

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**3442. Mr R W T Chance (DA) to ask the Minister of Small Business Development:**

(1) With reference to her reply to question 1642 on 5 June 2015, can she provide an update on the status of the ongoing discussions between her department and the Department of Trade and Industry regarding the possible splitting of the Incubator Support Programme (ISP) between the two departments;

(2) is she aware that (a) the Small Enterprise Finance Agency (SEFA) is working with certain large organisations, including BHP Billiton, Hulamin and Amalgamated Beverage Industries, to establish small business incubators and (b) SEFA executives are concerned that this programme will overlap with the ISP; if so, how does she plan to streamline government programmes for small business to (i) reduce duplications and (ii) concentrate resources and best practice? NW4103E

**REPLY:**

(1) The Incubation Support Programme is part of Economic Competitiveness Support Programme package which is under **the dti**. As such there is no dedicated budget line item that comes from National Treasury to **the dti** for Incubation Support Programme. The Department of Small Business Development is focusing on the Incubation Support Programme that is under SEDA and reviewing this instrument as part of the overall review of programmes that were transferred from **the dti** with the purpose of improving its impact.

(2) Yes, the Minister of Small Business Development is aware that sefa is working with certain large organisations. Small Medium and Micro Enterprises (SMMEs) regard market constraints and the inability to sell their products and services as one of the most serious obstacles to the starting of businesses and growth beyond mere subsistence level.

The responsibility of developing steps to overcome this constraint falls upon many different stakeholder groups: individual entrepreneurs, business associations, government and the private sector in particular large corporations. It is in this context that sefa has initiated a process to establish partnerships with the private sector (ie BHP Billiton, Hulamin and Amalgamated Beverage Industries) to facilitate access to Corporate South Africa supply chains and other opportunities for SMME development.

In terms of the partnerships, sefa has introduced an initiative called a Structured Financing Solutions (SFS), aimed at tapping on the expertise and opportunities in large corporations for SMME development. The SFS partnership is geared towards providing a seamless financial and non-financial intervention to a targeted group of SMMEs based on government economic policy enshrined in the Industrial Policy Action Plan (IPAP) and the New Growth Path (NGP). Therefore, the SFS is not an Incubator Support Programme but rather a programme initiative/ partnership with large corporate to unlock opportunities for small business development in their respective value chains.