**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: PQ1412**

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**Mr S C Motau (DA) to ask the Minister of Telecommunications and Postal Services:**

Whether (a) his department and (b) all entities reporting to him are running development programmes for (i) small businesses and (ii) co-operatives; if not, why not; if so, in each case, (aa) what are the relevant details, (bb) what amount has been budgeted and (cc) how many jobs will be created through the specified development programmes in the 2016-17 financial year?                                             **NW1560E**

**REPLY: DTPS**

**I have been advised by the Department as follows:**

1. (i) Not yet

(ii) Not yet.

* At a programme level, the Department has, for the 2016/17 financial year, prioritized the development of an **ICT SMME Strategy in line with ICT B-BBEE Sector Code.**The strategy would identify programmes to support and accelerate the development of ICT SMMEs across the ICT value chain.

The Department is also finalising a Traversal Agreement with the Department of Small Business Development, intended to ensure that ICT SMMEs and Cooperatives benefit from support programmes provided by portfolio organisations under the DSBD umbrella.

* At Supply Chain Management level, the Department ensures that all tenders include the 30% Set Aside for SMMEs, Co-Operatives, Township and Rural Enterprises as prescribed by Treasury.

 **REPLY: SOCs**

**I have been informed by the entities as follows:**

b) (i) **Yes** for Sentech, SAPO, BBI, SITA, Nemisa and .zaDNA.

No for USAASA. It has ICT programmes as per its mandate in the ECA. To this end, USAASA has subsidized the construction and extension of electronic communications through small operators such as MENG (28 million subsidy) and Galela (30 million subsidy). Whilst these are small licensed operators compared to the likes of Vodacom, MTN and CellC, however they fall outside the definition of SMME.

 (ii) Sentech – **No,** no programmes for Cooperatives for this financial year. Sentech will be exploring support for Women Cooperatives as a new development programmes for the next financial year.

SAPO – **Yes**. SAPO is running a Supplier and Enterprise Development Programme. The beneficiaries are Emerging Micro Enterprises, Black women owned, Youth owned, Rural women and Disabled people owned enterprises. Products and services that are used to anchor Enterprise development are postal services related. These include postal bags, speed services bags, owner driver vehicles, envelopes etc. R 34.9 million was spent on SMME’s in the past year and R76.1 million was spent on Black women owned enterprises. The Enterprise development budget is R120 million for the 2016/17 financial year and the projection is to create fifty (50) new jobs for each of the beneficiary categories.

BBI **– No.** This is because co-operatives had not responded to the public roadshows and forums conducted by BBI as many of them are not participating in the Telecoms Infrastructure sector. Co-operatives also did not respond to tenders issued by BBI.

SITA – **No**. SITA does not have a specific classification for co-operatives in its development programmes.

 NEMISA **– No.** NEMISA does not have development programmes for cooperatives as they were not the targeted group

.zaDNA - **No,** .zaDNA does not have development programmes for cooperatives, because it was not budgeted for 2016/17 financial year.

USAASA – No, USAASA runs programmes pertaining to ICASA licensed operators as required by the ECA. Cooperatives are not a feature in the ICT industry.

aa) The relevant details per SOC are as follows:

|  |  |
| --- | --- |
| **Entity:** | **Response:** |
| Sentech | Supplier Development (Institutional support & capacity to create more jobs), Enterprise Development (Support growth and expansion of existing SMMEs), SMME start up development (Business Support & Mentoring for potential entrepreneurs), Cooperatives Development (support new women cooperatives in ICT) and Grant (Small Medium Enterprises Support); |
| SAPO | Products and services that are used to anchor enterprise development are postal service related. Chief amongst these are red letter trays, postal bags, speed services bags, twine, owner driver vehicles and envelopes.  |
| BBI | Conducted Supplier Forums focusing on Basadi (Black Women) and Youth in various provinces. The objective of these forums was to encourage Basadi and Youth participation in the mainstream telecommunication industry and facilitation of transfer of technical skills and the development of black women and youth. The specific initiatives was information sharing on the telecommunication industry, providing information on BBI business and opportunities available, training on business and technical skills, fostering partnerships with Basadi, Youth and large businesses, encouraging Basadi and Youth suppliers to become contributors to BBBEE by improving their own contribution levels and thereby improving BBI procurement status, providing the environment and opportunities to increase the rand value of procurement-spend towards BBBEE and increase the number of BBBEE enterprises participating in BBI’s Basadi and Youth owned companies.  |
| SITA | Is in a process of concluding an agreement with two Original Equipment Manufacturers (OEMs) to assist in the development of SMME in specific technologies. Furthermore, SITA is in a process of appointing an economic transformation execution partner to accelerate the implementation of SMME development and other identified programmes. |
| NEMISA  | E-Literacy for Entrepreneurs, Mobile Tech Supporting Micro Business, e-Skills Course for Entrepreneurs and using Social Media for Entrepreneurs. |
| .zaDNA | The Registrar Reseller Programme is aimed at the historically disadvantaged people who are interested in the domain name registry business. The programme will train the individuals and give them a chance to become Registrars.  |
| USAASA | Not applicable.  |

bb) Sentech - Supplier Development (R1.2m), Enterprise Development (R200 000), SMME start up development (R170 000), Cooperatives Development (R200 000) and Grant (R2.8m);

 SAPO – R120m;

 BBI – R20 000;

 SITA – R3m;

 NEMISA – e-Literacy for Entrepreneurs (R17500), Mobile Tech Supporting Micro Business (R150 000), e-Skills Course for Entrepreneurs and using Social Media for Entrepreneurs (R71 5000);

 .zaDNA – R350 000;

USAASA – not applicable.

cc) Sentech – 36;

SAPO – 50

BBI – 20

SITA – 50

 NEMISA – already in business

.zaDNA – 20

USAASA – not applicable.