 5-year implementation plan that, in a series of five-year planning cycles, will advance the goals of the NDP. The main aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans. The department is tasked to contribute to two outcomes of the Medium Term Strategic Framework, namely, Outcome 4: Decent employment through inclusive growth, and Outcome 7: Rural development.

In line with Outcome 4, the department will support small businesses and Co-operatives through providing financial and non-financial mechanisms and reducing regulatory burdens that impede the development and growth of small businesses; and in line with Outcome 7, the department will provide targeted business support services to informal businesses and small businesses and Co-operatives in townships and rural areas.

It was in the 2014 State of the Nation Address, when the President of South Africa announced the establishment of the Department of Small Business Development, and again in the 2015 State of the Nation Address, that the President emphasised the role that small business can play in jump-starting the economy and under the "small business is big business" theme, the President emphasised the need for the economy to prioritise support to small businesses, Co-operatives and informal businesses.

#### 4.3 RELEVANT COURT RULINGS

The Department of Small Business Development did not have any court rulings.

#### 4.4 PLANNED POLICY INITIATIVES

The Department of Small Business Development plans to review the *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprise* during the 2014 – 2019 Medium-Term Strategic Framework, in order for the strategy to remain relevant and to accommodate recent economic activities and business cycles. This will allow the department to implement small business development programmes that are flexible and responsive to the economic and social needs of the society with the expectation of achieving radical economic transformation.

At the same time, the department also plans to amend the National Small Business Act, 1996 (Act No. 102) Principle Act, read with 2003 (Act No. 26) and the 2004 (Act No. 29) as amended in order to align the amended Act with the revised *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprise* and the mandate of the department.

## 5 SITUATIONAL ANALYSIS

### 5.2 PERFORMANCE ENVIRONMENT

#### *THE GLOBAL PERSPECTIVE*

Globally, Small, Medium and Micro Enterprises (SMMEs) are key drivers of growth and job creation in better performing and more stable economies. This has been shown to be the case in Germany, India, Malaysia, the People's Republic of China and Taiwan amongst others, in which small businesses represent over 95% of total businesses and employ between 60% and 85% of the total work force (please refer to the Table 2 below)

**Table 2: A comparative analysis on the contribution of the small businesses**

Country	Representation	Employment	Economic Value
United Kingdom	99% of businesses	60% of employees	Gross Value add: 49.8% of the UK Economy
Australia	96% of businesses	63% of all workers employed – 93.5 % of those are employed by Micro enterprises	33% contribution to GDP



<b>Taiwan</b>	1,3 mil – 97.6 % of businesses	78.3% of employed persons	31.5% Of Total Sales
<b>Latin America</b>	99% of businesses	67% of all employees	30% of Total Exports
<b>People's Republic of China</b>	99% of businesses	84% of the workforce	74% of sales
<b>South Africa</b>	<b>98% of businesses</b>	<b>47 % of the workforce</b>	<b>42% contribution to GDP</b>

On the other hand, the contribution and participation of small business in the South African economy is far below its potential. The small businesses represent 98% of the businesses and employ 47% of the total workforce.

#### **THE SOUTH AFRICAN PERSPECTIVE**

There has been a growing awareness of the significant role that SMMEs can play in economic growth and transformation in South Africa, and that small businesses have a greater capacity to turn an economy around than big businesses.

According to Colin Coleman, “*South Africa can achieve 5% growth over the next five years if Government and the Private sector together invest R12bn in 300 000 new small businesses every year in the next five years.*”<sup>1</sup>

The New Growth Path is a broad framework that sets out a vision that seeks to create 5 million jobs and reduce unemployment from 25%, one of the highest in the world in emerging market countries, to 15% over ten years. The path is embedded on the ethos similar to those of the Medium Term Strategic Framework – policy coherence through partnerships amongst key social players, business and government.

While this might seem as a daunting task Government has already made significant strides in ensuring that SMMEs are accorded their rightful space and voice within the South African economy. Since its establishment, the Department of Small Business Development has successfully established a public sector presence for SMMEs, Co-operatives and the informal sector.

<sup>1</sup> Colin Coleman is the Head of Goldman Sachs, sub-Saharan Africa

Effectively, the Department is a voice dedicated to the cause of SMMEs that must ensure that the aspirations of SMMEs are heard. In establishing this voice, DSBD has been able to identify and grapple with the challenges faced by small business and is embarking on a process of mobilising all spheres of government and private sector to ensure that these challenges are decisively corrected and begins to redefine the policy, legislative and regulatory environment in which it exists alongside big business. Small Enterprise Development is an important factor that needs to be considered as it allows for the matching of technical support to the available financial support. This will speed up the ability of SMMEs to access markets and funding opportunities as well as addressing the key area of understanding the economy in which they function.

Research suggests that the major factors that hamper the growth of SMMEs are the multiplicity of doors that SMMEs have to navigate in order to function optimally and the fact that a significant percentage of SMMEs have limited business sense and understanding of how the economy works. In order to address this, government commits to ease the regulatory environment such that SMMEs will be guaranteed greater opportunities to access the public procurement system through legislative reform, which includes the revision of the Small Business Act and the Preferential Procurement Framework Act. As such, 2015 Public Sector Supply Chain Review procurement confirmed that in 2013/14 government spent R500 billion on the procurement of goods and services as well as construction works. If a portion of that money were to be directed to SMMEs, it will make a significant contribution to the sustainability of the SMMEs. Apart from amending the Preferential Procurement Act, which will be led by the National Treasury, DSBD will develop Guidelines as well as a Monitoring and Reporting Framework to guide departments as to their engagement with this important matter.

Through the Nine-point Plan, government has shown that it will intervene to ***“unlock the potential of SMMEs, co-operatives, township and rural enterprises”*** in an effort to ensure that the goal of a radical economic transformation is achieved. This might need the introduction of new models of doing things as the old way of addressing the concerns of these entities did not bring about the required results.

There is consensus that to achieve the desired state of a well-functioning and successful small business eco-system, there is a need to leverage on what other government departments, agencies and the private sector at all levels have been doing in the small business development space. Our mandate, *to lead an integrated approach to the promotion and development of small businesses and Co-operatives through a focus on the economic*

*and legislative drivers that stimulate entrepreneurship to contribute to radical and economic transformation*, therefore puts us at the forefront of leading and coordinating the joint small business development efforts. In leading the sector, the department have organised itself differently which will be reflected strategic outcome-oriented goals and the medium-term strategic objectives.

### 5.3 ORGANISATIONAL ENVIRONMENT

When the Department of Small Business Development was proclaimed in July 2014, more efforts were directed towards setting up the department and some of the transitional measures included operational support from the Department of Trade and Industry (**the dti**), agreed under a Memorandum of Understanding (MoU). The MoU between the two departments, which is to expire on 31 March 2016, stipulated that **the dti** will support the Department of Small Business Development with the following corporate services functions: human resources, information and communications technology, and finance.

Additionally, in terms of accommodation infrastructure, the Department of Small Business Development is still hosted in **the dti** Campus with most employees, if not all, still located physically in the same work-stations **as before**. This, coupled with the fact that the department continued to implement programmes that were inherited from **the dti**, made it difficult for the department to create and adopt its own immediate identity. The need for an identity was one of the expectations raised by officials during the strategic planning session.

The institutionalisation of the department included the migration of some of **the dti** officials, under the Broadening Participation Division, responsible for implementing financial and non-financial small enterprise development programmes. This implied, therefore, that the new department inherited some of the SMMEs development programmes from **the dti**, most of which were not aligned to the mandate of the new department.

Subsequently, the department conducted an independent Programme Review process with the intention of aligning the programmes and other intervention measures to the mandate of the department. Hence the key **programme evaluation criteria** addressed by the Programme Review were:

- 1.1 The strategic relevance and alignment of the programmes and interventions to the mandate of the department,

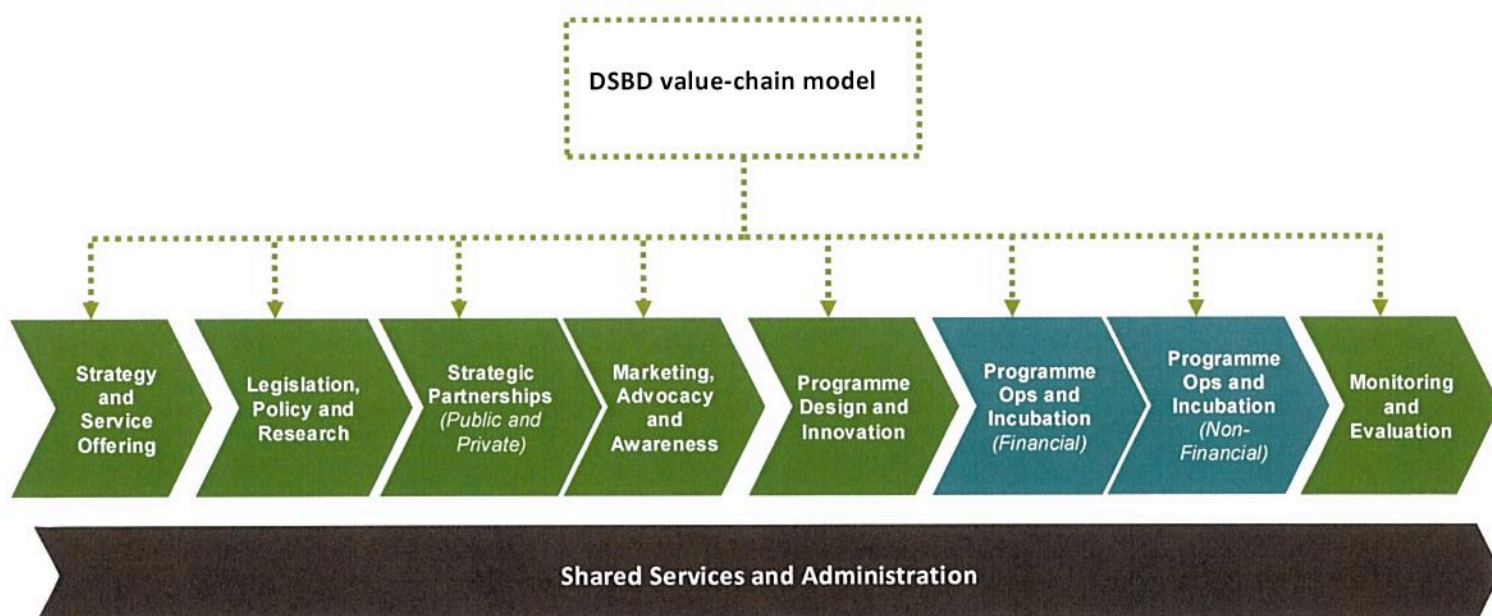
- 1.2 The programme design and the efficient use of the programme's resources, and
- 1.3 The level of impact and opportunity cost of the programmes.

The key findings and recommendations of the Review were that the Department of Small Business Development should:

- 2.1 Rationalise and refocus programme activity on areas of highest impact,
- 2.2 Create a clear delineation of responsibility between DSBD and the agencies,
- 2.3 Invest in a comprehensive policy, research, monitoring and evaluation capability,
- 2.4 Package DSBD, the Small Enterprise Development Agency (Seda) and the Small Enterprise Finance Agency (Sefa) offerings to present a single point of entry to SMMEs,
- 2.5 Strengthen points of interactions between other areas of government and with the private sector,
- 2.6 Consolidate the mandate for Co-operatives to improve focus, and most importantly
- 2.7 Conduct proper change management.

The Review recommended also that the DSBD adopts a value-chain based product and services architecture, which will enable the department to address sector deficiencies, position the department as the custodian of overall small business sector performance. Adopting this model, the department will be customer-centric, reduce complexity and allow simple yet powerful performance measures for each executive and each segment, creating individual accountability.

**Figure 1: The ideal DSBD value-chain model**



According to the findings, the department currently has a “deep execution focus”, and is heavily weighted towards programme management and execution. While other components of the value-chain are present in the organisation, they need to be capacitated in order to provide an “end-to-end” coordination and facilitation service. Accordingly, this will require a shift in both people and processes from the “implementation focus” to a “customer and partner interaction approach” in order to deliver a more outward looking service across the organisation.

The findings, together with the value-chain model, are being implemented and are reflected in the department's organisational structure, revised Strategic Plan and the Annual Performance Plan 2016/17.

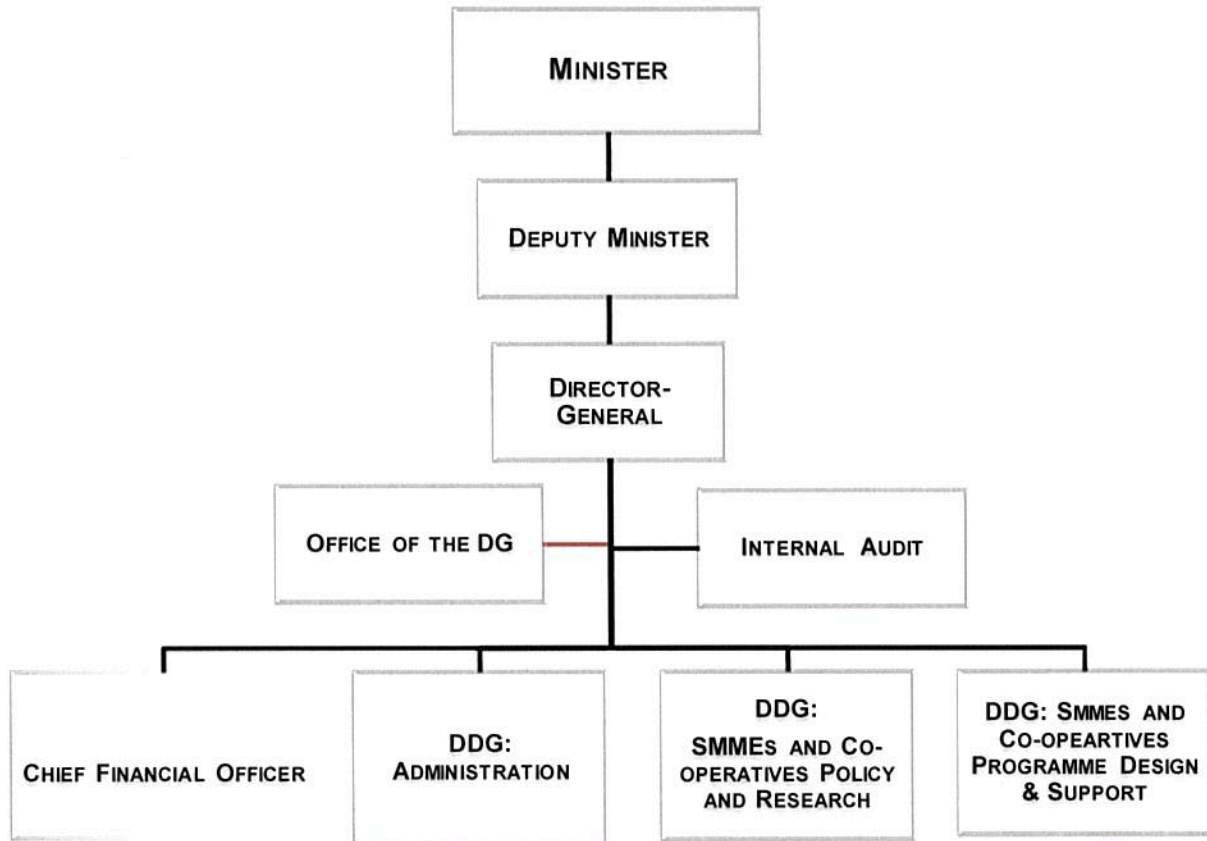
In the first quarter of the 2015/16 financial year, the department requested the Department of Public Service and Administration (DPSA) to initiate and facilitate an organisational change management process to provide a structured and consistent approach to the management of change in the department in line with the mandate of Public Service and Administration. In terms of the Public Services Act, 1994 (as amended) the Minister for Public Service and Administration (MPSA) is, inter alia, responsible for establishing norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

The initial stage focused on the senior management, and to date Department of Public Service and Administration has made a presentation to the Executive Committee, which is comprised of senior staff, the Director-General and the Deputy Director-General. The next stage of the change management process is addressing all levels of department and the Department of Public Services and Administration will continue to assist the department in achieving a desired outcome of the change management process.

At the time of finalising this Strategic Plan, the department was gearing up for executing these function on its own and has thus far appointed strategic and operational staff in human resources, finance, supply chain management and information and communications technology.

## 5.4 ORGANISATIONAL STRUCTURE

Figure 2. High-level Organisational Structure of the Department



## 5.5 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The strategic planning process is a key practice for the department to develop, control and maintain a strategic balance between the goals of the department, the available resources and the needs of the society. The Strategic Plan sets out an institution's policy priorities, programmes and project plans for a five-year period, as approved by the executive authority, within the scope of available resources.

The Department of Small Business Development was proclaimed in July 2014 and took over some of the functions for Small Business and Co-operatives enterprise development that were under the Department of Trade and Industry (**the dti**) and officially migrated to the Department of Small Business Development in September 2014.

The department continued to implement the programmes that were conceptualised mainly under the Broadening Participation Division of **the dti**, and at the same time developed the Strategic Plan 2015 – 2019 and the Annual Performance Plan 2015/16 based on the transferred programme.

The department then submitted the Strategic Plan 2015 – 2019 and the Annual Performance Plan 2015/16 to the National Treasury and the Department of Planning, Monitoring and Evaluation for review in July 2015. The recommendation from the Department of Planning, Monitoring and Evaluation was that the Strategic Plan 2015 – 2019 be revised, and that the Annual Performance Plan 2016/17 should be developed from the revised Strategic Plan 2015/16 – 2019/20.

A strategic planning session was held and the following were covered:

- The outcome oriented strategic goals
- The strategic objectives,
- the performance indicators and
- the performance targets that give effect to the department's mandate, vision and mission.

## STRATEGIC OUTCOME-ORIENTED GOALS

The 2014 - 2019 Medium Term Strategic Framework is structured around 14 priority outcomes which cover the focus areas identified in the National Development Plan. The Department of Small Business Development is responsible for (a) Outcome 4: Decent employment through inclusive economic growth, and (b) Outcome 7: Rural development. The strategic outcome-oriented goals are derived from the mandate, vision and mission and seek to ensure that the department focuses on its core function to deliver the much needed small business support services to small businesses.

The following strategic oriented outcome goals and strategic objectives have been identified:

**Table 3: Strategic Outcome-Oriented Goals and Strategic Objectives**

<b>STRATEGIC GOAL</b>	<b>1. AN EFFECTIVE AND EFFICIENT ADMINISTRATION</b>
<b>GOAL STATEMENT</b>	<i>To create a stable public service organisation as reflected by efficient service delivery, policy implementation, sound governance, systems, and processes to ensure the effective utilisation and leveraging of resources.</i>
<b>STRATEGIC OBJECTIVES</b>	1.1. To promote compliance and good governance
	1.2. To drive sound financial management and controls
	1.3. To maintain a sound performance planning, reporting and monitoring process
	1.4. To build human resource capability and promote culture of high performance
	1.5. To promote external and internal communication on the work of the department
<b>STRATEGIC GOAL</b>	<b>2. AN ENABLING ENVIRONMENT FOR COMPETITIVE SMALL BUSINESSES AND CO-OPERATIVES</b>
<b>GOAL STATEMENT</b>	<i>To promote integrated planning and the review of existing legislation and policies to create a simplified environment for the development and promotion of small businesses.</i>
<b>STRATEGIC OBJECTIVES</b>	2.1. To create a conducive legislative & policy environment for SMMEs and Co-operatives
	2.2. To drive integrated planning and monitoring for SMMEs and Co-operatives development in townships and rural areas



	2.3. To drive a comprehensive research agenda on key areas of support to SMMEs and Co-operatives
	2.4. To develop and implement a relevant international relations strategy
<b>STRATEGIC GOAL</b>	<b>3. SUSTAINABLE SMALL BUSINESSES AND CO-OPERATIVES IN TOWNSHIPS AND RURAL AREAS.</b>
<b>GOAL STATEMENT</b>	<i>To provide business support services to small businesses and Co-operatives in townships and rural areas, in particular, to stimulate jobs and wealth creation.</i>
<b>STRATEGIC OBJECTIVES</b>	3.1. To design and implement targeted programmes to support new and existing small and medium enterprises townships and rural areas
	3.2. To increase participation of SMMEs and Co-operatives in the main stream economy
	3.3. To coordinate and maximize support for SMMEs and Co-operatives through public and private partnerships

## **PART B:**

# **STRATEGIC OBJECTIVES**

**PART B: STRATEGIC OBJECTIVES**

The Department of Small Business Development has aligned its Strategic Plan with the National Development Plan and various chapters of the Medium Term Strategic Framework that directly or indirectly affect it as follows:

**Table 4: Alignment of department’s Strategic Plan with NDP, MTSF and the National 9-Point Plan**

Objective No.	Department Objectives	Department goals	Linkages to the National Development Plan	Linkages to the Medium Term Strategic Framework	Linkages to the 9-Point Plan
6	To create a conducive legislative and policy environment for SMMEs and Co-operatives	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives	Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	<i>Policy and regulatory environment</i>  <i>30% Procurement programme</i>
7	To drive an integrated planning and monitoring for SMMEs and Co-operatives development in townships and rural areas	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives  Strategic Goal 3: Sustainable small businesses and Co-operatives in townships and rural areas	Chapter 3: Economy and employment  Chapter 6: An integrated and inclusive rural economy	Outcome 4: Decent employment through inclusive growth  Outcome 7: Rural development	<i>30% Procurement programme</i>  <i>Support to small businesses in townships and rural areas</i>  <i>Building Market access,</i>  <i>Access to finance</i>
8	To drive a comprehensive research agenda on key areas of support to SMMEs and Co-operatives	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives	Chapter 13: Building a capable and developmental state		<i>Policy and regulatory environment</i>
9	To develop and implement a relevant international relations strategy	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives	Chapter 7: Positioning South Africa in the world		<i>Building Market access,</i>
10	To design and implement targeted programmes to support new and existing SMMEs and Co-operatives in townships and rural areas	Strategic Goal 3: Sustainable small businesses and Co-operatives in townships and rural areas	Chapter 6: An integrated and inclusive rural economy  Chapter 3: Economy and employment	Outcome 7: Rural development  Outcome 4: Decent employment through inclusive growth	<i>Support to small businesses in townships and rural areas</i>  <i>Access to finance</i>  <i>Building market access</i>

Objective No.	Department Objectives	Department goals	Linkages to the National Development Plan	Linkages to the Medium Term Strategic Framework	Linkages to the 9-Point Plan
11	To increase participation of SMMEs and Co-operatives in the mainstream economy	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives	Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	<i>Building market access</i>
12	To coordinate and maximize support for SMMEs and Co-operatives through public and private partnerships	Strategic Goal 2: An enabling environment for competitive small businesses and Co-operatives	Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	<i>Building market access</i>

### STRATEGIC OBJECTIVES PER PROGRAMME

The Department is structured along three (3) budget programmes as follows:

Programme 1: Administration

Programme 2: SMMEs and Co-operatives Policy and Research

Programme 3: SMMEs and Co-operatives Programme Design and Support

*Note: Where baseline performance indicator is zero, the indicator is either new or no previous information was collected by the Department*

#### 5. PROGRAMME 1: ADMINISTRATION

**Purpose:** To provide strategic leadership, management and support services to the department.

This programme contributes to **Strategic Goal 1: An effective and efficient administration:**

##### 7.1 Strategic Objectives – Programme 1

<b>Strategic Objective</b>	<b>1.1 To promote compliance and good governance</b>
<b>Objective statement</b>	To effectively and efficiently utilise the government systems, process and resources of the department for the utmost benefit of the beneficiaries
<b>Baseline</b>	Clean audit report
<b>Justification</b>	Good management practices and corporate governance are critical for efficient and effective service delivery

<b>Links</b>	Linked to the Public Finance Management Act (PFMA), Treasury Regulations, Protocol on Corporate Governance, King III Report on Corporate Governance
<b>Strategic Objective</b>	<b>1.2 To drive sound financial management and controls</b>
<b>Objective statement</b>	To apply financial controls and comply with all financial regulations to ensure excellent service delivery
<b>Baseline</b>	Percentage of payments made within 30 days (where requisite supporting documents exist)
<b>Justification</b>	Compliance with PFMA and National Treasury circulars for payment of suppliers, Improved financial control environment and compliance to ensure service excellence
<b>Links</b>	Linked to the Public Finance Management Act, Treasury Regulations,
<b>Strategic Objective</b>	<b>1.3 To maintain a sound performance planning, reporting and monitoring process</b>
<b>Objective statement</b>	To improve the department's ability to deliver by providing and maintaining a sound result-based planning, reporting, monitoring and evaluation system
<b>Baseline</b>	Annual report 2014/15, Strategic Plan 2015 – 2019 Annual Performance Plan 2015/16 Quarterly performance reports Assessment reports of corporate plans of agencies
<b>Justification</b>	This strategic objective seeks to improve service delivery against the planned outcomes
<b>Links</b>	Linked to the Government-wide Monitoring & Evaluation Framework, National Treasury Planning and Reporting Framework
<b>Strategic Objective</b>	<b>1.4 To build human resource capability and promote culture of high performance</b>
<b>Objective statement</b>	To build the human resource capacity and the skills base of the department and promote a culture of excellence in service delivery
<b>Baseline</b>	<10% vacancy rate

	<12% Staff turnover 50% women in SMS level
<b>Justification</b>	To ensure a well capacitated establishment, sustained service delivery
<b>Links</b>	NDP, Chapter 13, 8-Principles Action Plan
<b>Strategic Objective</b>	<b>1.5 To communicate the work of the Department of Small Business Development internally and externally.</b>
<b>Objective statement</b>	To increase public and internal awareness of the department's offerings and values through implementing effective communication plans with the stakeholders of the department
<b>Baseline</b>	Communications strategy Partnership and Stakeholder strategy Stakeholder engagement activities
<b>Justification</b>	Effective communication of government programmes, offerings and services is important for public awareness
<b>Links</b>	Government Communication Information Services

## 7.2 Resources Considerations

Since its establishment, the department has been operating in a severely constrained environment due to funding constraints: As a result, the department is unable to secure its own office premises and will therefore continue to utilise the available accommodation space in **the dti** Campus albeit at negotiated rental rates. Also, the Memorandum of Agreement signed in 2014 between **the dti** and the department regarding the provision of corporate services support by **the dti** was extended up to 31 March 2016. Under the Memorandum of Agreement, **the dti** will continue to provide the department with the following support services:

1. Human Resources Management
2. Supply Chain Management
3. Information Technology Management
4. Storage of files
5. The Knowledge Management Centre
6. Facilities Management

Thus far, the department has appointed the Audit Committee, Risk Committee, Chief Financial Officer, Chief Director: Corporate Services, Chief Director: Strategy and Corporate Governance, Director: Internal Audit, Director: Supply Chain Management, Director: Financial Management. During the 2016/17 financial year, the department will prioritise funding for the following critical vacant positions: Deputy Director-General: Administration, Deputy Director-General: Policy and Research, Deputy Director-General: Programme Design and Support, Director: Risk Management, and Director: Security and Vetting.

### 7.3 Risk Management

Risk description	Mitigating measures
Due to the department being newly established, the lack of processes, people and systems might result in an inability for the department to comply with financial management, performance management and legislative prescripts.	<p>Periodically coordinate, review, and modify legislation and regulations related to small businesses and Co-operatives in order to build a conducive small business environment</p> <p>Ensure the effective implementation of the red tape reduction programme</p>
Ineffective communication on the work of the department resulting in the intended beneficiaries not being reached. This will have a negative effect on the development and growth of SMME and Co-operatives.	<p>Enhance channels of internal communication on the work of the department to be more accessible to all internal stakeholders through the effective implementation of:</p> <p>Communications strategy Partnership and Stakeholder strategy Stakeholder engagement activities</p>

## 8. PROGRAMME 2: SMMEs AND CO-OPERATIVES POLICY AND RESEARCH

**Purpose:** To formulate policy and conduct research for the development and growth of sustainable small businesses and co-operatives contributing to the creation of employment and economic growth.

This programme contributes to two **Strategic Goals**:

**2. An enabling environment for competitive small businesses and Co-operatives;**

3. *Sustainable small businesses and Co-operatives in townships and rural areas.*

## 8.1 Strategic Objectives – Programme 2

<b>Strategic Objective</b>	<b>2.1 To create a conducive legislative &amp; policy environment for SMMEs and co-operatives</b>
<b>Objective statement</b>	To periodically coordinate, review, and modify legislation and regulations related to small businesses and Co-operatives in order to build a conducive small business environment
<b>Baseline</b>	Current legislation and policies on SMMEs and Co-operatives development
<b>Justification</b>	This strategic objective seeks to reduce the red-tape that impedes increased contribution of SMMEs and Co-operatives to economic growth
<b>Links</b>	The White Paper, the Nine-point Plan
<b>Strategic Objective</b>	<b>2.2 To drive an integrated planning and monitoring for SMMEs and co-operatives in townships and rural areas</b>
<b>Objective statement</b>	To collaborate with provincial and local governments in local economic development planning for SMMEs and Co-operatives in townships and rural areas, and to monitor the implementation of the 30% procurement programme and all procurement programmes implemented at all levels of government.
<b>Baseline</b>	The current procurement patterns by spheres of government, particularly in the townships and rural areas.
<b>Justification</b>	To measure the impact of procurement programmes, and to also monitor and evaluate the integrated support that government department provide to small business.
<b>Links</b>	Outcome 7, Nine-point Plan
<b>Strategic Objective</b>	<b>2.3 To drive a comprehensive research agenda on key areas of support to SMMEs and Co-operatives</b>
<b>Objective statement</b>	To collaborate with research institutions
<b>Baseline</b>	None
<b>Justification</b>	To formulate credible decisions, Government requires technical and specialist professional skills
<b>Links</b>	NDP: Chapter 13, Nine-point plan



<b>Strategic Objective</b>	<b>2.4 To develop and implement a relevant international relations strategy</b>
<b>Objective statement</b>	To position the department as the leader in the national and regional leader in small business development; to build and strengthen ties with other developing and developed economies in order to learn the best practices in small business development
<b>Baseline</b>	None
<b>Justification</b>	The integration of national policies, adoption of common customs and tariffs and the arrangement of global and regional supply chains have allowed for countries to be interdependent and a more global and regional public policy-making
<b>Links</b>	NDP: Chapter 7

## 8. 2 Resources Considerations

The spending focus over the medium term will be on revise the *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprise* and to review National Small Business Act, 1996 (Act No. 102) Principle Act, read with 2003 (Act No. 26) and the 2004 (Act No. 29) as amended in order to align the amended Act with the revised *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprise* and the mandate of the department.

The department plans to conduct a research study on the legislative and regulatory protocols that impedes the development and growth of small businesses and Co-operatives. The research findings will inform the revision of the Small Business Act of 1996, as amended and the review of the Enterprise Development Strategy Framework, and also serve to compliment the red-tape reduction programme that the department roll-out to municipalities across the country.

The Monitoring and Evaluation sub-programme will focus on developing a Monitoring and Evaluations Framework that will monitor trends of the public sector procurement of products and services from SMMEs and Co-operatives. To encourage collaborative and integrated planning, the department will participate in the Minister and Members of the Executive Committee (MinMec) Forums and the Local Economic Development (LED) Forums. The department intends to draw reports on the status of both the provincial and local governments' expenditure on products and services from SMMEs and co-operatives.

### 8.3 Risk Management

Risk description	Mitigating measures
Lack of legislative alignment for small businesses which could result in a non-conducive legislative environment	<p>Periodically coordinate, review, and modify legislation and regulations related to small businesses and Co-operatives in order to build a conducive small business environment</p> <p>Ensure the effective implementation of the red tape reduction programme</p>
<p>The design of the intervention programmes could be non-congruent with the needs and dynamics of intended recipients resulting in non-growing SMMEs and Co-operatives</p> <p>Possible duplication of efforts with other government programmes resulting in a non-efficient/effective approach to small business development</p>	<p>Research study on legislative and regulatory protocols impeding SMMEs will be conducted</p> <p>Strengthen stakeholder relations through consultation and stakeholder engagements</p>

## 9. PROGRAMME 3: SMMEs AND CO-OPERATIVES PROGRAMME DESIGN AND SUPPORT

**Purpose:** To support the development and growth of small businesses through designing financial and non-financial business development support programmes and interventions.

This programme contributes to the following **Outcome Oriented Strategic Goals:**

2. *An enabling environment for competitive small businesses and Co-operatives;*
3. *Sustainable small businesses and co-operatives in townships and rural areas;*

## 9.1 Strategic objectives – Programme 3

<b>Strategic objective</b>	<b>3.1 To design and implement targeted programmes to support new and existing small and medium enterprises townships and rural areas</b>
<b>Objective statement</b>	To increase participation of township and rural enterprises into the mainstream economy through providing training, business support and infrastructure development services
<b>Baseline</b>	None
<b>Justification</b>	Inclusive growth mandate and redressing spatial segregation: To increase the participation and revitalise local communities and rural areas, and to reduce inequality and unemployment in rural areas.
<b>Links</b>	NDP: Chapter 6, NGP, Outcome 7, Nine-Point Plan
<b>Strategic Objective</b>	<b>3.2 To increase participation of SMMEs and Co-operatives in the mainstream economy</b>
<b>Objective statement</b>	To increase the participation of township and rural enterprises into the mainstream economy through providing training, business support and infrastructure development services
<b>Baseline</b>	None
<b>Justification</b>	To redress spatial segregation and improve the livelihood of communities in townships and rural areas
<b>Links</b>	NDP: Chapter 3, Outcome 4, Outcome 7, Nine-point Plan
<b>Strategic Objective</b>	<b>3.3 To coordinate and maximize support for SMMEs and Co-operatives through public and private partnerships</b>
<b>Objective statement</b>	To increase the contribution of SMMEs and Co-operatives through participation in the value chains of the public and private sector organisations
<b>Baseline</b>	Current partnerships and transversal agreements with relevant stakeholders
<b>Justification</b>	Integrated and collaborative support to SMMEs and Co-operatives
<b>Links</b>	NDP: Chapter 3, Nine-point Plan, Outcome

## 9.2 Resource considerations

The focus of the SMMEs and Co-operatives Programme Design and Support programme is to develop, design and implement programmes relating to SMMEs and Co-operatives development in townships and rural areas. The programme also focuses on implementing business support activities relating to training, funding, and business infrastructure to a spectrum of small businesses and Co-operatives, including informal traders and small businesses and Co-operatives in the townships and rural areas.

A major risk element is the insufficient financial and human resources: funding needs to increase substantially in order to support the development and growth of the small business sector, and human resources needs to be reprioritised in order to capacitate the Chief Directorates under this programme. The current financial allocation will put a strain on the existing human and financial resources given a myriad of critical functions that the programme is expected to execute.

## 9.3 Risk Management

Risk description	Mitigating measures
The design of the intervention programs could be non-congruent with the needs and dynamics of intended recipients resulting in non-growing SMMEs and Co-operatives	Research study on legislative and regulatory protocols impeding SMMEs will be conducted
Possible duplication of efforts with other government programmes resulting in a non-efficient/effective approach to small business development	Strengthen stakeholder relations through consultation and stakeholder engagements

## 10. Overall Risk Management

10.1 DSBD's enterprise-wide risk management process is guided by the following key principles:

1. An enterprise-wide approach to risk management ,which means that every key risk in each part of the department will be included in a structured and systematic process of risk management;
2. the identification of uncertain future events that may influence the achievement of strategic objectives(including opportunities); and
3. the integration of risk management activities within the organization and across its value chains.

**10.2** The department is faced by a myriad of risks as it seeks to achieve its strategic goals – an effective and efficient administration; an enabling environment for competitive small businesses and Co-operatives; and sustainable small businesses and Co-operatives in townships and rural areas.

**10.3** The department received strategic support for the risk management function from the Office of the Accountant General (National Treasury) during the year with the aim of establishing the risk management function for the department. A risk management policy has been drafted and commits the department to the implementation of an effective and efficient system of risk management.

**10.4** An annually updated risk management implementation plan will be submitted to the Accounting Officer for approval including the status of implementation of the actions to address the risks captured in this plan will be provided to the Accounting Officer as part of the quarterly reporting process.

**10.5** The risk management strategy currently centres on the entrenching of risk management activities into the strategic planning process. Operational risk assessments will be conducted as operations gain traction.

**10.6** The Accounting Officer advises the Department on risk management and independently monitors the effectiveness of the system of risk management. The progress on the management of risks will be evaluated and monitored quarterly through regular reporting on the progress of the action plans to address the risks.

**10.7** On a macro level, small businesses continue to be plagued by the challenges of:

**10.7.1 excessive red tape,**

**10.7.2 access to finance,**

**10.7.3 access to markets and**

**10.7.4 skills development.**

**10.8** All the department's programmes have been designed to address the above challenges thus risk-adjusted decision making has taken place. The maturity level of risk

management within the department is still very low as this is still a fairly new department.

**10.9 The Top Risks of the department are as mentioned below:**

10.9.1 Due to the department being newly established, the lack of processes, people and systems might result in an inability for the department to comply with financial management, performance management and legislative prescripts.

10.9.2 Ineffective communication on the work of the department resulting in the intended beneficiaries not being reached. This will have a negative effect on the development and growth of SMMEs and Co-operatives.

10.9.3 Lack of legislative alignment for small businesses and Co-operatives which could result in a non-conducive legislative environment.

10.9.4 The design of the intervention programmes could be non-congruent with the needs and dynamics of intended recipients resulting in non-growing small businesses and Co-operatives.

10.9.5 Possible duplication of efforts with other government programmes resulting in a non-efficient/effective approach to small business development

## **PART C: LINKS TO OTHER PLANS**

**11. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS**

None

**12. CONDITIONAL GRANTS**

None

**13. PUBLIC ENTITIES**

**13.1** There are two agencies which are provide small business development support services and drive the mandate of the Department of Small Business Development: the Small Enterprise Development Agency (Seda) and the Small Enterprise Finance Agency (sefa) responsible for non-financial and financial business support services, respectively.

**13.2** The department plans to establish the Co-operatives Development Agency (CDA) in the 2016/17 financial year. Due to the current budget constraints, the Co-operatives Development Agency will be incubated in the Small Enterprise Development Agency until such time that the department is able to fund the CDA as a stand-alone agency.

NAME OF THE PUBLIC ENTITY	ENABLING LEGISLATION	MANDATE AND PURPOSE
<p><b>SMALL ENTERPRISE DEVELOPMENT AGENCY (SEDA)</b></p>	<p>National Small Enterprise Act 1996, (No.102 of 1996), as amended in 2004.</p>	<p>Seda provides non-financial business development and support services for small enterprises in partnership with other role players in the small business development environment. The mission of Seda is to develop, support and promote small enterprises to ensure their growth and sustainability.</p>



NAME OF THE PUBLIC ENTITY	ENABLING LEGISLATION	MANDATE AND PURPOSE
SMALL ENTERPRISE FINANCE AGENCY ( SEFA)	Section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act).	The development of sustainable SMMEs through the provision of finance. This agency will start reporting to the Minister from the 2015/16 financial year. Consideration of a reviewed strategy and programmes of SEFA in support of DSBD's mandate will be prioritised in the 2015/16 financial year.
<b>ENTITY TO BE ESTABLISHED</b>		
CO-OPERATIVES DEVELOPMENT AGENCY; CO-OPERATIVES TRIBUNAL; CO-OPERATIVES ADVISORY COUNCIL	Co-operatives Development Act, 2005 (No. 14 of 2005)	The Act provides for the department to establish and operationalise the Co-operatives Development Agency; Co-operatives Tribunal; and Co-operatives Advisory Council to enhance the sustainability and competitiveness of co-operatives. The department was unable to establish the structures due to the financial constraints experienced as a result of the global economic meltdown.

#### **14. PUBLIC-PRIVATE PARTNERSHIPS**

The Department of Small Business Development does not have any public-private partnerships currently.

# ANNEXURES

**ANNEXURE A: SUMMARY OF POST ESTABLISHMENT AS AT 31 MARCH 2015**

<b>PROGRAMME 1: ADMINISTRATION</b>	<b>FILLED</b>	<b>TO BE FILLED</b>	<b>CONTRACT</b>	<b>TOTAL</b>
Ministerial Services	12	1	1	14
Deputy Ministerial Services	4	0	2	6
Office of the Director General	13	4	0	16
CD: Communication	7	5	1	13
Chief Information Officer	2	4	0	6
D: Human Resources	5	11	0	16
D: Legal	1	3	0	4
CD: Financial Management & Administration	3	21	0	24
D: Internal Audit	1	3	0	4
Auxiliary Services/Security Management	0	4	0	4
<b>SUB-TOTAL</b>	<b>48</b>	<b>56</b>	<b>4</b>	<b>108</b>
<b>PROGRAMME 2: SMMEs AND CO-OPERATIVES POLICY AND RESEARCH</b>	<b>FILLED</b>	<b>TO BE FILLED</b>	<b>CONTRACT</b>	<b>TOTAL</b>
Policy, Research and Legislation	6	5	0	11
Monitoring and Evaluation	6	1	1	8
	12	6	1	19
<b>P3: SMMEs AND CO-OPERATIVES PROGRAMME DESIGN AND SUPPORT</b>	<b>FILLED</b>	<b>TO BE FILLED</b>	<b>CONTRACT</b>	<b>TOTAL</b>
Competitiveness Support	7	0	1	8
Enterprise Development	9	3	1	13
Market Development and Stakeholder Relations	13	0	1	14
SMMEs Development Finance	46	3	0	49
Co-ops Development	7	0	1	8
<b>SUB-TOTAL</b>	<b>82</b>	<b>6</b>	<b>4</b>	<b>92</b>

## **ANNEXURE B: COMMENTARY OF THE REVISED STRATEGIC PLAN**

The Department of Small Business Development revised the Strategic Plan 2015/16 – 2019/20 in order to:

1. Effect the recommendations from the Department of Planning, Monitoring and Evaluation to revise the strategic outcome oriented goals, strategic objectives, performance indicators and targets as per the guidelines provided in the National Treasury's Framework for Strategic Plans and Annual Performance Plans (National Treasury, 2010),
2. Reprioritise the strategic goals and objectives to focus on high impact programmes taking into consideration the current constraints in the financial and human resources of the department.
3. Align the primary mandate of the department with the core functions of the Small Enterprise Development Agency and the Small Enterprise Finance Agency.

## **ANNEXURE C: LIST OF ABBREVIATIONS**

**APP: ANNUAL PERFORMANCE PLAN**

**BBSDP: BLACK BUSINESS SUPPLIER DEVELOPMENT PROGRAMME**

**CIS: CO-OPERATIVES INCENTIVE SCHEME**

**DDG: DEPUTY DIRECTOR-GENERAL**

**DG: DIRECTOR-GENERAL**

**DPME: DEPARTMENT OF PLANNING, MONITORING AND EVALUATION**

**DPSA: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

**DSBD: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**

**EIS: ENTERPRISE INCUBATION SUPPORT**

**Exco: EXECUTIVE COMMITTEE**

**IMEDP: INFORMAL AND MICRO ENTERPRISE DEVELOPMENT PROGRAMME**

**LED: LOCAL ECONOMIC DEVELOPMENT**

**M&E: MONITORING AND EVALUATION**

**MinMec: MINISTERS AND MEMBERS OF EXECUTIVE COUNCIL**

**MoU: MEMORANDUM OF UNDERSTANDING**

**MP: MEMBER OF PARLIAMENT**

**MTSF: MEDIUM-TERM STRATEGIC FRAMEWORK**

**NDP: NATIONAL DEVELOPMENT PLAN**

**NGP: NEW GROWTH PATH**

**NIBUS: NATIONAL INFORMAL BUSINESS UPLIFTMENT STRATEGY**

**PFMA: PUBLIC FINANCE MANAGEMENT ACT**

**Seda: SMALL ENTERPRISE DEVELOPMENT AGENCY**

**Sefa: SMALL ENTERPRISE FINANCE AGENCY**

**Seif: SHARED ECONOMIC INFRASTRUCTURE FACILITY**

**SMMEs: SMALL, MICRO AND MEDIUM ENTERPRISES**

**the dti: DEPARTMENT OF TRADE AND INDUSTRY**