

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 3 SEPTEMBER 2021**

**“1772. Mr S N August (Good) to ask the Minister of Small Business Development:**

**(1****) Whether the Braai Café business model (details furnished) was piloted successfully; if not, what is the position in this regard; if so, (a) what total amount in start-up capital was invested to date for each year that the pilot was implemented, (b) what total number of young person’s directly benefited from the specified initiative, (c) where in the implementation process is the business model to date and (d) was the entire annual budget spent per financial year, since the date of establishment of the project;**

**(2) whether assets were purchased in support of realising the piloting of the project; if not, why not; if so, (a) what are the individual assets and where are they located at present, (b) what total number of assets were obtained over the 5-year period, (c) what were the assets to be used for, (d) were any automotive transportation modes acquired and (e) who has oversight and control of the assets and what plan exists to utilise them?” NW1980E**

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

1. The Department of Small Business Development (DSBD) piloted the Braai Café Programme which was coordinated through a partnership with the National Youth Development Agency (NYDA). This intervention is a youth-owned, micro-franchising project piloted in Mbekweni, Western Cape in 2019. The purpose and intent of the programme is to roll out a national youth-owned initiative owned through a cooperative business model to create and foster the next generation of entrepreneurs through structured interventions including incubation, coaching and mentorship, funding and after care support. The pilot project has revealed major challenges attributed to various factors impeding implementation as per the project plan.

(a) The DSBD set aside funding total value of R8 400 000.00 through the Cooperatives Incentives Scheme (CIS) to roll out the programme but only R1 800 000.00 was advanced to NYDA to invest in the pilot.

(b) The aim was to open fifteen Youth Cooperative Micro-restaurants, one hundred youth owning their own business through the cooperative’s model. However only one store in Mbekweni was piloted which had five co-operative members.

(c) The programme is currently halted as a review is being undertaken given the complaints received from other members of the cooperative.

(d) Out of a total of R1 800 000.00 that was advanced to the NYDA, R514 175.90 was spent and R1 285 824.10 was returned to DSBD and paid back to the National Treasury at the end of the 2020/21 Financial year as per Treasury Regulations.

2. (a) Assets were purchased in support of realising the pilot project which entail full kitchen equipment and delivery motor bikes.

(b) Assets purchased:

* Glass door underbar fridge.
* Anvil Axis Bain Marie- table top - 2 division.
* Anvil Axis Electric Double Pan Fryer (8kg).
* Munaaz e-cool  Double Glass Door Beverage Cooler.
* Munaaz e-cool Single Door Chest Freezer.
* Munaaz Double Bowl Preparation Sink 1500x650x915h.
* Overhead Pre Rinse Spray includes mixer taps.
* Munaaz 500x650x900 h double 10 liter fryer - 18kw floor standing with oil bin.
* Munaaz 5 burner gas flat top grill table model: specifications weight: 78 kg dimensions: 900x650x300h.
* Munaaz 2 burner boiling table grade 430 full stainless steel design anti-clog burners 2.5 350X800X 900h.
* 2000x1100 Munaaz Stainless Steel sloped vent hood complete with removable Cycloflow grease filters and grease catchment drawers.
* 2 Motor bikes.

(c) The assets were utilised to operationalise the co-operative and have the café fully functional.

(d) Two delivery motor bikes were purchased.

(e) The DSBD is the custodian of the Braai Café in partnership with the National Youth Development Agency (NYDA) as the implementation agency through a Memorandum of Understanding signed in 2019. The Department plays a critical role in the conceptualisation and designing of dedicated programmes to facilitate youth entrepreneurship. In this regard, the Department has conceptualised and coordinated the Braai Café programme. The Department’s role includes monitoring and evaluating the programme, regularly providing reports on the effectiveness of the programme.

The National Youth Development Agency (NYDA), as the implementor of the project, plays an oversight role and has control over the assets. The NYDA has recently embarked on a site visit and confirmed that all the assets are still in existence. As part of the programme review process, the department is looking at a more sustainable model of delivery where assets will be fully utilised by beneficiaries supported under the programme.

The Department’s remedial action includes the following:

* A site visit undertaken in April 2021 to ascertain challenges the co-operative is facing in respect of governance, an in-depth analysis of problems and risk factors inherent in the implementation of the project;
* The status and continued viability of Mbekweni co-operative assessed. Dissatisfaction regarding the governance and conflicts amongst members were identified as major problems attributable to the non-functional business operations;
* A legal opinion has been sought affording parties availability and applicability of remedies in law; and
* The Department has embarked on a programme review process in order streamline the delivery model ensuring that the initiative is integrated within the DSBD portfolio programme offering.

**MS STELLA NDABENI-ABRAHAMS, MP**

**MINISTER OF SMALL BUSINESS DEVELOPMENT**