

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 24 FEBRUARY 2023**

**“117. Inkosi B N Luthuli (IFP) to ask the Minister of Small Business Development:**

**With reference to the energy relief packages that she is offering to small-, medium- and micro-enterprises (SMMEs) that have been detrimentally affected by national power outages, (a) how does her department intend to fund the provision of the specified relief packages to the thousands of SMMEs in the Republic and (b) will these be once-off packages or will her department be providing businesses with support until there is a more sustainable electricity supply? NW121E**

**REPLY: I have been advised by the department as follows:**

1. The Department of Small Business Development (DSBD) together with its agencies, the Small Enterprise Development Agency (Seda) and the Small Enterprise Finance Agency (**sefa**) are looking at a multi-pronged approach for supporting SMMEs affected by loadshedding:
2. The Power Purchase Product (PPP) is an immediate relief for formal and informal enterprises (alternative power sources). It is an initiative of the SBD Portfolio (DSBD, Seda and **sefa**) to support SMMEs with alternative energy generating equipment (generators and Photovoltaic installations - PV). The programme will be implemented via the existing programme structures as follows:
   * The PPP is an initiative in the SBD Portfolio (DSBD, Seda and **sefa**) to support SMMEs with alternative energy generating equipment (generators and Photovoltaic installations - PV). The programme will be implemented via the existing programme structures.
   * Informal and Micro business to be supported via DSBD’s Informal and Micro Enterprise Development Programme (IMEDP).
   * Small to Medium enterprises to be supported through **sefa**’s Township and Rural Entrepreneurship Programme (TREP).
   * The power purchase IMEDP will be a 100% grant programme, whilst the TREP power purchase will be a blended term loan facility of 50% of the installed price (50% grant and 50% term loan).
   * The programme will utilise the services and capacity of existing suppliers of equipment and accredited installers.
3. Guarantee programme via the Bounce Back Scheme administered by Khula Credit Guarantee (KCG) on behalf of government. This is a medium to long term intervention that still require intense discussion relevant parties including the National treasury who are the custodian of the scheme.

* Ongoing discussions with National Treasury indicate their interest and consideration of opening up the bounce back scheme to all Development Finance Institutions.

(b) The Department will provide support to formal and informal enterprises as immediate intervention and within the available financial resources whilst working on the medium and long terms sustainable solutions.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: SMALL BUSINESS DEVELOPEMENT**