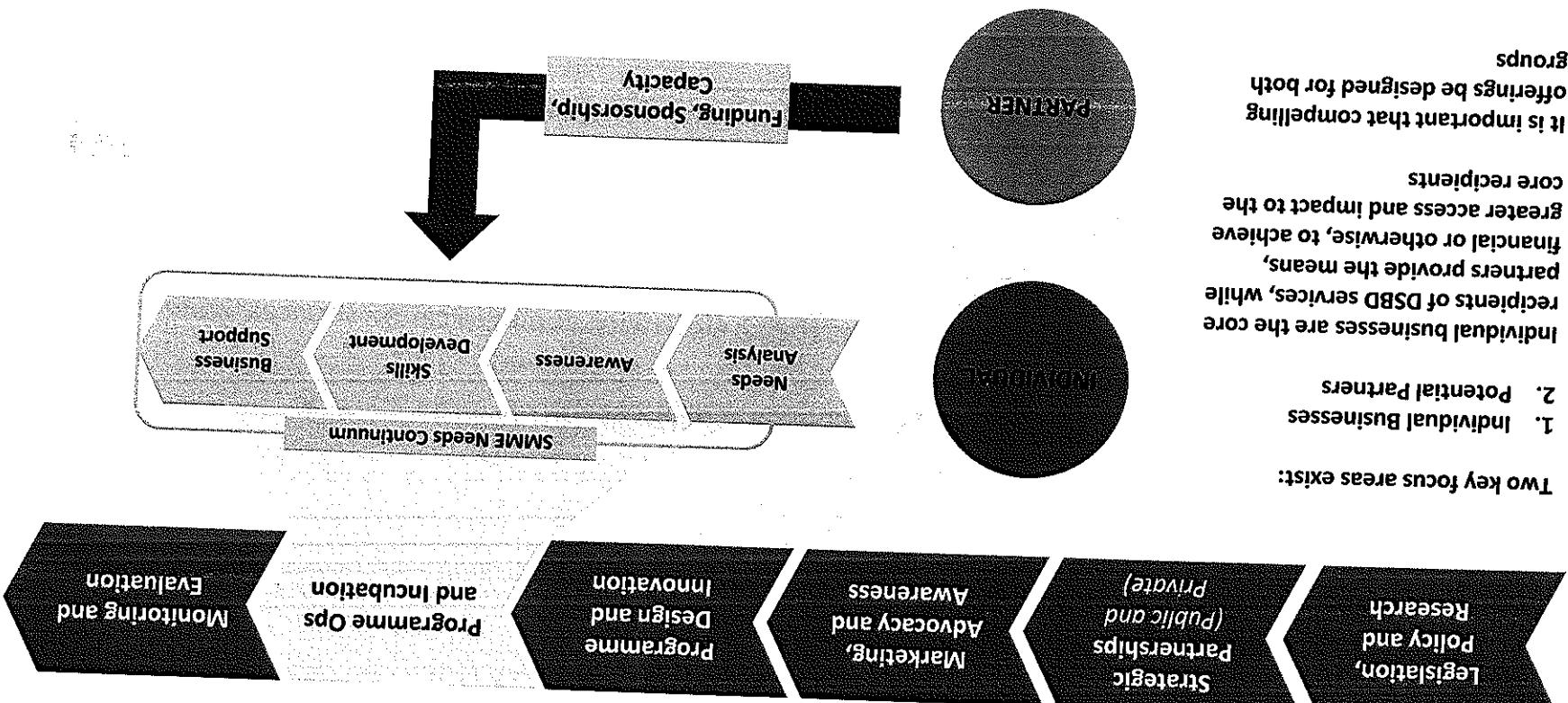


Small Business Needs Analysis

...and must recognise the findings of the Portfolio Committee's Budget Review and Recommendation Report.

- Lack of access to market
- Lack of access to finance
- Very high interest rates charged by the Development Financial Institutions (DFIs).
- Poor infrastructure for businesses to operate from.
- Lack of adequate support infrastructure such as roads, electricity, communication services, water and sanitation to enhance business operation.
- High costs of doing business due to high travelling, rental and electricity costs.
- Government Red Tape.
- Fragmented support services offered by government that are also not easily accessible
- Duplication of support services resulting with confusion at community level and competition between different departments of government and spheres of government.
- Lack of adequate skills development and training programmes resulting with poor skills level in small businesses and cooperatives.
- Non-payment of invoices within 30 days mainly by government departments and state owned companies.
- Unfair competition posed by foreign nationals which effects the operation of local SMMEs.



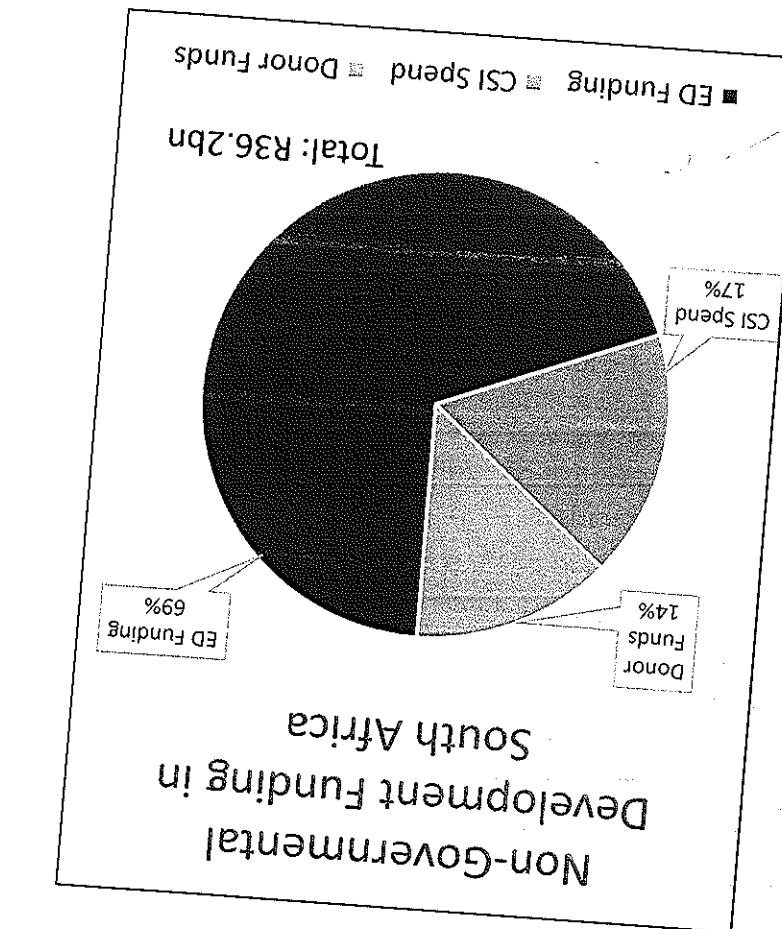
Within the value-chain context, creating an integrated programme architecture that prioritises the 'needs continuum' of SMEs will generate more sustainable outcomes and assist with improving visibility of DSBD offerings to both individuals and potential partners.

Programme Design Framework

Summary of Diagnostic Findings

Strengthen points of interaction between other areas of government and with the private sector

Organisational Recommendations	Description
<p>5</p> <p>Strengthen points of interaction between other areas of government and with the private sector</p>	<ul style="list-style-type: none">- We estimate that R36.2bn in Enterprise Development, CSI and related spend occurs annually in South Africa. Rather than establish competing offerings with fewer resources, DSBD should work to improve the social return of these investments through partnerships, facilitation, programme design and stronger monitoring and evaluation.- The amended B-BBEE codes, effective in April 2015, create more intensive supplier development imperatives for corporate South Africa. Only a coordinated effort between government and the private sector will have the desired success.- While there is significant appetite in the corporate sector to upscale development activities, this must be leveraged correctly.- In addition, the existing ecosystem of state entities that provide services to SMEs must be properly integrated. While the legal process of accomplishing this is the first order of business, DSBD will only be in a position to deliver incremental impact once a degree of strategic and operational integration is also complete.



We estimate that R36.2bn in Enterprise Development, CSI and related spend occurs annually in South Africa. Rather than establish competing offerings with fewer resources, DSB should work to improve the social return of these investments through partnerships, facilitation, programme design and stronger monitoring and evaluation.

Large companies that are required to fully comply with the BEE scorecard, contribute 3% of their NPAT to Enterprise Development.

Non-Governmental Development Funding in SA

Development

Non-Governmental

Development

South Africa

The annual ED spend in South Africa is estimated to be ~R25bn, with ~R16bn being derived from 40% of the contributing companies. The top 100 contributing companies account for ~R8bn.

Much of this spend suffers from coordination failures and wastage is highly prevalent.

DSB must create a framework to move away from the disparate, de-linked activities that currently occur in the sector towards a consolidated effort with shared objectives.



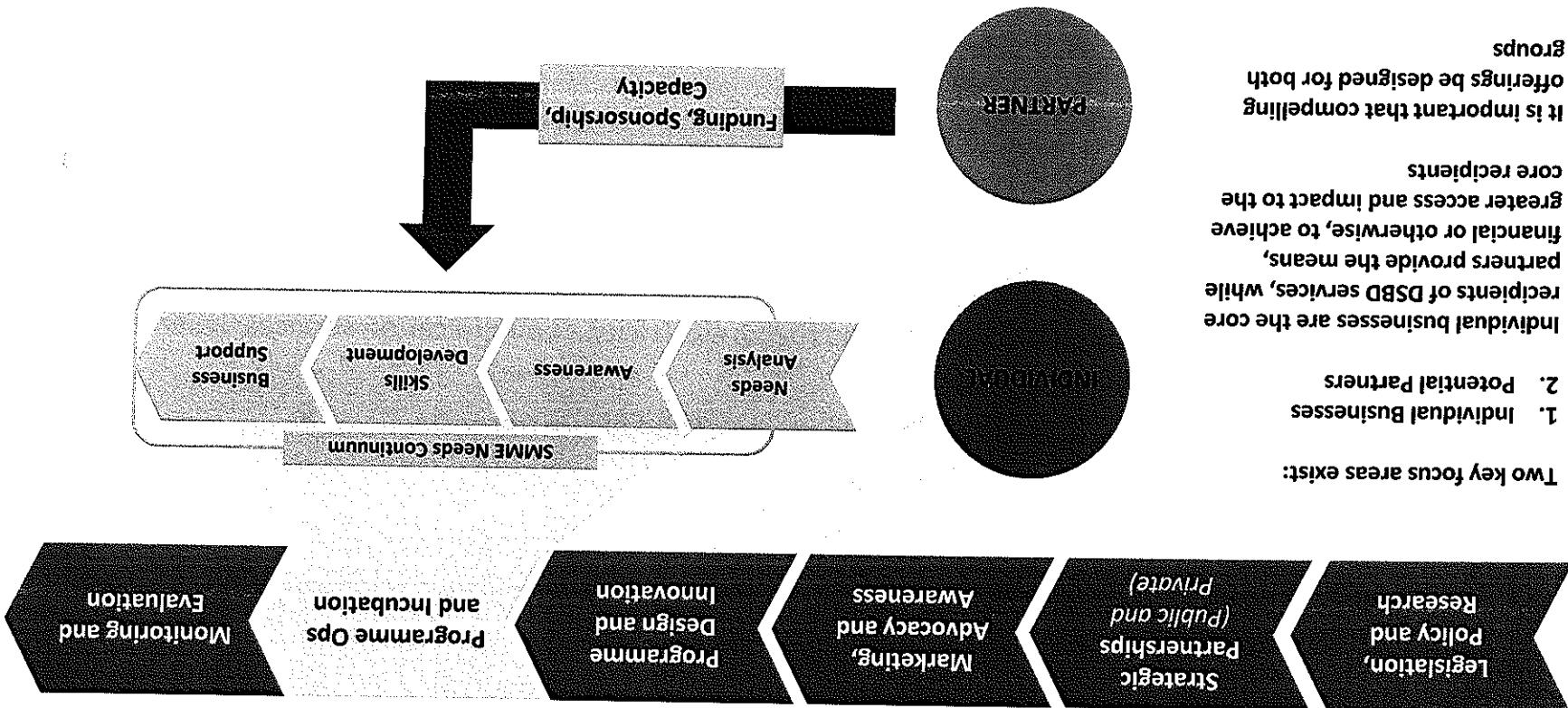
Small Business Needs Analysis

...and must recognise the findings of the Portfolio Committee's Budget Review and Recommendation Report.

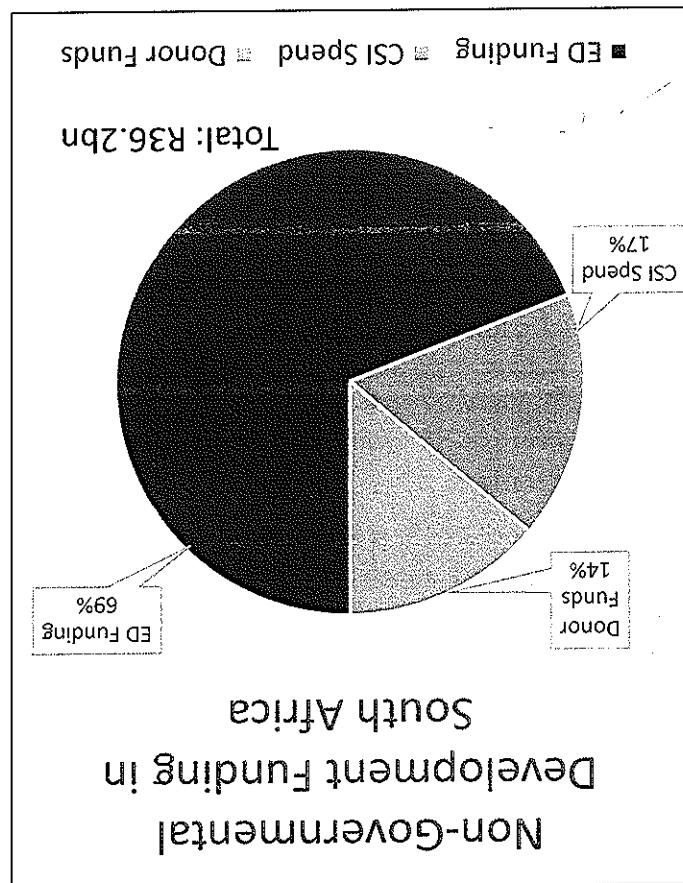
- Lack of access to market
- Lack of access to finance
- Very high interest rates charged by the Development Financial Institutions (DFIs).
- Poor infrastructure for businesses to operate from.
- Lack of adequate support infrastructure such as roads, electricity, communication services, water and sanitation to enhance business operation.
- High costs of doing business due to high travelling, rental and electricity costs.
- Government Red Tape.
- Fragmented support services offered by government that are also not easily accessible
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- Non-payment of invoices within 30 days mainly by government departments and state owned companies.
- Unfair competition posed by foreign nationals which effects the operation of local SMMEs.

Programme Design Framework

Within the value-chain context, creating an integrated programme architecture that prioritises the needs continuum of SMEs will generate more sustainable outcomes and assist with improving visibility of DSB offerings to both individuals and potential partners.



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Non-Governmental Development Funding in SA

Much of this spend suffers from coordination failures and wasteage is highly prevalent.

DSBD must create a framework to move away from the disperse, de-linked activities that currently occur in the sector towards a consolidated effort with shared objectives

Partnership to Achieve Scale

Summary of Diagnostic Findings

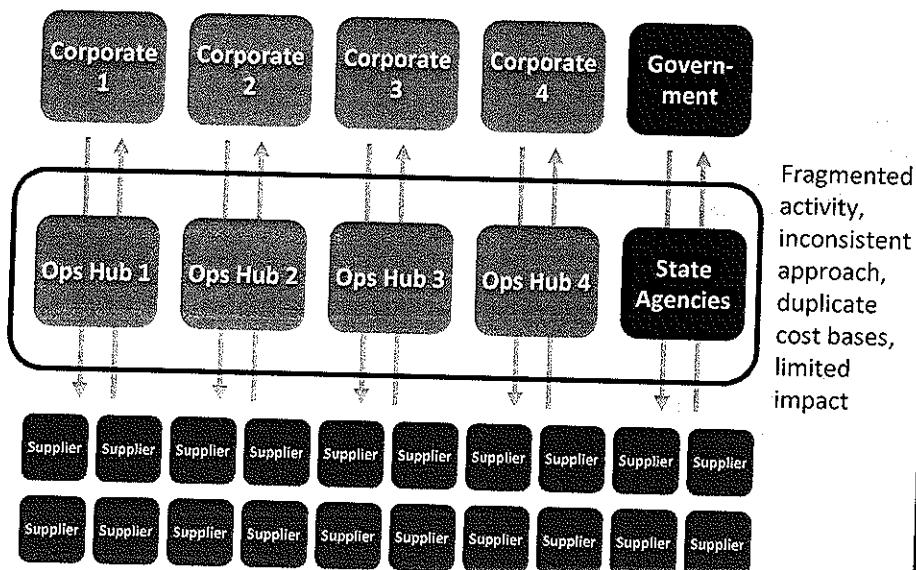
Strengthen points of interaction between other areas of government and with the private sector

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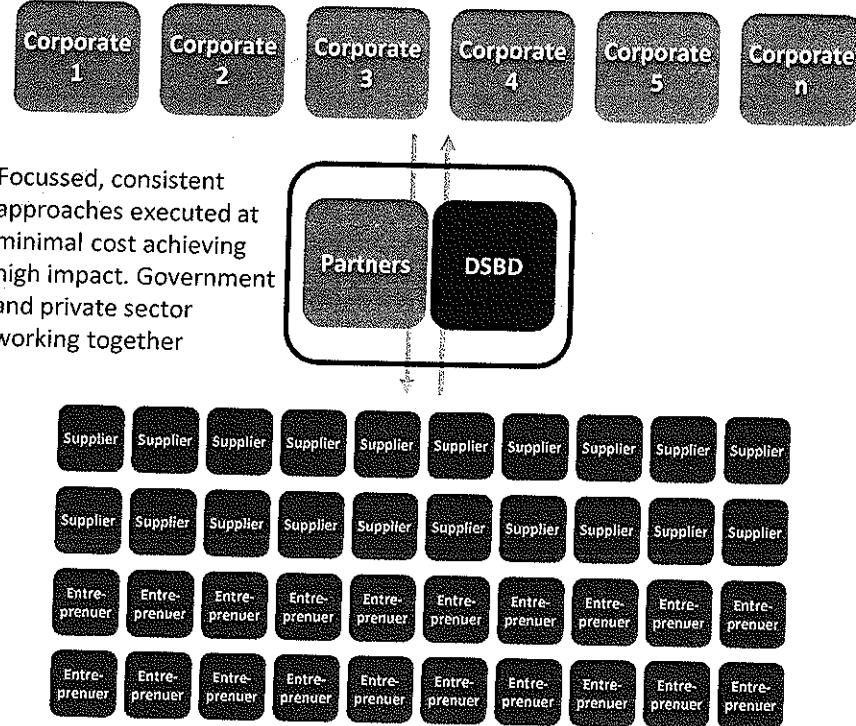
Partnering to Achieve Scale

The amended B-BBEE codes, effective in April 2015, create more intensive supplier development imperatives for corporate South Africa. Only a coordinated effort between government and the private sector will have the desired success.

CURRENT STATE – Inefficient, Lack of Coordination



OPTIMAL STATE – Efficient, Well Coordinated



Working with Corporates

While there is significant appetite in the corporate sector to upscale development activities, this must be leveraged correctly.

Corporates typically:

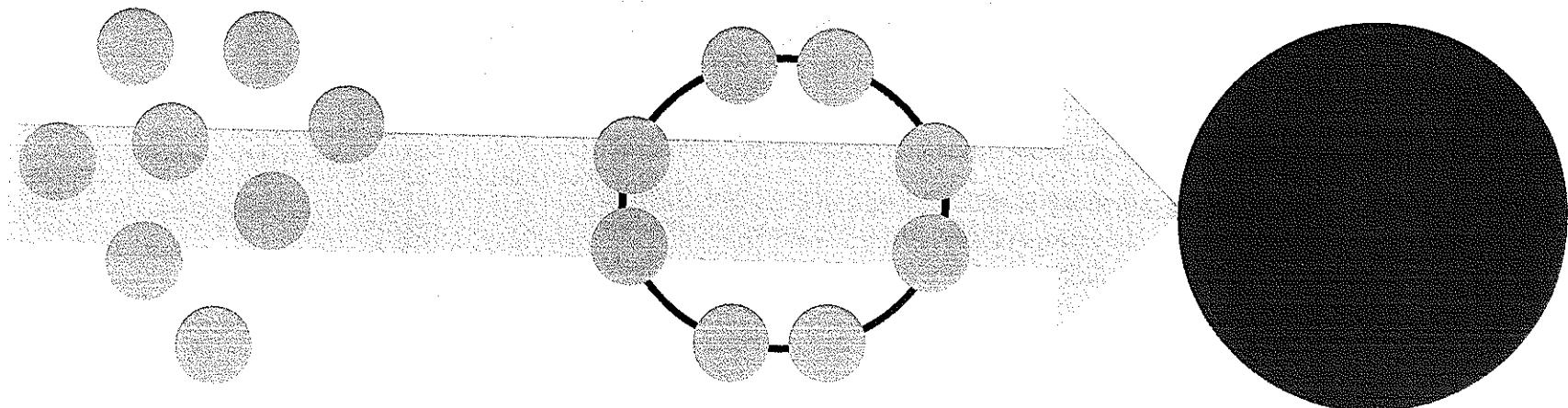
- Don't understand policy, so want permission to proceed. This costs nothing.
- Are looking for recognition above all else.
- Don't collaborate well, like to take something on and execute. Need to be coerced into industry partnerships and working with their competitors.
- Are focussed on the bottom line and will want to pursue value-adding solutions
- Are happy to contribute resources, but don't want to just give money, would rather leverage expertise and IP.
- Have their own delivery challenges and often struggle to prioritise what is perceived as non-core. Again, visible support can go a long way here.
- Should not require 1:1 funding matching as this limits the ability of the department to scale its impact.

Intergovernmental Relations

In addition, the existing ecosystem of state entities that provide services to SMEs must be properly integrated. While the legal process of accomplishing this is the first order of business, DSBD will only be in a position to deliver incremental impact once a degree of strategic and operational integration is also complete.

Current State

Many disparate entities conducting siloed activity, limited impact on entrepreneur development and job creation



Phase 1 Integration

Disparate entities legally integrated into single SME framework

End State Integration

Fully integrated entities providing a 'one-stop-shop' for emerging businesses, significant progress against mandate

Organisational Recommendations	Description	

Summary of Diagnostic Findings

With more than a year now having passed since the department was created, issues of structure must quickly be addressed. It is critical however that this be achieved in alignment with the department's strategic objectives and in consideration of the above recommendations.

Organisational Recommendations	Description
<p>7</p> <p>Bed down a structure and conduct proper change management</p>	<ul style="list-style-type: none">- The existence of two structures in the department (one formal, one proposed) is a cause of distraction and confusion and the process of moving to a new structure should be accelerated.- There are a number areas where functions and their APP commitments are residing in one structure, but the new structure locates them somewhere else entirely.- In addition to structure issues, it appears as if the change management approach to the transition could have been better executed.- In approaching a task of this nature, the temptation is to quickly decide on an organisation structure in an attempt to provide clarity to the people who will be effected by the change.- This course of action is understandable, but it is often done in isolation of the revised and enhanced service propositions that the department will provide to citizens and the processes and systems that will be required to support them. This is perhaps the biggest risk to successful strategy design.- To arrive at the correct structure for SBD, it is necessary to start by identifying the needs of small businesses and design service propositions to meet these needs (e.g. financial support, sector advocacy etc.)- These service propositions, whether executed directly by SBD or through partners, will require business processes and supporting systems in order to be delivered. A clear view of these citizen-facing requirements will enable the department to be organised around the mandate, the propositions and the processes required to support them. Put simply, structure must follow strategy.

Programme Evaluation

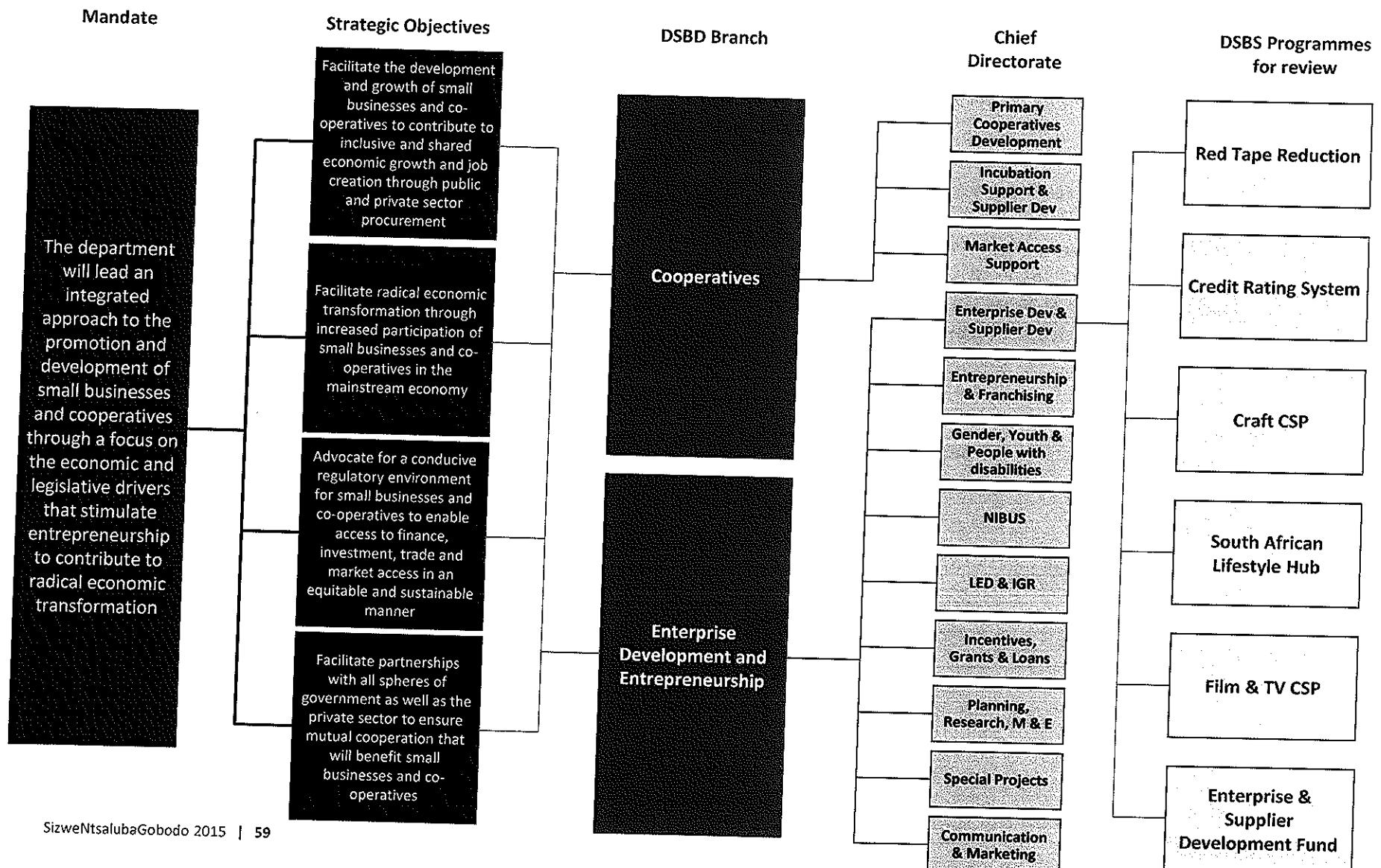
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Programme Alignment

Chief Directorate: Enterprise Development & Supplier Development



Red Tape Reduction

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate	Programme Design	Capacity to Deliver	
Red Tape Reduction	Alignment to Strategy	Resource Utilization	Opportunity Costs	5 3.5 4 12.5

Key Findings

- This programme is very closely aligned to the department's mandate and strategic objectives
- There is no impact assessment and the department is therefore unable to assess whether there has been an improvement for SMMEs as a result of this intervention
- It is unclear whether the workshops are effective and whether municipalities are implementing the guidelines
- The Economic Development Department also runs a red tape reduction programme and there is no coordination with the DSBD

Recommendations

- This programme should be one of the core functions of the department, in line with its mandate to create a conducive environment for small businesses. Therefore, this programme's scope should be increased and the programme should be upscaled
- This programme needs to focus on reducing red tape in all spheres of government and should be about more than just rolling out guidelines. The department needs to develop a comprehensive understanding of the red tape landscape and the different levels of intervention required to reduce red tape for SMMEs at national, provincial as well as local levels. The World Bank's Ease of Doing Business Report provides an appropriate scope in this regard
- The department must find a mechanism to monitor the impact of its interventions and to make the guidelines enforceable
- The DSBD needs to coordinate its red tape reduction efforts with those of the Economic Development Department in order to avoid duplication of efforts

Credit Rating System

Programme Summary

Description & Background

1

- Enterprise Development & Entrepreneurship
- Enterprise Development & Supplier Development
- Chief Directorate
- Main Strategic Objective
- To facilitate access to funding by small businesses through an SME rating system
- This programme is a project to establish an SME rating agency in South Africa in order to facilitate funding to small businesses through an SME rating system
- The Credit Rating System will be an IT system which captures demographic data pertaining to SME ownership, as well as critical information about the businesses
- The programme aims to assist micro, small or medium-sized enterprises to grow and develop by providing a tool that will ensure greater access to financial credit and capital. This programme also aims to provide SMEs with assessments of their strengths and weaknesses

Not an APP Programme

2

- To develop a preliminary rating system for testing
- To develop a business register
- To test the system

2016/17

Targeted Outcomes

2015/16

Targeted Outcomes

- 2016/17 – Not set yet
- 2015/16 – Not set yet

Budget

Budget & Targeted Outcomes

2



1

Description & Background

2

- The Credit Rating System will be an IT system which captures demographic data pertaining to SME ownership, as well as critical information about the businesses
- The programme aims to assist micro, small or medium-sized enterprises to grow and develop by providing a tool that will ensure greater access to financial credit and capital. This programme also aims to provide SMEs with assessments of their strengths and weaknesses
- The Credit Rating System will be an IT system which captures demographic data pertaining to SME ownership, as well as critical information about the businesses
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- The Credit Rating System will be an IT system which captures demographic data pertaining to SME ownership, as well as critical information about the businesses

Not an APP Programme

3

Targeted Outcomes

2016/17

Targeted Outcomes

- To develop a preliminary rating system for testing
- To develop a business register
- To test the system

Targeted Outcomes

2016/17

Targeted Outcomes

2016/17

Targeted Outcomes

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Targeted Outcomes

Credit Rating System

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
Credit Rating System	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	12.5
Key Findings				
<ul style="list-style-type: none"> ▪ Risk appetite amongst commercial lenders in this sector is low and conventional credit scoring models do not typically understand SMME dynamics sufficiently in order to make adequate risk assessments. This is therefore one of the most important challenges facing potential emerging SMMEs in SA relating to finance ▪ The key success in this space is deep collaboration with commercial banks and credit bureaus in developing an effective rating system ▪ Need to develop a model for sustainability that leverages the collective IP held by these private sector organisations and incentivizes them to actively develop and maintain the system to make sure that it remains relevant ▪ Funding for the system is a concern 				
Recommendations				
<ul style="list-style-type: none"> ▪ This system should continue to be developed in partnership with corporate partners, commercial banks and credit bureaus, ultimately resulting in it being <u>upscaled</u>. 				

- Description & Background**
- This programme pursues various interventions and activities aimed at supporting the crafts sector in South Africa significantly part of the mainstream economy
 - To drive the development of an efficient, formalised South African craft sector that will be integrated across the value chain and will be a significant part of the mainstream economy
 - This programme aims to drive the development of an efficient, formalised South African craft sector that will be integrated across the value chain and will be a significant part of the mainstream economy
 - This programme main activities include: research on trends, production levels & challenges faced by crafters; creating market access through trade shows, hubs, schemes etc; and improving the productivity of crafters

Main Strategic Objective

- Enterprise Development & Supplier Development

Chief Directorate

- Enterprise Development & Entrepreneurship

1

Description & Background

Programme Summary

Craft CSP



Budget & Targeted Outcomes



- 2015/16 - R10 000 000
- 2016/17 - R10 000 000

Budget

Targeted Outcomes

- 5 Provinces supported to implement the Craft CSP, targeting 450 enterprises

2015/16

- 8 Provinces supported to implement the Craft CSP, targeting 500 enterprises

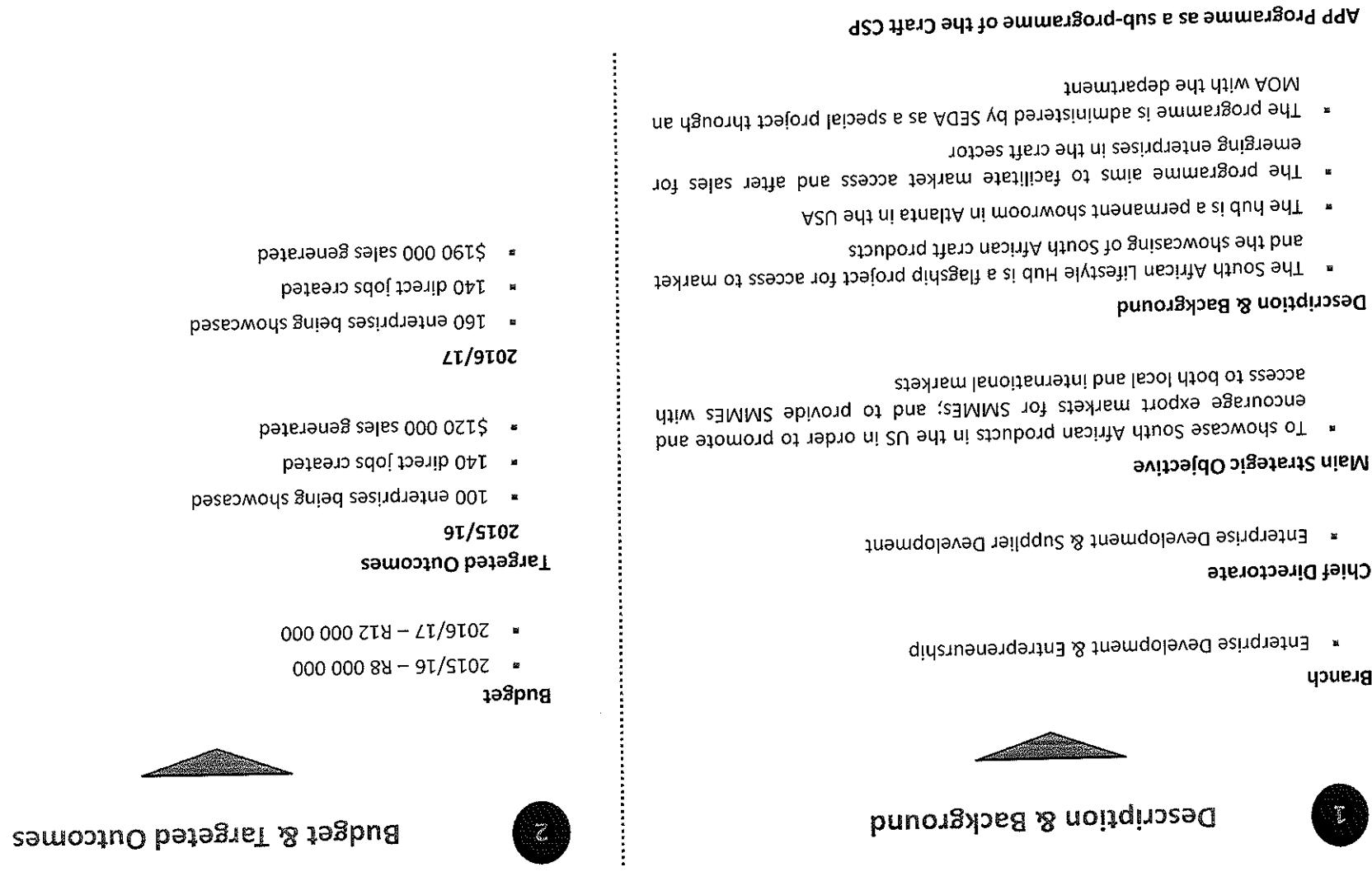
2016/17

- 8 Provinces supported to implement the Craft CSP, targeting 500 enterprises
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Craft CSP

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate	Programme Design	Capacity to Deliver	
Craft CSP	Alignment to Strategy	Resource Utilization	Opportunity Costs	2.5
8				
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <h3>Key Findings</h3> <ul style="list-style-type: none"> ▪ The challenge is that this part of the only sector specific intervention to be migrated from the dti ▪ A further challenge is how to coordinate the sector, and how to coordinate government activity in this sector ▪ Direct market access for crafters is a challenge ▪ Selling at trade shows is profitable for enterprises, but after sales are a challenge ▪ How to help provincial departments to improve their craft strategies ▪ There is insufficient monitoring and evaluation to properly assess impact of the programme </div> <div style="width: 40%;"> <h3>Recommendations</h3> <ul style="list-style-type: none"> ▪ Investigate the feasibility of <u>transferring</u> this programme back to the dti for the sake of consistency ▪ This programme should be implemented by one of the agencies and not by the department ▪ Need stronger monitoring and evaluation to properly assess impact </div> </div>				



South African Lifestyle Hub

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate	Programme Design	Capacity to Deliver	
South African Lifestyle Hub	Alignment to Strategy	Resource Utilization	Opportunity Costs	
	3	1.5	2.5	7
Key Findings		Recommendations		
<ul style="list-style-type: none"> ▪ The challenge is that this part of the only sector specific intervention to be migrated from the dti ▪ A further challenge is how to coordinate the sector, and how to coordinate government activity in this sector ▪ Selling at trade shows is profitable for enterprises but after sales are a challenge ▪ There is insufficient monitoring and evaluation to properly assess impact of the programme ▪ The amount spent on the hub does not justify the return 		<ul style="list-style-type: none"> ▪ A cost benefit analysis of this programme needs to be conducted. Consider the possibility of <u>discontinuing</u> this programme ▪ The department needs to find more efficient ways of promoting craft products 		

Film & Television CSP

Programme Summary

Description & Background

— 1 —

三

Branch

Chief Directorate

Enterprise Development & Supplier Development

Main Strategic Objective

- To drive the development of the South African Film & Television industry to be the leading producer of content from Africa and thus contribute to economic growth and employment creation

Description & Background

- This programme is an incentives programme for South African film and TV productions which focuses on enterprises that conduct production work
- The main activities of this programme include receiving and evaluating applications, as well as administering incentives for foreign productions, South African productions, co-production with SA and foreign producers, post production work and black film makers
- The Film and Television Incentive is implemented and managed by the Film Incentive Unit located at the dti

Not an APP Programme

SizwenzatalubaGobodo 2015 | 68

Film & Television CSP

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
Film & Television CSP	2.5	3	2.5	8
Key Findings		Recommendations		
<ul style="list-style-type: none"> ▪ The challenge is that this part of the only sector specific intervention to be migrated from the dti ▪ A further challenge is how to coordinate the sector, and how to coordinate government activity in this sector ▪ How to help provincial departments to improve their film and TV strategies ▪ Need stronger monitoring and evaluation to properly assess impact ▪ A further challenge is that this incentive is still under the dti. This programme should be migrated back to the dti or the incentive should be handed over to DSBD ▪ Need to develop incentives or programmes for different points in the value chain ▪ Not clear whether this programme should be a dti programme 		<ul style="list-style-type: none"> ▪ Investigate the feasibility of <u>transferring</u> this programme back to the dti ▪ In reality, the fact that Film and TV can access a R340 000 000 incentive from the DTI through this programme, while we only have some R220 000 000 set aside for BBSD as a whole shows a misalignment between programmes and current policy. ▪ While it is outside the scope of this study, we would recommend initiating discussions with DTI on mainstreaming SMME targets within each of their sector incentives in order to extend the support offered to SMMEs. 		

- Enterprise and Supplier Development Fund**
- To obtain funding commitments from 10 strategic partners
 - To finalize conceptualisation of Fund and begin discussions with private sector
 - To finalise conceptualisation of Fund and begin discussions with youth, people with disability, rural, township and depressed mining towns)
 - Maximisation of development impact objectives (black SMMEs; women, men, youths)
 - The enterprise and supplier development fund will supplement existing funding instruments and assist new and existing enterprises to participate fully in the private sector value chains
 - The Fund will be financed by private sector funding (which will be drawn from BBBEE enterprise development and procurement spend), as well as funding from other institutions
 - The fund will be administered and implemented by SEFA and will offer loans, equity or grants depending on the needs of the SME

Description & Background

- Budget & Targeted Outcomes**
- 2015/16 – No budget allocation. Aim to attract funding from private sector partners
 - 2016/17 – No budget allocation. Aim to attract funding from private sector
 - 2016/17 – No budget allocation. Aim to attract funding from private sector partners

Budget & Targeted Outcomes

- Budget**
- 2015/16 – No budget allocation. Aim to attract funding from private sector partners
 - 2016/17 – No budget allocation. Aim to attract funding from private sector
 - 2016/17 – No budget allocation. Aim to attract funding from private sector partners

Description & Background

- Branch**
- Enterprise Development & Entrepreneurship

Chief Directorate

- Enterprise Development & Supplier Development



Programme Summary



Enterprise and Supplier Development Fund

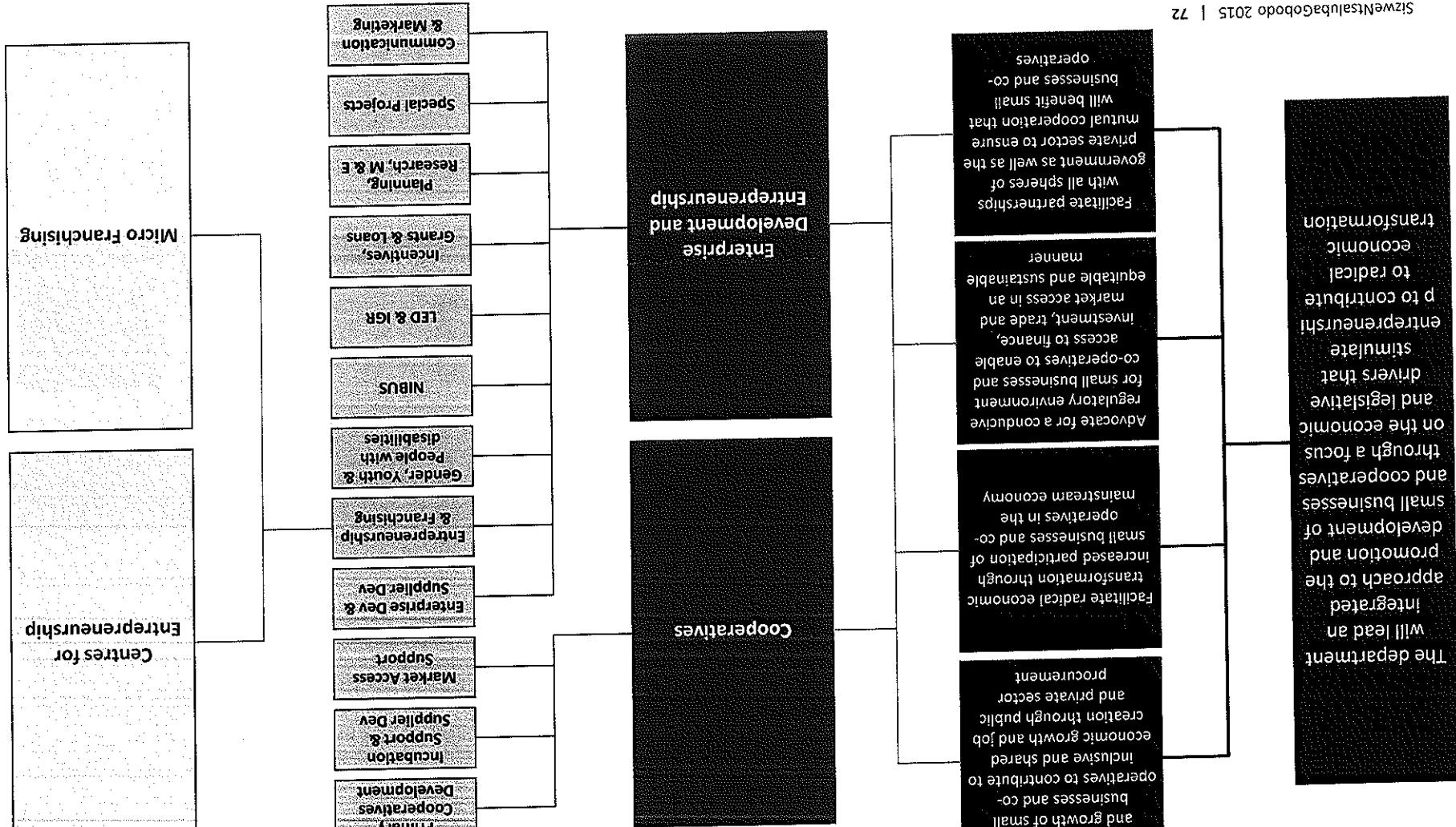
Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
Enterprise and Supplier Development Fund	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	4 4 4 12
<h3>Key Findings</h3> <ul style="list-style-type: none"> There have been varying responses from private sector. Some potential private sector partners have not given favourable responses and seem inclined to continue with enterprise and supplier development using the current approach There is a lack of coordination between the activities of this fund the department's Supplier Development Programme, and SEDA's Supplier Development Programme 				
<h3>Recommendations</h3> <ul style="list-style-type: none"> This programme should be <u>upscaled</u> The department needs to ensure that it has one strategy and approach for communicating with private sector partners regarding incubation, and enterprise and supplier development The department should ensure that there is coordination between the activities of this fund the department's Supplier Development Programme, and SEDA's Supplier Development Programme 				

Programme Alignment

Chief Directorate: Entrepreneurship & Franchising

Strategic Objectives DSBS Programmes DSB Branch Chief Directorate for review



Centres for Entrepreneurship

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Entrepreneurship & Franchising

Main Strategic Objective

- To provide students and unemployed graduates with increased capacity, develop their business expertise and access to business opportunities; to integrate education across all technical fields, to offer entrepreneurship education and training to surrounding communities; and to expand and promote the entrepreneurial knowledge base and offer best practices

Description & Background

- This programme establishes Centres for Entrepreneurship (CfEs) in partnership with TVET institutions and universities. CfEs exclusively specialise in entrepreneurship education and training. This programme's main activities entail - developing entrepreneurship modules and facilitator guides; developing and delivering skills programme; setting up sector-specific incubators; and encouraging institutions to find partnerships and alternative funding
- This programme is administered by SEDA and the DSBD is also working with the Department of Higher Education for curriculum design

APP Programme

2

Budget & Targeted Outcomes



Budget

- 2015/16 – R12 000 000
- 2016/17 – R13 100 000

Targeted Outcomes

2015/16

- Establish 3 new centres

2016/17

- Establish 4 new centres

Key Findings & Recommendations

Centres for Entrepreneurship

PROGRAMME SCORING	STRATEGIC PROGRAMME	LEVEL OF IMPACT & RELEVANCE	DESIGN & EFFICIENCY	OPPORTUNITY COST	TOTAL (out of 15)	Centres for Entrepreneurship
2.5	Allignment to Mandate Programme Design Capacity to Deliver	Resource Utilization Opportunity Costs	Allignment to Strategy Resource Utilization Opportunity Costs	4	10	

Key Findings	Recommendations
<ul style="list-style-type: none"> Sustainability may be an issue. Gaps have been identified and the process is still evolving. The department is looking at BEE scorecards and leveraging ED components of scorecard, as well as how to leverage private sector resources Impact is not being measured Venture creation is a module in TVET but is not achieving intended impact. In process of engaging with the Department of Higher Education regarding entrepreneurial curriculum design 	<ul style="list-style-type: none"> This programme needs to be redesigned to address sustainability issues for the Centres of Entrepreneurship The department should consider ways of making the course content for this programme available outside of the formal programme itself This programme is a great example of a programme innovation that feasible to be transferred. The department should investigate the transferability of partners. With private sector partners in order to ensure sustainability. The department should also consider transferring the administration and implementation of this programme to SEDA This programme needs to be redesigned to addres sustainability issues for the Centres of Entrepreneurship The department should consider ways of making the course content for this programme available outside of the formal programme itself

Micro Franchising

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Entrepreneurship & Franchising

Main Strategic Objective

- To provide small enterprise opportunity seekers with focus at townships and rural areas, an opportunity to tap into local enterprise concepts that have sustainable and successful track records, franchising opportunities as an alternative towards exploring entrepreneurship with proven marketing and operational concepts of traditional franchising. The micro-franchise businesses are characteristic of an ability to be streamlined and replicated

Description & Background

- This programme works with successful SMMEs or co-operatives that have good track records to build brands that can be franchised in townships and rural areas

APP Programme

2

Budget & Targeted Outcomes



Budget

- R6 000 000 over three years

Targeted Outcomes

2015/16

- Package 5 enterprises

2016/17

- Package 5 enterprises

Micro Franchising

Key Findings & Recommendations

PROGRAMME SCORING						Micro Franchising							
STRATEGIC	DESIGN & EFFICIENCY	LEVEL OF IMPACT &	RELEVANCE	OPPORTUNITY COST	ALIGNMENT TO MANDATE	Programme Design	Capacity to Deliver	Resource Utilization	Alignment to Strategy	Opportunity Costs	3	4	10
15)	TOTAL (out of 15)												

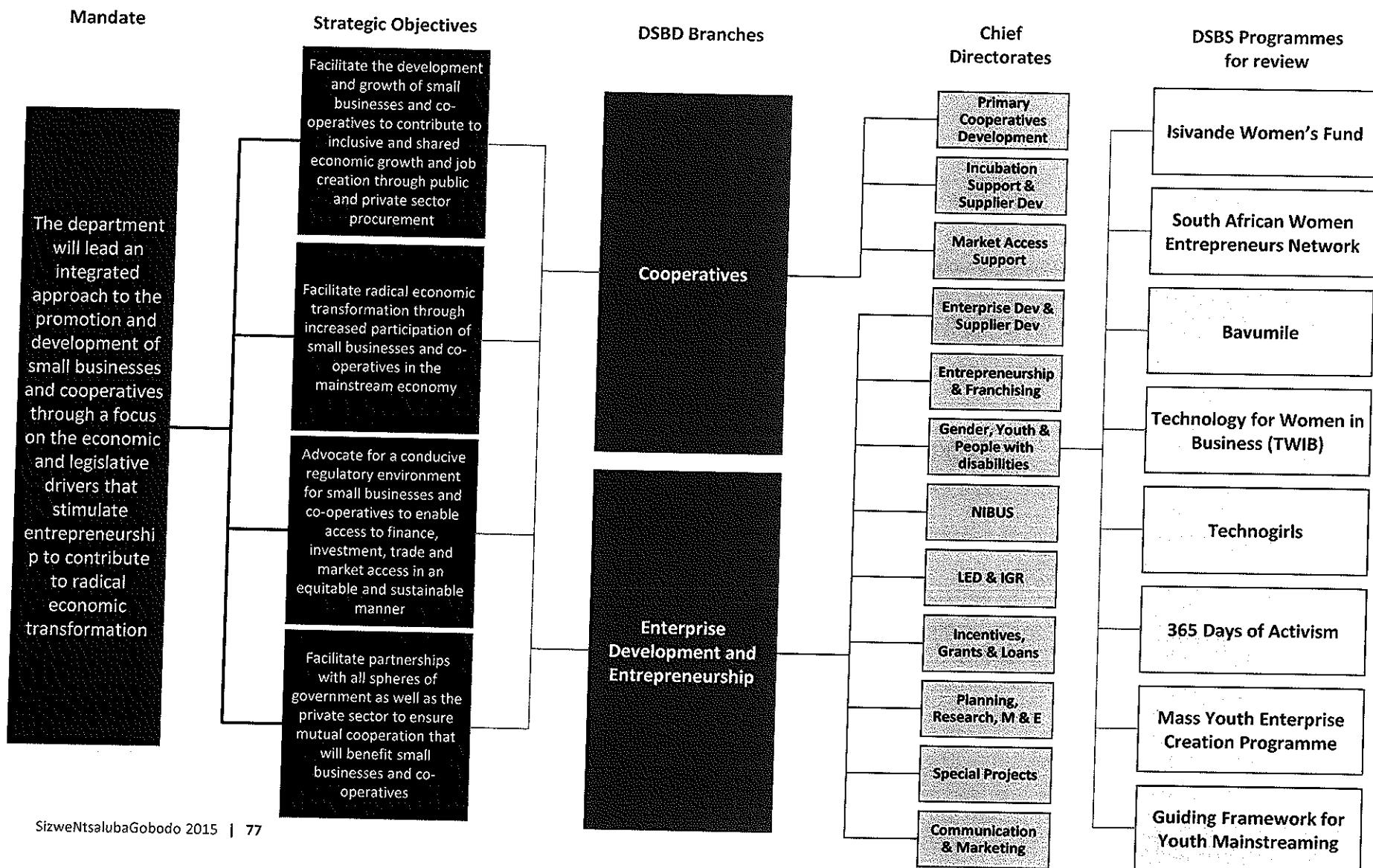
Key Findings

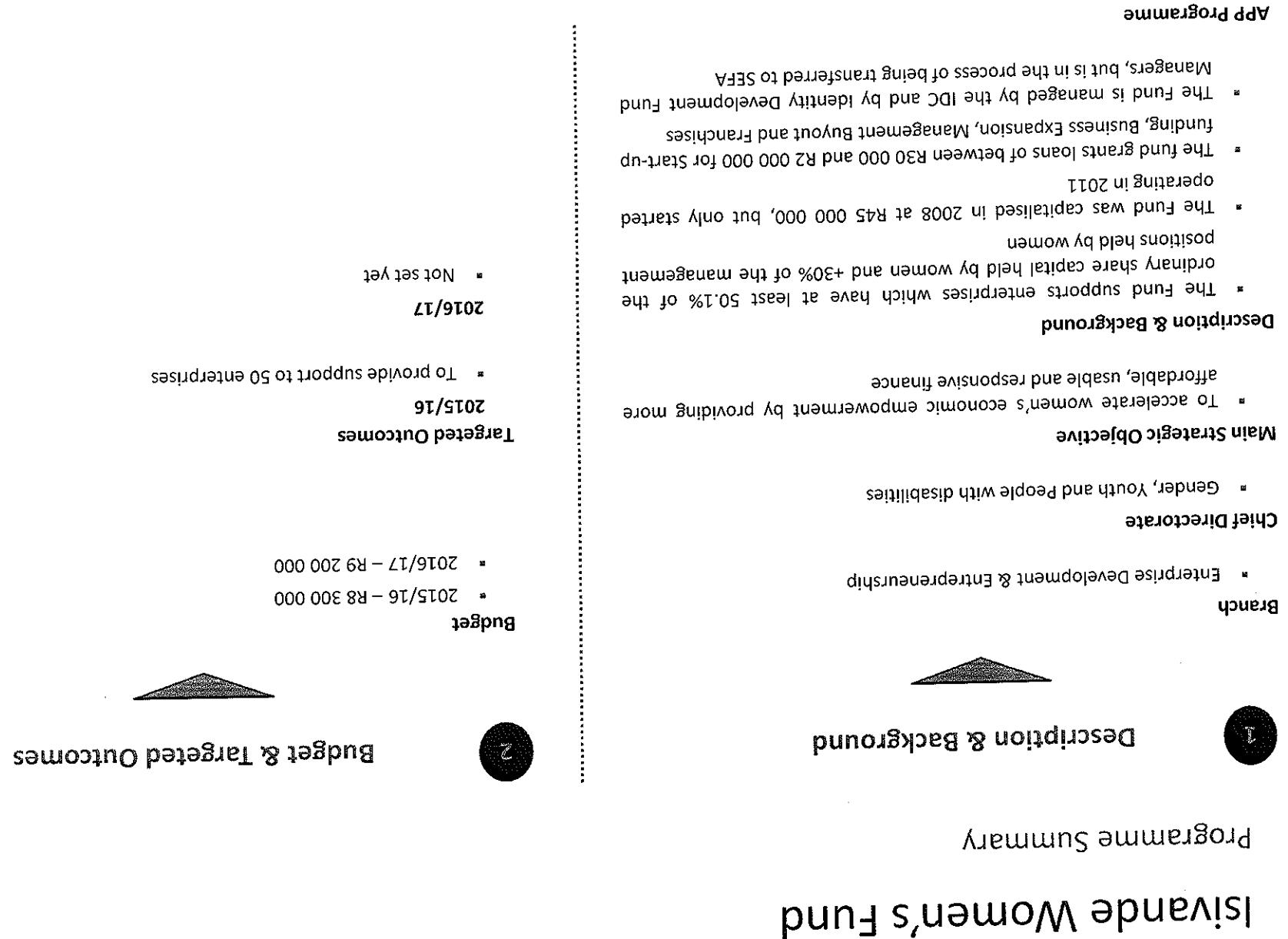
Recommendations

- The department has completed the successful innovation, design and piloting of this programme. This programme now needs to be transferred and scaled. The department should consider **partnering with SEDA** while the programme is being refined. Thereafter, the department should consider transferring this programme to SEDA being packaged.
- This programme has not been able to get any enterprises to agree to pilot any number of franchises regarding this programme to SEDA.
- The department does not have any targets with regards to targeting a certain number of franchises per year.
- Budget is insufficient to cater for identifying and setting up franchises.
- Consider partnering with private sector once enterprises have been packaged for roll out to franchisees.

Programme Alignment

Chief Directorate: Gender, Youth & People with disabilities





Isivande Women's Fund

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
Isivande Women's Fund	2.5	2.5	3	8
Key Findings		Recommendations		
<ul style="list-style-type: none"> ▪ The financing provided by the fund is unaffordable for SMMEs as the terms for financing are not different from those of a conventional corporate funder ▪ Some of the financing requirements are too stringent for a government development intervention – e.g. in some instances, houses were attached as collateral ▪ The management fees for the IDC's and for Identity Development Fund Manager's services are too high ▪ The programme does not provide sufficient non-financial support ▪ There wasn't adequate record keeping by the IDC 		<ul style="list-style-type: none"> ▪ This programme should be <u>transferred</u> to SEFA to lower the administration cost ▪ The department should not have silo units for women, youth and people with disabilities but should set targets for these groups in all the department's programmes, as well as the programmes of its agencies ▪ The department needs to ensure that the Fund's financing terms more affordable for SMMEs ▪ The programme needs to provide sufficient non-financial support by adequately leveraging SEDA services. 		

South African Women Entrepreneurs Network

Programme Summary

Description & Background

1

Budget & Targeted Outcomes

Chief Directorate

- Enterprise Development & Entrepreneurship
 - Chief Directorate
 - Gender, Youth and People with disabilities

Main Strategic Objective

- To provide a national vehicle that brings women and women groups together to address the challenges faced by them

Description & Background

- * Implement overarchiving marketing strategy document; conduct 12 outreach activities, hold 36 networking sessions; convene 1 AGM and 1 National Annual Meeting; convene one Provincial AGM; sign 2 partnership agreements; partake in 2 joint initiatives with other organizations; participate in 3 international and national activities; 30 members participating in 7 market initiatives; 275 members trained in General Business Skills; 100 members trained in Quality enhancement programmes; 70 members trained in Market Readiness programmes; 140 members trained in Digital Literacy programmes; draft research report on women participation in different schemes; host Liguugu Lami Awards; support 1 co-operative to establish a mini factory; identify 1 co-operative to prepare and create capacity for establishment of mini-factory; appoint 10 new staff members; and set up 2 additional provincial offices through co-location



1

APP Programme

- SAWEN is a membership Section 21 company registered under the Act, with a focus is to lobby women who are in business and who are looking to get into business to network and share ideas. SAWEN has 903 members with a membership fee of R300 per year. New membership structure to come into effect in the new financial year. SAWEN's finances are managed by SEDA and SAWEN has as a board which is appointed by the Deputy Minister, as well as staff members

SAWEN runs various programmes with the following objectives: broadening and deepening SAWEN's reach; unlocking resources for SAWEN members; facilitating members to resources; monitoring and advocating for equitable policy and legislative environment for members and all women entrepreneurs; recognising and celebrating the achievements of women entrepreneurs;

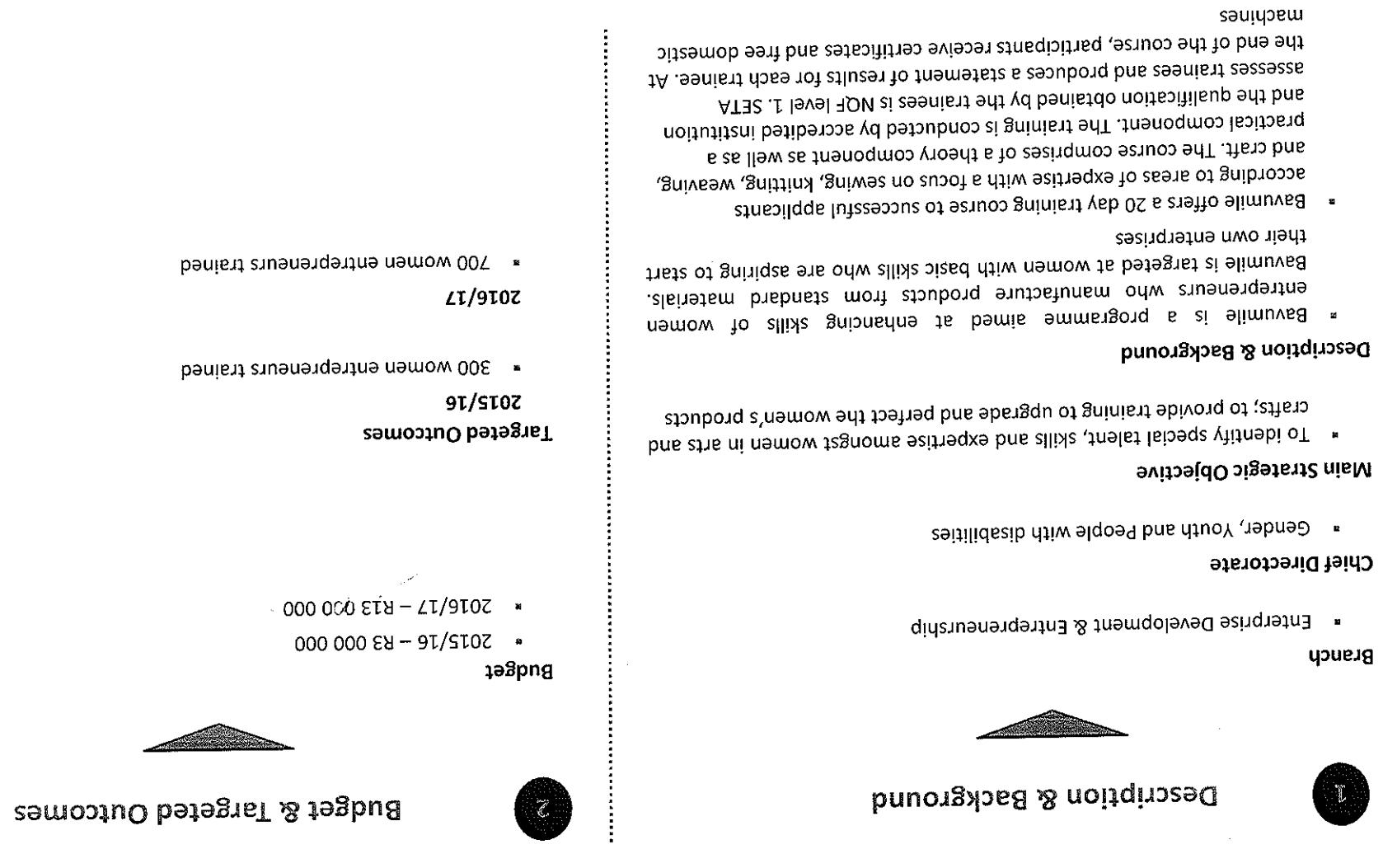
SjWENstalibagobo 2015 |

South African Women Entrepreneur's Network

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
South African Women Entrepreneur's Network	2	2	2	6

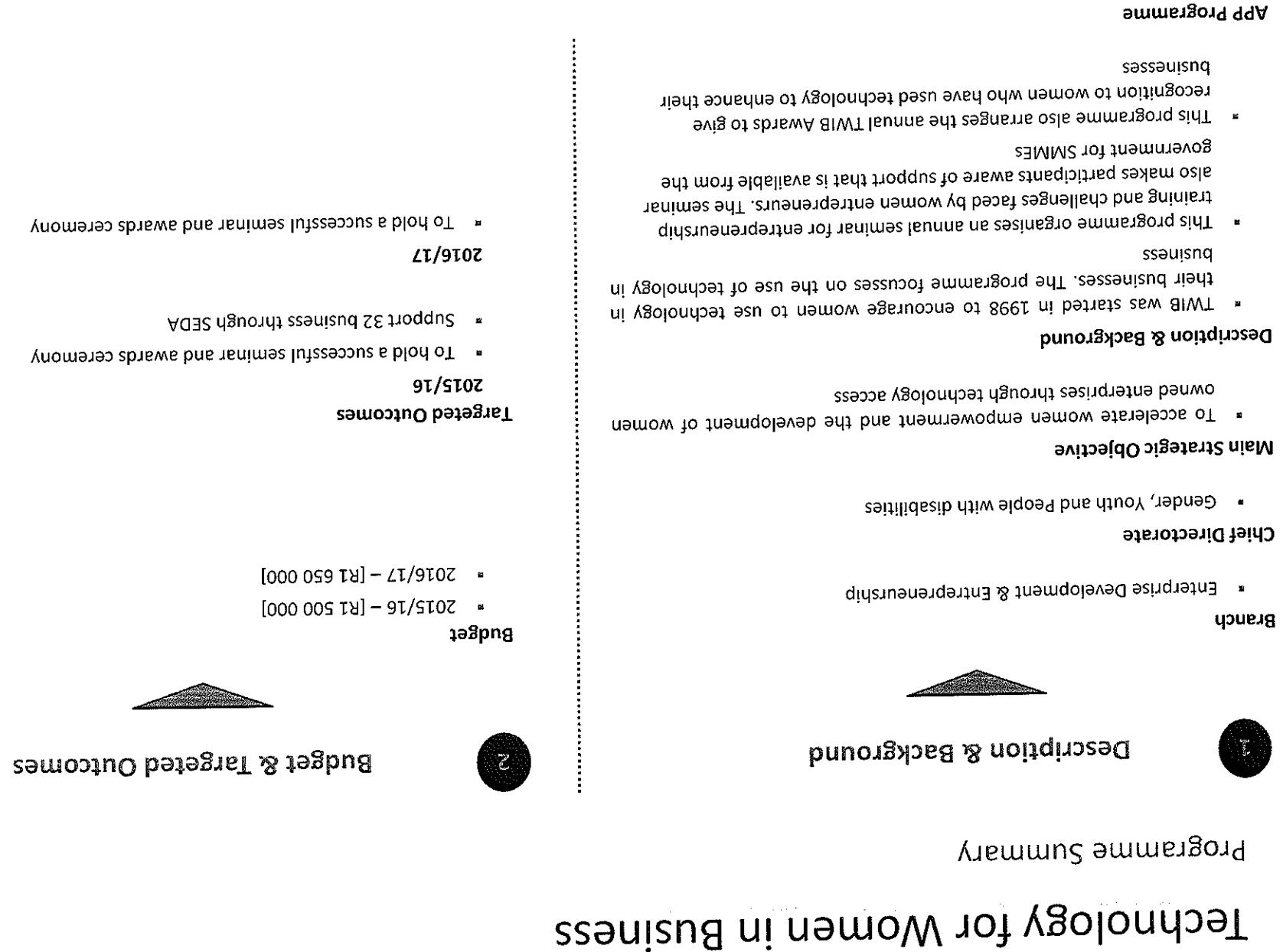
Key Findings	Recommendations
<ul style="list-style-type: none"> ▪ SAWEN has a limited footprint, and not all provinces are represented on the network ▪ SAWEN's programmes do not have a measurable impact, and there is no indication whether SAWEN's programmes are contributing to achieving the department's mandate ▪ SAWEN does not provide direct support (funding) for women enterprises ▪ There are no governance procedures in place regarding the appointment, selection, performance evaluations and tenure of the board ▪ There is a high opportunity cost for the administration of SAWEN and its programmes with low efficiency ▪ There is weak alignment between SAWEN's programmes the department's mandate 	<ul style="list-style-type: none"> ▪ Due to the lack of measurable impact of SAWEN's programmes, its track record of governance issues, and the fact that the programme delivers low efficiency for the funds that it utilises, the department should consider <u>discontinuing</u> this programme ▪ The department should not have silo units for women, youth and people with disabilities but should set targets for these groups in all the department's programmes, as well as the programmes of its agencies ▪ Alternatively, the department should consider finding third party funding to allow the network to continue to operate, and to allow it to scale and generate the required impact



Bavumile

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
Bavumile	2	2	2	6
Key Findings		Recommendations		
<ul style="list-style-type: none"> ▪ Bavumile provides technical skills and is not focussed on developing SMMEs ▪ There is no impact assessment and monitoring because the department spends most of its time on trying to achieve the targets set by the portfolio committee. As a result, there is no indication whether trainees are starting enterprises after receiving their training and whether this programme is contributing towards achieving the department's mandate ▪ The programme does not offer capacity building training or opportunities for participants in order to assist the participants with market building for their enterprises ▪ This programme will not achieve this year's targets because of budget constraints 		<ul style="list-style-type: none"> ▪ The department should consider <u>discontinuing</u> this programme or <u>redesigning and transferring</u> it to relevant the training authority or SEDA. As a national department, the department should not be implementing any training programmes directly, and should focus on creating an enabling environment for SMMEs ▪ While there is potential for social impact through a programme of this nature, its current design is more closely aligned to Dept of Social Development than to DSBD. ▪ The department should not have silo units for women, youth and people with disabilities but should set targets for these groups in all the department's programmes, as well as the programmes of its agencies 		



Technology for Women in Business

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
Technology for Women in Business	Alignment to Mandate Alignment to Strategy 3	Programme Design Resource Utilization 2	Capacity to Deliver Opportunity Costs 2.5	7.5

Key Findings

- The funds and time spent on the TWIB programme are not commensurate with the impact that the programme achieves
- There are no follow ups with participants to track their progress
- Only one enterprise (the winner) benefits from the programme per year
- The programme runs only one seminar per year

Recommendations

- The department should investigate the feasibility of restructuring this programme by:
 - Focussing on improved post award support for finalists and winners
 - Implementing better monitoring and evaluation and ensuring impact
 - Working with the private sector (eg advertising agency CSI spend) to reduce cost and amplify the reach and frequency of the message. Awards serve primarily as advertising tools to create awareness, and currently TWIB does serve this purpose effectively.
 - Integrating this programme with the SEDA technology programme, and setting gender targets within SEDA's programme

Not an APP Programme

- The programme is run in a different province every year
- The programme trains 100 girls a year – 10 schools with 10 girls per school
- This programme takes place over a weekend annually, and Grade 9, 10 and technology businesses
- 11 learners are trained on how to develop business plans for science and technology businesses
- Training programme on how to develop a business plan for a technology business

Description & Background

- To encourage girl learners to become future entrepreneurs in the field of Technology and also to encourage them to enrol for Business related studies in Tertiary
- To encourage girl learners to become future entrepreneurs in the field of Technology and also to encourage them to enrol for Business related studies in Tertiary

Main Strategic Objective

- Gender, Youth and People with disabilities

Chief Directorate

- Enterprise Development & Entrepreneurship



Description & Background

Programme Summary

Technogirls



Budget & Targeted Outcomes

- 2016/17 – R550 000
- 2015/16 – R500 000

Budget

Targeted Outcomes

- 1 workshop for learners

2016/17

- 1 workshop for learners

2015/16

- 1 workshop for learners

2016/17

Technogirls

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
Technogirls	1.5	2	1	4.5
<h3>Key Findings</h3>		<h3>Recommendations</h3>		
<ul style="list-style-type: none">This programme is not aligned with the department's mandate and strategic objectives. This programme would be better placed in the Department of EducationThis is a training programme and it should not be implemented by the department, but by an appropriate agency or training authorityThis programme is targeted at school children who are not in a position to operate businesses		<ul style="list-style-type: none">The department should consider <u>discontinuing or transferring</u> this programme to the relevant authorityThe department should not have silo units for women, youth and people with disabilities but should set targets for these groups in all the department's programmes, as well as the programmes of its agencies		

365 Days of Activism

Programme Summary

Description & Background

10

三

Branch

- To encourage women to participate in the economy freely by allowing vulnerable women to existing economic opportunities

Description & Background

- This is a programme that must be carried out by all national departments in an effort to combat violence against women and was launched in 2012.

launched in 2012

- This programme identifies communities where a large number of women are vulnerable or are experiencing hardships, and provide holistic support to address various challenges in the form of –
 - counselling; health awareness; assistance with registering businesses;

Not an APP Programme

SizweNtsalubaGobodo 2015 | 88

365 Days of Activism

Key Findings & Recommendations

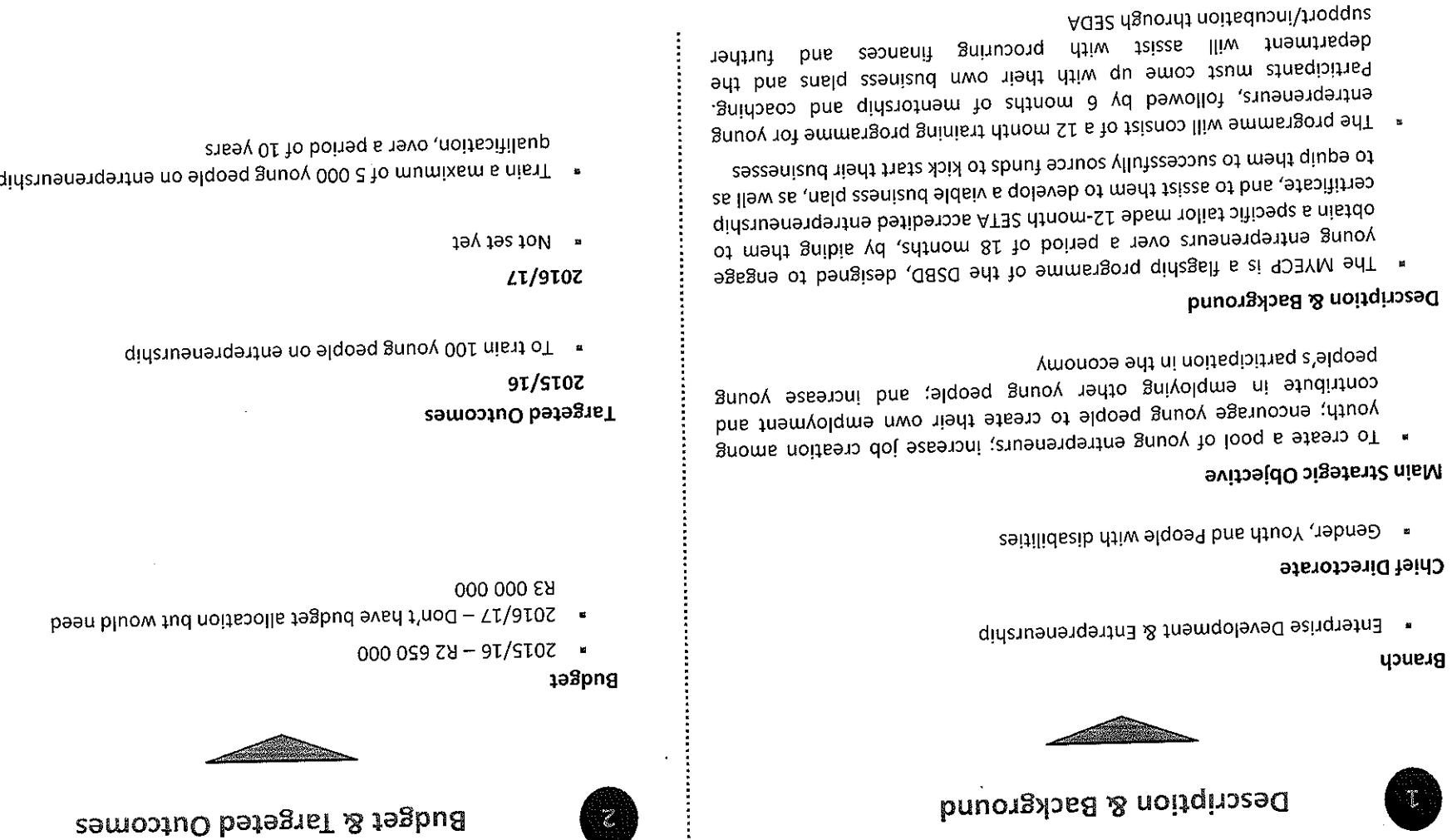
PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
365 Days of Activism	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	5
	1	2	2	

Key Findings

- The scope of this programme is too broad for the department's limited capacity and mandate
- This programme's activities are not aligned with the department's mandate
- The integrated community focussed intervention approach has potential and should potentially be utilised in another context

Recommendations

- Taking into account that this is a programme that each national department is required to implement, the DSBD should consider a complete restructure of this programme to reduce the scope of the programme and to align the programme's activities with the department's mandate
- The department should not have silo units for women, youth and people with disabilities but should set targets for these groups in all the department's programmes, as well as the programmes of its agencies



Mass Youth Enterprise Creation Programme

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate	Programme Design	Capacity to Deliver	
Alignment to Strategy	Resource Utilization	Opportunity Costs		
Mass Youth Enterprise Creation Programme	2	2	3	7

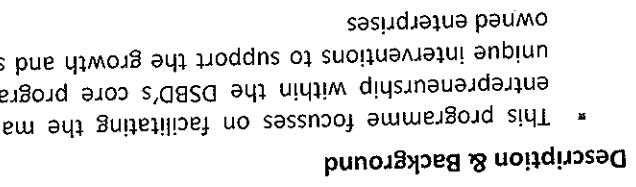
Key Findings

- A major challenge is that there is no budget
- This programme's efficiency is not good, as R2 600 000 for 100 students is too much money per student
- There seem to be overlaps between this programme and the Centres for Entrepreneurship programme

Recommendations

- The Youth Directorate in the DSBD should not be implementing any programmes directly, but should rather be focussed on mainstreaming.
- Consider discontinuing this programme and ensuring a youth focus within with the Centres for Entrepreneurship programme
- This programme also needs to be redesigned because efficiency is low

APP Programme



Main Strategic Objective

- A guiding Framework in order to for young people to benefit in the initiatives
- DSB and its agencies and projects that are implemented by polices, programmes, strategies and frameworks to capture the Cluster and State Owned Enterprises and will be used to develop the DSB and its agencies. The framework also expands to the Economic polices, programmes, strategies and frameworks that are implemented by DSB and its agencies and projects that are implemented by polices, programmes, strategies and frameworks to capture the Cluster and State Owned Enterprises and will be used to develop the

Description & Background

- This programme focuses on facilitating the mainstreaming of youth entrepreneurship within the DSB's core programmes and designing unique interventions to support the growth and sustainability of youth owned enterprises

Targeted Outcomes

- | | |
|---|---|
| 2015/16 <ul style="list-style-type: none"> ▪ 5 000 young people that would have benefited from youth programmes | 2016/17 <ul style="list-style-type: none"> ▪ 7 000 young people that would have benefited from youth programmes |
|---|---|

Chief Directorate

- Gender, Youth and People with disabilities

Budget

- 2015/16 – No budget. Programme is a monitoring tool
- 2016/17 – No budget. Programme is a monitoring tool

Description & Background

- Enterprise Development & Entrepreneurship

Programme Summary

Programme Summary

Guiding Framework for Youth Mainstreaming

Guiding Framework for Youth Mainstreaming

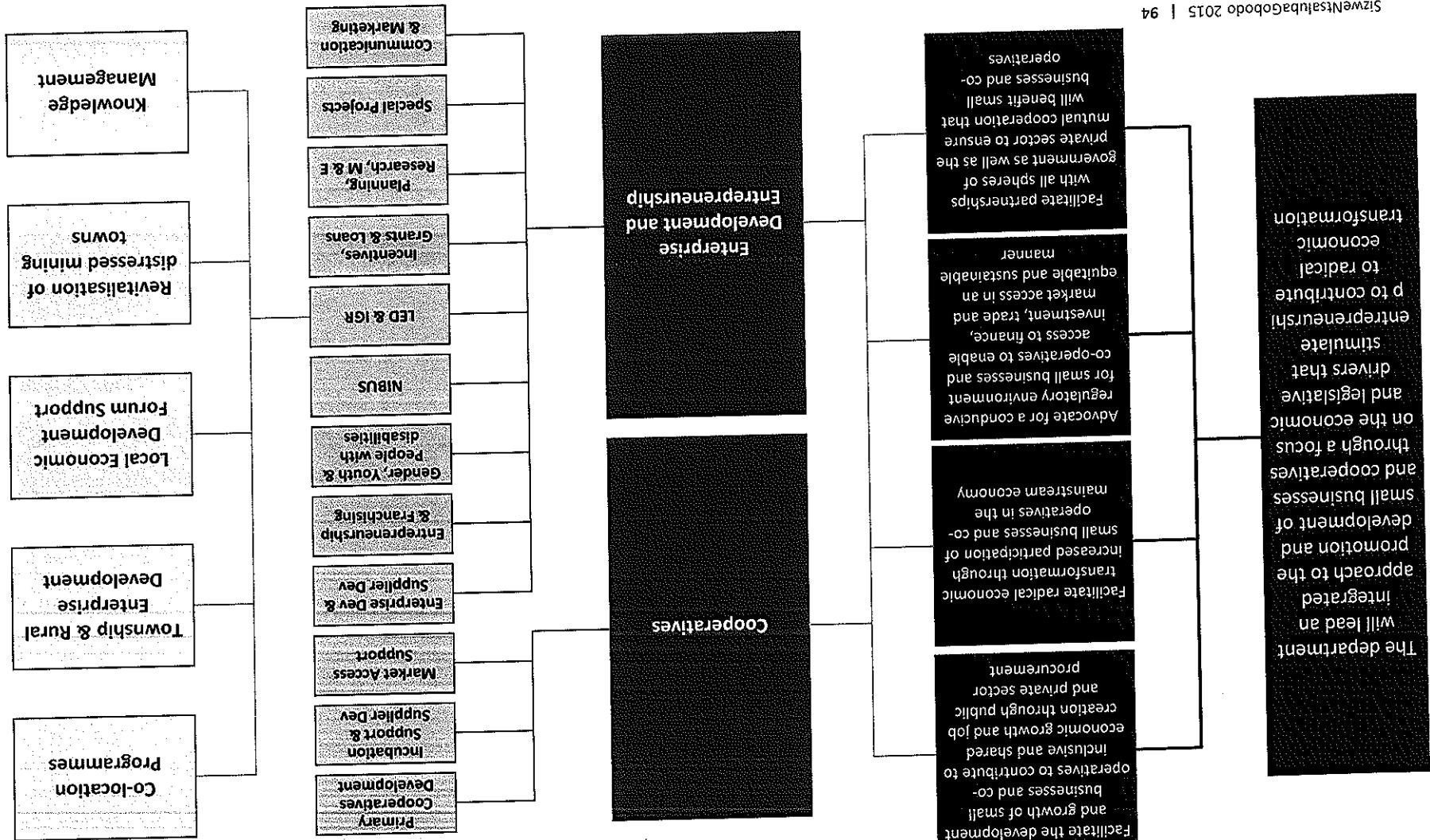
Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
Guiding Framework for Youth Mainstreaming	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	5 3.5 4.5 13
Key Findings				
<ul style="list-style-type: none">This programme is very closely aligned to the department's mandate and strategic objectivesThe department should not have silo units for women, youth and people with disabilities but should have targets for these groups in all the department's programmes				Recommendations <ul style="list-style-type: none">This programme needs to be <u>up scaled</u> to be a programme for mainstreaming youth, women and people with disabilities across all the department's programmes and agenciesOur recommendation is that a single directorate be created to focus on mainstreaming for women, youth and people with disabilities and that other implementation-focussed programmes be transferred or discontinued.

Programme Alignment

Chief Directorate: Local Economic Development & Inter-Governmental Relations

Mandate Strategic Objectives DSBS Programmes DSBD Branch Chief Directorate for review



Co-location Programmes

Programme Summary

1

Description & Background



Branch

- * Enterprise Development & Entrepreneurship

Chief Directorate

- * Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- * To enable communities, small enterprises and co-operatives a single access point to information and support services

Description & Background

- * This programme aims to decentralize business support services that are available to SMMEs

APP Programme

2

Budget & Targeted Outcomes



Budget

- * 2015/16 – No budget
- * 2016/17 – R10 000 000 (requested budget)

Targeted Outcomes

2015/16

- * To establish 27 co-location points

2016/17

- * To establish 5 co-location points

Key Findings & Recommendations

Co-Location Programmes

PROGRAMME SCORING						Co-location Programmes	
STRATEGIC	RELEVANCE	LEVEL OF IMPACT & EFFICIENCY	DESIGN & EFFICIENCY	OPPORTUNITY COST	ALIGNMENt TO MANDATE	PROGRAMME DESIGN	CAPACITY TO DELIVER
15	13	13	13	13	13	13	13
TOTAL (out of 15)							

- This programme needs to be **redesigned and up scaled**. This programme is very closely aligned to the department's mandate and strategic objectives
- This programme should be one the core functions of the department, in line with its mandate to create a conducive environment for small businesses
- The department needs to design a blueprint for co-location which will be used to roll-out co-location points across the country
- This programme should focus on coordinating and aligning government interventions across all spheres of government in relation to co-location
- The department should consider developing a joint proposal between the department, SEDA & SEFA, which should be communicated across all government spheres
- Need capacity building for officials at co-location points
- The department is reliant on agencies and cannot influence where agencies set up co-location points
- Agencies set up co-location points
- Need to examine planned efficiency of future interventions

Recommendations

Key Findings

Township and Rural Enterprise Development

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- To support township and rural enterprises through development of a framework to strengthen and regulate the informal business sector and the roll-out of the informal sector programme aimed at directly supporting township enterprises with economic infrastructure

Description & Background

- This programme was transferred from the Economic Development Department to the DSBD
- This programme aims to provide support to enterprises in rural areas and townships because the challenges faced by these enterprises are different to those faced by enterprises in urban areas
- The DSBD has appointed a service provider to develop a strategy for this programme
- The department is working with SEFA to design products that are specifically tailored for township and rural enterprises

2

Budget & Targeted Outcomes



Budget

- 2015/16 – R500 000
- 2016/17 – Not set yet

Targeted Outcomes

2015/16

- Finalize strategy

2016/17

- Not set yet

Not an APP Programme

TowNSHIP AND RURAL ENTERPRISE DEVELOPMENT

Key Findings & Recommendations

PROGRAMME SCORING						TOWNSHIP AND RURAL ENTERPRISE DEVELOPMENT		
STRATEGIC PROGRAMME	LEVEL OF IMPACT & RELIABILITY	DESIGN & EFFICIENCY	OPPORTUNITY COST	ALIGNMENt TO MANDATE	PROGRAMME DESIGN	CAPACITY TO DELIVER	RESOURCE UTILIZATION	OPPORTUNITY COSTS
15)	11.5	5	2.5	4				

Key Findings & Recommendations

- * This is a critical programme that is central to the department's mandate and needs a clearly defined strategy and implementation plan.
- * The department should prioritize the development of a strategy and implementation plan for this programme, resulting in it being upscaled.
- * The department needs to develop a clear understanding of the challenges faced by township enterprises and what comprises a township economy in order to inform interventions.
- * There is no clear understanding of what comprises township enterprises and township economies.

Recommendations

Local Economic Development Forum Support

Programme Summary



Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- To provide support to local economic development forums

Description & Background

- This programme focusses on implementing LED programmes by facilitating of workshops in municipalities, with the support of the department's incentives unit and agencies

Not an APP Programme



Budget & Targeted Outcomes



Budget

- 2015/16 – No budget. Rely on municipalities to provide facilities and resources
- 2016/17 – Not set yet

Targeted Outcomes

2015/16

- To run workshops in 31 municipalities

2016/17

- Not set yet

Key Findings & Recommendations

PROGRAMME SCORING						Local Economic Development Forum Support			
STRATEGIC PROGRAMME	LEVEL OF IMPACT & RELEVANCE	OPPORTUNITY COST	TOTAL (out of 15)	Allignment to Mandate	Programme Design	Capacity to Deliver	Allignment to Strategy	Resource Utilization	Opportunity Costs
11	4	3	15						

Key Findings

- This programme should be one the core functions of the department, in line with its mandate to create a conducive environment for small businesses. Therefore, this programme's scope should be increased and the programme should be up scaled
- This is a typical function of a national department and this programme is closely aligned to the department's mandate
- The forums are mainly attended by government officials. More participation from SMEs is needed because the intention is to assist SMEs
- The department needs to conduct an assessment of the effectiveness of current interventions and cater for this programme accordingly in its budget and APP if deemed necessary

Recommendations

- This is a typical function of a national department and this programme is closely aligned to the department's mandate
- The forums are mainly attended by government officials. More participation from SMEs is needed because the intention is to assist SMEs

Revitalisation of distressed mining towns

Programme Summary



Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- To provide financial and non-financial support to businesses and enterprises in distressed mining towns

Description & Background

- This programme is required by the Presidency to be implemented by every national department
- The DSBD seeks to provide financial and non-financial support to businesses and enterprises in distressed mining towns through this programme

Not an APP Programme



Budget & Targeted Outcomes



Budget

- 2015/16 – No budget. This programme is supported by other programmes and agencies
- 2016/17 – Not set yet

Targeted Outcomes

2015/16

- To run workshops in 31 municipalities

2016/17

- Not set yet

This programme is a priority policy area which deserves attention. However, the parameters of the programme need to be clearly defined. The department should only provide design and oversight support, with implementation assistance from SEDA and SEFA, but the overarching responsibility for the revitalisation of mining towns should probably reside with the Economic Development Department.

- A big challenge for SMEs in mining towns is that mining companies do not procure from SMEs
- There is limited access to opportunities for SMEs in mining towns
- Diversification of economies in mining towns is a huge challenge, and there are no alternatives for these economies when mines close down

Key Findings

Recommendations

PROGRAMME SCORING					REVITALISATION OF DISTRESSED MINING TOWNS		
STRATEGIC	PROGRAMME	LEVEL OF IMPACT & DESIGN & EFFICIENCY	OPPORTUNITY COST	TOTAL (out of 15)	Alignment to Mandate	Programme Design	Capacity to Deliver
6	2	2	2	15	Allignment to Strategy	Resource Utilization	Opportunity Costs

Key Findings & Recommendations

Revitalisation of distressed mining towns



Knowledge Management

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- To identify economic competitive advantages for municipalities to base their economic growth on

Description & Background

- This programme conducts studies to profile regional business activity for municipalities in order to identify the competitive advantages of municipalities

Not an APP Programme

2

Budget & Targeted Outcomes



Budget

- 2015/16 – R900 000
- 2016/17 – Not set yet

Targeted Outcomes

2015/16

- Not set yet

2016/17

- Not set yet

Key Findings & Recommendations

Knowledge Management

PROGRAMME SCORING	STRATEGIC	RELLEVANCE	DESIGN & EFFICIENCY	LEVEL OF IMPACT &	TOTAL (out of 15)	Knowledge Management
6	2	2	2	Allignment to Mandate Programme Design Capacity to Deliver	Allignment to Strategy Resource Utilization Opportunity Costs	

Key Findings

- This programme is a priority policy area which deserve attention. However, the parameters of the programme need to be clearly defined. The department should only provide design and oversight support, with implementation assistance from SEDA and SEFA, but the overarching responsibility for identifying competitive advantages of municipalities, and developing appropriate interventions should reside with the Economic Development Department.

- The name of this programme does not accurately reflect the aims and main activities of the programme
- Implementation of interventions from different government units is not coordinated
- Implementation of findings from studies is difficult task which the department does not have the budget or capacity for
- Implementation of findings from studies is difficult task which the department does not have the budget or capacity for

Intergovernmental Relations

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Local Economic Development & Inter-Governmental Relations

Main Strategic Objective

- To co-ordinate MINMEC activity with the the objective of aligning national, provincial and local SMME programmes

Description & Background

- The main activities of this programme include - coordinating MINMEC sittings; coordinating with departments across the 3 spheres of government, as well as the department's agencies on aligning all government programmes
- This programme also looks at ensuring reciprocal reporting between the DSBD, provincial and local departments and the DSBD's agencies

Not an APP Programme

2

Budget & Targeted Outcomes



Budget

- 2015/16 – No budget allocation
- 2016/17 – No budget allocation

Targeted Outcomes

2015/16

- To hold quarterly MINMEC activities

2016/17

- To hold quarterly MINMEC activities

Recommendations	
▪ This programme needs to be prioritized and upscaled	DG's office
▪ The department should consider locating this programme within the national department	DG's office
▪ It seems that IGR (as a coordination and oversight role) may be better located within the DG's office rather than within the LED Chief Directorate	DG's office

Key Findings	
▪ This programme is a priority oversight and coordination role for a national department	national department
▪ This programme needs to be prioritized and upscaled	DG's office
▪ The department should consider locating this programme within the national department	DG's office
▪ It seems that IGR (as a coordination and oversight role) may be better located within the DG's office rather than within the LED Chief Directorate	DG's office

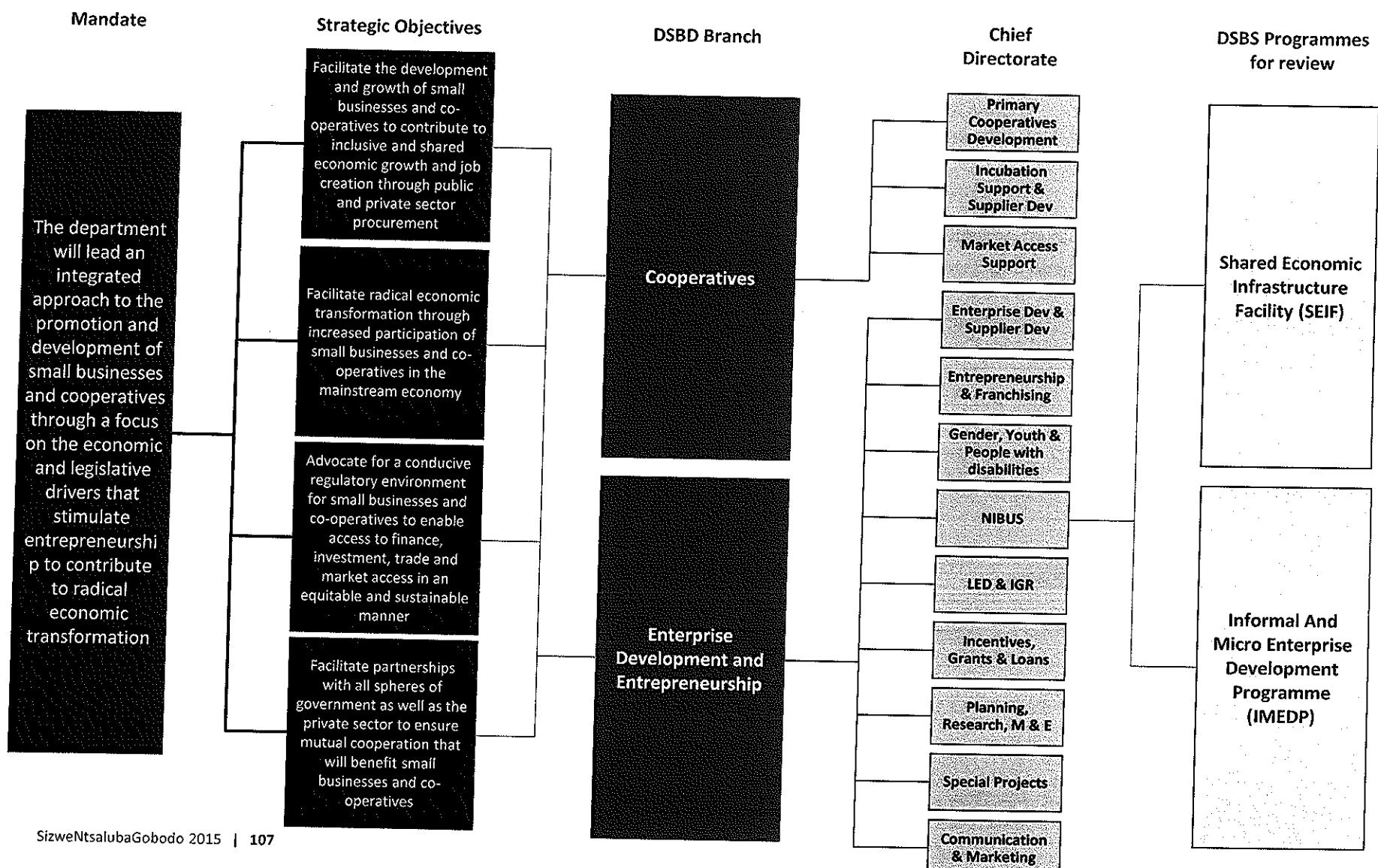
PROGRAMME SCORING	
STRATEGIC	LEVEL OF IMPACT & RELIEVANCE
PROGRAMME	DESIGN & EFFICIENCY
TOTAL (out of 15)	OPPORTUNITY COST
15	11.5
Aligment to Mandate	Aligment to Strategy
Programme Design	Resource Utilization
Capacity to Deliver	Opportunity Costs
4	4
INTERGOVERNMENTAL RELATIONS	

Key Findings & Recommendations

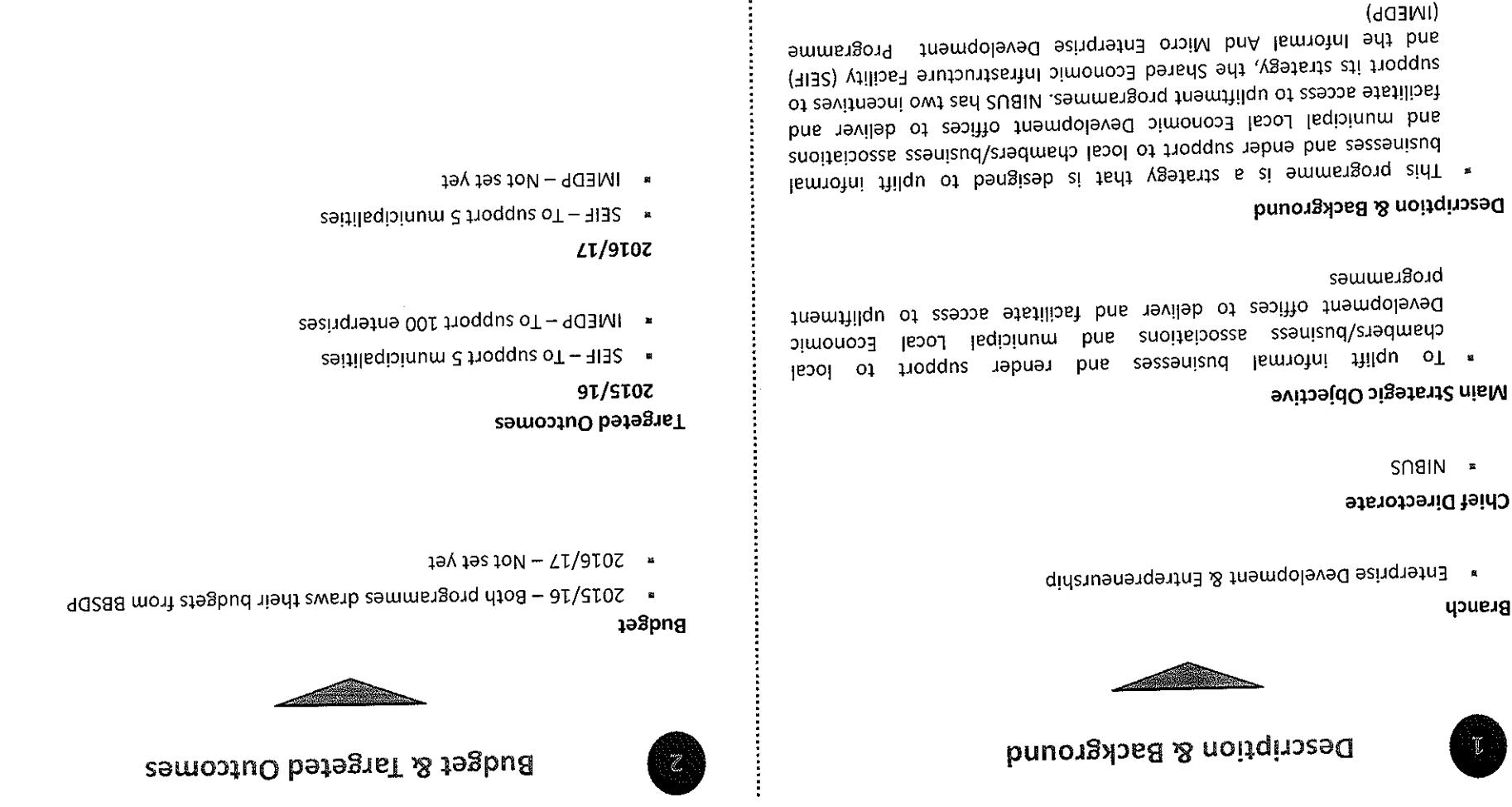
Intergovernmental Relations

Programme Alignment

Chief Directorate: Entrepreneurship & Franchising



APP Programme



National Informal Business Upliftment Strategy (NIBUS) – SEIF & IMEDP

Key Findings & Recommendations

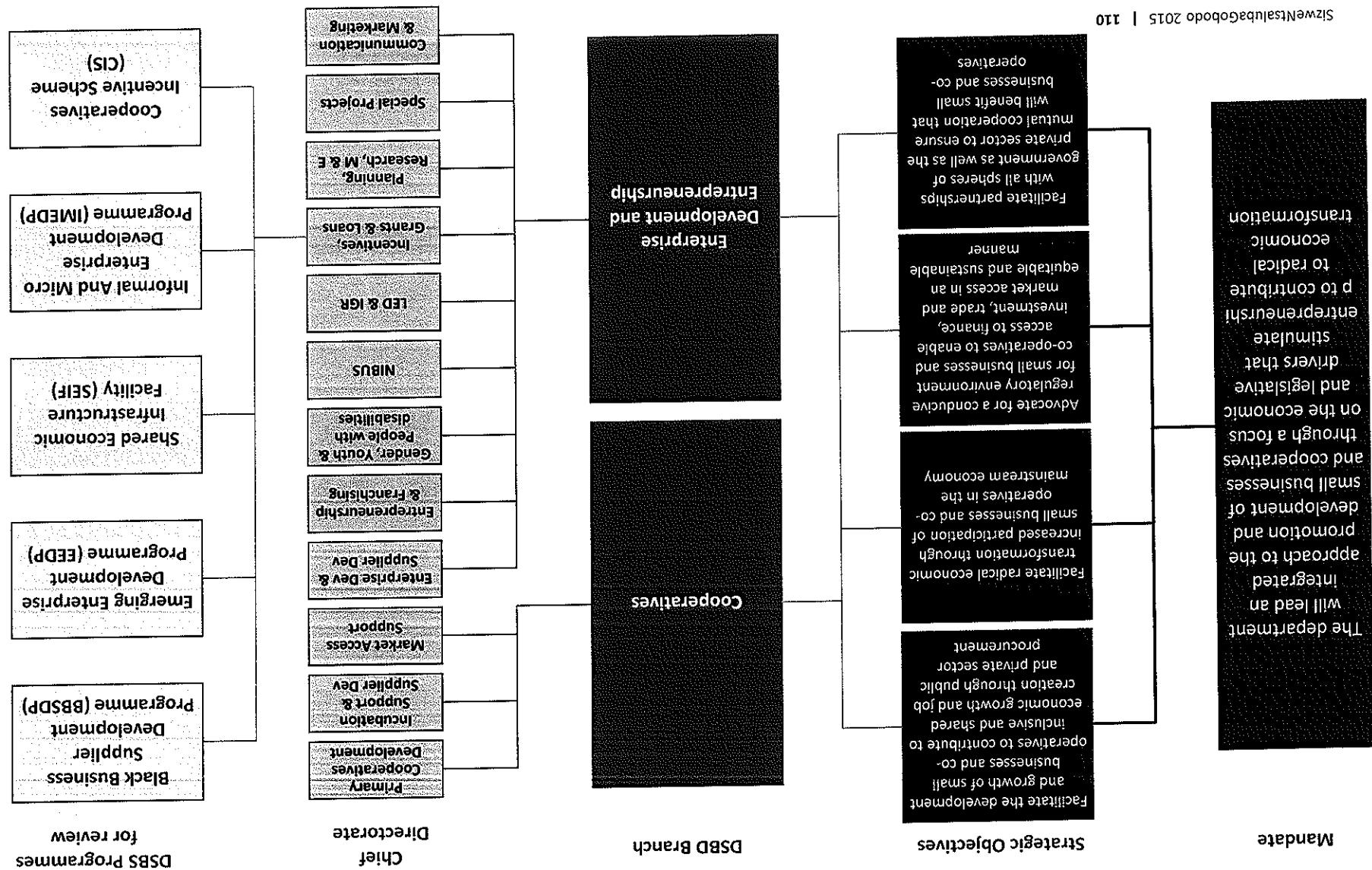
PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
National Informal Business Upliftment Strategy (NIBUS) – SEIF & IMEDP	Alignment to Mandate Alignment to Strategy 3.5	Programme Design Resource Utilization 3.5	Capacity to Deliver Opportunity Costs 4.5	11.5*

Key Findings

- This programme is closely aligned to the department's mandate and strategic objectives
- Definition of informal businesses needs to be clarified
- Need to design interventions to create an enabling legal and regulatory environment for informal businesses
- Need to implement programme through partnerships with SETAs
- Implementation partner needs to be SEDA for all incentive programmes

Recommendations

- NIBUS is aligned to the department's strategy and should be upscaled
- The incentives should be administered by SEDA with an increased focus on impact assessment



Chief Directorate: Incentives, Grants and Loans

Programme Alignment

Black Business Supplier Development Programme (BBSDP)

Programme Summary

1

Description & Background



Branch

- * Enterprise Development & Entrepreneurship

Chief Directorate

- * Incentives, Grants and Loans

Main Strategic Objective

- * To leverage the competitiveness of black owned enterprises through the provision of machinery, tools, equipment and business development services

Description & Background

- * BBSDP is a cost sharing grant offered to black owned small enterprises, to assist them in improving their competitiveness and sustainability, in order to become integrated into the main economy

2

Budget & Targeted Outcomes



Budget

- * 2015/16 – R225 000 000
- * 2016/17 – R225 000 000

Targeted Outcomes

2015/16

- * To provide assistance to 600 entities

2016/17

- * To provide assistance to 800 entities

Not an APP Programme but should be captured for next financial year

Black Business Supplier Development Programme (BBSDP)

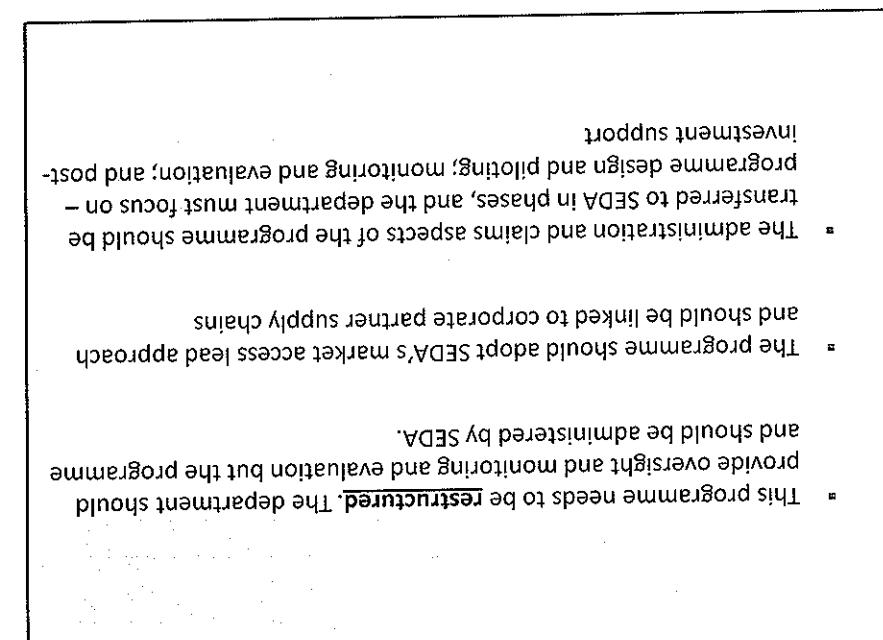
Key Findings & Recommendations

PROGRAMME SCORING						Black Business Supplier Development Programme (BBSDP)
STRATEGIC	LEVEL OF IMPACT & RELEVANCE	DESIGN & EFFICIENCY	OPPORTUNITY COST	TOTAL (out of 15)	11	
Alignment to Mandate	Programme Design	Capacity to Deliver	Resource Utilization	Alignment to Strategy	3.5	

Key Findings

- Implementation partner needs to be SEDA for all incentive programmes
- Challenge is linking successful applicants with big buyers in private sector
- This programme does not provide sufficient post-investment support
- Conflicts directly with SEDA supply development programme
- The administration and claims aspects of the programme should be transferred to SEDA in phases, and the department must focus on – programme design and piloting, monitoring and evaluation; and post-investment support
- The programme should adopt SEDA's market access lead approach and should be linked to corporate partner supply chains
- This programme needs to be **restructured**. The department should provide oversight and monitoring and evaluation but the programme and should be administered by SEDA.
- The programme should adopt SEDA's market access lead approach and should be linked to corporate partner supply chains
- The administration and claims aspects of the programme should be transferred to SEDA in phases, and the department must focus on – programme design and piloting, monitoring and evaluation; and post-investment support

Recommendations



Emerging Enterprise Development Programme (EEDP)

Programme Summary



Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Incentives, Grants and Loans

Main Strategic Objective

- To provide support to youth and or women and people with disabilities owned enterprises in order to increase their capacity to access economic opportunities, enhance competitiveness and improve skills

Description & Background

- EEDP programme provides support to enterprises owned and managed by women, youth and/or people with disabilities in order to increase their capacity to access economic opportunities

Not an APP Programme



Budget & Targeted Outcomes



Budget

- 2015/16 – Draws its budget from BBSDP
- 2016/17 – Not set yet

Targeted Outcomes

2015/16

- To provide assistance to 50 women enterprises and 50 youth enterprise

2016/17

- Not set yet

Emerging Enterprise Development Programme (EEDP)

Key Findings & Recommendations

PROGRAMME SCORING						Emerging Enterprise Development Programme (EEDP)		
STRATEGIC	RELLEVANCE	LEVEL OF IMPACT &	DESIGN & EFFICIENCY	OPPORTUNITY COST	TOTAL (out of 15)	Alignment to Mandate	Programme Design	Capacity to Deliver
11	3.5	4	3.5	4	11	Allignment to Strategy	Resource Utilization	Opportunity Costs

Key Findings		Recommendations	
The programme needs to be restructured to focus not only on women and youth, but rather to fill the gap between IMEDP and BBSP.	This programme needs to be restructured to focus not only on women and youth, but rather to fill the gap between IMEDP and BBSP.	The department should set gender, youth and people with disabilities targets within all its incentive programmes. This programme should target all its incentives to disabled, youth and people with disabilities.	The department should set gender, youth and people with disabilities targets within all its incentive programmes. This programme should target all its incentives to disabled, youth and people with disabilities.
IMplementation partner needs to be SEDA for all incentive programmes	This programme does not provide sufficient post-investment support	EEDP to target emerging enterprises which are at a different stage in an enterprises lifecycle, the department will have a full bouquet of EEDP (for already existing and larger enterprises), By using BBSDP (for already existing and larger enterprises), IMEDP (for informal businesses), complementary CIS (for cooperatives), IMEDP (for informal businesses).	EEDP to target emerging enterprises which are at a different stage in an enterprises lifecycle, the department will have a full bouquet of EEDP (for already existing and larger enterprises), By using BBSDP (for already existing and larger enterprises), IMEDP (for informal businesses), complementary CIS (for cooperatives), IMEDP (for informal businesses).

Cooperatives Incentive Scheme (CIS)

Programme Summary



Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Primary Cooperatives Development / Incentives, Grants and Loans

Main Strategic Objective

- To promote the development and competitiveness of sustainable cooperatives that promotes equity and greater participation by black persons, women and people with disabilities and youth

Description & Background

- CIS is an incentive that aims to improve the viability and competitiveness of cooperative enterprises by lowering the cost of doing business

Not an APP Programme



Budget & Targeted Outcomes



Budget

- 2015/16 – R75 000 000
- 2016/17 – R75 000 000

Targeted Outcomes

2015/16

- To support 214 cooperatives

2016/17

- To support 400 cooperatives

Cooperatives Incentive Scheme (CIS)

Key Findings & Recommendations

PROGRAMME SCORING						Cooperatives Incentive Scheme (CIS)
STRATEGIC	LEVEL OF IMPACT &	DESIGN & EFFICIENCY	OPPORTUNITY COST	ALIGNMENT TO MANDATE	PROGRAMME DESIGN	ALIGNMENT TO STRATEGY
15)	11	4	3.5	3.5	Capacities to Deliver	Resource Utilization
TOTAL (out of 15)						Opportunity Costs

Recommendations

- This programme needs to be **restructured**. The department should provide oversight and monitoring but the programme should be administered by SEDA.
- While it's possible to make an argument for separating cooperatives into stand alone function, or to integrate into same value chain as traditional SMEs, what's clear is that a new approach to cooperatives is required. We favour the creation of a stand alone structure for cooperatives in order to achieve this. The department needs to complete the consultations on the Cooperative Act, and formally adopt a new structure and capacitate the department with the necessary budget and set in motion the process of creating the necessary entities.
- The administration and claims aspects of the programme should be transferred to SEDA in phases, and the department must focus on investment support programme design and piloting; monitoring and evaluation; and post-transfer to SEDA in phases, and the department must focus on –

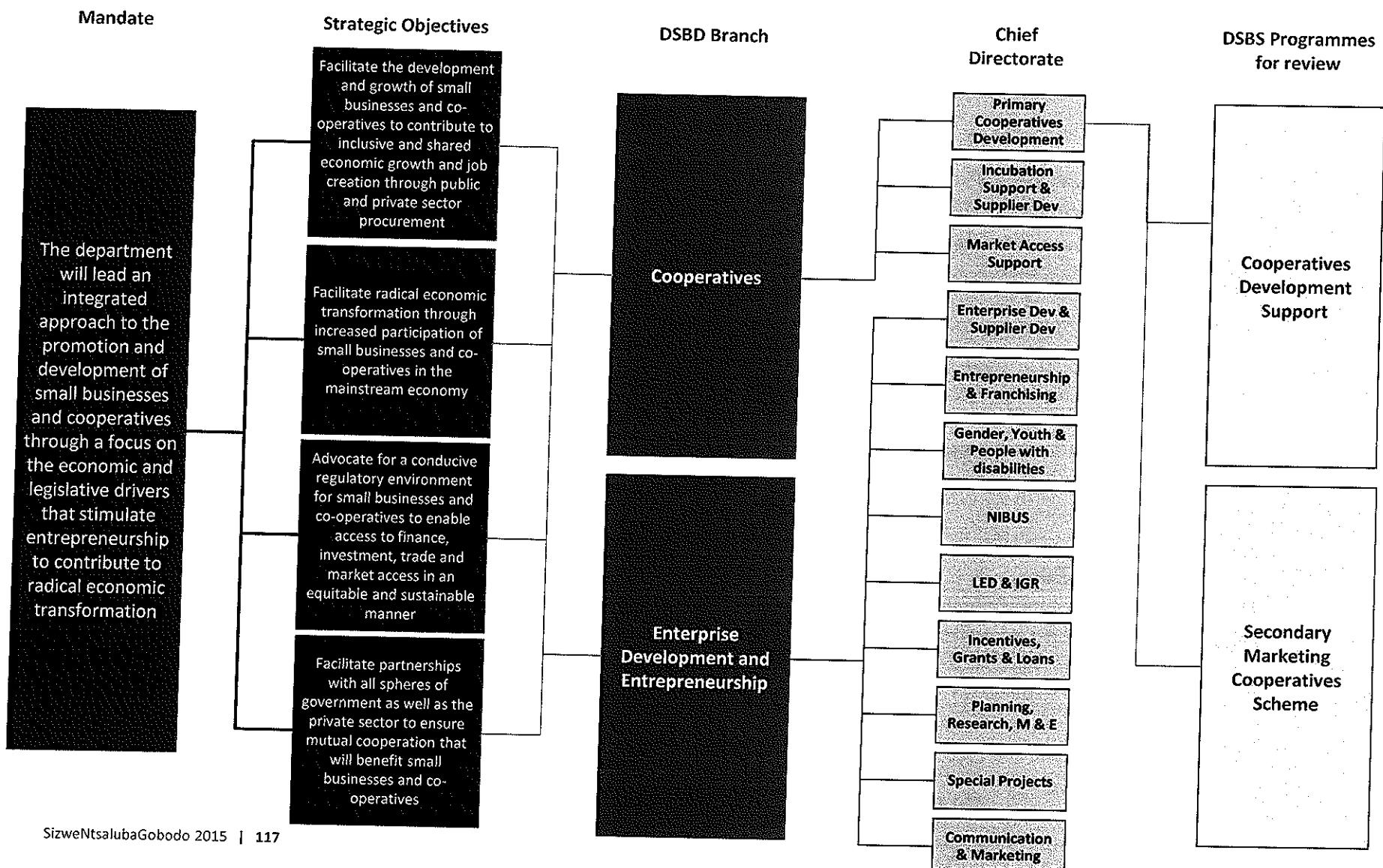
- This programme does not provide sufficient post-investment support programmes implementation partner needs to be SEDA for all incentive programmes
- Implementation partner needs to be SEDA for all incentive programmes
- This programme does not provide sufficient post-investment support

Key Findings

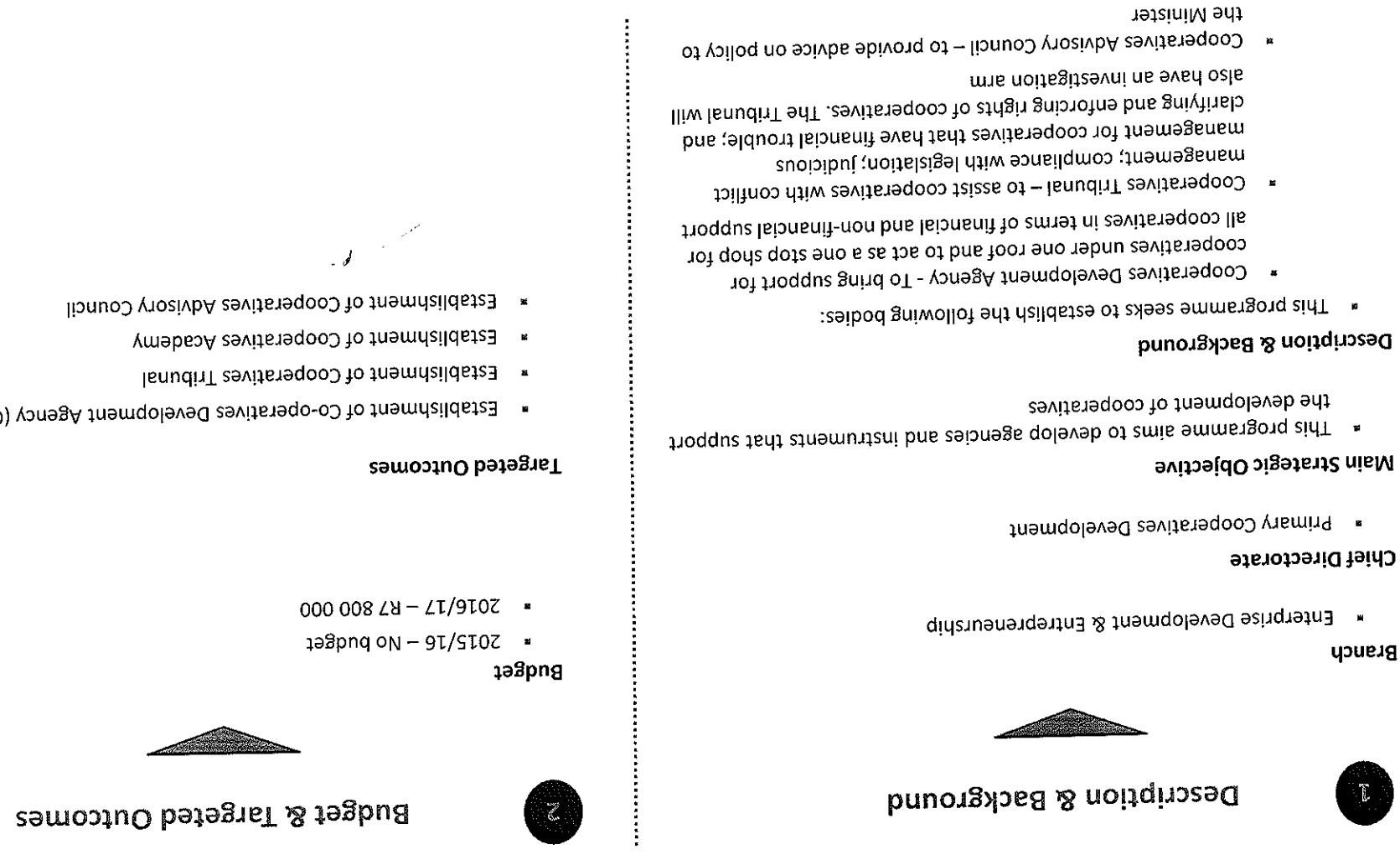
IMPLEMENTATION	DESIGN & EFFICIENCY	LEVEL OF IMPACT &	STRATEGIC
15)	11	4	3.5
TOTAL (out of 15)			
Opportunities	Alignments	Programme Design	Resource Utilization
Opportunities	Alignments	Programme Design	Resource Utilization

Programme Alignment

Chief Directorate: Primary Cooperatives Development



Not included in APP yet, but driven by the department



Cooperatives Development Support Programme

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate Alignment to Strategy	Programme Design Resource Utilization	Capacity to Deliver Opportunity Costs	
Cooperatives Development Support Programme	4.5	4	4	12.5

Key Findings

- Cooperatives are not well understood in South Africa. In most countries where they been successful, they are tools for scaling small enterprises. However, the current focus is more on rural employment and poverty alleviation and this is not necessarily compatible with this type of entity. As a result, the failure rate is much higher than that of traditional start-up enterprises
- A way to improve success rates maybe to require upfront viability testing and/or non-financial support and training prior to accessing incentives or grants
- Change management when the DSBD was established has left a lot of issues unclarified & the performance agreement that is currently in place is for the old cooperatives structure
- SEDA and SEFA cooperative components should be migrated to the Cooperatives Development Agency, as this will give both sides clearer mandates

Recommendations

- This programme should be prioritised by the department. While it's possible to make an argument for separating cooperatives into stand alone function, or to integrate into same value chain as traditional SMMS, what's clear is that a new approach to cooperatives is required. We favour the creation of a stand alone structure for cooperatives in order to achieve this. The department needs to complete the consultations on the Cooperatives Amendment Act, and formally adopt a new structure and capacitate the department with the necessary budget and set in motion the process of creating the necessary entities
- The department should consider housing and collocating the Cooperatives Development Agency within SEDA structures in its early stages

Secondary Marketing Cooperatives Scheme

Programme Summary

- #### **ENTREPRENEURSHIP**

Description & Background

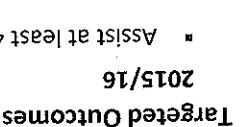


Budget & Targeted Outcomes



TARGETED OUTCOMES

2015/16 ■ ASSIST AT LEAST 4 SECONDARY COOPERATIVES



- This is a new programme that does not have its own budget line and that is being funded using the Cooperatives Incentive Scheme

1

Chief Directorate

- #### **Primary Cooperatives Development**

Main Strategic Objective

- To assist secondary marketing cooperatives to provide specialised managerial services not available within the cooperative, such as quality control, logistical services, bulk-buying, marketing and other value-added services to primary cooperatives, bulk-buying, marketing their potential to achieve economies of scale, obtain fair market prices for goods and services
 - This programme assists secondary cooperatives to provide specialised managerial services to support primary cooperatives. The programme was initially meant to focus on the agriculture sector, but focuses on all sectors except the services sector at the moment. This programme is a sub-programme of Cooperatives Incentive Scheme

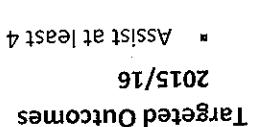
Description & Background

- Assist at least 8 secondary cooperatives

2016/17

- Assist at least 4 secondary cooperatives

Targeted Outcomes



- Assist at least 8 secondary cooperatives

2016/17

- Assist at least 4 secondary cooperatives

- Assist at least 8 secondary cooperatives

2016/17

- Assist at least 4 secondary cooperatives

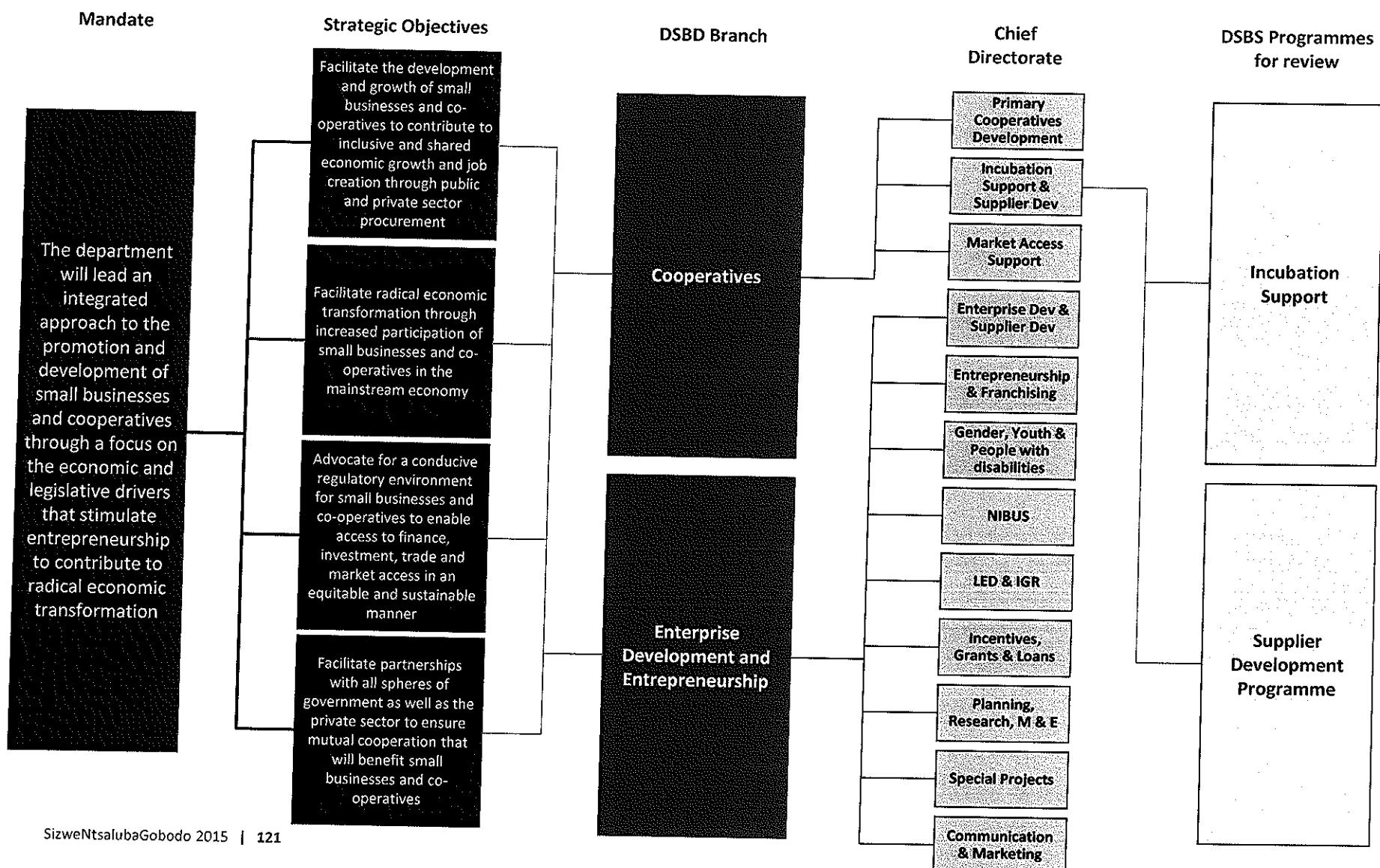
Descrição

- To assist secondary marketing cooperatives to provide specialised managerial services not available within the cooperative, such as quality control, logistical services, bulk-buying, marketing and other value-added services to primary cooperatives, bulk-buying, marketing their potential to achieve economies of scale, obtain fair market prices for goods and services
 - This programme assists secondary cooperatives to provide specialised managerial services to support primary cooperatives. The programme was initially meant to focus on the agriculture sector, but focuses on all sectors except the services sector at the moment. This programme is a sub-programme of Cooperatives Incentive Scheme

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Programme Alignment

Chief Directorate: Incubation Support & Supplier Development



Secondary Marketing Cooperatives Scheme

Key Findings & Recommendations

PROGRAMME SCORING						Secondary Marketing Cooperatives Scheme		
STRATEGIC	LEVEL OF IMPACT &	DESIGN & EFFICIENCY	OPPORTUNITY COST	ALIGNMENT TO MANDATE	PROGRAMME DESIGN	RESOURCE UTILIZATION	ALIGNMENT TO STRATEGY	OPPORTUNITY COSTS
15	10.5	3.5	4	3				

Key Findings

- This programme should be upscale by the department. While it's possible to make an argument for separating cooperatives into stand alone function, or to integrate them into same value chain as traditional SMEs, what's clear is that a new approach to cooperatives is required. We favour the creation of a stand alone structure for cooperatives in order to achieve this. The department needs to complete the consultations on the Cooperatives Amendment Act, and formally adopt a new structure and capacitate the department with the necessary budget and set in motion the process of creating principles as per primary cooperatives regarding the overarchingly principles.
- Needs to be set up so that it is administered by the Cooperatives Development Agency (once it is established)
- We suggest holding off on expenditure until overarching principles and structures for cooperatives have been finalised

Recommendations

Incubation Support Programme

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Incubation Support & Supplier Development Programme

Main Strategic Objective

- To provide cooperatives with technical skills and business management skills over a 3 year incubation period. The programme also seeks to provide cooperatives with market access opportunities at the end of the 3 year period. This programme also supports SMMEs

Description & Background

- The programmes main activities include: communicating with private sector to inform them about the programme and requesting them to incubate small businesses and cooperatives; training enterprises in the incubation programme and seeking out market access opportunities for them; sharing the cost of the incubation programme with private sector partners on a 50/50 or 60/40 basis

APP Programme

2

Budget & Targeted Outcomes



Budget

- 2015/16 – Did not have a budget. Incentive scheme was administered by the dti
- 2016/17 – R200 000 000

Targeted Outcomes

2015/16

- Establish 9 incubators

2016/17

- Establish 20 incubators

Incuabation Support Programme

Key Findings & Recommendations

PROGRAMME SCORING							Incuabation Support Programme
STRATEGIC	LEVEL OF IMPACT &	PROGRAMME	DESIGN & EFFICIENCY	OPPORTUNITY COST	TOTAL (out of 15)	12.5	
Allignment to Mandate	Programme Design	Capacity to Deliver	Resource Utilization	Allignment to Strategy	Opportunity Costs	Joint mandate for SMEs and cooperatives will need to be separated if the cooperatives function is separated provided by SEDA or another agency This is an implementation function that should potentially be provided by SEDA or another agency Partnering on a 50/50 basis limits the programme to the department's budget and leaves the remainder of the private sector spend unutilised	Needs to be tightly linked to the supplier development programme

Key Findings

Recommendations						
Joint mandate for SMEs and cooperatives will need to be separated if the cooperatives function is separated	provided by SEDA or another agency	This is an implementation function that should potentially be provided by SEDA or another agency	Partnering on a 50/50 basis limits the programme to the department's budget and leaves the remainder of the private sector	spend unutilised	Needs to be tightly linked to the supplier development programme	
This programme should be transferred to SEDA						
Consider separating joint mandate for SMEs and cooperatives if the cooperatives function is separated						

Supplier Development Programme

Programme Summary

1

Description & Background



Branch

- Enterprise Development & Entrepreneurship

Chief Directorate

- Incubation Support & Supplier Development Programme

Description & Background

- This programme entails negotiating with private sector to provide supplier development opportunities to cooperatives

APP Programme, but captured as linkages to market

2

Budget & Targeted Outcomes



Budget

- There is no budget for supplier development because this programme mainly entails talking to private sector partners. Only travelling and accommodation costs are incurred

Targeted Outcomes

2015/16

- 5 cooperatives to be linked to the market

2016/17

- 10 cooperatives to be linked to the market

Supplier Development Programme

Key Findings & Recommendations

PROGRAMME SCORING						Supplier Development Programme						
STRATEGIC	LEVEL OF IMPACT &	DESIGN & EFFICIENCY	OPPORTUNITY COST	RELIEVANCE	PROGRAMME	ALIGNMENT TO MANDATE	PROGRAMME DESIGN	CAPACITY TO DELIVER	RESOURCE UTILISATION	ALIGNMENT TO STRATEGY	OPPORTUNITY COSTS	TOTAL (out of 15)
5	4	3.5	5	12.5								

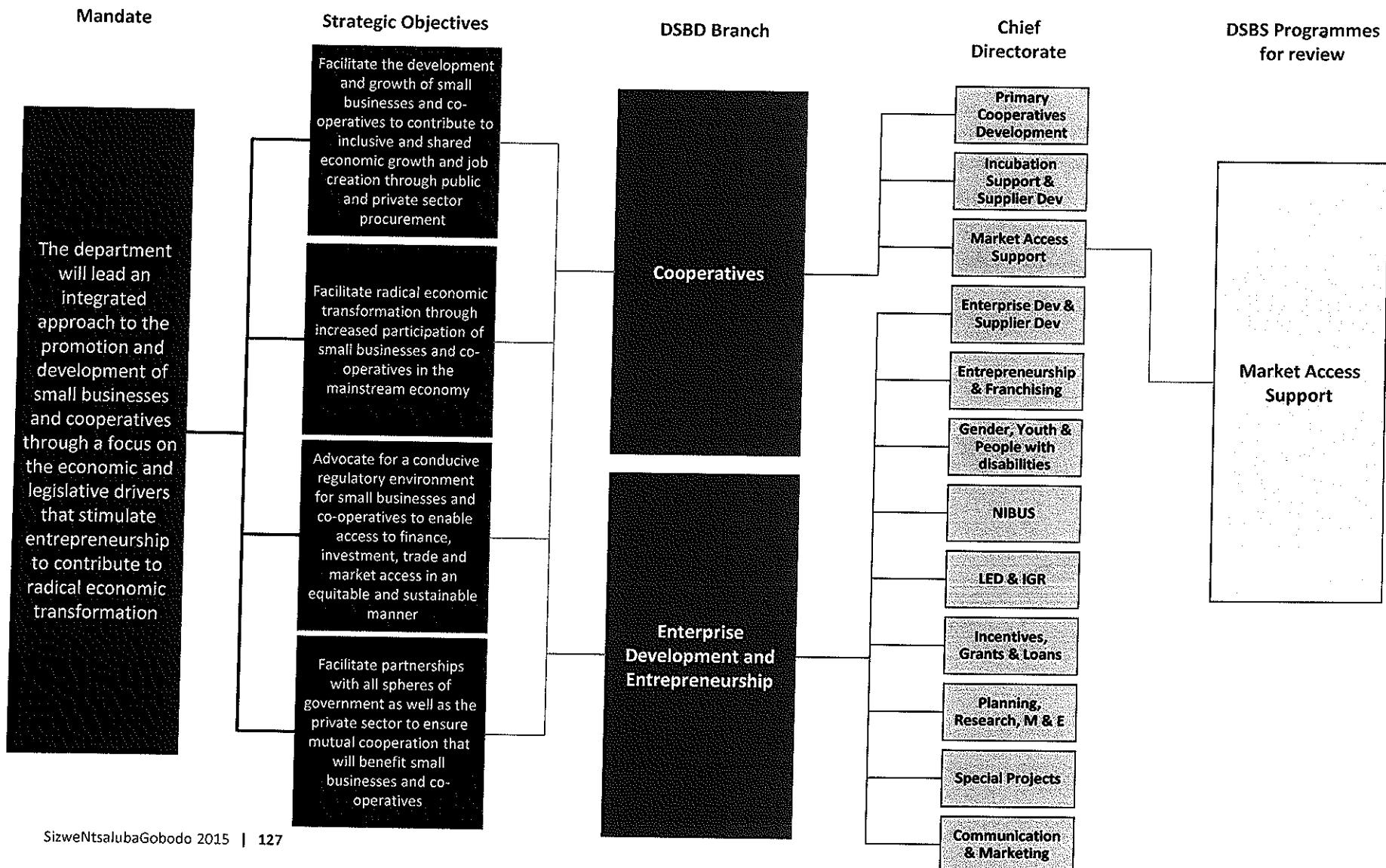
Recommendations

- Private sector cooperation is a challenge
- There is a further challenge of linking the suppliers' products with customer demand
- Needs to be tightly linked to the incubation support programme
- Cooperatives function is separated
- Consider separating joint mandate for SMEs and cooperatives if the cooperatives programme should be up scaled and transferred to SEDA
- This programme should be up scaled and transferred to SEDA

Key Findings

Programme Alignment

Chief Directorate: Incubation Support & Supplier Development



Market Access Support

Description & Background

- #### ■ Enterprise Development & Entrepreneurship

Programme Summary

- Market Access Support

Main Strategic Objective

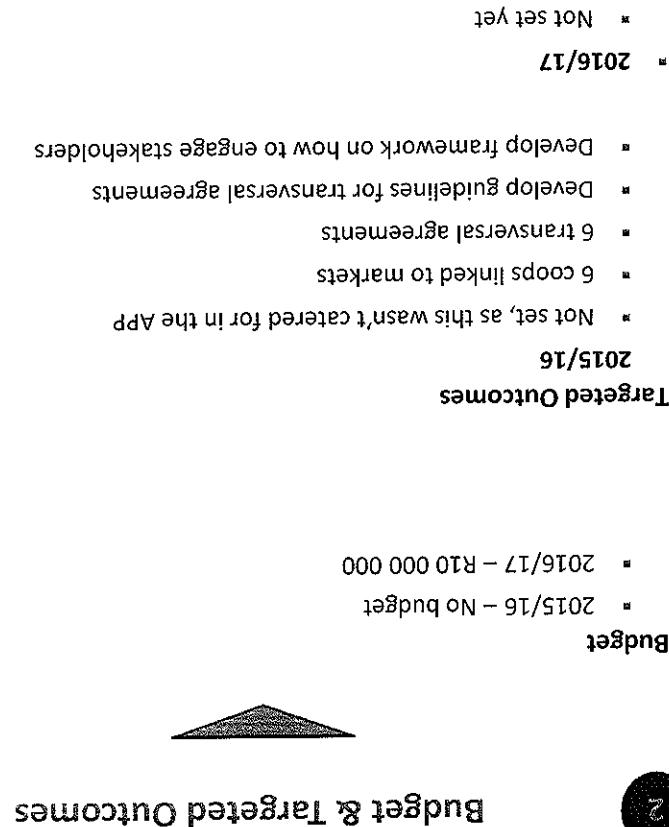
- To engage with the private sector to create market access opportunities for SMEs and cooperatives

Description & Background

- Market Access Support is a programme that was started in July 2015, which entails engaging with private sector partners to create market access opportunities for SMEs and cooperatives

Not an APP Programme

- 2016/17



Market Access Support

Key Findings & Recommendations

PROGRAMME SCORING	STRATEGIC RELEVANCE	PROGRAMME DESIGN & EFFICIENCY	LEVEL OF IMPACT & OPPORTUNITY COST	TOTAL (out of 15)
	Alignment to Mandate	Programme Design	Capacity to Deliver	
Market Access Support	3.5	4	5	12.5

Key Findings	Recommendations
<ul style="list-style-type: none"> ▪ There are 3 or 4 other sub units within the DSBD that run market access related programmes and there is no coordination between these units ▪ There isn't a common communication plan for engaging with private sector partners in relation to market access, incubation as well as enterprise and supplier development which causes confusion ▪ Private sector does not understand how cooperatives function and these entities are not viewed in a serious light by potential private sector partners for market access opportunities ▪ When market access opportunities arise, there is insufficient immediate support to assist SMMEs to meet quality or quantity standards that are required by procurers 	<ul style="list-style-type: none"> ▪ This programme should be <u>upscaled and transferred</u> to SEDA ▪ Consider separating joint mandate for SMMEs and cooperatives if the cooperatives function is separated ▪ The department needs to ensure a stronger and more responsive working relationship with SEDA and SEFA to offer required support to SMMEs when market opportunities arise. The department and its agencies need a system that enables SMMEs to respond to opportunities without delay ▪ The functions for market access, incubation as well as enterprise and supplier development must be clearly defined and coordinated between all units within the department and its agencies to ensure accountability, and to eliminate confusion & duplication

