

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE IN PARLIAMENT: FRIDAY, 3 MARCH 2023**

**“302. Inkosi R N Cebekhulu (IFP) to ask the Minister of Small Business Development:**

**With reference to the lack of financial management skills of many small and medium enterprises (SMEs) and a need for more government investment to help SMEs with digital skills and innovation, tax cuts and fewer regulations to access funding, what steps has her department taken to ensure that such small businesses are adequately capacitated to fulfil their growth needs?” NW316E**

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

Through the Department of Small Business Development’s entity, Small Enterprise Finance Agency (**sefa**), mentorship is offered where clients who do not have all the required skills, are able to access these skills from **sefa** appointed mentors. There may be instances where the entrepreneurs have the technical skills to run the operations of their businesses, however they lack other skills that are critical to the sustainability of the business which include finance, marketing, and business management. Another DSBD’s entity, Small Enterprise Development Agency (Seda), also offers many clients access to these skills to assist with operational requirements of their businesses.

In terms of digital skills and innovation, the Small Business Development Portfolio (DSBD, Seda and **sefa**) via Seda, has identified digital skills and innovation as key sector of focus where SMMEs are capacitated with both technical and business skills to develop their businesses using both digitisation and innovation as a catalyst. Seda currently has four of these incubators nationally and work is currently being done to add more to the portfolio.

In addition to the above:

• Seda Northern Cape entered a partnership with Cimla Consulting which seek to train 50 youth between the ages of 21 and 35 in Accredited New Venture Creation and non-accredited cyber security The intention is also to introduce the youth to entrepreneurship and help them register their enterprises. This took place in September 2022 in Kuruman where 42 people received on a non-accredited cyber security training.

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• Mafikeng Digital Innovation Hub (MDIHub) together with North West Regional Innovation Support platform (NWRISP) and Seda NW have hosted a Youth Month Innovation Pitching session on 26 July 2022 where 13 people were trained. The theme of the programme was “Developing an Entrepreneurial Ecosystem in a Digital Age - Pitching to solve Covid-19 related issues”.

• In collaboration with the Seda Free State, the Basic Business Skills training in partnership with Department of Agriculture, Land and Rural Development was held on 28-30 September 2021 where 22 people were trained. Furthermore, in collaboration with partners such as the Xhariep District Municipality, Mohokare Local Municipality and FDC held a digital marketing workshop on 9-10 December 2021 in Zastron where 29 people were trained.

Seda, has provided 20 233 skills development and other business development support interventions for SMMEs and Co-operatives which also include interventions such as Financial Management training, Point of Sale Training, Access to funding, Basic Business skills training, Information and Business Advice, Business Plans, Training and Mentoring etc.

Seda through its Learning Academy has also developed different training programmes. These programmes are credit bearing and accredited by the Services Seta. Quality training aims to assist organisations of all types to implement and operate the Quality Management System (QMS) to increase effectiveness, consistency, and customer satisfaction, explain the benefits of implementing QMS and understand the quality, management principles. Whilst Food safety introduces Food Safety, Understand Pre-Requisite programme, HACCP (Hazard Analysis, Critical, Control, Point) system and HACCP principles and Implementing a Food Safety Management System (SANS 22000:2019.).

Seda has an Entrepreneurship in Schools Programme that encourages learners to consider entrepreneurship as an alternative career to employment. The main objective of the programme is:

* To influence the mind set of learners by encouraging them to become job creators instead of job seekers once they leave the schooling system.
* To equip learners with entrepreneurial knowledge and skills needed to start and manage their businesses; and
* To improve entrepreneurial activity amongst the learners and educators.

Seda is also in partnership with the United Nations Conference on Trade & Development’s (UNCTAD)

Division of Investment and Enterprise United Nation’s Empretec training Programme.

* Empretec is a 6 Day programme aimed based on a unique Harvard University methodology focusing on behavioural approach to entrepreneurship.
* The programme is interactive, experience and self-assessment based and takes 25-30 participants per workshop. Participants learn by doing.
* Participants on this programme receive an UNCTAD endorsed certificate.
* Programme develops Personal Entrepreneurial Competencies (PECs) such as Opportunity Seeking, Persistence, Goal setting, risk taking, fulfilling commitments, planning etc. for participants.

Seda has a dedicated programme, The Basic Entrepreneurship Skills Development (BESD) which was jointly developed by Seda and German Federal Ministry for Economic Cooperation and Development via Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) since 2012. GIZ left the programme in December 2016 and since then the programme is funded by the National Skills Fund for an amount of R84 million. The BESD approach utilises coaching as an innovative methodology to facilitate and reinforce learning and development support to emerging entrepreneurs. A total of 260 undergraduates and 1998 Emerging Entrepreneurs successfully completed the training initiative.

Seda has an Export Orientation Course (EOC) which focuses on Export Development. These courses focus on the business with the aim of helping the business assess its export readiness. The training targets SMMEs that have the intention and the potential to enter the export business or those already involved in exports but wanted to strengthen their knowledge in this field of business.

The SheTrades programme is a partnership between the International Trade Centre (ITC), DSBD and Seda to promote Women’s Entrepreneurship. ITC SheTrades has set up a Hub in South Africa in order to help South African women entrepreneurs increase their international competitiveness and connect to national, regional and global markets through the SheTradesZA Hub. The primary objective of the Hub is to connect at least 10 000 women owned businesses to markets by 2024. This is part of South Africa’s contribution to ITC's goal of connecting three million women entrepreneurs to markets by 2023. A total of 2999 women have registered as at the end of December 2022. Through the programme, women-owned businesses will be able to:

* Connect to potential buyers, investors, suppliers, business support organizations and SheTrades partners.
* Learn skills to boost business potential through free e-learning courses, on-site workshops and webinars.
* Receive support to attend national, regional, and international trade fairs.
* Get chances to participate in B2B meetings.
* Access to investment opportunities.
* Increased visibility and larger network in international markets.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**