

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: 3 SEPTEMBER 2021**

**“1811. Dr S S Thembekwayo (EFF) to ask the Minister of Small Business Development:**

**What (a) relief packages did her department provide to small businesses affected by the recent violence that followed the imprisonment of former President, Mr J G Zuma, and (b) is the demographic profile of the specified businesses that benefited from the relief packages?” NW2033E**

**REPLY:**

1. The Department of Small Business Development (DSBD) has developed the **Business Recovery Support Programme** in response to the recent spate of public violence, looting and destruction of property in Kwazulu-Natal and Gauteng. The Business Recovery Support Programme focuses on uninsured small enterprises impacted negatively by the unrest, predominantly in KwaZulu-Natal and Gauteng provinces. The Programme caters for small enterprises that require funding for working capital (including stock), equipment (including delivery vehicles) and furniture, as well as fittings.

The programme offers financial support in line with the Blended Finance approach, which is a combination of a grant (60%) and a loan (40%). The interest rate on the loan component is limited to 5%. There is an initial payment moratorium of up to maximum of 12 months for small enterprises in KwaZulu-Natal and Gauteng; and six (6) months for other Provinces. The repayment period of a maximum of 60 months applies. Maximum funding available per entity is R2 million.

The DSBD also has the **Township and Rural Entrepreneurship Programme** (TREP), which offers financial and non-financial support to rural and township enterprises. This programme has been in existence before the looting that occurred in KwaZulu-Natal and Gauteng provinces in July 2021. The aim of the programme is to support SMMEs and co-operatives in order to revitalise and improve the economy. The SMMEs that were affected by the looting may also apply for the TREP support.

Furthermore, the DSBD and its entities (Small Business Development Agency [Seda] and Small Business Finance Agency [**sefa**]) has the **Informal Traders Support Programme** that is aimed at supporting informal and micro businesses in the informal sector that were affected by looting. The Programme provides business focused support (financial and non-financial) to informal businesses. The Programme will support 17 667 entrepreneurs at R3 000 each (as a once-off grant).

In addition, and linked to the Programmes outlined above, Seda provides **Business Development Support** (including pre and post investment support), which includes development of business plans where necessary, financial management training, and other business support related aspects.

1. Applications by businesses that were affected by the looting are currently being processed by **sefa**. These businesses affected by the looting, based in Kwa-Zulu Natal and Gauteng North and South at large, are open to apply for the programmes offered by the Small Business Portfolio (the DSBD, Seda and **sefa**).

However, the table below outlines the applications received so far at **sefa** KwaZulu-Natal and Gauteng Regional Offices that are currently being processed:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **REGIONAL OFFICE** | **KWAZULU-NATAL** | **GAUTENG SOUTH** | **GAUTENG NORTH** | **TOTAL** |
| Total number of applications received | 30 | 10 | 19 | 59 |
| Total value of applications received | R30 000 000 | R9 700 000 | R8 100 000 | R47 800 000 |
| Total number of applications being processed | 13 | 5 | 3 | 21 |
| Total value of applications being processed | R15 500 000 | R2 593 000 | R1 500 000 | R19 593 000 |

**MS STELLA TEMBISA NDABENI-ABRAHAMS, MP**

**MINISTER FOR SMALL BUSINESS DEVELOPMENT**