

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 18 MARCH 2022**

**586. Mr F Jacobs (ANC) to ask the Minister of Small Business Development:**

 **Given that small-, medium- and micro enterprises based in Cape Town under a certain intermediary (name furnished) have not provided municipal statements, proof of address and financial supporting documents, how will her department ensure that disbursements to township-based enterprises are effectively reaching the proposed community businesses? NW654E**

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

The applications from the SMMEs are funded from the University Technology Fund (UTF) a joint venture between University of Cape Town (UCT) and Stellenbosch University (SU). Although funded through UTF, they are managed by Stocks and Strauss. All the clients that they currently have, are leads from the university and none of them are from the townships. Using the SMMEs CK documents, Stocks and Strauss can pick up the location/address of the clients.

* Stocks and Strauss collects all the documents submitted when applicants apply for funding including the proof of addresses.
* A point of noting is that all the SMMEs funded under UTF are graduates or students of either UCT or SU.
* The criteria are that applicants must be registered or have been with these universities. This means that the University has all the information of the applicants. The Legal agreement stipulates that the identity of the students and applicants be protected.
* According to the legal agreement between **sefa**, UTF and other funders, the SMMEs should have an idea of the technology to be funded to qualify for funds.
* The idea is then conceptualised on paper at the pre-seed funding stage where **sefa** does not participate but only the SMME.
* Once the idea is approved for implementation, **sefa** then starts investing by paying for the legal costs to register the technology and investing in the venture/project. When conducting such exercise all the documents stated above are requested and protected for security reasons in line with the agreement.

The location of ventures/projects of such nature is therefore based on commercial viability and attraction.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: SMALL BUSINESS DEVELOPMENT**