

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

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

**“2598. Mr H C C Krüger (DA) to ask the Minister of Small Business Development:**

 **Whether her department implemented the Pilot Administration Programme in KwaZulu-Natal; if not, what is the position in this regard; if so, (a) will she provide Mr H C C Krüger with a report on the successes of the programme and (c) in which municipalities her department implemented it?”** **NW3074E**

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

The Department of Small Business Development (DSBD) started implementing the Pilot Administration Programme (PASP) in KwaZulu-Natal during 2020/21 financial year. The PASP focused on institutionalising the best practises and learnings made in two seminal studies that were conducted. Two seminal projects on Ease of Doing Business in the country were implemented by the Global Indicators Group (Development Economics) of the World Bank Group in collaboration with the National Treasury of the Republic of South Africa, the then Department of Trade and Industry (currently the Department of Trade, Industry and Competition) and the South African Cities Network. The 2015 Ease of Doing Business study conducted in South Africa and the follow-up Ease of Doing Business (EODB) study conducted in 2018.

While Good practices have been found in these two studies, the potential for improvement through the emulation of good practices is limited by factors such as internal coordination between urban metropolitan areas, districts and within the local municipalities. Collaboration among the different levels of government (National, Metropolitan, District and Local Municipal) authorities is hampered by a lack of proper resource allocation.

The key focus of the PASP was to assess the following EODB/Red Tape Reduction (RTR) dimensions:

1. Improving Municipal Service Delivery: Citizen Service Charters and Complaints Notification Systems (CNS).
2. Improving Municipal-Business Communication and Customer Relationship Management (CRM).
3. Improving Municipal Policies, By-laws, and Regulations.
4. Improving Supply Chain Management Processes.
5. Speeding up Land Development Processes and Time Frames - Spatial Planning and Land Use Management Act (SPLUMA).
6. Speeding up Building Plan Approval Processes and Time Frames.
7. Better Management of Informal Trading.

In addition to the above mentioned areas of focus, the PASP is aligned with Government’s “One Plan” for one district and metro model and involves all relevant national, provincial and local government officials, including Provincial COGTA and SALGA, in its execution. It is also a multiyear programme that aims at provide critical synergies between us (DSBD) and the Sub National Ease of Doing Business programme of National Treasury, called the City Support Programme (CSP).

The implementation of the Programme is underway, as indicated that it is a multi-year initiative. During the current financial year, the following successes have been registered:

* Comprehensive Red Tape Reduction Assessments were conducted with each of the three the participating Municipalities. Focus groups were conducted with small businesses in each municipality to “reality test” the information provided by each municipality, in terms of their red tape reduction activities. Compliance with the criteria for good practise as per the Red Tape Reduction Guidelines for Local Government, as well the verification of these efforts was also investigated. Functionality Scores for each of the seven red tape indicators were also computed, indicating the gap between each of the municipality’s red tape reduction efforts and their expected outcomes.
* Scoping of the problem areas and performance cycles detected by the Red Tape Reduction Assessments were conducted. Action Plans for each of the seven indicators across the three participating municipalities were developed.
* The Red Tape Reduction Assessment Results and Action Plans were shared with each of the three municipalities. Action Plan Registers were developed for each of the participating municipalities explaining the steps that they could follow to address the red tape problems detected. Municipalities were given the opportunity to report on which of the action plans they can implement given the fact that some of the are framed according to the immediate, short- and medium-term framework for implementation. The results of these engagements are being captured in a “Report on the Development of the proposed interventions based on the key problems identified through the municipal assessments”. This is in process.

During the last quarter of the current financial year (2021/22), the DSBD will be closely monitoring the implementation of the “action plans” by each of the participating municipalities. A “Report on Implementation of interventions and Monitoring of the performance outcomes of the interventions” will be compiled by the end of March 2022. Emerging best practises and lessons learned will be documented to be incorporated into the “One Plan” of a further five municipalities in the next financial year (2022/23) as well as another five of them in the final year of the current Medium Term Strategic Framework cycle (2023/24). This phased approach will allow for the learnings to be extrapolated to municipalities across the country, within the next three years through close collaboration with Department of Cooperative Governance and Traditional Affairs (COGTA) and South African Local Government Association (SALGA), our partners, using the District Development Model’s “One Plan” to embed these lessons into districts, across the country.

One of the successes that the Department is noting is how the programme is helping the participating municipalities realise the inter-connectedness and interdependencies between different components of local municipalities, for instance the coordination required in issue of a simple business license, between the health, fire and safety, and other forms of regulatory approvals involved in the issue of a business license. There are many centers of excellence that have also been detected across the municipalities assessed, but the administrative systems between most of them, lacks seamless administrative systems, which make for unnecessary delays, frustrations and cost burdens that small businesses have to carry. Red Tape Reduction truly does require a “whole of government approach” in order to be embedded into the fabric of good public administration.

The DSBD and Provincial Partners (Department of Economic Development, Tourism and Environmental Affairs [EDTEA], COGTA and SALGA) are working in close collaboration with three (3) target municipalities which are committed to implementing red tape reduction measures. The three municipalities are Ray Nkonyeni Local Municipality (Ugu District), the City of uMhlathuze Local Municipality (King Cetshwayo District) and Ubuhlebezwe Local Municipality (Harry Gwala District).

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

**MINISTER OF SMALL BUSINESS DEVELOPMENT**