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**NATIONAL ASSEMBLY**

**QUESTION NUMBER: 1707**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 12 MAY 2023**

**INTERNAL QUESTION PAPER NUMBER: 16 - 2022**

**1707. Ms K L Khakhau (DA) to ask the Minister of Social Development:**

Whether she will furnish Ms K L Khakhau with a comprehensive breakdown of the procurement allocation of (a) her department and (b) every entity reporting to her in terms of the percentages allocated to (i) small-, medium- and micro-enterprises, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the Government in fostering an inclusive and diverse economic landscape (details furnished) in the (aa) 2021-22 financial year and (bb) since 1 April 2023?

**REPLY:**

**DSD**

The National Department of Social Development made provisions in terms of the allocation of its procurement spend in terms of the following procurement spend categories:

* Black Owned businesses
* Women-owned businesses
* Youth-owned businesses
* Businesses in Rural or Township areas
* Businesses owned by persons living with disabilities

The table below depicts the percentage spent and the rand value for the 2022/23 financial year for each of the categories indicated above.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Total spend | Black Owned | Women Owned | Youth Owned | Disability | Rural/Township |
| 21/22 | R358,75 | 146,620 000 | R71,830 000 | R24, 100 000 | R510 000 | R10 530 000 |
|  |  | 40,9% | 20% | 6,7% | 0,1% | 2,9% |
| 22/23 | R383,2 Mil | R150,770 000 | R 103,620 000  | R 16,850 000 | R 400 000 | R 10,590 000  |
|  |  | 39,3% | 27% | 4,3% | 0,1% | 2,8% |
| 23/24 | 31,86 Mil | R9,830 000 | R5,150 000 | R1, 730 000 | R120 000 | R2,710 000 |
|  |  | 30,8% | 16,1% | 5,4% | 0,4% | 8,5% |

**NB for 2023/24 the amounts included are up to 13 June 2023.**

**SASSA**

SASSA did not make provision for procurement allocation in respect of the three (3) categories as specified in the above question, NAPQ 1707 of 2023. However, the below figures depict the total expenditure towards the below designated groups. The total percentage spent for the designated groups in the 2022/2023 Financial Year is nine percent (9%).

Please note that National Treasury Practice Note Number SCM 2 of 2006, on the prohibition of set-asides was only repealed with effect from 16 January 2023, to align with Regulations, 2022.

(i) Total SMME/ EME expenditure is R 334,206,197.88

(ii) National Treasury Central Supplier Database

 does not make provision for Cooperatives as

 a category.

(iii) Total Township enterprise expenditure is

 R 281,214,251.33

(iv) Total rural expenditure is R 22,698,907.28

NDA

b) The procurement percentage allocation was against a total of R 26 574 444 and R 30 234 710 for the 2021-22 and 2022-23 financial years respectively. It is broken down as follows:

(i) R 23 908 290 and R 22 421 761 were allocated towards Small, Medium and Micro Enterprises which constitute 79,1% and 84,4% for the aa) 2021-22 and bb) 2022-23 financial years respectively.

(ii) R 124 942 and R 10 735 were allocated towards Cooperatives which constitutes 0,4% and 0,04% for the aa) 2021-22 and bb) 2022-23 financial years respectively.

(iii) R 845 319 and R 1 977 836 was allocated towards Township Enterprises which constitutes 2,8% and 7,4% for the aa) 2021-22 and bb) 2022-23 financial years respectively; and

(iv) R 504 377 and R 723 234 were allocated towards Rural Enterprises which constitutes 1,7% and 2,7% for the aa) 2021-22 and bb) 2022-23 financial years respectively.

The table below provides a detailed breakdown of the procurement spend per category for the 2021-22 and 2022-23 financial years.



