

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: 4 NOVEMBER 2022**

**“3796. Inkosi B N Luthuli (IFP) to ask the Minister of Small Business Development:**

**Considering the looting of businesses that occurred in KwaZulu-Natal and Gauteng in July 2021, as well as the floods that occurred in April 2022, that have greatly impacted the livelihoods of small and medium enterprise (SME) owners, especially considering the quick succession of the specified events, (a) how has her department assisted SMEs that are in the food production industry to materially and financially recover after the looting and floods in KwaZulu-Natal, (b) what support programmes are available to the specified businesses and (c) how long will the businesses receive support from her department?” NW4688E**

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

The Department of Small Business Development (DSBD) had swiftly moved to assist SMMEs that had been impacted by the looting/riots in July 2021 or floods in 2022, through its two agencies: the Small Enterprise Finance Agency (**sefa)** and the Small Enterprise Development Agency (Seda).

(a)(b)&(c) **2021:**

In July 2021 and to respond to the looting/riots in Gauteng and Kwa-Zulu Natal, DSBD set aside R300m to assist the businesses through the establishment of Business Recovery Program (BRP) implemented by **sefa**. The BRP was structured to assist re-set-up / re-establish businesses that had suffered financial loss with blended finance (60% grant and 40% loan), funding range from R50 000 to R2 million. The loan portion was set at 5% interest rate per annum, 60 months repayment term and a maximum of 12 months capital and interest moratorium. In total, **sefa** approved R237 945 628 and disbursed R225 668 461 disbursed to all sectors and not food production only. Through a partnership with Nedbank, DSBD also set aside R40 million in BRP funds to focus on informal businesses. From the first tranche of R15 million allocated to Nedbank R14 463 000 was disbursed to 4844 informal business.

**2022:**

DSBD responded with a R50 million funding package for SMMEs affected by floods and this Fund was administered by Seda.

Floods Relief Programme (Formal SMME’s)

One hundred and seventy-nine (179) applications have been assessed through the Floods Impact Assessment on site. One hundred and forty-four (144) applications have been approved with a total value of R52 318 837,57. Currently, one hundred and twenty seven (127) purchase orders were issued and ninety three (93) paid, amounting to R26 452 877.

Informal Sector Flood Relief Programme Challenges

**Eastern Cape:**

**Alfred Nzo:**

* Alfred Nzo received applications from two (2) Municipalities namely Winnie Madikizela Mandela (WMMM) and Matatiele Municipality. All applications for Alfred Nzo have been adjudicated on 20 October 2022.

* 81 applications have been approved for Matatiele. The breakdown is as follows:-

|  |  |
| --- | --- |
| Sector | Number |
| Fruit & Veg | 25 |
| Spaza | 6 |
| Salon | 2 |
| Clothing & Textile | 2 |
| Fast Food | 9 |
| Agriculture | 16 |
| Retail | 21 |
| TOTAL | 81 |

* 374 applications have been approved for Winnie Madikizela Mandela. The breakdown is as follows :-

|  |  |
| --- | --- |
| Sector | Number |
| Fruit & Veg | 128 |
| Spaza | 173 |
| Salon | 12 |
| Clothing & Textile | 20 |
| Fast Food | 14 |
| Agriculture | 13 |
| Retail | 14 |
| TOTAL | 374 |

**OR Tambo:**

* The panel approved 100 applications out of 281. The next step is to start the procurement process. The adjudication took place in mid-October 2022. The breakdown of the 100 approved applications is as follows:

|  |  |
| --- | --- |
| **Sector** | **Number** |
| Fruit & Veg | 83 |
| Fast Food | 11 |
| Clothing & textile | 4 |
| Saloon | 2 |
| **TOTAL** | **100** |

**Kwa-Zulu Natal: Ethekwini**

The eThekwini and Ilembe adjudications were completed. The breakdown is on the following sectors:

* Fruits & Vegetables (+ 404 applications); Arts and Craft (+ 409 applications); and Clothing & Textile (265 applications).
* These three (3) sectors constitute 55% of the 1,993 applications.

There were applications that were not processed because of information deficiencies by the applicants. **sefa** and Seda still continue to work with the applicants and also provide Business Support services where possible and there’s willingness to co-operate by SMMEs.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: SMALL BUSINESS DEVELOPMENT**