

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

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

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

**(1) With regard to the township and rural economies continuing to be marginalised in the prioritisation of funding, how does her department intend to make sure that the programme achieves its goal to transform and integrate opportunities in townships and rural areas into productive business ventures;**

**(2) how is her department able to measure and reliably report on the contribution of the township and rural economy, considering that it is failing to create a regulatory environment which would foster their growth?” NW538E**

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

1. The Township and Rural Enterprise Programme (TREP) is a dedicated programme to transform and integrate opportunities in townships and rural areas into productive business ventures. The focus is mainly on enterprises owned and managed by the designated groups (Women, Youth and Persons with Disabilities) that have the potential or capacity to supply goods and services to public and private sector, local, provincial and national government departments on a sustainable basis.

TREP seeks to overcome the legacy of economic exclusion by creating conducive environment for entrepreneurial activity and provide dedicated business support.

The DSBD is attempting to balance supporting of established SMMEs with high growth-potential to contribute to jobs and growth across priority sectors with the need to support survivalist start-up, and informal businesses. This requires DSBD to play a co-ordinating role, taking a whole of government approach to small business development as well as having its own enterprise support and financial support instruments.

Informal and micro enterprises should be supported to graduate within township and rural areas to access other places (locally and internationally) allowing more opportunities.

* + Enabling informal and micro enterprises to access wider markets.
  + Accepting the predominately residential characteristic of townships and rural areas therefore a service and retail focus.
  + Treating designated areas as a special economy zone for the sole purpose of reducing unnecessary regulatory obstacle, in respect to business licencing or land use.

The programmes are meant to stimulate and facilitate the development of sustainable and competitive informal and micro enterprises through the efficient provision of effective and accessible incentive measures that support national priority sectors. The key objective is to ensure that informal and micro businesses are accounted for in the wider economy. The interventions support all the targeted enterprises that meet the qualifying criteria including but not limited to the following sectors:

* + Spaza shop and General dealers
  + Bakeries and Confectionaries
  + Fruit and Vegetable vendors and Butcheries
  + Food retailers, Shisanyama and Cooked food outlets
  + Hairdressers, beauty salons and barber shops/facilities.
  + Small Scale Manufacturing
  + Clothing and Textiles
  + Automotives Support, Mechanics and Sales
  + Artisanry and Crafts
  + Professional Services
  + Infrastructure Developers
  + IT Support

The Department will continue provide both financial and non-financial support to formal and informal enterprises as immediate intervention and within the available financial resources whilst working on the medium and long terms sustainable solutions.

2) The Department of Small Business Department together with its agencies, the Small Enterprise Development Agency (Seda) and the Small Enterprise Finance Agency (**sefa)**, is strengthening its monitoring and evaluation mechanism with the aim of continuously improving on the measurement of the effectiveness as well as the impact of its programmes.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**