

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: FRIDAY, 26 FEBRUARY 2021**

**“77. Prof C T Msimang (IFP) to ask the Minister of Small Business Development:**

**Whether her department has taken steps to ensure that small, medium and micro enterprises that form part of the constituencies of municipalities are included in the procurement model of the cities to open up enough space for small business to participate in line with supply chain management processes of each city; if not, why not; if so, what are the relevant details?” NW80E**

**REPLY:**

The procurement of goods and services in municipalities is governed by the Municipal Finance Management Act, the Supply Chaim Management Regulations of the National Treasury as revised and the applicable Practice Notes as issued National Treasury. The MFMA, SCM Regulations and the various Practice Notes prescribe procurement requirements from SMMEs and Co-operatives of each municipality.

To augment the legislated mandates, the Department of Small Business Development consults and lobbies the South African Local Government Association (SALGA) on various policy and SMME support instruments it develops for adoption and implementation in municipalities. A recent example is that of when the Department was developing the SMME-Focused Localization Framework in 2020, it held consultations and mobilized for adoption by municipalities for implementation. The Localisation Framework identifies over 1000 products and services that must be procured from SMMEs and Cooperatives. To date, SALGA continues to create a platform for the Department to create awareness of the Localisation Framework amongst the municipalities to consider SMMEs and Co-operatives produced goods or services when issuing out tenders to bidders. To demonstrate success of this mainstreaming work, the City of Tshwane continues to consult with the Department in their process of developing its own localisation policy and reviewing its supply chain management policies.

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