

**MINISTRY FOR HUMAN SETTLEMENTS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 370**

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**Ms J Edwards (DA) to ask the Minister of Human Settlements:**

With reference to President Jacob G Zuma’s undertaking in his State of the Nation Address delivered on 12 February 2015, that the Government will set aside 30% of appropriate categories of state procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), co-operatives, as well as township and rural enterprises, what percentage of the total procurement of (a) her department and (b) every entity reporting to her went to (i) SMMEs and (ii) co-operatives from 1 April 2015 up to the latest specified date for which information is available? **NW382E**

**REPLY:**

(a) The total percentage spent by the National Department of Human Settlements for procurement from Small, Medium and Micro-sized Enterprises (SMMEs) for the period 01 April 2015 to 31 March 2016 is 32%.

(b) (i) The information related to Entities on Small, Medium and Micro-sized Enterprises is as per the table below:

| **Entities** | **% Spent on SMME's** |
| --- | --- |
| HDA | 30.41% |
| NHBRC | 45% |
| NHFC | 45% |
| RHLF | 35.35% |
| NURCHA | 15.81% |
| EAAB | 49% |
| CSOS | 45% |

Provinces

The Provinces are spending on average 66 % of the Human Settlements Development Grant on Small, Medium and Micro-sized Enterprises (SMME’s) of total procurement for the 2015/16 financial year ending 31 March 2016.Limpopo and Free State have spent more than 90% whilst Western Cape and Gauteng are spending the lowest at 46% and 32% respectively to their Small, Medium and Micro-sized Enterprises.

|  |  |
| --- | --- |
| **Provinces** | **% Spent on SMME's** |
| Eastern Cape | - |
| Free State | 90% |
| Gauteng | 32% |
| KwaZulu Natal | 55% |
| Limpopo | 97% |
| Mpumalanga | 63% |
| Northern Cape | 70% |
| North West | 71% |
| Western Cape | 46% |

**The percentages are 100% of the total procurement by provinces and it is as at 31/03/2016**

**(ii) Cooperatives**

The Department is promoting and supporting the establishment of Cooperatives within the human settlements delivery chain. To this end, the Department (through People’s Housing Process Directorate) has partnered with the Department of Small Business Development (DSBD) and the following has been achieved:

* Approximately 65 different Cooperatives have been established in six (6) Provinces, namely KZN, Gauteng, Free State, North West, Western Cape and the Eastern Cape
* Housing or human settlements Cooperatives serves as a catalyst for the establishment of other Cooperatives. The housing Cooperatives ranges from Construction Cooperatives, brick-making, window/door frame making Cooperatives, carpentry, plumbing, transport, electricity, painting etc.
* Other livelihood Cooperatives formed will focus on agriculture, sewing, catering, poultry, shoe-making etc.
* Most of these Cooperatives are led by Women and Youth and there is one Cooperative established in the Free State led by Disabled people
* A Military Veterans Cooperative called Matrosov was also established in the Eastern Cape for the Chatty 491 project in Port Elizabeth
* Delivered pre-formation and Cooperatives workshops in the six (6) Provinces
* Assessed the state of readiness for the Cooperatives Incentive Scheme (CIS) registration application for registered Cooperatives in KZN and Free State. The main objective of the CIS registration is to enable the Cooperatives to access grant funding from the DSBD as part of the start-up capital
* In partnership with DSBD, delivered CIS workshop to the registered Cooperatives in the Free State who have now applied for the CIS Grant from DSBD
* Through the partnership with DSBD, a project will be identified as a pilot under the new Cooperatives Incubator Programme led by DSBD
* The Department will be sourcing Training and Skills development initiatives for the registered Cooperatives through NHBRC, SEDA and other similar institutions