

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE IN PARLIAMENT: FRIDAY, 5 MAY 2023**

**“1357. Mr H C C Krüger (DA) to ask the Minister of Small Business Development:**

**(a) What partnerships has her department established with other (i) government agencies, (ii) local governments and (iii) private sector stakeholders to expand the reach and effectiveness of the Small Enterprise Finance Agency and the Small Enterprise Development Agency services in rural communities and (b) in what way are the specified collaborations contributing to the development of thriving small-, medium- and micro enterprises sector in the rural areas of the Republic? NW1559E**

**REPLY:**

(a)(i) The Small Enterprise Development Agency (Seda) has the following partnerships with Government Agencies

Training & Capacity Building –

* DHET – NSF Basic Entrepreneurial Skills Development
* MerSeta – skills development
* W&R Seta - skills development
* PSETA – skills development
* Stellenbosch University - hydroponics vegetable growing
* SALGA - collaboration at local government
* Seda, Entrepreneurial Planning Institute (EPI) & Institute of Business Advisors of South Africa
* (IBASA) Project on Capacity building of Business Advisors - re-grading Business Advisors

**(a)(ii) Local Government**

As part of the District Ecosystem Facilitation Model (DEF) implementation, which is linked to the District Development Model (DDM), Seda branches engaged with the following 9 district municipalities:

* Seda Western Cape has signed a tripartite agreement with the Department of Economic Development and Tourism (DEDAT) and the **Garden Route District Municipality (GRDM)**. Work has been ongoing in terms of the agreement.
* Seda Northern Cape - Namakwa branch had engagements with local municipalities, Kangnas Windfarm, BTE Renewables, and Vedanta Resources. The Review of the **John Taolo Gaetsewe (JTG) District “**One Plan” was concluded and approved by the Council.
* Seda’s Gauteng, City of Tshwane branch had a meeting on the new agreement with the **City of Tshwane** was held in March 2023. The agreement is in the final stages of being signed and it was agreed that the rollout on the district model would be discussed at the first quarterly meeting.
* Seda’s North West, Ngaka Modiri Molema Branch is actively involved in the District Development Model led by the **Ngaka Modiri Molema District Municipality** and Cogta and participated in the DDM Economic Development Work-Stream Meetings. Ecosystem projects include the Mafikeng trade hub, the District SMME Expo as well as the initiative on beneficiation of Hemp (Cannabis).
* Seda Eastern Cape - An agreement was signed at the launch of Seda’s District SMME Coordinating Council (DSCC) in the **Sarah Baartman District Municipality** which continues to be championed by the Seda’s Gqeberha / Port Elizabeth Branch.
* Northern Cape, the Seda ZFM branch in Kuruman, conducted a 3-day Farm management training with small scale farmers in the small-town agricultural town of Keimos within the **ZF Mgcawu District**. The training helped by upskilling them on the management activities and responsibilities involved in running an agri-business. Basic activities involved in the agri-management process were explained by providing examples and scenarios.
* Free State, Seda Thabo Mofutsanyana Branch within the **Thabo Mofutsanyane District** partnered with the Department of Correctional Services with the aim of developing a capacity program for inmates based in Bethlehem prison. The Provincial Regional Facilitator conducted self-mastery training.
* Free State, DESTEA in partnership with the Motheo TVET College hosted a Financial Symposium on the which was Seda Provincial Office and **Mangaung Branch** attended the session together with other stakeholders namely, Nedbank, Sefa, NEF, and the DTI to present offerings to the audience.
* Gauteng, Seda Joburg Branch collaborated with EkasiLab from the Innovation Hub to roll out design clinic training in **Soweto and Kagiso** for approximately 30 Small Businesses.

In terms of government departments and agencies, Seda and sefa participates in various DDM initiatives that are driven by DSBD. This ensures that there is closer collaboration with local municipalities and other local structures.

**(a)(iii) Private Sector Ecosystem Partners**

Seda’s engagement with the private sector ecosystem partners in 7 provinces as indicated below:

**Retail Motor Industry Organisation (RMI)***, Gauteng* **-** The partnership provides small enterprise development services to black informal and semi formal businesses who are candidates of the National African Association for Automobile Services Providers (NAAASP). Seda’s role is to provide business development support whilst RMI’s is to provide technical training, facilitate accreditation and facilitate access to retail automotive value chain.

**SAPPI,** *Mpumalanga* **-** Seda’s role is to provide non-financial business development support to Enterprises/ Suppliers selected by Sappi whilst the latter identifies and select Enterprises/ Suppliers for development.

**Gold One Mine,** *Gauteng* **-** Gold One provides access to contracts and SDP opportunities to SMMEs. Seda is currently working with the mine on a Cooperative Initiative. This involves supporting five (5) Bakery Cooperatives, which are based in Ekurhuleni Municipality.

**Kgodiso Development Fund,** *Northern Cape* **-** Seda to provide business development support to Enterprises/Suppliers selected by Kgodiso. Kgodiso to identify and select Enterprises/Suppliers for development.

**The South African Furniture Initiative (SAFI) Programme,** *Western Cape* - SAFI has identified youth artisans for business development support. Seda subsequently trained several of the potential clients on Business Awareness. Seven (7) clients have indicated that they are interested in further Seda assistance and were assigned to Business Advisors. At present only one (1) client (Werwel Holdings) is actively working with Seda WC.

**Shoprite** - Exotic Taste, a City of Cape Town, *Western Cape* client, has signed a deal with to supply products under its private label programme. Seda *Northern Cape*, De Aar, for supplier development opportunities in areas where Shoprite operates within Pixley. Seda *Free State* and the Shoprite Group are working towards having a Supplier Development Programme for Seda clients in the province. This partnership kickstarted with the branches identifying those SMMEs who have the potential to join the programme.

**Coca-Cola** partnered with Seda Gert Sibande Branch in *Mpumalanga* to train fifteen (15) businesses. Coca-Cola offers a 3-meter container valued at R150 000 and a Fridge to the Spaza Shops in rural and township areas.

**sefa** direct Lending has a total of 20 strategic partner institutions. These partnerships range from public, private sector institutions as well as business chambers and associations. The partnerships are managed through MOU’s by a dedicated unit that is geared towards generating a quality pipeline for **sefa**.

(b) The support provided by Seda in Business Development Services (BDS) is assisting the small enterprises in the areas where there is agreement with the Local Government and the Private Sector.

Seda continuously reflects on how it wants to position itself and contribute meaningfully to the small business ecosystem and understand the importance of extending our services and offerings to SMMEs and Cooperatives. With limited resources, the Agency continues to leverage on strategic partnerships and programmes that will stimulate economic growth, improve small enterprise performance, productivity, long-term sustainability whilst creating entrepreneurship awareness in these areas.

Seda is also in partnership with the United Nations Conference on Trade & Development’s (UNCTAD) Division of Investment and Enterprise United Nation’s Empretec training Programme. Empretec is a six day programme aimed based on a unique Harvard University methodology focusing on behavioural approach to entrepreneurship. The programme is interactive, experience and self-assessment based and takes 25-30 participants per workshop. Participants learn by doing. Participants on this programme receive an UNCTAD endorsed certificate. Programme develops Personal Entrepreneurial Competencies (PECs) such as Opportunity Seeking, Persistence, Goal setting, risk taking, fulfilling commitments, planning etc. for participants.

Seda has a dedicated programme, the Basic Entrepreneurship Skills Development (BESD) which was jointly developed by Seda and German Federal Ministry for Economic Cooperation and Development via Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) since 2012. The programme is funded by the National Skills Fund for an amount of R84 million. The BESD approach utilises coaching as an innovative methodology to facilitate and reinforce learning and development support to emerging entrepreneurs.

The SheTrades programme is a partnership between the International Trade Centre (ITC), DSBD and Seda to promote Women’s Entrepreneurship. ITC SheTrades has set up a Hub in South Africa to help South African women entrepreneurs increase their international competitiveness and connect to national, regional, and global markets through the SheTradesZA Hub. The primary objective of the Hub is to connect at least 10 000 women owned businesses to markets by 2024. This is part of South Africa’s contribution to ITC's goal of connecting three million women entrepreneurs to markets by 2023. Through the programme, women-owned businesses will be able to:

* Connect to potential buyers, investors, suppliers, business support organizations and SheTrades partners.
* Learn skills to boost business potential through free e-learning courses, on-site workshops, and webinars.
* Receive support to attend national, regional, and international trade fairs.
* Get chances to participate in B2B meetings.
* Access to investment opportunities.
* Increased visibility and larger network in international markets.

A total of 3004 women have registered as at the end of March 2023.

The following table lists other key partnerships already formalised and in the process of being formalised:

| **Partner** | **Purpose** |
| --- | --- |
| OR Tambo Co-operative Development Centre | Partnership with Coop centre on enterprise development.  Seda to provide non-financial support services such as Business Plans, access to markets, and training whilst the Coop Development Centre provides access to their database and share defined resources with Seda. |
| Department of Economic Development and Tourism  and Free State Development Corporation (FDC) | To Set-up of a Pop-up store for SMMEs in the Thabo Mofutsanyana district in Qwaqwa.  Seda is to Manage the store.  Department of Economic Development and Tourism and FDC to assist with monthly rental amount for a period of 12 months. |
| National Home Builders Registration Council (NHBRC) | Purpose: A partnership established due to a high demand of technical skills in the construction sector, particularly amongst disabled, youth & Women owned business based rural and Township areas.  Seda Thabo Mofutsanyana Branch to recruit clients.  NHBRC to provide training and manuals. |
| Gold One Mine | Purpose: Seda to provide non-financial support services such as Business Plans, Technology Transfer Funding and Marketing Support.  Gold One to provide access to contracts and Supplier Development (SDP) opportunities for their suppliers. |
| Anglo American | Supply Development Programme (SDP) around Fetakgomo Tubatse under Mototolo and De-Brochen shafts jurisdiction. Parties collaborate for SMME Development in terms of co-funding projects in the area identified and agreed by both parties.  Seda will facilitate non-financial support and Anglo will provide venue and funding for the client identified by both parties. |
| SFERA Training and Development | Partnering in the development of the Automotive sector, Agriculture, and ICT (Technical Specialist in Autobody Repairs accredited with all vehicle brands excluding BMW). |
| SIOC CDT Thabazimbi Hub | Appointed by Khumba Resources as the implementor of their Enterprise Supplier Development (ESD) and CSI in areas where the mine has closed to develop communities |
| SAPPI | Seda and Sappi intend to create a joint Enterprise / Supplier development programme.  Seda to provide non-financial business development support to Enterprises / Suppliers selected by SAPPI.  SAPPI to identify and select Enterprises / Suppliers for development |
| Columbus Steel  and  Gert Sibande District Municipality | The establishment of Virtual Incubation programme.  Seda to provide non-financial services.  Columbus Stainless Steel to provide technical support. Gert Sibande District will come with tools of trade. |
| Sishen Iron Ore Company (SOIC) | Seda to provide non-financial services support to SIOC contracted service providers as well as aspiring service providers. Parties to conduct joint outreach sessions.  SOIC to refer client to Seda for the provision of non-financial support. |
| Kangnas Windfarm | Seda to provide post funding interventions for clients that received funding from Kangnas Windfarm. |
| Bojanala Platinum District Municipality | Memorandum of Agreement on Enterprise Development and Events Partnership |
| Rustenburg Local Municipality | Memorandum of Agreement on Enterprise Development and Events Partnership. |
| Moses Kotane Local Municipality | Memorandum of Agreement on Enterprise Development and Events Partnership |
| National Youth Development Agency | NYDA co-locating with Seda to support youth owned enterprises with financial and non-financial services.  Participation in DDM and supporting Seda’s facilitation role |
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| Pick n Pay | Seda to assist clients with business development services to clients referred by PnP.  Pick n Pay to provide Seda with their supplier list.  Monitor and track the progress and successes of the working relationships and meet once a Quarter to discuss the progress and performance of the programme. |
| City of Cape Town  and  City of Cape Town Municipality | ESD support to their emerging vendors to become approved suppliers on the municipality’s database (cost sharing enterprise and supplier development programme).  Seda to provide Business Development Support to identified clients.  City of Cape Town to allocate funding towards the Supplier Development Programme. |
| Seda/DEDAT/GRDM | Facilitation of District Development Model  Roles: Joint SMME programmes in the Garden Route Region |
| Entrepreneurial Planning Institute (EPI)  and Institute of Business Advisors of South Africa (IBASA) | Partnership in the skills development of the small business development practitioners and small enterprises in the form of a webinar series, training, and development services  The Parties collaborate in:  Delivering educational webinars, formal training and enterprise development services for small business development practitioners and small enterprises.  Recruit and secure sponsorships and fundraising partners, from both public and private sectors, to cover the costs of delivering the activities falling under the Agreement. |
| Cherrie Blair Foundation  and Gordon Institute of Business Science (GIBS) | The purpose of the partnership is to train 2500 women owned businesses on the Cherrie Blair Foundation’s HerVenture App, an e-learning platform for training.  Seda through its network is responsible for the recruitment of the participants, assisting women owned businesses to download and utilize the HerVenture APP.  GIBS is the strategic partner of Cherie Blair Foundation for Women and responsible for the implementation of HerVenture Programme in South Africa. GIBS is responsible for the training of Seda Staff on the functionality of Her Venture App and provides technical support to the participating business owners. |
| Merseta | In 2021, DSBD, Seda and Merseta signed Agreement for Merseta to release the discretionary grant to Seda to the value of R 50million. The funding will be provided in phased approach over a 3-year period.  The purpose is to train Small Enterprise in the Automotive Trade Sector as well as facilitate Artisan Recognition of Prior Learning (ARPL). |
| United Nations Commission for Trade and Development (UNCDP) | To foment the entrepreneurial aptitudes and business behaviours oriented towards the growth and empowerment of entrepreneurs and promote an open entrepreneurship culture in the whole of South Africa.  Seda is the implementer of the Empretec programme in South Africa.  UNCTAD continues developing integrated capacity building programmes to assist national governments in their efforts to promote the creation of sustainable support structures for Small Medium Enterprises. |
| Enactus South Africa NPC | Purpose: To facilitate entrepreneurial community development projects driven by students and supported by business leaders.  Seda’s role is to make Business Advisors available for judging, training, and professional development, provide mentorship, conduct business assessments, and provide technical support.  Enactus’ role is to provide administration support in the co-ordination of joint events and projects between the two partners. |
| The South African Local Government Association | Purpose: To create a cooperative and collaborative framework in selected areas of capacity building and development.  Seda’s role is to implement the Small-Town Regeneration programme nationally.  SALGA’S role is to train LED officers, Councillors, Incubators etc. |
| National Skills Fund (NSF) | Seda applied to the National Skills Fund (NSF) requesting funding to benefit 14 000 beneficiaries for a total budget of R 592 275 000 for a period of 3 years.  The aim of the project was to recruit unemployed graduates with Accounting and Business Management qualifications to be trained on New Venture Creation, Coaching, and Mentorship Programme to enhance their skills to provide support to Micro Enterprises.  Seda will use coaching as an innovative methodology to facilitate and reinforce learning and development support to Micro Enterprises and the Unemployed graduates will be trained on new venture creation as well as business coaching to enable them to transfer skills & knowledge to Micro Enterprise owners. |
| University of Stellenbosch and  GEM SA  and  University of Johannesburg | Publication of the annual GEM SA 2021/22 report and the regional/municipal Ecosystem Index (ESI) report. |
| Retail Motor Industry (RMI) | Purpose: To provide small enterprise development services to black informal and semi formal businesses who are candidates of the National African Association for Automobile Services Providers (NAAASP).  Seda to Provision of Non-Financial and business development support.  RMI to provide technical training, facilitate accreditation and facilitate access to retail automotive value chain. |
| Umgeni Water | This is part of Seda’s Supplier Development Programme in which Provision of Non-Financial support, training, and aftercare support to SMMEs in the supply chain of Umgeni Water in order to build their operational capabilities, efficiencies and effectiveness. |
| W&R Seta | Seda and W&R Seta signed an Agreement to support one thousand (1000) Tuckshops, General Dealers to the value of R 9 975 000. |

**sefa** only enters a formal partnership with organisations that play a critical role in the SMME ecosystem – thus ensuring value add. In compliance with the Protection of Personal Information Act, **sefa** will not be able to divulge the names of individual partners – but it’s worth mentioning that these relationships are reported in the sefa management structures and some of them published in the annual reports.

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