

PC Small BUS 11/11/15

Department of Small Business Development

Performance Report Q2 2015/16

11 November 2015



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA

Presentation Outline

1. Background and Purpose
2. Executive Summary
3. Performance Report
- Department of Small Business Development
- Small Enterprise Development Agency (Seda)
- Small Enterprise Finance Agency (**sefa**)
- South African Women Entrepreneur's Network (SAWEN)
5. Concluding Remarks
6. Recommendations

Background and Purpose

- Purpose of the tabling performance report is to give an overview of the activities of the department and its agencies for the second quarter of the current financial year (2015/16) in line with Treasury Regulations 26.1.1, 26.1.2 and 30.2.1 and the Public Finance Management Act 1 of 1999;
- The report provides progress made on the implementation of set targets against outputs and reasons for variance as per the requirements contained in the DPME's Framework for Strategic Plans and Annual Performance Plans;
- Key challenges faced by the department in implementing the mandate and planned actions to mitigate implementation challenges;
- To present and request the Portfolio Committee to note the second quarter performance of the department and its agencies for the current financial year.

Executive Summary

PERFORMANCE STATEMENT:

- The department has 26 Performance Indicators and is reporting against 31 Quarter 2 Milestones
- Achieved 17 or 54.8% of the targets and under-achieved on 14 or 45.2% of the targets

BRANCH	NO. OF PERFORMANCE INDICATORS	Q2 MILESTONES	ACHIEVED	NOT ACHIEVED
ADMINISTRATION	7	7	5 (71.4%)	2 (28.6%)
COOPERATIVES DEVELOPMENT	6	8	6 (75%)	2 (25%)
ENTERPRISE DEVELOPMENT AND ENTREPRENEURSHIP	13	16	6 (37.5%)	10 (62.5%)
TOTAL	26	31	17 (54.8%)	14 (45.2%)

Executive Summary

- **HIGHLIGHTS:**

- **Payment of invoices within 30-Days:** 100% of the 1976 invoices received were paid within 30-days
- **No of cooperatives supported:** 5 agricultural cooperatives projects, farming in dried beans have been linked to value chains of NTK in Limpopo (Target: One (1) primary cooperative supported). An additional 8 Cooperatives have been identified and assessed, in Gauteng and Mpumalanga, to participate in the SAB pilot programme for women to supply maize
- **No. of Number of Primary Co-operatives receiving funding, training and access to markets:** 80 funded through Cooperatives Incentive Scheme (CIS); 50 Primary Coops and 7 Secondary Coops trained; and 10 Primary Coops assisted with market access against a target of 53
- **Informal Traders Upliftment Facility:** 620 informal traders were trained in all nine provinces against a target of 250
- 223 craft enterprises benefited from various domestic and international market access initiatives against a target of 150

Executive Summary...

- **UNDER-ACHIEVEMENTS**
 - **National Small Business Act Review:** Consultation process regarding the Socio Economic Impact Assessment System commenced
 - **An increase in the number of incubators supporting Co-operatives:** No partnership established with incubators to support co-operatives against a target of 5
 - **Implementation of the National SME and Co-operatives Development Framework:** Commenced the process of aligning with the National SME and Cooperatives Development Framework to the National 9-point plan
 - **Increased number of SMEs and Coops that have been funded:** Unable to finalise the Incentive Guidelines for approval
 - **Continuous roll-out of Red-Tape reductions Guidelines:** Three roll-out workshops conducted in Free State, Kwa-Zulu Natal and Eastern Cape for 14 municipalities and about 90 participants
 - **Black Business Supplier Development:** 155 applications approved under the Programme. 2987 jobs will be supported.
 - **Vacancy Rate:** 22.9% against a target of 11%



Executive Summary...

- **FINANCIAL PERFORMANCE AS AT 30 SEPTEMBER 2015 :**
 - **Expenditure was R547.7 million or 49.6% of the allocated budget of R1 103.1 billion.**
 - **The year-to-date projection was R603 million resulting in an under expenditure of R55.3 million or 9.1%**
 - **Of the YTD expenditure of R547.7 million:**
 - **88.7% was for transfers payments**
 - **Compensation of Employees at 8%**
 - **Goods and services at 3.1%**

Programme 1: Administration

Performance against target:

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Effective and efficient staff compliment	Vacancy rate	10%	11%	22.93% Target not met.	Vacant positions: 29 To be filled in Q3:17 To be filled in Q4: 12	Target planned to be met by end of Q4 2015/16.
	Staff turnover rate	12.0%	13%	2% Target exceeded	N/A	N/A
Effective and efficient finance service delivery	People with disabilities	3.2%	3.2%	2.72% Target not met.	One employee with disability resigned. National target of 2% met.	N/A
	Women employed at SMS level	45%	45%	48% Target Exceeded		N/A
	Eligible creditors payments processed within the legal requirement	Payments to eligible creditors processed within 30 Days.	Payments to eligible creditors processed within 30 Days.	Payments to eligible creditors processed within 30 Days.	Target met. All of the 1976 invoices were paid within 30 days during the period.	N/A



Programme 1: Administration...

Performance against target:

Strategic objective :To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Effective and efficient marketing service delivery	Number of multi-media awareness campaigns	15	4	Target exceeded: 5	Target sufficiently met	N/A
	Number of events, outreach programmes and exhibitions	8 events, 15 outreach programmes and 8 exhibitions.	2 events, 4 outreach programmes and 2 exhibitions.	Target exceeded 7 events, 7 outreach programmes, and 6 exhibitions	More government departments and institutions invite the department to their events to present on small business interventions	N/A

Programme 2: Cooperatives Development

Performance against target:

Strategic objective 1: To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Linking of 93 co-operatives to market value chains (manufacturing, agro-processing, energy, construction and clothing and textile sectors)	An increase in the establishment of Co-operatives linked to market value chains	Pilot 3 co-operatives linked with targeted interventions based on needs analysis conducted and identified.	1 Cooperative assisted with targeted interventions based on needs analysis conducted and identified.	Target exceeded 5 agricultural cooperatives projects farming in dried beans linked to values chain of the market NTK Landbou Pty Ltd in Limpopo, 8 Cooperatives have been identified and assessed, to participate in SAB pilot programme for women in maize programme, Gauteng and Mpumalanga.	Target exceeded due to the positive response from the private sector	N/A
Five (5) cooperatives linked with NTK Landbou Pty Ltd in Limpopo: House of the Mountain Cooperative, Maroma Cooperative, Nessa Cooperative, Mimbumbé Cooperative, Harvest Land Cooperative			Monitor and develop project report.	Target achieved: Progress report on market value chain initiatives included.	N/A	N/A
Eight (8) cooperatives Gauteng: Asitshaleni Agric Primary Coops, Ballimi Ba Lekoa, Lutendo, Esselen Park Cooperative						
Mpumalanga: Dithamaga, Vyderboom, Masenka Cooperative, Mahlokhonyo Trading						



Programme 2: Cooperatives Development...

Performance against target:

Strategic objective :To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Establishment of 50 Incubators.	An increase in the number of Incubators supporting Co-operatives	9 Incubators to support Co-operatives.	3 incubators to support co-operatives establishment	Target not met: One (1) Incubator proposal was coordinated and submitted to Incubation Support Programme (ISP) for adjudication but was declined.	Of the five incubators identified only one applied but was declined due – the applicant could not meet the requirements to qualify for the incubator programme	The department will not achieve the annual target. The department plans to engage with Seda and look at the Technology Support Programme and see how this can be upscaled to include cooperatives.
<p>The Incubation Support Programme is still part of the Department of Trade and Industry. The Incubation Support Programme is a 60:40 or 50:50 depending on the turnover of the private partner. The department is struggling to meet the set target as it is not under the control of the department.</p>						

Programme 2: Cooperatives Development...

Performance against target:

Strategic objective :To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Increased participation of role players to support SMMEs and Co-operatives development.	Development of amendments to the Act	Consultation and tabling of proposed amendments	Consultative engagements	<p>Target met: Consultations as per the project plan were not undertaken. However initial Socio Economic Impact Assessment System (SEIAS) consultations pertaining to the Act was undertaken.</p>	N/A	N/A
<p>The National Small Business Act (as amended) cannot be taken through the legislative process in the 2015/2016 financial year since the stakeholder consultation process has not been undertaken in Q1 and Q2 of the financial year under review. The Q3 and Q4 targets (the drafting of the areas of amendment and the tabling of the areas of amendment) will also not be achieved as a result of the delay.</p> <p>The initial (215/2016) project implementation plan for the legislative review and/or amendment has to be deferred to the 2016/2017 financial year. This will allow for the carrying out of the initial stakeholders' consultations as well as the socio-economic impact assessment system (SEIAS) on the NSBA.</p> <p>The delay in the legislative review/amendment mean that the primary legislation from which the powers of the Executive Authority derive will not, legally, be consistent with the new mandate and changed environmental conditions. Consequently, in legislative terms, the Executive Authority's ability to invoke the substantive and procedural mandate-related powers may be brought up for debate.</p>						

Programme 2: Cooperatives Development...

Performance against target:

Strategic objective :To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
289 primary co-operatives receiving funding, training and access to markets.	Number of Primary Co-operatives receiving funding, training and access to markets.	214	53	<p>Target achieved:</p> <p>80 Primary Coops funded through the Cooperatives Incentive Scheme (CIS).</p> <p>50 Primary Cooperatives trained on productivity improvement and financial management</p> <p>10 Primary Cooperatives assisted with market access</p> <p>7 Secondary Cooperatives trained.</p>	N/A	N/A
80 cooperatives were funded because the department was making up for the underperformance in the first quarter						

Programme 2: Cooperatives Development...

Performance against target:

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
22 Secondary Co-operatives funded.	Number of Secondary Co-operatives funded.	1 Secondary Co-operative receiving funding, training and access to markets.	Evaluation of applications and provision of technical support to cooperatives.	Target met. Two (2) potential Secondary Coops identified in Upington, Northern Cape and the other one in Taung for the SAB Project.	The department held consultations with agencies and partner departments to ensure that suitable and qualifying secondary cooperatives are identified in order that funding is directed towards sustainable projects.	NA



Programme 2: Cooperatives Development...

Performance against target:

Strategic objective :To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Formulation of a National SMME and Co-operatives Development Framework.	Implementation of the National SMME and Co-operatives Development Framework.	Quarterly coordination and reporting on the framework activities.	One quarterly Task Team meeting.	Target not met: The Task Team meeting was scheduled to take place on 29 September 2015.	There is a need to align the National SMME and Co-operatives Development Framework to the National 9-point plan prior to engaging with Provincial Departments of Economic Development and National Agencies	The task team meeting will take place in Q3 2015/16 where a combined plan/framework will be presented
			A report on the Task Team activities produced	Target Met: A report was produced on the task team activities of the National SMME and Cooperatives Development Framework.		

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
400 start-ups and growth oriented SMEs and Co-operatives that access the Fund	Increased number of SMEs and Co-operatives that have been financed through the Fund.	Develop a business case for disbursing the funding and lobby the private sector to contribute to the Fund.	Approval of incentive guidelines	Target not met: Draft guidelines developed and handed-over to Sefa for further consultations.	Delayed due to further consultations with relevant stakeholders	Conclude consultations and present guidelines to the Executive Committee of the department in November.
25 SMEs and Co-operatives packaged as micro franchisors.	Accelerated identification and packaging of SMEs and Co-operatives into franchisors.	5 SMEs packaged as micro franchisors	Commence with procurement process	Target met: The proposal has been submitted to the Bid Adjudication Committee.	N/A	N/A

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Signing of MoAs and establishment of Centres for Entrepreneurship with hosting academic institutions	Signing of MoAs and establishment of Centres for Entrepreneurship with hosting academic institutions.	3 Centres for Entrepreneurship established.	Draft business plans submitted by the targeted hosting institutions	Target met: Draft business plans were submitted by 6 targeted institutions. 4 potential institutions were recommended to host the programme.	N/A	N/A
72 SEDA Branches trained and 140 co-location points established.	Capacity building and co-location for SEDA Branches.	25 co-location points established.	5 co-location points established	Target not met. However, 3 new co-location points identified with Transnet and additional 3 co-location points identified with Anglogold Ashanti	The department depends on other key stakeholders for the successful implementation of the output	The department is pursuing partnerships with parastatals and the private sector as there is slow buy-in from other spheres of government.
The department's output of training 72 Seda branches and establishing 140 co-location points is ambitious: the department will not be able to achieve the output. The achievement of the output depends heavily on other stakeholders.						

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
All municipalities partnering with the DSBD.	Establishment and upgrading of infrastructure through Partnership Agreements with Provincial and Local Governments.	Establishment of new and upgrading of existing infrastructure in 5 identified municipalities commenced and completed.	Launch of first site(s)	Target not met: External and internal consultation has been scheduled. No projects approved under the Shared Economic and Infrastructure Facility	The proposals received did not meet the requirements and/or there were no firm commitments from municipalities.	The department will change the approach of the programme to incentivize municipalities to buy into the programme
750 Youth Enterprises funded through the Youth Black Business Supplier Development Programme (YBBDP). (Lifted from the National Youth Enterprise	Increased number of youth enterprises funded through the Youth Black Business Supplier Development Programme (YBBDP).	20 beneficiaries to the Youth Black Business Supplier Development Programme.	Provision of technical assistance with applicators	Target not met: All prerequisites for the programme conceptualisation and implementation have been completed.	Conceptualisation document awaiting the finalisation of the departments review process	Implement the recommendations from the departments review process.



Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
800 Youth enterprises launched.	Increased creation of Youth owned enterprises.	100 youth trained in New Venture Creation programme.	Module two of the training conducted.	Target not met: Consultations with our partner were regularly held and a transversal agreement with them is being developed.	Lack of budget allocation	Continue with the partnership and co-funding arrangement.
			Opening of new ventures by graduates.	Target not met: Consultations with our partner were regularly held and a transversal agreement with them is being developed.	Lack of budget allocation	
Implementation of the Women Business Development Scheme (WBDS)	Increased number of enterprises approved for the Women Business Development Scheme (WBDS).	82 women entrepreneurs supported.	21 women entrepreneurs supported	Target not met. The guidelines have been developed, awaiting approval. 49 Women-owned enterprises currently supported through the Black Business Supplier Development Programme.	Adjudication board not yet appointed.	Await the appointment of the adjudication board. Prioritise the approval of the guidelines

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/Output	Performance Indicator/Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Implementation of Bavumile Skills Development Programme	Number of women entrepreneurs trained through the Bavumile Skills Development Programme.	300 women entrepreneurs trained.	75 women entrepreneurs trained.	Target met: 75 women trained on the Bavumile Skills development Programme	N/A	N/A
1000 informal business owners selected from each province for training and infrastructure support prioritising Presidential Nodes through the Informal Business Upliftment Facility (IBUF).	An increase in the provision of skills and infrastructure support to informal businesses through the Informal Business Upliftment Facility (IBUF).	Training and infrastructure improvement of 1000 informal retail businesses completed.	Training of 250 selected informal traders.	Target exceeded: 620 informal traders were trained in all nine provinces. The training included the following Entrepreneurship, Marketing your business, Customer care, Financial management, Purchasing skills, Regulatory and By-law compliance, Hygiene and Food safety, Merchandising, and Point of Sale.	Higher demand for the training programme	The department will separate the training and infrastructure outputs, the outputs are not related.

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Red tape reduction guidelines institutionalised at all state institutions	Local and Provincial Government implementation of red tape reduction programme.	Continuous roll-out of the Red Tape Reduction guidelines at municipal level.	Continuous with roll-out of red tape reduction guidelines at 20 municipalities.	Target not met: Three roll-out workshops conducted in Free State, Kwa-Zulu Natal and Eastern Cape for 14 municipalities and about 90 participants	Target depends on the availability of municipalities for the workshop	There is need for a different approach to the implementation of Red Tape Reduction
		Monitoring framework for implementing of the municipal red tape reduction guidelines	Develop a monitoring framework for the implementation of the municipal guidelines local government level.	Target met: Draft monitoring framework developed	NA	
			Assessment and prioritization of constraints at provincial level	Target out met: TORs on red tape reduction study approved.	Study not concluded	
Implementation of the set-asides programme	Government - wide implementation of set-asides programme.	Issuing of the practice note and monitoring of effective implementation of the 30 % set-asides programme.	Continuous monitoring of effective implementation of the 30% set-asides programme.	Target not met: The National Treasury could not revise the PPPFA Regulations of 2011 by September 2015, no practice notes issued in October 2015	Legal opinion – government cannot implement 30% public procurement policy.	National Treasury to develop a Procurement Bill to provide for the set-aside procurement programme

Programme 3: Enterprise Development & Entrepreneurship

Performance against targets

Strategic objective : To facilitate radical economic transformation through increased participation of small businesses and cooperatives in the mainstream economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
450 craft enterprises supported through product development, market access and enterprise development initiatives.	Number of enterprises and implementing agencies supported to implement the Craft Customised Sector Plan (CSP).	5 implementing agencies	Monitor Product Development and Enterprise Market Access implemented by Provincial Crafts Hubs and Provincial Development Agencies benefiting 150 Craft Enterprises.	Target achieved: 223 craft enterprises benefited from various domestic and international market access initiatives.	N/A	Intervene and support Provinces that are delayed to conclude their MOA with the IDC. Support Provinces to fast-track the implementation of Product Development programmes.

Budget Performance Report

Overview on expenditure performance

- The department's expenditure on **compensation of employees** stood at R44.3 million, which constitutes an under spending on the projections of 22.4%. This is attributable to high vacancy rate (22.93%).

- As at 30 September 2015, there were 36 vacant positions out of 157 funded positions. All vacant positions were triggered and the department is working diligently to fill all vacant posts. The department has procured the services of a personnel management agency for response handling to fast track the high volume of applications received in response to the advertised posts.

- **Goods and services** expenditure was R17.1 million, which constitutes an under spending on the projections of 28.1%. The under spending is mainly on travel and venues as the department continues to implement cost containment measures, the savings realized thus far will be shifted to other priority arrears where the department is experiencing spending pressure. Outstanding invoices for services rendered during the period under review also contributed to a low spending.

- **Transfer payments** expenditure was R485.8 million, which constitutes an under spending on the projections of 6.8%.

YTD Expenditure vs Projections per programme

Programme	Revised budget 2015/16 R'000	YTD projection R'000	YTD expenditure R'000	Variance		Available budget	
				Value R'000	%	Value R'000	%
Administration	64 025	27 076	24 943	2 133	7.88%	39 082	61.04%
Co-operatives Support and Development	15 188	7 946	5 697	2 249	28.30%	9 491	62.49%
Enterprise Development and Entrepreneurship	1 023 975	568 068	517 078	50 990	8.98%	506 897	49.50%
TOTAL	1 103 188	603 090	547 719	55 371	9.18%	555 469	50.35%

Programme 1: Administration

- The year-to-date expenditure for Programme 1 was R24.9 million, or 39% of the allocated budget of R64 million. The year-to-date projection was R27 million resulting in an under expenditure of R2.1 million (7.9%).

- The under expenditure is largely due to a high vacancy rate under programme one. As at 30 September 2015, there were 32 vacant positions (42.6%) out of 75 funded positions. All vacant positions were triggered and the department is working diligently to fill all vacant posts. The department has procured the services of a personnel management agency for response handling to fast track the high volume of applications received in response to the advertised posts.



Programme 1. Administration cont....

Economic classification	Revised budget 2015/16 R'000	YTD projection R'000	YTD expenditure R'000	Variance		Available budget	
				Value R'000	%	Value R'000	%
Compensation of employees	31 541	17 207	14 604	2 603	15.13%	16 937	53.70%
Goods and services	31 924	9 529	9 996	467	4.90%	21 928	68.69%
Machinery and equipment	560	340	344	4	1.06%	216	38.64%
Transfer payments	0	0	0	0	0.00%	0	0.00%
TOTAL	64 025	27 076	24 943	2 133	7.88%	39 082	61.04%

2. Co-Operatives Support and Development

The year-to-date expenditure for Programme two was R5.7 million, or 37.5% of the allocated budget of R15.2 million. The year-to-date projection was R7.9 million resulting in an under expenditure of R2.2 million (28.3%)

Economic classification	Revised budget 2015/16 R'000	YTD projection R'000	YTD expenditure R'000	Variance		Available budget
				Value R'000	%	
Compensation of employees	12 754	6 508	5 104	1 404	21.57%	7 650
Goods and services	2 278	1 310	577	733	55.98%	1 701
Machinery and equipment	156	128	16	112	87.15%	140
Transfer payments	0	0	0	0	0.00%	0
TOTAL	15 188	7 946	5 697	2 249	28.30%	9 491

62.49%



3. Enterprise Development and Entrepreneurship

- The year-to-date expenditure for Programme Three was R517 million, or 50.5% of the allocated budget of R1 023.9 billion. The year-to-date projection was R568 million resulting in an under expenditure of R50.9 million (8.9%).
- Under spending on CIS (R14.3 million) and BBSDP (R21.1) million was due to a delay in the commencement of the application adjudication process during the period under review. The new adjudication committees for CIS and BBSDP were appointed in June 2015 and July 2015 respectively. Several adjudication meetings have been held to date which resulted in 81 applications being approved for CIS and 146 for BBSDP.

3. Enterprise Development and Entrepreneurship cont....

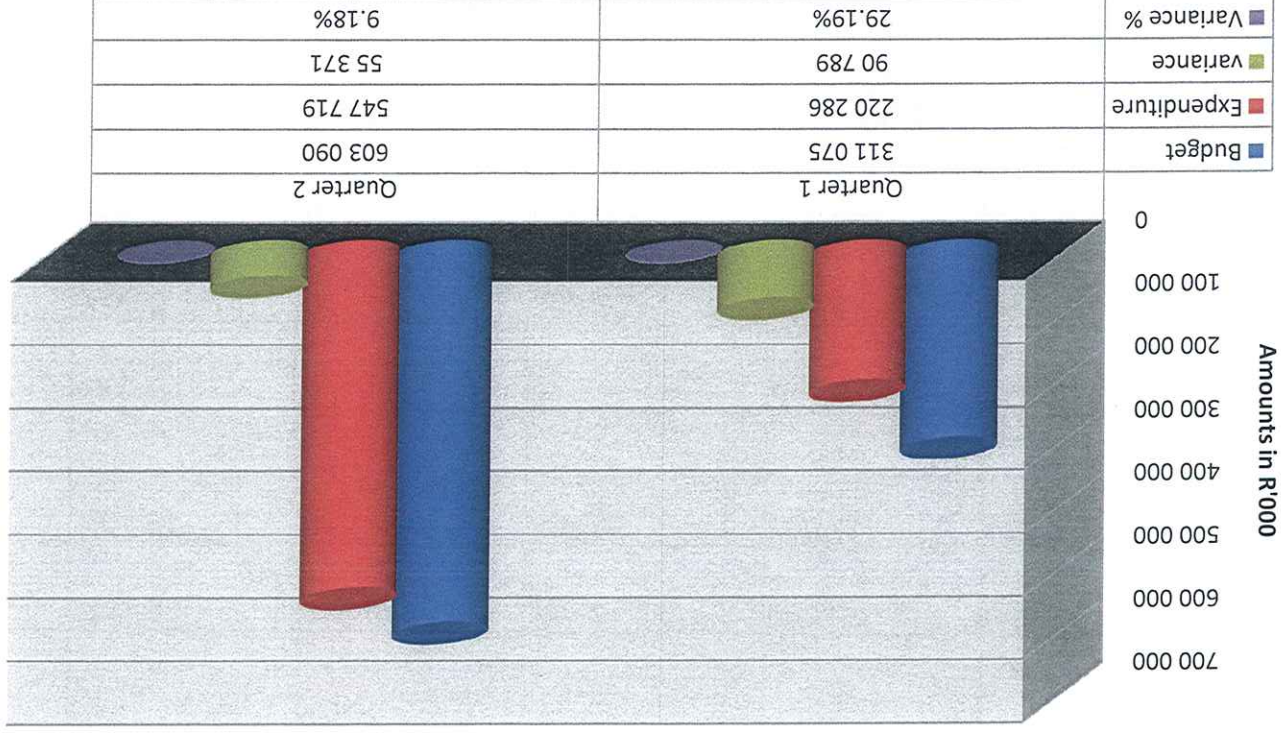
Economic classification	Revised budget 2015/16 R'000	YTD projection R'000	YTD expenditure R'000	Variance		Available budget
				Value R'000	%	
Compensation of employees	65 376	33 377	24 598	8 779	26.30%	40 778
Goods and services	22 337	13 053	6 593	6 460	49.49%	15 744
Machinery and equipment	421	275	47	228	83.06%	374
Households	0	0	45	45	0.00%	45
Transfer payments	935 841	521 363	485 795	35 568	6.82%	450 046
TOTAL	1 023 975	568 068	517 078	50 990	8.98%	506 897
						49.50%

Departmental Transfer payments

Description	Revised budget 2015/16 R'000	YTD projection R'000	YTD expenditure R'000	Variance		Available budget	
				Value R'000	%	Value R'000	%
Small Enterprise Development Agency	478 183	289 000	289 000	0	0.00%	189 183	39.56%
SEDA Technology programme	132 181	85 000	85 000	0	0.00%	47 181	35.69%
IDC Isivande Women's Fund	8 751	0	0	0	0.00%	8 751	100.00%
Black Supplier Development Programme	225 000	117 000	95 822	21 178	18.10%	129 178	57.41%
Co-Operatives Incentive Scheme	75 000	22 000	7 611	14 389	65.41%	67 389	89.85%
South African Women's Entrepreneur Network	16 726	8 363	8 363	0	0.00%	8 363	50.00%
Households	0	0	45	45	0.00%	45	0.00%
TOTAL	935 841	521 363	485 841	35 522	6.81%	450 000	48.09%

Quarter 1 vs Quarter 2

- The department has improved on its expenditure during the second quarter as compared to the first quarter of the current financial year. The variance as percentage as at 30 June 2015 was 29%, as compared to 9.1% at the end of September 2015.



Small Enterprise Development Agency (Seda)

Performance Report Q2 20015/16



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



Actual Performance against APP Targets

- Overview

- Notable improvement when compared to the first quarter: performance achieved and exceeded on 20 of the 29 indicators (versus 14 in Q1 2015/16)
- National Gazelles Programme launched in September 2015.
- Board strategy review held in September 2015
- The South African Renewable Energy Business Incubator (SAREBI) manufacturing testing centre launched in September 2015
- Vacancy rate reduced to 9.6%

Actual Performance against APP Targets

Strategic objective 1 : Enhance the Competitiveness and Capacities of Small Enterprise Through Coordinated Services, Programmes and Products						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Client satisfaction ensured	% of surveyed clients satisfied with quality of Seda services	94%	94%	98%	Performance due to improved management of service level agreements with business development services providers.	None.
Client business performance improved	% of surveyed SMME clients whose turnover has increased (Growth)	54%	54%	75%	Improved turnover of clients that were able to access new markets, particularly in the services sector.	None
	% of surveyed SMME clients whose number of employees has increased (Growth)	35%	35%	51%	More than half of the over performance can be attributed to the seasonality of some sectors.	None
Narrative: <ul style="list-style-type: none"> Seda during the quarter under review, maintained its high levels of client satisfaction and turnover and employment growth. These can be attributed to improved management of enterprise development projects, and ability of assisted clients to access to new markets. 						

Actual Performance against APP Targets

Strategic objective 1 : Enhance the Competitiveness and Capacities of Small Enterprises Through Coordinated Services, Programmes and Products

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Number of supplier development programme partnerships	Number of supplier development programme partnerships	5	3	0	Discussions initiated during the first quarter with organisations such as Productivity SA and the South African Suppliers Development Council not finalised. New partnerships being discussed with Eskom, Armscor, Pick n Pay and Sun International.	Finalise discussions partners on technical cooperation and work with the DSD on supplier development and market access related partnerships.
Number of clients supported under development programme	Number of clients supported under supplier development programme	75	25	36	Additional measures put in place to address the underperformance of the first quarter.	None
Number of clients supported with trade facilitation	Number of clients supported with trade facilitation	75	25	53	Additional measures put in place to address the underperformance of the first quarter	None
<p>Narrative:</p> <ul style="list-style-type: none"> Supplier development initiatives should gain momentum as the 30% procurement programme is institutionalised, and transversal agreements are signed with other public sector institutions. Productivity SA expected to be a key partner, as most clients will need to improve their productive capacity. Despite the constrained global economic situation, clients are still able to enter into export contracts, largely for the African and European markets. 						



Actual Performance against APP Targets

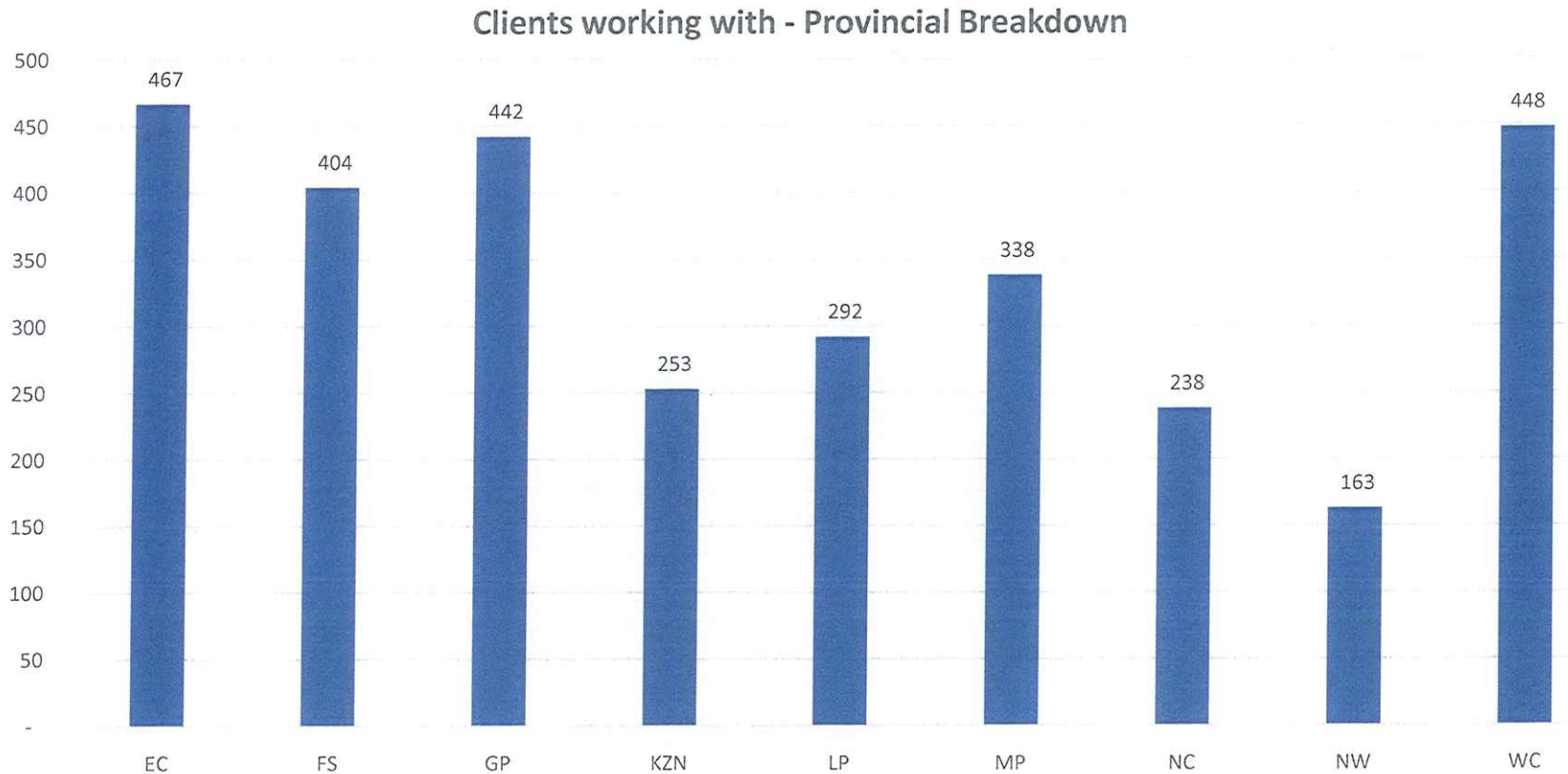
Strategic objective 1 : Enhance the Competitiveness and Capacities of Small Enterprise Through Coordinated Services, Programmes and Products						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Number of clients supported with mentorship and coaching	Number of clients supported with mentorship and coaching	75	25	8	Client readiness assessments indicated fewer than anticipated clients were ready to be provided with mentorship and coaching support.	Identify and assess potential clients from high impact programmes such as technology transfer and National Gazelles for mentorship support.
Number of clients trained on national and international standards	Number of clients trained on national and international standards	536	160	217	Target exceeded due to marketing of programme to other delivery partners in provinces.	Intake of new clients to be normalised in the subsequent quarters.
<p>Narrative:</p> <ul style="list-style-type: none"> Assessments of Seda clients have indicated that most need support on areas such as financial management, marketing and access to markets and mentorship and coaching to be introduced as follow up support. Mentorship and coaching is also an expensive intervention, and is only provided after certain preconditions have been met. The anticipated increase in the number of clients under the supplier development programme will also result in increased need for mentorship and coaching. Training on national and international standard such as ISO and HAACP has become a necessity for clients wishing to enter supplier contracts with established business. 						

Actual Performance against APP Targets

Strategic objective 2: Ensure equitable access to business support services

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Client reach improved	Number of clients working with	11,400	3,078	3,045	Marginal underperformance, KwaZulu Natal and North West were main contributors.	Performance to normalise during the second half of the year.
Number of clients in the upper end of the SME sector assisted with interventions	Number of clients in the upper end of the SME sector assisted with interventions	372	93	59	Branches continue to battle to attract clients in this area, although there is improvement from Gauteng and Western Cape.	Effort will be made towards attracting clients from the upper end of the SME sector going forward, and also allocating targets based on regional demographics.
% of clients in the priority growth sectors assisted with interventions	% of clients in the priority growth sectors assisted with interventions	40%	40%	90%	The indicator is being measured for the first time in 2015/2016, and no baseline was established.	The performance will be analysed at the end of the third quarter and target revised for subsequent years
<p>Narrative:</p> <ul style="list-style-type: none"> Number of clients that Seda works with is dependent on the number of business advisors, as there is a client: Business Advisor ratio to be maintained to ensure quality services. Seda's strategy going forward seeks to strike a balance between the very small and micro enterprises, and the small and medium sized enterprises, which addresses both the high mortality rate of start ups and the job creating challenge which is expected to be addressed by those at the small and medium level. 						

Actual Performance against APP Targets



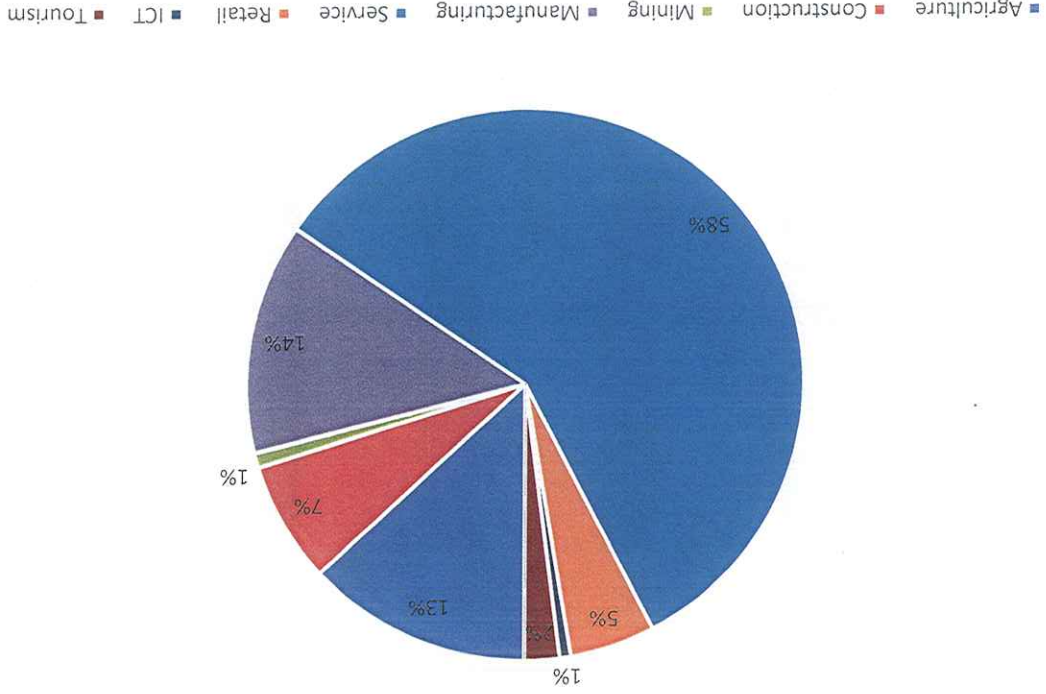
Narrative:

- Number of clients working correlates to the number of branches and number of Business Advisors.
- Improved performance in Limpopo, Mpumalanga and Gauteng where there was underperformance in the first quarter due to vacancy levels.
- Western Cape continues to benefit from the expanded network brought about by the incorporation of the Red Door programme.



Actual Performance against APP Targets

Sectoral Profile of Clients Assisted



Narrative:

- Services continues to be the dominant sector, followed by agriculture and manufacturing.
- High impact programmes and incubation support expected to balance out sectoral spread by increase number of clients from key priority sector.



Actual Performance against APP Targets

Out of the clients working with to date:

- 81% are black owned businesses.
- 49% are female owned businesses.
- 45% are youth owned businesses.
- 1% are owned by people with disabilities.

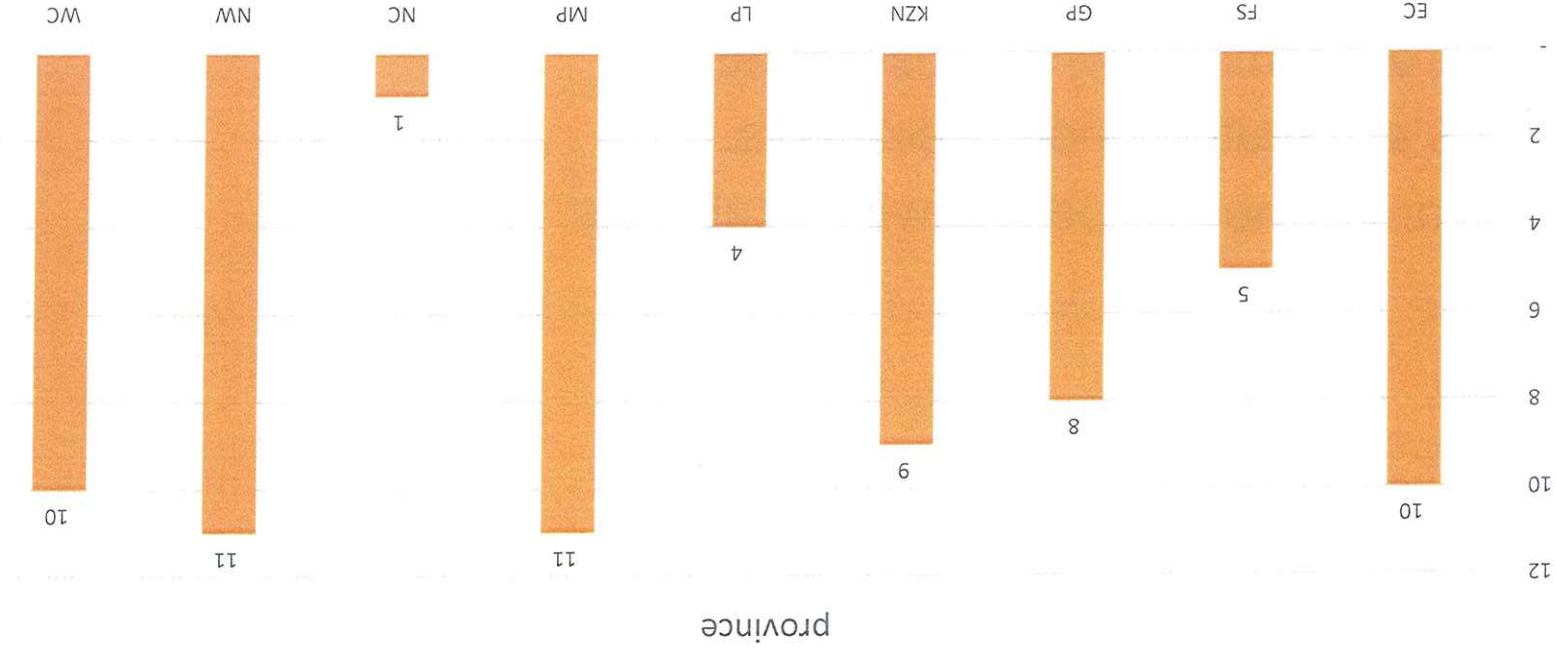
Narrative:

- A number of organisations that work with people with disabilities have been identified and talks are underway to work together on assisting people with disabilities that want to or are already in business.



Actual Performance against APP Targets

Number of small and medium sized enterprises (employing 21 to 200) assisted per province



Narrative:

- Four provinces, namely Eastern Cape, KwaZulu Natal, Mpumalanga and North West contributed largely in this regard during the first quarter. Gauteng and Western Cape have registered improvements.
- Going forward, Seda will make efforts to increase and spread the profile across all provinces, as these are the clients that are in a position to benefit from market access partnerships.



Actual Performance against APP Targets

Strategic objective 2: Ensure equitable access to business support services						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Number of primary cooperatives established	Number of primary cooperatives established	90	23	111	Purposeful efforts to increase the pool of primary cooperatives supported. All vacancies relating to regional facilitators have been filled.	None
Number of secondary marketing cooperatives supported	Number of secondary marketing cooperatives supported	36	10	26	The sizeable pool of new and existing cooperatives resulted in more secondary cooperatives being established.	None
Number of clients supported through Basic Entrepreneurial Skills Development programme	Number of clients supported through Basic Entrepreneurial Skills Development programme	1000	300	0	Challenges in finalising the process of mobilizing clients for the programme, mainly due to low levels of interest from target clients.	A workshop to be held to understand reasons for low levels and option of working with youth partner organisations to mobilise clients.
<p>Narrative:</p> <ul style="list-style-type: none"> Seda's flagship programmes in working with rural and peri-urban co-operatives are primary co-operative mobilisation and establishment, and establishment and support of secondary co-operatives that focus mostly on marketing and sharing of capital equipment. The BEDS programme is a collaboration with the Department of Higher Education and GIZ, a German agency on equipping a pool of 1,000 this year with business development support skills. A workshop has been prioritised to look into the challenges with mobilising the correct clients. 						

Actual Performance against APP Targets

Strategic objective 2: Ensure equitable access to business support services						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Cost sharing with delivery partners maintained	Value of service delivery costs covered by delivery partners	R10,3 mil	R 3,3 mil	R1,4 mil	While partners have committed approximately R6,1 million during the quarter, programmes to utilise these funds are spread throughout the financial year.	Funds to be realised as income once utilised in subsequent quarters.
<p>Narrative:</p> <ul style="list-style-type: none"> Partner institutions with funding for small enterprise and co-operative development related programmes but without the capacity to implement the programmes, work with Seda where Seda implements the programme with the funder paying for the cost of implementation. Examples are the Red Door programme in the Western Cape which has now been incorporated into the Seda network, small enterprise start-up training, etc. 						

Actual Performance against APP Targets

Strategic objective 3: Strengthen the organisation to deliver on its mission.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Cost efficiency improved	% of direct service delivery costs versus total delivery costs	73%	76,61%	95.58%	Actual performance is 82.08%. Difference is due to reversal of operating lease liability after ceding old premises to the dti.	This should normalise in subsequent quarters.
	% of deviations of actual expenditure from approved budget	5%	5%	16,38%	Under expenditure due to salary increases not effected yet, and the time difference between project initiation and payment of service providers.	Salary negotiations expected to be finalised in the next couple of weeks, and a number of major projects are nearing completion.
	% of programme related funding allocated to clients in the upper end of the SMME sector	15%	15%	8%	This is due to a fewer number of clients in the upper end that were supported by the branches in this category.	Effort will be made towards attracting clients from the upper end of the SMME sector going forward, and also allocating targets based on regional demographics.
Narrative:						
<ul style="list-style-type: none"> Seda aims to allocate resources in a way that seeks to effectively implements its strategy, while keeping actual expenditure as close to budgeted expenditure as possible. A new measure that's was introduced relates to tracking the proportion of programme related funds that are spent on high impact programmes, with the aim of striking a balance between these programmes and the programmes required at start up level. External partnerships are expected to play a significant role in augmenting the funds for the high impact programmes. 						

Actual Performance against APP Targets

Strategic objective 3: Strengthen the organisation to deliver on its mission.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Organisational staffing improved	Vacancy rate	12%	12%	9.6%	Improved turnaround times for recruitment.	None
Seda image improved	Annual stakeholder forum held	ASF held by end September	ASF held by end September	ASF held by end September	None.	None
Number of updates on the SME sector produced		2	1	1	None.	None

Narrative:

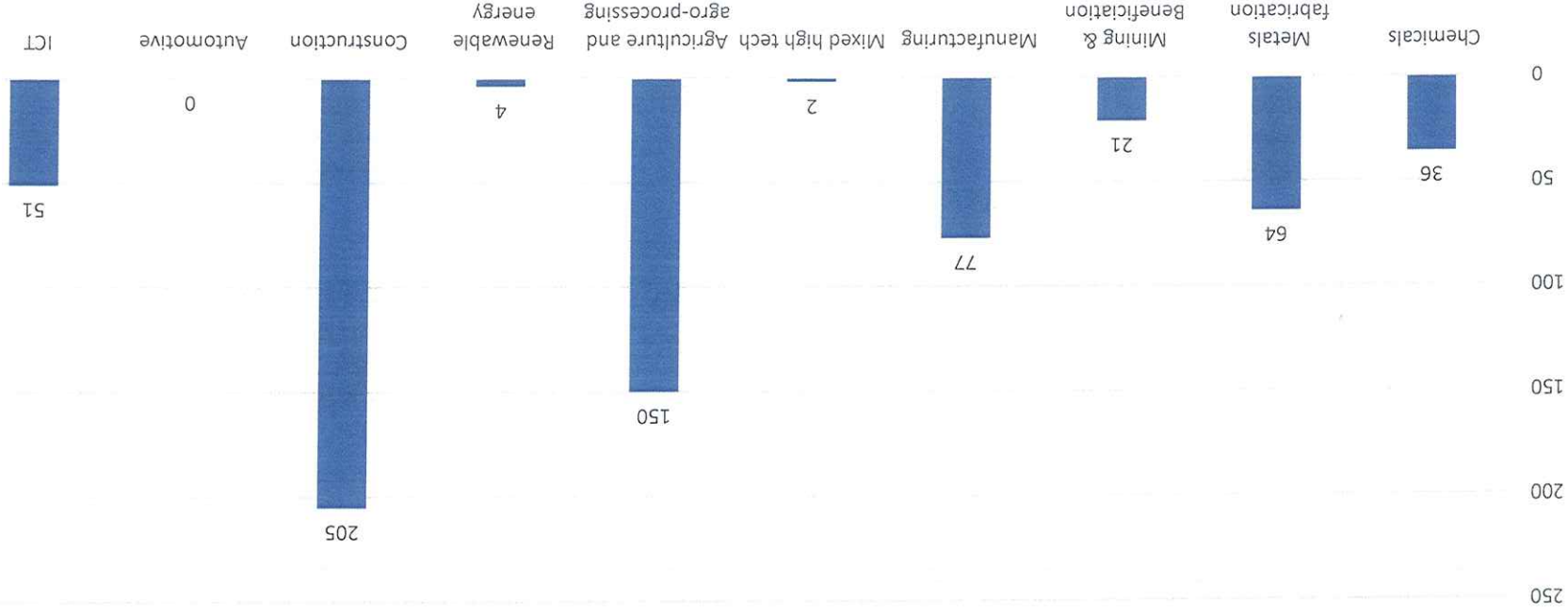
- Seda has recently finalised a project that seeks to align its structure with its strategy, and subsequent to that prioritised filling of vacancies.
- One of the stakeholders that Seda is engaging with after the ASF is the organisations that work with people with disabilities, with the goal of establishing partnerships and come up with focused programmes for people with disabilities.

Actual Performance against APP Targets

Strategic objective 2: Ensure equitable access to business support services						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Incubation support enhanced	Number of incubators supported	55	49	48	Process to establish 6 new incubators in progress, five have been approved by the adjudication panel for funding.	Incubators to be established once MoUs are finalised with partner insitutions. .
Client satisfaction ensured	% of surveyed clients satisfied with quality of Seda services	72%	72%	74.81%	Target exceeded due to implementations of corrective actions based on previous survey results.	None.
Client business performance improved	Number of jobs created	1,650	495	610	More jobs than anticipated created due to improved market conditions in construction, manufacturing and agriculture.	None. The increased market access for incubation clients in these sectors was not planned. Effort will be made in sustaining it.
<p>Narrative:</p> <ul style="list-style-type: none"> Increasing the footprint of supported incubators is key to creating sustainable small enterprises. Seda aims to create incubators in sectors that have been prioritised as growth sectors, mostly working in partnership with provincial and local government. Incubation support, by design, creates jobs that can be attributed to it, due to its holistic, fulltime support. Most of the jobs are created during the second and third years of incubation. 						

Actual Performance against APP Targets

Number of direct jobs created per sector by incubated clients



Narrative:

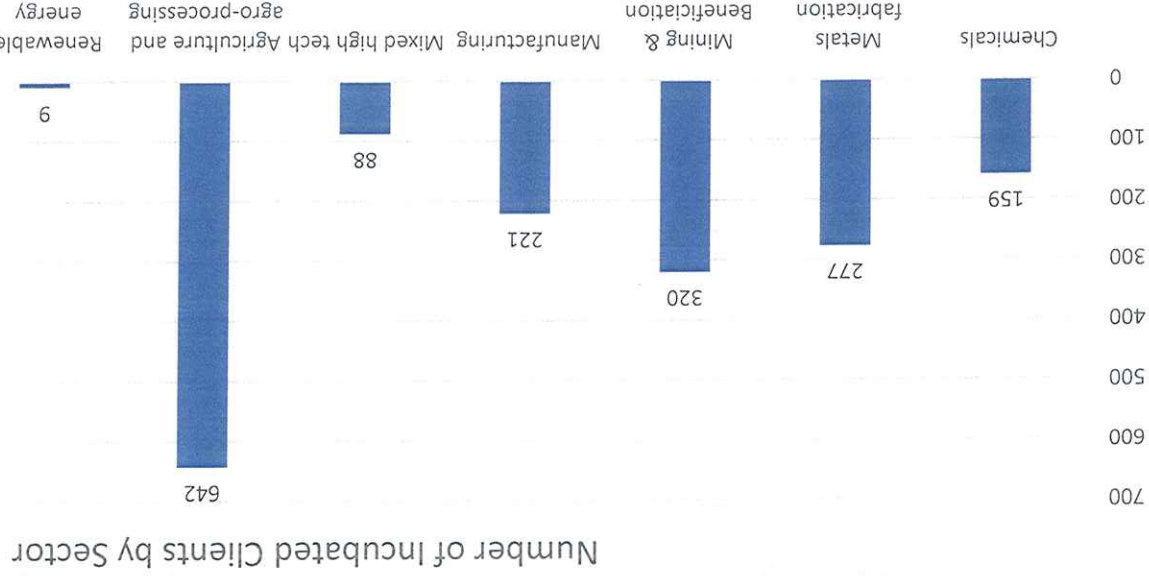
- Performance of agriculture linked to the seasonality of the sector. The performance of the construction incubator can be attributed to the model which also includes securing contracts for the incubated small enterprises.
- Some incubators have also taken on a new group of incubatees, and the jobs are expected to be created during the second and third years of incubation.



Actual Performance against APP Targets

Strategic objective 3: Strengthen the organisation to deliver on its mission.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Client support services provided	Number of clients supported	1,881	1,881	2,286	Performance higher due to intake of new clients.	Performance should level out during the year as clients graduate from the incubators.
	Number of new SMMEs created	331	82	151	Effect of seasonality in sectors such as agriculture resulted in increased number of new SMMEs created.	None. The performance should level out during the course of the year, once the incubators reach full capacity levels.
Technology transfer programme implemented	Number of clients assisted with technology transfer incentives	66	30	15	Allocated budget for the year was not sufficient for adjudicated and approved applications.	Mid year budget review will prioritise technology transfer programme.
<p>Narrative:</p> <ul style="list-style-type: none"> Incubation, unlike the Seda branch network provides support for clients on a daily basis in the form of subsidised premises and episodic, needs based business development support. Seasonality in sectors has short term effects on small enterprise and job creation. A balanced portfolio of sectors ensures results in performance throughout the year. 						

Actual Performance against APP Targets



Narrative:

- There is a positive correlation between the number of clients supported and number of jobs created per sector.
- What is worth noting is the cost to support a client, which tends to be lower in sectors such as agriculture and agro processing.

Actual Performance against APP Targets

Strategic objective 3: Strengthen the organisation to deliver on its mission.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Conformity Assessment and Product testing and Certification	Number of clients supported	144	25	54	Efforts put in place to address underperformance of the previous quarter.	None
Number of clients supported with systems implementation	Number of clients supported with systems implementation	34	10	13	Target exceeded due to sustained demand for Quality Management Systems.	None
Narrative: <ul style="list-style-type: none"> Seda implements the above programmes in collaboration with government entities such as South African Bureau of Standards and the National Regulator for Compulsory Specifications. The process tends to stretch across quarters, and performance registered as such once the process has reached completion. 						

Actual Performance against APP Targets

Challenges

- Identifying the qualifying clients for the BESD programme.
- Catching up with the clients working with underperformance from previous financial year.
- Underspending levels of 19.07% as at end September 2015.
- Lower than anticipated funds leveraged from delivery partners.
- Incubation support, no new incubators established to date.
- Funding constraints for technology transfer programme.

Small Enterprise Finance Agency (Sefa)

Performance Report Q2 2015/16

sefa Performance against the APP



Strategic Objective 1: Increase access and the provision of finance to SMEs and Co-operatives and contribute towards job creation						
Objective	Measure	Annual Target	Q2 Target	Q2 Achievement	Ytd Achievement	
Access to finance by SMEs and development Impact	Total Approvals through Wholesale and Direct lending portfolios	R 1 267 124 790	R 443 493 677	R 321 707 471	R 526 295 548	42%
	Total Approvals via Direct Lending	R 540 600 000	R 189 210 000	R 96 747 979	R 205 956 856	38%
	Total Approvals via Wholesale Lending	R 726 524 790	R 254 283 677	R 224 959 492	R 320 338 692	44%
	Total Disbursements to SMEs via all loan product channels	R 885 400 000	R 309 890 000	R 272 589 476	R 617 165 727	70%
	Approvals in terms of productive to industrial sectors identified in IPAP and NGP	R 253 424 958	R 61 978 000	R 66 756 106	R 156 794 805	62%
	Number of SMEs financed	41 798	14 629	13 931	38 642	92%
	Number of jobs facilitated	67 912	23 769	39 220	80 352	118%
	Facilities disbursed must be youth-owned - 18-35 years old	R 265 620 000	R 92 967 000	R 76 136 168	R 146 611 433	55%
	Facilities disbursed to enterprises in priority rural provinces	R 398 430 000	R 139 450 500	R 100 873 118	R 258 342 826	65%
	Facilities disbursed must be women-owned businesses	R 398 430 000	R 139 450 500	R 99 138 846	R 239 404 307	60%
	Facilities disbursed must be black-owned businesses	R 619 780 000	R 216 923 000	R 175 969 544	R 437 025 360	71%
	Facilities less than R250K disbursed to end-users	R 177 080 000	R 61 978 000	R 52 517 124	R 129 982 309	73%
Facilities to People Living with Disabilities	R 17 708 000	R 6 197 800	R 0	R 5 196 454	29%	
Level of Customer Satisfaction	60%	60%	Measurement to take place in 3rd quarter			
% Achievement					of Annual Target	

sefa Performance against the APP

Province	SMME's	Amount	Black Owned	Youth-Owned	Female-Owned	Jobs Created	Jobs Maintained
			Amount	Amount	Amount	Amount	Total
Gauteng	98	R 81 879 210	R 50 623 854	R 20 014 006	R 11 547 633	510	5411
Eastern Cape	1448	R 17 881 429	R 8 635 751	R 6 367 460	R 8 758 542	448	1550
Free State	110	R 34 763 231	R 17 392 546	R 6 931 633	R 9 298 042	130	3684
Kwazulu Natal	386	R 40 805 640	R 27 396 232	R 19 146 350	R 7 306 317	750	3420
Limpopo	6714	R 21 586 878	R 21 133 878	R 3 380 797	R 18 657 297	2230	7127
Mpumalanga	3056	R 12 359 583	R 11 986 946	R 2 983 871	R 12 076 340	962	3379
Northern Cape	1	R 3 850 681	R 2 583 393	R 0	R 2 583 393	0	220
Northwest	2051	R 10 431 316	R 10 431 316	R 1 352 621	R 10 232 017	482	2017
Western Cape	55	R 18 750 468	R 10 248 386	R 7 805 349	R 8 074 111	44	2788
Not Allocated	12	R 30 281 040	R 15 537 244	R 8 154 081	R 10 605 154	0	4068
	13931	R 272 589 476	R 175 969 544	R 76 136 168	R 99 138 846	5556	33664



sefa Performance against the APP



Strategic Objective 1: Increase access and the provision of finance to SMMEs and Co-operatives and contribute towards job creation

- Approvals and disbursements represent 73% and 88% of Quarter 2 target achievements, respectively. Under achievement in the target can be ascribed to quality of the deal pipeline as well as the application of more stringent credit application evaluation.
- Overall approvals and disbursements year to date represents 42% and 70% of the annual target, respectively. A total of 87 Direct Lending (R96.7m), 6 Wholesale SIME (R182m) and 5 Wholesale Microenterprises (R42,8m) transactions were approved during the quarter under review
- 99% of the enterprises financed is from the microenterprises/ informal sector
- A total of 3 348 youth-owned business, 13 606 black-owned, 12 407 women-owned, 13 380 SMMEs and co-operatives in priority provinces has been financed
- Approvals in priority sectors relates to approvals in the Construction, ICT, Mining, Manufacturing, Agriculture and Tourism as defined in New Growth Path and Industrial Policy Action Plan.
- During the second quarter management developed an integrated Customer Relationship Management policy and system procedures framework. Customer Satisfaction will be measurement during the 3rd Quarter against this framework.

sefa Performance against the APP

Strategic Objective 2: Build an effective and efficient sefa that is sustainable and performance driven						
Objective	Measure	Annual Target	Q2 - Target	Actual	Reasons for Variance	Corrective Action
Building sefa financial sustainability	Cost to income ratio (excluding Impairments & finance charges and the effects of the grant subsidy)	157%	136%	135%		
	Accumulated Impairment provision as a percentage of total loans and advances – wholesale SME	17.50%	17.50%	12%		
	Accumulated Impairments provision as a percentage of total loans and advances – wholesale Microfinance	10.90%	10.90%	20%	Deviation relates to three Microfinance Institutions who are in the process of liquidation or winding down	Strengthen our post investment function (Investment Monitoring Committee, Collections and building the capacity of a workout and structuring unit)
	Accumulated Impairments provision as a percentage of total loans and advances – Direct Lending	39%	39%	58%	Economic conditions directly impact on the economic performance of the SMMEs.	
	Growth in interest and admin fees generated from loans	76%	35%	22%	Slow growth in total disbursements and overall interest charged	

- The impairment ratio is directly impacted by the tough economic conditions in which SMMEs and co-operative operate. In addition most of the sefa loans are not supported by any form of collateral.
- To improve the impairment management ratio, especially within directly lending we introduced the following measures have been introduced: strengthened our due diligence and the credit Committees capacities, implemented collections & Post Investment Monitoring Strategy, try to obtain cessions especially form government and parastatal organisations,



sefa Performance against the APP

Strategic Objective 2 - Build and effective sefa that is efficient sefa that is sustainable and performance driven			
Objective	Measure	Annual Target	Q2 Target
Improve turnaround times for application approvals	Number of days bridging loans	10 days	10 days
	Number of days for terms loans	20 days	20 days
	Number of days for wholesale application	50 days	50 days
	System Availability	Uptime/availability of critical business information systems	99.90%
System Development	Enhancement to sefaLas and the development of portfolio management system facilitate better reporting on the quality of the sefa loan book.	Technical Specification Development and Coding	Intermediate Reporting Portal has been developed. All intermediary institutions has been trained on the use the portal

- Turnaround times represent the timeframe from application to approval. Turnaround times is directly impacted by the completeness of client documentation at application phase. The turnaround times continues to remain a challenge for the business especially in the Direct Lending Division. As a measure to improve turnaround times a direct lending systems and procedures manual has been developed and implemented and the core business processes are currently being reviewed and optimized .
- A total of 87 Direct Lending, 6 Wholesale SME and 5 Wholesale Microenterprises transactions were approved during the quarter under review



sefa Performance against the APP

Strategic Objective 2: Build an effective and efficient sefa that is sustainable and performance driven (cont.)						
Objective	Measure	Annual Target	Q2 - Target	Q2 Achievement	Reasons for Variance	Corrective Action
Alignment, Development and Motivation of Human Capital	Labour Turn Over Rate (LTO) of critical/ strategic positions	7%	7%	2%	Overachievement relates to the stability of the internal environment and increase investment in organisational culture building	
	80% of Staff have Individual Development Plans (IDPs) received and implemented	80%	80%	38%		
	Formal Performance management assessments of all staff conducted by 31 March 2016 for the period ending.	100%	0%	Not yet due		



South African Women Enterprise Network (SAWEN)

Performance Report Q2 2015/16



Actual Performance against the APP

- Four new staff members employed (operations manager, corporate services, provincial coordinator and provincial administrator) and resumed work the beginning of August 2015.
- An Operational Plan with action plans developed
- 10 Networking sessions were held in the rural and townships in the 9 provinces
- 3 Outreaches held to for membership mobilization.
- Various training and capacity building interventions took place during
- Members participated in Facim Exhibition in Maputo and the South Africa-Zimbabwe Trade Fair in Maputo.
- An induction session for Gauteng Provincial Executive Committee held
- A partnership agreement signed with Township Girls Project
- Process of identifying existing cooperative for establishment of a mini factory started

Actual Performance against the APP

Programme : Phakama
 Strategic objective 1 : To provide a national vehicle that brings together women and women's groups to address the challenges faced by women entrepreneurs

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Implementation of the Marketing Strategy	Implementation of the Marketing Strategy	Overarching Marketing Strategy document impleme nted	Action plan developed	Action plan developed	Target met	None
Outreach activities conducted and reports produced	Number of outreach activities conducted and report produced.	12 outreach activities conducted and reports produced	3 outreach activities conducted and report produced	3 outreach activities conducted and report produced	Target met	None
<p>Narrative:</p> <ul style="list-style-type: none"> • A Marketing Operational Plan with action plans developed • Three (3) outreach activities were conducted in Uitenhage at KwaNobuhle township, Thabazimbi and Pimville. 						

Actual Performance against the APP

Programme : Phakama Strategic objective 1 :To provide a national vehicle that brings together women and women’s groups to address the challenges faced by women entrepreneurs						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
National and Provincial networking sessions conducted and reports produced	Number of members networking sessions conducted and reports produced	36 networking sessions conducted and reports produced	9 networking sessions conducted	9 networking sessions held and reports produced	Target met	None
	Provincial AGM conducted and report produced	1 Provincial AGM conducted	Nil			
Narrative: <ul style="list-style-type: none"> 9 Networking sessions were conducted in Sebokeng, De Aar, Mmabatho, Koffiefonten, Phalaborwa, EThekwni, Witbank, Saldanha, and Phalaborwa. 						

Actual Performance against the APP

Programme : Phakama Strategic objective 1 : To provide a national vehicle that brings together women and women's groups to address the challenges faced by women entrepreneurs						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Provincial Executive Committee Development	Number of interventions conducted and report produced	3 sessions convened and reports produced	1 mentoring session with Provincial Executive Committee (PEC) and report produced	1 mentoring session with Provincial Executive Committee and report produced	Target met	none
Narrative: • A mentoring session held for the Gauteng PEC						

Actual Performance against the APP

Programme : Farisanani						
Strategic objective 1 :To align SAWEN with other bodies or organisations with similar business interests at both national and international level and to leverage the relationships arising out of these alignments for the benefit of members.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Stakeholder engagement report	Number of international and/or National activities held and report produced	Participate in 3 international and/or National activities and report produced	1 Partnership agreement signed	Partnership agreement is signed with Township Girl		
	Joint initiatives undertaken with other organisations and report produced.	Number of joint initiatives with other organizations	1 joint initiative with another organization and report produced	1 joint initiative with another organization conducted and report produced		
	Stakeholder engagement report	Participate in 3 international /local event report	Participate in 3 international /local event report produced	Participated in the South Africa – Zimbabwe Trade Fair		

Actual Performance against the APP

Programme : Menyelia Strategic objective 1 : To facilitate access to business resources, information and opportunities for members in a way that promotes their effective participation in the global economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Access to market platforms facilitated for members and report produced	Number of members accessing market platforms and reported.	30 members participating in 7 market platforms	Report produced in 2 market initiatives	Report produced in 11 members participated in market initiatives and report produced		
Capacity Building opportunities for members	Number of members trained in General Business Training Skills	275	75 members trained and report produced			
Narrative: • 3 members attended the Facim 2015 exhibition in Maputo; • 11 members participated in the South Africa-Zimbabwe Trade-Fair in Musina						

Actual Performance against the APP

Programme : Menyetla Strategic objective 1 :To facilitate access to business resources, information and opportunities for members in a way that promotes their effective participation in the global economy.						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Capacity Building opportunities for members	Number of members trained in Market Readiness programmes	70 members trained and report produced	20 members trained and report produced	Nil	Less than 5 members confirmed for the planned workshop	The training to be conducted in the Q4
	Number of members trained in Quality Enhancement programmes	100 members trained and reports produced	50 members trained and report produced	Nil	Planned Training on management systems and HACCP was not suitable for literacy levels of targeted groups	Training to be conducted in the Q4
	Number of members trained in Digital Literacy programmes	140 members trained and reports produced	35 members trained and report produced	48 members trained and report produced	The excess of 13 was to cover the shortfall of the Q1	Training to be conducted in the Q4

Actual Performance against the APP

Programme : Zabalaza
Strategic objective 1 : To monitor and evaluate the impact of government policies affecting women entrepreneurs

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Research report on status of women participating in incentive schemes of the dti	Consultative report published	Publish research report on status of women participating in incentive schemes of the dti	Final research report produced	Not achieved	Research report still under review following input from portfolio committee	Service provider to finalize the reviews in Qtr. 3 and then produced
Ligu Lamti Awards conferred	Profitability, compliance, sustainability, and growth of enterprises.	Ligu Lamti Awards conferred and report produced.	Adjudication of entries completed	Adjudication of entries not yet completed	Unavailability of adjudication committee members	Adjudication to be finalized by end of October
<p>Narrative:</p> <ul style="list-style-type: none"> The report will be revised accordingly and presented to the Board of Directors meeting 						

Actual Performance against the APP

Programme : Co-operatives Enterprise Development Fund Strategic objective 1 :To increase contribution to the GDP, sustainable livelihoods and creation of job						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Implementation of sector catalytic projects	Number of Co- operatives supported to establish mini- factories in the clothing and textile sector	1 Co- operative supported to establish a mini- factory	Partnership agreement signed Identify 1 existing and targeted co- operative and conduct due diligence and report produced	Nil	A process of identifying an existing cooperative with process of due diligence but yet completed	The process of identifying an existing cooperative and conducting a due diligence process be completed; and signing a partnership agreement to be completed in the Q4

Actual Performance against the APP

Programme : Organisational Development
Strategic objective 1 : To build internal capacity

Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Recruitment of Human Resources	Number of new staff recruited based on organisational requirements	10 new staff members appointed	5 staff members appointed	4 staff members appointed	Salary requirements for most candidates who were suitable for the Financial Controller position were beyond the organization's affordability.	The position was re- advertised. Appointments will be done in Q3
Enhance CRM to provide events booking platform and online invoicing and payment facilities	Enhanced Customer Relations Management Systems	Enhanced and functional CRM with events booking platform and online invoicing and payment facilities	Online invoice and payment options and events module investigated and report produced	Nil	It has been deemed necessary to conduct an internal workshop with all staff to identify and agree on requirements prior to finalising the specifications.	The workshop will be convened in September and the specifications finalised.
<p>Narrative: During the quarter, 4 staff members were recruited: Operations Manager (National Office, Corporate Services Officer (National Office, Provincial Administrator (Gauteng), Provincial Co-ordinator (WC). All appointments effective from 3rd August 2015.</p>						

Actual Performance against the APP

Programme : Expansion of Infrastructure Strategic objective 1 :To expand the infrastructure of SAWEN						
Outcome/ Output	Performance Indicator/ Measure	Annual Targets for 2015/16	Q2 Milestones	Actual Output	Reasons for variance	Corrective action
Provincial offices added through co-location	Number of additional offices established through co-location	2 additional offices through co-location	Site visit to view prospective offices and report produced	2 site were viewed in Northern Cape report produced		

Challenges faced by SAWEN

- Financial Manager's vacancy not filled yet
- Budgetary constraints – the end of last year Q4 and Q1 funding was not deposited until towards end of Q2



Concluding Remarks

- The Department will prioritise the identification of root causes for the underachievement of targets
- The department will implement corrective actions on underachieved targets
- The filling of critical vacancies is being prioritised, e.g. the recruitment of the CFO as well as senior managers for risk management, supply chain management and internal audit are underway

Recommendations

- The Portfolio Committee to note the Department of Small Business Development's Q2 Performance Report for the 2015/16 financial year.