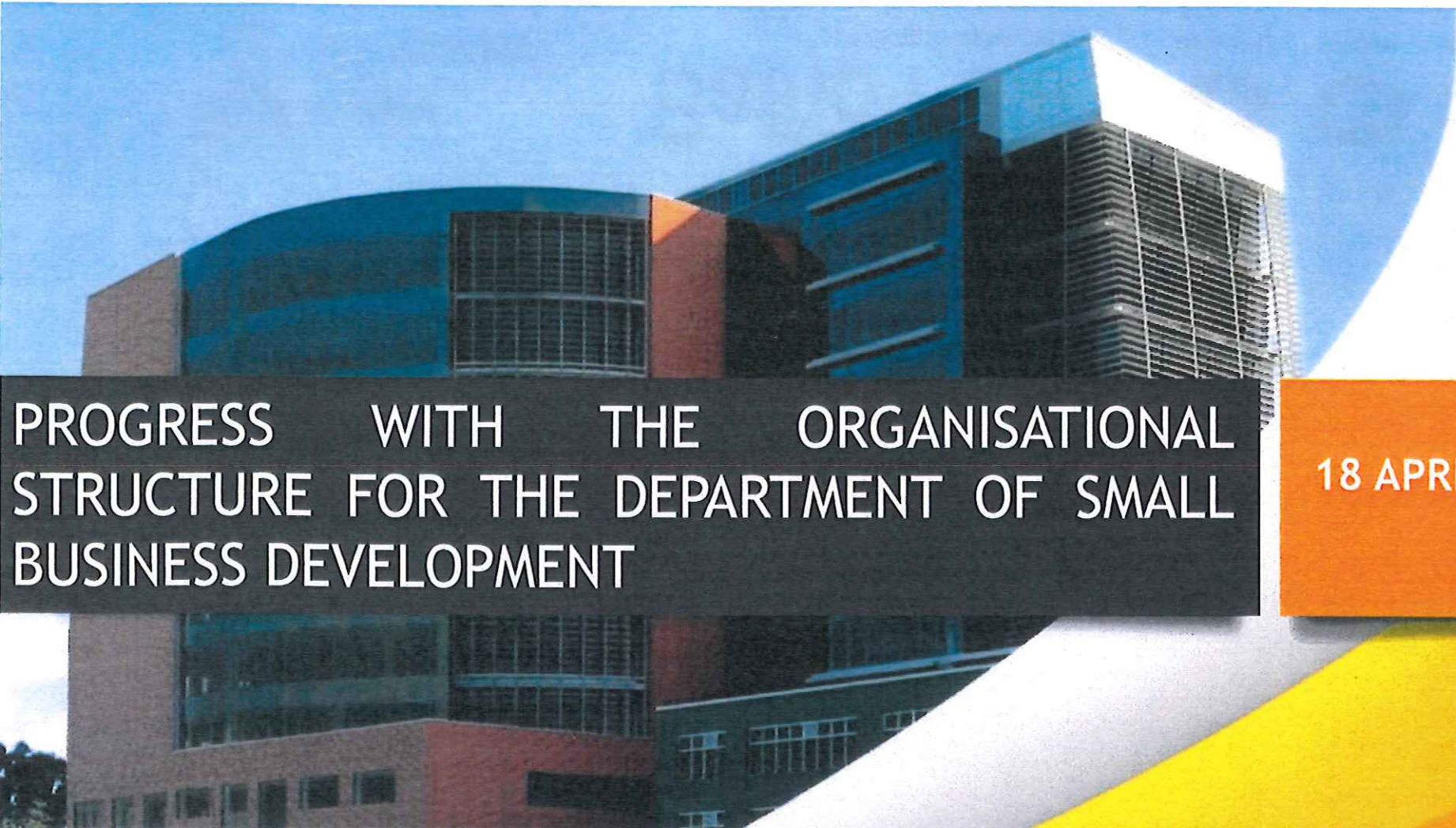


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PROGRESS WITH THE ORGANISATIONAL STRUCTURE FOR THE DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

18 APRIL 2018



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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

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PRESENTATION OUTLINE

2

1. Purpose of the presentation



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PURPOSE OF THE PRESENTATION

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- To provide progress report to the Portfolio Committee on Small Business Development regarding the organisational structure for the Department of Small Business Development following the meeting held on 18 April 2018.



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PROGRESS REGARDING THE ORGANISATIONAL STRUCTURE OF THE DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

4

- On 2 May and 3 October 2017 , the DPSA presented to the Portfolio Committee (PC) progress on the Organisational Structure of the Department of Small Business Development.
- The PC deliberated on the presentation by Officials from the Department of Public Service and Administration and made recommendations which the DPSA had to share with the Department of Small Business Development (DSBD).
- Following the meeting of 3 October 2017, a meeting was held between officials from the DPSA and the DSBD on 29 November 2017 to discuss the state of the organisational structure.



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Structure Progress as at 17 April 2018

In respect of the functional and organisational structure of the Department of Small Business Development (DSBD), the following progress was made:

- a) The Department finalised the service delivery model.
- b) All posts transferred from the DTI have been catered for on the approved start-up structure.
- c) Placement on the start-up structure have been completed and submitted to the DPSA for record purposes.
- d) The Department has finalise the proposed organisational structure.
- e) The Job Evaluation process for all posts has been concluded.

NMOS PROCESESS

6

- In respect of core functions 189 posts were identified for transfer. This number was reduced in respect of Export development (21 posts) and skills for the economy (3 posts).
- In effect 166 employees where transferred to DSBD (it was confirmed by the name list supplied by the DTI).
- In respect of Export Development 5 employees where transferred with effect from 1 September 2014. these employees where transferred back to the DTI in 01 April 2015.
- From the discussions it appears that the transfer of such a small unit may be insufficient to attend to the whole Export Development service delivery value chain.
- The implication is that the Export Development functions have not been transferred to the Department.
- It is therefore recommended that the Political Principals need to decide on the location of the Export development functions.



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NMOS PROCESESS

7

- In respect of support services the DTI identify 36 employees for transfer based on functionality , shared services and segregation of duties.
- Of the 36 employees 15 employees were transferred and the DSBD declined the transfer of 21 support services employees.
- It is recommended that the proposed organisational structure of the DSBD for support services be aligned to approved generic functional structure for Programme 1.



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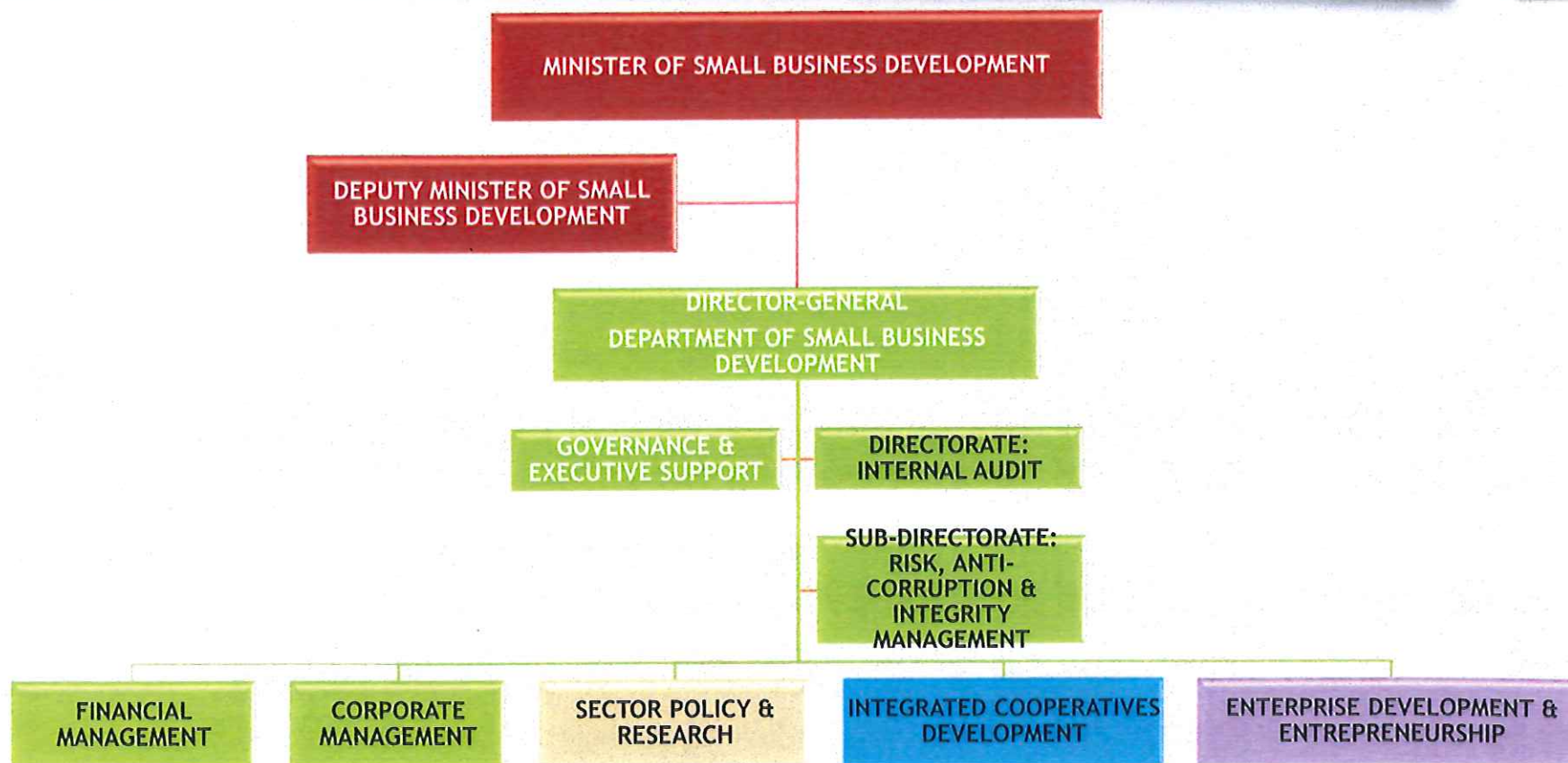


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PROPOSED MACRO ORGANISATIONAL STRUCTURE OF THE DSBD



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BRANCH 2: SECTOR POLICY & RESEARCH

Purpose: To oversee the creation of a knowledge and policy environment that contributes toward the creation of employment and economic growth by SMMEs and Cooperatives.

Functions:

1. Oversee the provision of research and knowledge management services to direct evidence based policy making.
2. Oversee the provision of policies and legislation that create and promote sustainable growth opportunities for cooperatives and SMMEs
3. Oversee the promotion of small businesses and cooperatives interests in the global space at regional and international forums.
4. Oversee the provision of a sector monitoring and evaluation services that improve service delivery outcomes.

CHIEF DIRECTORATE: RESEARCH, POLICY & LEGISLATION

Purpose: To manage the provision of research and economic planning that directs evidence based policy making and promote sustainable growth opportunities for cooperatives and SMMEs

Functions:

1. Manage the provision of evidence based research services to direct sector thought leadership and guide evidence based policy making and programme design
2. Provide legislation that creates and promotes sustainable growth opportunities for small businesses and cooperatives
3. Provide policy to advance coordination and cooperation amongst the different spheres of government.
4. Provide economic planning and sets the DSBD research agenda

RED TAPE REDUCTION (Directorates)

Purpose: To provide research that informs the reduction of onerous regulatory hurdles (red tape reduction).

Functions:

1. Coordinate red tape reduction dialogues.
2. Provide research that targets key challenges informed by National Imperatives such as red tape reduction and the creation of entry opportunities for SMMEs.
3. Coordinate and facilitate research projects to identify hindrances to small business and cooperatives establishment and growth.
4. Promote SMME and cooperatives development and growth during the development of National, Provincial and Local legislation and policy

CHIEF DIRECTORATE: INTERNATIONAL COOPERATIONS & TRADE PROMOTION

Purpose: To provide for the protection of the interests of SMMEs and cooperatives on International Agreements

Functions:

1. Manage international relations interventions focusing on SMME and Cooperatives development (BRICS, IBSA, G20, Trade agreements, etc)
2. Negotiate and manage cooperation and trade agreements
3. Provide developmental partnership services (donor funding)

MONITORING & EVALUATION

Purpose: To manage the provision of a sector monitoring and evaluation service that improve service delivery outcomes across government; and benchmarking against international best practices

Functions:

1. Manage and coordinate the evaluation of public sector SMME & Cooperatives interventions.
2. Manage the review of SMME and Cooperatives performance.
3. Manage the monitoring and evaluation of strategic priorities e.g. 30% set asides, localisation, etc
4. Manage the impact assessment for the SBD portfolio



BRANCH 3: INTEGRATED COOPERATIVES DEVELOPMENT

Purpose: To create and maintain a sound ecosystem that enhances the establishment, growth and sustainability of cooperatives that create jobs and contributes to economic growth.

Functions:

1. Transform the cooperatives development support through policy instruments and advocacy to enhance the value chain in targeted sectors
2. Design models, approaches and programmes to assist in the establishment, growth and sustainability of cooperatives (i.e. life cycle stages of cooperatives development)
3. Drive strategic partnerships with public and private sector and civil society in order to improve performance of the cooperative sector

CHIEF DIRECTORATE: COOPERATIVES DEVELOPMENT

Purpose: To transform the cooperatives development support through policy instruments and advocacy to enhance the value chain in targeted sectors

Functions:

1. Manage and provide oversight on the implementation of applicable legislative and regulatory requirements (e.g. Cooperatives Act, white paper, integrated strategy, etc.)
2. Integrate Cooperatives into private sector value chains
3. Champion the enforcement of government policies that favours cooperatives (e.g. 30 day payment, – holding accountable – enforcement of government policies – buy from local Cooperatives)
4. Monitor and influence the implementation of Cooperatives programmes performance.
5. Facilitate the establishment of institutional arrangements (includes Agency, Academy and Tribunals)
6. Provide technical support to institutional arrangements (Agency, Tribunal, Academy)
7. Provide an oversight service of institutional arrangements

DIRECTORATES: COOPERATIVES PROGRAMME DESIGN & SUPPORT

(NOTE: DIRECTORATES WILL FOCUS ON PRIMARY, SECONDARY & TERTIARY)

Purpose: To design models, approaches and programmes to assist in the establishment, growth and sustainability of cooperatives (i.e. life cycle stages of cooperatives development)

Functions:

1. Design models, programmes and mechanisms for the a) primary b) secondary and c) tertiary cooperatives.
2. Review existing models, programmes and mechanisms.
3. Develop programmes to assist to improve quality of products and assist local suppliers to expand production capacity.
4. Formulate instruments to assist suppliers to reduce input costs and provides a rout to market to deserving products.
5. Pilot new and improved programmes.
6. Package and popularise transfer of models
7. Monitor implementation of models, programmes and mechanisms.
8. Report on implementation progress.
9. Coordinate implementation of financial and non-financial support to promote economic viability and sustainability.
10. Mobilise financial and technical resources from public and private sector stakeholders to fast-track development in prioritised areas.
11. Provide post-investment support to Cooperatives.
12. Build strategic business linkages to ensure maximum impact on incentives.

CHIEF DIRECTORATE: SUPPLIER DEVELOPMENT & MARKET ACCESS

Purpose: To coordinate & manage strategic partnerships with the public sector, private sector and civil society (Market Access)

Functions:

1. Manage the creation of an enabling environment for informal traders and small businesses by facilitating strategic partnerships and provide market access opportunities
2. Provide technical support and guidance to provinces and municipalities in the implementation of enterprise development strategies

BRANCH 4: ENTERPRISE DEVELOPMENT & ENTREPRENEURSHIP

Purpose: To oversee the promotion of an ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small businesses

Functions:

1. Drive the transformation of the economy through SMME development through policy instruments and advocacy
2. Oversee the provision of models and programmes aimed at the establishment, growth and sustainability of small businesses / Coordinate and facilitate the design & review of models and programmes aimed at the establishment, growth and sustainability of the small businesses
3. Drive the conceptualisation and implementation of a national framework to promote the culture of entrepreneurship & innovation. / Lead the conceptualisation and implementation of a national framework to promote the culture of entrepreneurship & innovation

CHIEF DIRECTORATE: ENTERPRISE & SUPPLIER DEVELOPMENT

Purpose: To drive the transformation of the economy through SMME development through policy instruments and advocacy

Functions:

1. Manage and provide oversight on the implementation of applicable legislative and regulatory requirements (e.g. National Small Business Act, white paper, integrated strategy, etc.)
2. Integrate SMMEs into private sector value chains
3. Champion the enforcement of government policies that favours small business (e.g. 30 day payment, – holding accountable – enforcement of government policies – buy from local SMMEs)
4. Monitor and influence the implementation of Enterprise Development programmes performance.

CHIEF DIRECTORATE: SMME PROGRAMME DESIGN & SUPPORT

NOTE: INFORMAL BUSINESS, START-UPS, GROWTH & SUSTAINABILITY CURRENTLY SUB-DIRECTORATES UNDER ONE DIRECTOR

Purpose: To coordinate and facilitate the design & review of models and programmes aimed at the establishment, growth and sustainability of the small businesses.

Functions:

1. Design models, programmes and mechanisms for the a) informal sector ecosystem b) start-ups c) growth and mature phases.
2. Review existing models, programmes and mechanisms.
3. Pilot new and improved programmes.
4. Package and popularise transfer of models
5. Monitor implementation of models, programmes and mechanisms.
6. Report on implementation progress.
7. Coordinate implementation of financial and non-financial support to boost broad-based economic empowerment.
8. Mobilise financial and technical resources from public and private sector stakeholders to fast-track enterprise development in prioritised areas.
9. Provide post-investment support to SMMEs
10. Build strategic business linkages to ensure maximum impact on incentives.

ENTREPRENEURSHIP

Purpose: To manage the conceptualisation of the implementation of an entrepreneurship development framework

Functions:

1. Coordinate the provision of an entrepreneurship development and support service (framework)
2. Facilitate and coordinate access to education & advocacy
3. Facilitate and coordinate the design of programmes that supports entrepreneurship and innovation (includes Incubation, ideation)
4. Manage the promotion for innovation and access to appropriate technologies

WAY FORWARD

- The DPSA noted that the GTAC is in the process of developing a business case for the amalgamation of SEFA (under EDD) and SEDA (under SBD) with the aim to amend the National Small Development Act.
- The organisational structure should therefore also provide for governance, performance and financial oversight of entities in the portfolio.
- A pre-consultation meeting with the DPSA has been requested as soon as possible to assess the proposed organisational structure for core and support functions, prior to formal submission to the MPSA.
- The DPSA will support the Department with the finalisation of the organisational structure which need to be implemented in a phase manner within the appropriated funding.