

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 10 SEPTEMBER 2021**

**“2053. Inkosi B N Luthuli (IFP) to ask the Minister of Small Business Development:**

**(a) How does the Republic’s unstructured economic framework continue to affect small businesses, especially those run by women and young persons, (b) which specific measures has the Government adopted since the onset of the COVID-19 pandemic to address the negative effects of the unstructured economic framework, (c) what has been the success rate of the specified measures, (d) which measures have been implemented to enhance the success rate of those measures and (e) what has been done to mitigate the negative implications of the same?” NW2290E**

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

1. As a result of the unstructured economic framework, most SMMEs, especially those owned and run by women, youth and persons with disabilities continue to face economic exclusion. Women’s challenges are further compounded by structural barriers to gender equality and access to productive resources. The high rate of unemployment amongst the young people makes entrepreneurship a practical option to addressing the socio-economic conditions of this targeted group. The coronavirus pandemic had exposed the level of inequality between men and women, youth and persons with disabilities as most of them operate within the informal economy. This has raised an urgent need for the economic empowerment of women and girls and all targeted groups.

In responding to the above reality, the Department of Small Business Development (DSBD) has committed to deploy several interventions to support sustainable SMMEs and Cooperatives that will contribute meaningfully to the economy over the medium-term. Most of these interventions will prioritise young people, women and persons with disabilities, especially those that are from historically disadvantaged rural and township areas. This is in line with the DSBD strategic decision of mainstreaming the designated groups with a minimum 40% target for women, 30% for youth and 7% for persons with disabilities across all the SBD Portfolio programmes and interventions. To this effect, the DSBD will continue to contribute to Priority 2: Economic Transformation and Job Creation and the related sub-outcomes and interventions.

b) In responding to covid-19 negative effects on the economic, the Department of Small Business Development (DSBD) introduced the Township and Rural Entrepreneurship Programme (TREP) that was developed following the approval of the Township and Rural Entrepreneurship Fund by Cabinet in March 2020. TREP offers both financial and non-financial support and prioritizes supporting small businesses in townships and rural areas to participate meaningfully in the mainstream economy.

(c) Since TREP was introduced in the last financial year, the Department is yet to conduct an impact assessment. However, there has been significant support provided to SMMEs since programme inception. In terms of the financial support,6293 SMMEs were supported to the tune of R141 612 457, with 7674 jobs facilitated. Furthermore, 23 441 companies were assisted with non-financial support.

d) The Department adopted an approach that involved the joint implementation of the programmes together with its entities (the Small Enterprise Development Agency [Seda] and the Small Enterprise Finance Agency [**sefa**]) and worked as a portfolio wherein the capacity and reach of the entities was utilised for efficiency of delivery.

In addition to this approach, the Department forged meaningful partnerships with banks and other relevant private sector institutions such as the large telecoms companies. This allowed for the use of enabling technology to fast-track the programme and assist with the mainstreaming objectives.

e) The Department increased its cooperation with relevant associations whose members come from SMMEs and other targeted groups at it reached into communities to mitigate the adverse and ravaging impact of Covid on their members within those communities.

These efforts were strengthened by the adoption of the District Development Model approach coupled with the use of tools (an ecosystem development and related support tools were developed) and structures such as District Local Economic Development forums as well as aligning to and working with Provincial Economic Development Departments.

Over 50 officials were deployed from the Department into Districts throughout the country to partner with municipal officials, Seda and **sefa** for outreach, for the rollout of TREP and for the promotion of other government SMME support programmes.

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

**MINISTER OF SMALL BUSINESS DEVELOPMENT**