

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE IN PARLIAMENT: FRIDAY, 10 MARCH 2023**

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

**Whether, with reference to the Small Enterprise Finance Agency (SEFA) Business Recovery Package (BRP), which is a blended finance scheme that is aimed at assisting uninsured businesses that were negatively affected by the recent vandalism and looting in KwaZulu-Natal and Gauteng, her department has sought to (a) extend the package to include small businesses that are greatly affected by load shedding and/or (b) create a similar package through the SEFA BRP for small businesses affected by load shedding; if not, why not in each case; if so, what are the relevant details in each case?”NW529E**

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

**Sefa** conducted a study on the impact of loadshedding on its funded clients and the outcome of the survey shows that SMMEs are indeed adversely impacted by loadshedding.

The findings revealed that businesses suffered loss of revenue and production, have no alternative power, resorted to utilising the loadshedding schedule to plan for production, seek assistance to acquire alternative energy sources and assistance with restructuring of their loans in respect of their loan repayment obligation.

The DSBD together with its agencies, the Small Enterprise Development Agency (Seda) and the **sefa** is considering the introduction of interventions to address the situation. The DSBD are looking at a multi-pronged approach for supporting SMMEs affected by loadshedding:

1. The Power Purchase Product (PPP) is an immediate relief for formal and informal enterprises (alternative power sources). It is an initiative of the Small Business Development Portfolio (DSBD, Seda and **sefa**) to support SMMEs with alternative energy generating equipment (generators and Photovoltaic installations - PV). The programme will be implemented via the existing programme structures as follows:
	* Informal and Micro business to be supported via DSBD’s Informal and Micro Enterprise Development Programme (IMEDP).
	* Small to Medium enterprises to be supported through **sefa**’s Township and Rural Entrepreneurship Programme (TREP).

The power purchase IMEDP will be a 100% grant programme, whilst the TREP power purchase will be a blended term loan facility of 50% of the installed price (50% grant and 50% term loan). The programme will utilise the services and capacity of existing suppliers of equipment and accredited installers.

2. Guarantee programme via the Bounce Back Scheme administered by Khula Credit Guarantee (KCG) on behalf of government. This is a medium to long term intervention that still require intense discussion relevant parties including the National treasury who are the custodian of the scheme.

• Ongoing discussions with National Treasury indicate their interest and consideration of opening up the bounce back scheme to all Development Finance Institutions.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**