

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 17 DECEMBER 2021**

**2783. Mr D F Mthenjane (EFF) to ask the Minister of Small Business Development:**

**What (a) are the details of the progress of the merger of the Small Enterprise Finance Agency (Sefa) and Cooperative Banks Development Agency (CBDA) into the Small Enterprise Development Agencyand (b) role has her department played in preparations for the merger? NW3301E**

**REPLY:**

(a)&(b) On 4 August 2021 Cabinet approved the incorporation of the Small Enterprise Finance Agency (**sefa**) and Cooperatives Banks Development Agency (CBDA) into the Small Enterprise Development Agency (Seda) to form a new entity that will be responsible for the provision of both financial and non-financial support to small enterprises throughout the entire business development lifecycle, with effect from 01 April 2022.

This will involve the conversion of Seda into a Schedule 2 Public Entity with the Minister of Small Business Development as its Executive Authority. The new entity will have both financial and non-financial small enterprise support functions. Both the conversion of Seda and the definition of the support functions will be done through an amendment of the National Small Enterprise Act. The Capacity Building function and the Central Support Services of the CBDA will also be transferred into the new entity.

Currently the Business Case, that includes the implementation plan with clear milestones and time frames, developed to guide the implementation of the merger is being finalised. Furthermore, we have established a Joint Oversight Forum which is chaired by Minister and comprises the Chairpersons of the three entities and the Executives. In line with the provisions of Section 16B of the National Small Business Amendment Act the Minister has consulted with the Executive Authorities of the designated institutions for incorporation into Seda which are the Minsters of Trade, Industry and Competition, and Finance.

We have also gazetted a notice of intention to incorporate institutions whose objectives and functions are similar into a single Agency (Seda). The process of appointing the Board of Directors, of the new Agency, has been initiated and the advertisement calling for nominations, will be published in a newspaper on 12 December 2021 with a closing date of 24 December 2021. The same advert will be placed on the DSBD, Seda and **sefa** websites, as well as social media pages.

The Department of Small Business Development has established the following workstreams comprising of **sefa**, Seda, IDC and CBDA plus organised labour:

* Policy and Structural Reform: This team will be responsible for developing the enabling policy framework and legislation for the establishment of the Small Business Development Agency and the dissolution of the CBDA, Seda and **sefa** as separate, stand-alone entities.
* Organisational Consolidation Team: This team will be responsible for developing and implementing the consolidation of the business and operations of the CBDA, Seda and **sefa** post-merger into one seamless business enterprise and designing and implementing the post-merger organisational chart.
* Finance and Information Technology: This team will be responsible for developing and implementing the consolidated Information Technology and Finances of the CBDA, Seda and **sefa** post-merger.

On the 8th December 2021, the Portfolio Committee on Small Business Development, which Honourable Mthenjane is a member of, was provided with a detailed briefing on the processes towards the incorporation by DSBD and **sefa**, led by the Deputy Minister for Small Business Development.

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

**MINISTER OF SMALL BUSINESS DEVELOPMENT**