



SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

ANNUAL PERFORMANCE PLAN

FOR

2023/24

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ACCOUNTING AUTHORITY STATEMENT


At the behest of SEDA Board of Directors I present to the Minister of Small Business Development our Annual Performance Plan for the 2023/24 financial year. Seda's 2023-24 Annual Performance Plan presents the organisation's commitments and focus areas for the new financial year.

This Annual Performance Plan represents Seda's intentions in stimulating and supporting entrepreneurship among SMMEs and Cooperatives, of which the NDP identifies as the cornerstone of growth in attaining vision 2030. This Annual Performance Plan is presented to the Minister whilst SMME's are still suffering from Covid 19 losses, floods and indeed loadshedding. It is within such challenges that the Board, towards the end of 2022 convened the board strategy review to reflect on the strategy implementation and the road that lay ahead in realising the outcomes set in the strategic plan. During this reflection the organisation took stock of the gains made in the achievement of the MTEF targets and ERRP goals which are aligned to the Minister's contract. The organisation noted that it's on course to achieve targets set to increase the number of competitive small businesses based in township and rural areas. The goal of increasing incubation centres and digital hubs to 100 by 2024 has already been achieved, the new focus will be on improving governance, independent sustainability and returns on investments in these incubators.

Seda analysed previous year's performance, current performance trends, enablers that are required for the organisation to excel including the challenges that are needed to overcome the last year of the 6th administration. Among key considerations was the game changers that were proposed by the Minister of Small Business Development which are geared to improve the livelihood of small businesses in South Africa. The game changers prioritised support offered to township and rural based SMMEs and Cooperatives, refuelling incubators and accelerators, amplifying supplier development encouraging and supporting youth entrepreneurship and addressing responding with agility on the issues of financial and non-financial support. The organisation developed its own game changers which are aligned to those developed during the portfolio strategy session. These includes market access and supplier development partnership, entrepreneurship mobilisation, township and rural economic development, pre-investment and post-investment business development support programme, district ecosystem facilitation, refuelled incubator/accelerator, SMMEs participation in catalytic projects programme and smart systems and technology programme. In pursuing these adequate human and financial resources are required.

Therefore the Board has emphasised the importance of improving Seda's image with the aim of attracting funding and cost sharing in projects with like-minded stakeholders. The targeted partners, more especially in the private sector will play a meaningful role in ensuring that the organisation focusses on impactful programmes which will improve SMMEs growth and sustainability. The need for the organisation to participate in major provincial projects was highlighted as a necessary intervention, where Seda can become an advocate for SMMEs to gain access to the presented opportunities within their locality. The importance of using technology was amplified and it can be used as the main differentiator in improving service turnaround times and service access to those SMMEs who are technological savvy. Seda's mandate underscore the need to promote entrepreneurship, facilitate the provision of non-financial support to SMMEs and Cooperatives and working in collaboration with partners to expand SMMEs support. The organisation also took note of the challenges facing Cooperatives and interventions that Seda should implement to empower Cooperatives to be sustainable. These includes providing them with governance training before establishment and for those who are already operational to provide necessary interventions to enable market access and access to funding.

SMMEs and Cooperatives needs are diverse and vary according to the development stage of a business. Seda role is to provide support which match the needs of each business after necessary engagement to ensure that the recommended intervention result in business growth and the creation of jobs. The organisation will galvanise its resources to respond to the government pronouncement of a merged entity towards the end of 2024-25 financial year. Through cooperation with DSBD who are leading the amalgamation process, the organisation will participate in conversations which are aimed at bringing Seda, **sefa** and CBDA closer to merged entity, which will be modelled to respond to SMMEs, and Cooperatives needs with great agility. As the year unfold the organisation will ensure that these commitments are realised by the end of the financial year.



Ms. Xoliswa Daku

Board Chairperson

CHIEF EXECUTIVE OFFICER STATEMENT

I am pleased to present Seda's Annual Performance Plan (APP) for the 2023/24 financial year, which is the fourth year of our Revised Strategic Plan for 2020-2025. In line with the DPME Revised Framework for Strategic Plans and Annual Performance Plans we have undertaken a comprehensive process, led by our board, towards the development of this APP. A Cabinet resolution on the merger of sefa, Seda, and the Co-operative Banks Development Agency (CBDA) has been taken, with a target date of April 2023. However, it is understood that, until the merger is finalised, each entity would still be required to produce and report against its own APP.

A key feature of this APP is Seda's response to the Minister's game changers through the development of its own game changers, which are aligned to those presented by the Minister. The intention is to ensure that enablers for the realisation of the game changers are also considered. The game changer interventions and outputs will be implemented in a phased approach in line with Seda's budget allocation, which is currently not at the level needed for a step change in SMME support envisaged by the game changers. Moreover, the organisation responded to the strategy guidance that was proposed by the board, which emphasise the need for better collaboration with partners and exploring mechanisms to leverage more funding to deliver on the organisations mandate.

While acknowledging the high rate of unemployment among young people in South Africa, the only way to defeat this unemployment is to provide an enabling environment for the SMMEs to thrive. Analysing and understanding the economic activity of each district is a first step towards an effective delivery model. Seda's products and delivery model will then revolve around identifying and training SMMEs that can be linked to larger corporates in each district, thus unlocking value chains and ensuring SMME participation. The current Seda enterprise and supplier development (ESD) model will be augmented to enable more partnerships with the private sector in a view to increase SMME participation.

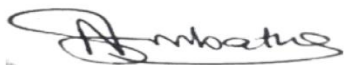
Seda has played a critical role on the Fourth Industrial Revolution (4IR) and has supported digital hubs in various provinces to allow SMMEs and entrepreneurs to create innovative technological solutions for their employees. The use of technology is going to assist the organisation in realising some of the quick wins which could enhance organisations performance through virtual SMMEs support and ultimately enabling client self-service. Seda is positioned correctly to provide the necessary training, mentorship, business management training, product quality standards, and other support, amongst other offerings. This will assist SMMEs to be confident in implementing their ideas, knowing that there is a partner to provide all the necessary support. Seda will form partnerships with various Sector Education and Training Authorities (SETAs) in rolling out training that is sector focused.

The organisations focus in 2022-23 financial year was to respond with meaningful interventions to outcomes prioritised in the 2020-2025 Strategic Plan which are aligned to MTSF 2019-2024

objectives. Seda allocated bulk of its resources to increased growth and sustainability of township and rural-based SMMEs and Co-operatives about 15000 SMMEs and cooperatives were supported by the third quarter. Several interventions were introduced to enable SMMEs and Cooperatives to access market, this is identified as a major challenge mainly for the newly established businesses more resources will be channelled to improve this support in the new financial year. Seda acknowledge that working with partners a lot can be achieved in increasing the reach of small business supported and their sustainability. the organisation is participating in District dialogues and projects which are stimulating entrepreneurship and providing much needed opportunities for SMMEs and Cooperatives. With structured coordination through District development model a lot can be achieved. The growth and sustainability of SMMEs and Co-operatives is the ultimate goal for Seda, and this will ensure that SMMEs absorb most unemployed people and are able to trade their products internationally. 4IR incubators are leading this charge by helping bright entrepreneurs create innovative technology and develop new skills for the country's workforce.

A key pillar of South Africa's recovery plan and medium-term economic development is the focus on industrialisation and localisation to enable growth and development. This is due to the multiplier effects of these industries and their ability to create jobs, develop skills and support the development of new technologies. Seda understands that relevant needs-based programmes can go a long way towards enhancing the capabilities of the broader small enterprise and Co-operatives sector. The implementation of the game changers will enable that the organisation realises massive impact for its targeted clients. The need for proper funding cannot be overemphasised to realise the envisaged impact, dialogue with stakeholders to improve the organisations funding and cost sharing is ongoing, however some of these discussions the agreements take much longer than anticipated. the organisation will ensure that it 2023-24 performance commitments are adequately funding with linked impact.

I would like to acknowledge the support and guidance we receive from the Board members, DSBD officials and sefa in responding to clients' needs as a portfolio. The support from Minister and Deputy Minister in ensuring that they are advocates for SMMEs and Cooperatives in South African and their lobbying for much needed resources to enable us to deliver on our mandate. Lastly to the portfolio and select committee which hold us accountable of the work that we have committed to deliver as an organisation.



Mr Nkosikhona Mbatha

Chief Executive Officer (Acting)

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan for the Small Enterprise Development Agency:

- 1) Was developed by the management team of the Small Enterprise Development Agency under the guidance of the Small Enterprise Development Agency Board.
- 2) Takes into account all the relevant policies, legislation, and other mandates for which the Small Enterprise Development Agency is responsible; and
- 3) Accurately reflects the outcomes and outputs which the Small Enterprise Development Agency will endeavour to achieve over the 2023/24 period.



Ms Ntokozo Majola

Executive: Enterprise Development Division

28 February 2023

Date



Mr Sipho Ngcai

Executive: Seda Technology Programme

28 February 2023

Date



Ms Thabang Serapelo

Acting Executive: Corporate Services

28 February 2023

Date



Mr Elias Maabane

Acting Chief Financial Officer

28 February 2023

Date



Mr Sandile Ndaba

Chief Strategy and Information Officer
(Head Responsible for Planning)

28 February 2023

Date



Mr Nkosikhona Mbatha
Acting Chief Executive Officer

28 February 2023

Date

APPROVED BY:



Ms. Xoliswa Daku
Board Chairperson

28 February 2023

Date

ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AfCFTA	African Continental Free Trade Agreement
AOP	Annual Operation Plan
APP	Annual Performance Plan
BDS	Business Development Support
BER	Bureau for Economic Research
BRICS	Brazil, Russia, India, China and South Africa
CBDA	Co-operatives Bank Development Agency
CRM	Customer Relationship Management
DDM	District Development Model
DEF	District Ecosystem Facilitation
DFI	Development Finance Institution
DIMS	District Information Management System
DSBD	Department of Small Business Development
EFC	Entrepreneurial Framework Condition
ERRP	Economic Reconstruction and Recovery Plan
ESD	Enterprise and Supplier Development
EU	European Union
G7	Group of Seven (Countries)
GDP	Gross Domestic Product
GEP	Gauteng Enterprise Propeller
HEI	Higher Education Institution
ICT	Information and Communication Technology
IMF	International Monetary Fund
LED	Local Economic Development
LEDA	Limpopo Economic Development Agency
MEGA	Mpumalanga Economic Growth Agency
MOA/U	Memorandum of Agreement/Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan

NECI	National Entrepreneurship Context Index
NES	National Expert Survey
NISED	National Integrated Small Enterprise Development Masterplan
NYDA	National Youth Development Agency
QLFS	Quarterly Labour Force Survey
R&D	Research and Development
SARB	South African Reserve Bank
SBD	Small Business Development
Seda	Small Enterprise Development Agency
Sefa	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SGC	Seda Game Changer
SLA	Service Level Agreement
SME	Small and Medium-sized Enterprise
SMME	Small, Medium, and Micro Enterprise
STEM	Science, Technology, Engineering, and Mathematics
SWOT	Strengths, Weaknesses, Opportunities, and Threats
T&R	Township and Rural
TREP	Township and Rural Entrepreneurship Programme
UK	United Kingdom
US/USA	United States of America
YCF	Youth Challenge Fund
YTD	Year To Date

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PART A: OUR MANDATE

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

There are no updates to the legislative mandates reflected in the Revised 2020-2025 Strategic Plan, which reflects as follows:

Table 1: Seda's Legislative Framework

NAME OF ACT	PURPOSE
CONSTITUTIONAL MANDATE	
Constitution of the Republic of South Africa (Act No. 108 of 1996)	<p>Specifically:</p> <ul style="list-style-type: none"> Section 22 – Every citizen has the right to choose their trade, occupation, or profession freely and the practise of trade, occupation or profession may be regulated by law. Section 217 – When an organ of state contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost effective. 1995 White Paper – Identification of a national framework that will create an enabling environment for SMMEs.
ESTABLISHMENT LEGISLATION	
National Small Enterprise Act, No. 102 of 1996 amended by the National by the National Small Business Amendment Act (No. 29 of 2004)	<p>Seda is an agency of government accountable to the Minister in the Department of Small Business Development. The establishment of Seda and its activities find origin in the National Small Enterprise Act 1996 (No. 102 of 1996) as amended. The Act provides:</p> <ul style="list-style-type: none"> For the establishment of the Advisory Body and the Small Enterprise Development Agency. Guidelines for organs of state to promote small businesses in the Republic; and Provides for matters incidental thereto.
LEGISLATION INFORMING SEDA'S OPERATIONS	
Occupational Health and Safety Act (No. 85 of 1993)	<ul style="list-style-type: none"> To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery. The protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work. To establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

NAME OF ACT	PURPOSE
Public Finance Management Act (No. 1 of 1999)	<ul style="list-style-type: none"> ▪ To regulate financial management in the national and provincial governments. ▪ To ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively; and ▪ To provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.
Co-operatives Act (No. 14 of 2005)	<ul style="list-style-type: none"> ▪ To provide for the formation and registration of Co-operatives; the establishment of a Co-operatives' advisory board; the winding-up of Co-operatives; the repeal of Act 91 of 1981; and connected matters.
Businesses Act, 1991 (act no. 71 of 1991)	<ul style="list-style-type: none"> ▪ To repeal or amend certain laws regarding the licensing and carrying on of businesses, and shop hours; to make certain new provision regarding such licensing and carrying on of businesses; and to provide for matters connected therewith.
Basic Conditions of Employment Act (No. 75 of 1997)	<ul style="list-style-type: none"> ▪ To give effect to the right to fair labour practices referred to in Section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.
Income Tax Act (No. 58 of 1962)	<ul style="list-style-type: none"> ▪ To consolidate the law relating to the taxation of incomes and donations, to provide for the recovery of taxes on persons, to provide for the deduction by employers of amounts from the remuneration of employees in respect of certain tax liabilities of employees, and to provide for the making of provisional tax payments and for the payment into the National Revenue Fund of portions of the normal tax and interest and other charges in respect of such taxes, and to provide for related matters.
Labour Relations Act (No. 66 of 1995)	<ul style="list-style-type: none"> ▪ To facilitate the granting of organisational rights to trade unions that are sufficiently representative. ▪ To strengthen the status of picketing rules and agreements; to amend the operation, functions, and composition of the essential services committee; and to provide for minimum service determinations. ▪ To provide for Labour Court to order that suitable person be appointed to administer a trade union. ▪ To enable judges of the Labour Court to serve as a judge on the Labour Appeal Court. ▪ Further regulate enquiries by arbitrators; to provide greater protection for workers placed in temporary employment services. ▪ To regulate the employment of fixed-term contracts and part-time employees earning below the earnings threshold determined by the Minister.

NAME OF ACT	PURPOSE
	<ul style="list-style-type: none"> To further specify the liability for employer's obligations, and to substitute certain definitions, and to provide for matters connected therewith.
Employment Equity Act (No. 55 of 1998)	<ul style="list-style-type: none"> To provide for employment equity; and to provide for matters incidental thereto.
Promotion of Access to Information Act (No. 2 of 2000)	<ul style="list-style-type: none"> The purpose of this Act is to give effect to the constitutional right of access to any information held by the state, as well as information held by another person that is required for the exercise or protection of any right.
Promotion of Administrative Justice Act (No. 3 of 2000)	<ul style="list-style-type: none"> The purpose of this Act is to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right written reasons for administrative action as contemplated in Section 33 of the constitution of the Republic of South Africa, 1996 and to provide for matters incidental thereto.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

Key institutional policy and/or strategy developments that have a bearing on the work and operations of Seda and have been considered in the development of this APP.

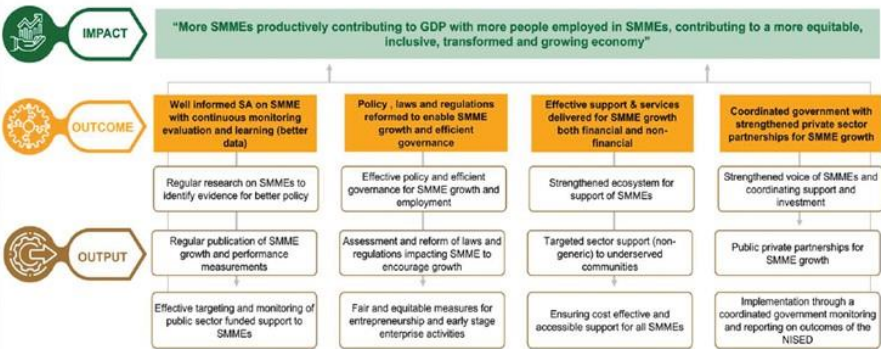
2.1. INSTITUTIONAL POLICIES AND STRATEGIES

The policy and strategy mandates informing the strategic posture and intent of Seda are summarised below.

Table 2: Institutional policies and strategies

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
National Development Plan, Vision, 2030 (2012)	<ul style="list-style-type: none"> The National Development Plan (NDP) envision an economy that provides full employment by 2030 and is aimed at serving the needs of all South Africans. As such, the economy should be inclusive, grow faster, eliminate poverty, and reduce inequality. Seda plays a coordinating role in the implementation of Chapter 3 and 6 of the NDP, which respectively deal with the economy and unemployment, and inclusive rural development and growth.
Revised Medium-Term Strategic Framework 2019-	Specific to the small enterprises sector, the October 2021 revision of the MTSF outlines the interventions aimed at giving effect to the following outcomes of Priority 2 - Economic Transformation and Job Creation :

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
2024 (MTSF) (October 2021)	<p>Outcome: Reduced concentration and monopolies, and expanded small business sector:</p> <ul style="list-style-type: none"> Facilitate the increase in number of competitive small businesses with a focus on township and rural economies. Strengthen development finance towards SMME and Co-operatives development. SMME development through incubation centres and digital hubs. Ensure inclusion of SMMEs in localisation and buy local campaigns. Explore the introduction of measures to support the establishment of new, youth-owned start-ups. <p>Cross-cutting outcome: Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth, and persons with disabilities:</p> <ul style="list-style-type: none"> Develop, implement, support, and monitor programmes for equitable job creation, representation and ownership by women, youth, and persons with disabilities. Expand government spend on women, youth, and persons with disabilities through preferential procurement. Programmes to expand access to finance, incentives and opportunities for women, youth, and persons with disabilities-led and owned businesses.
Economic Reconstruction and Recovery Plan (ERRP) (2020)	<p>In response to the COVID-19 pandemic, the ERRP seeks to create jobs primarily through aggressive infrastructure investment and mass employment programmes; reindustrialise the economy by focusing on growing small businesses; accelerate economic reforms to unlock investment and growth, fight crime and corruption, and improve the capability of the state.</p> <p>A key enabler of the ERRP is strengthened support to SMMEs, Co-operatives, and start-ups:</p> <ul style="list-style-type: none"> Reviewing and integrating government support for formal and informal SMMEs, start-ups, and Co-operatives, including removing red tape and reducing timeframes for relevant licenses and permits to improve the ease of doing business. Designing more appropriate financing products, such as microfinance, gap housing products and blended financing, including for emerging farmers. Support to SMMEs to participate in localisation opportunities.
National Integrated Small Enterprise Development (NISED) Strategic	<p>The National Integrated Small Enterprise Development (NISED) Strategic Framework was published for consultation by the DSBD in Government Notice No. 2070, on 10 May 2022.</p>

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
<p>Framework (Final Draft, 10 May 2022)</p>	<p>A key focus of the NISED Strategic Framework is to align programme areas of work across different role-players in government and the private sector in order to coordinate and drive SMME growth and performance. In partnership with business, labour, and civil society, the NISED Masterplan presents a coordination tool and repository of the action steps to be taken by numerous actors by and within government and the whole of society.</p> <p>The impact envisaged by NISED will be realised through four outcomes and 12 outputs, reflected in the strategy map below.</p>  <p><small>Projects and programmes to be aligned to the thematic areas of the Masterplan at output level. This will detail out the DSEBs coordinating role in aligning MSME support across government and private sector.</small></p> <p>Seda's strategic outcomes are supportive of the NISED outcomes, with specific contributions by this APP to the following outputs:</p> <ul style="list-style-type: none"> ▪ Regular publication of SMME growth and performance measures – The Seda SMME quarterly update report is produced and disseminated on a quarterly basis. ▪ Strengthened ecosystem for support of SMMEs – Seda is the lead Agency for coordinating the District Ecosystem Facilitation Model and has developed a game changer to build the ecosystem of support in collaboration with a broad range of public and private sector partners. ▪ Targeted sector support for underserved communities – Seda's programmes are being aligned with the DDM, to ensure tailored support is provided at a district level. ▪ Ensuring cost effective and accessible support for all SMMEs – Seda's programmes are accessed through an extensive branch and service access points network, and through supported incubation centres. ▪ Strengthened voice of SMMEs and coordinating support and investment – Seda and sefa are strengthening their working relationship to ensure government's financial investment in SMMEs is supported with pre- and post-investment support and development.
<p>National Annual Strategic Plan (NASP)</p>	<p>Adopted at the Cabinet Lekgotla in September 2021, the NASP has been introduced as a short-term national planning instrument for government as a whole. It aims to improve the implementation of the MTSF by</p>

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
	<p>translating the medium-term priorities into identified interventions and targets for a particular year ahead.</p> <p>The NASP reflects the Small Business Development portfolio's (DSBD, Seda, and sefa together) role in interventions to support and integrate SMMEs, township, and rural enterprises in value chains and to provide access to markets. Through the current Township and Rural Entrepreneurship Programmes, the NASP reflects a target of 50 000 competitive small businesses and co-operatives supported per year.</p> <p>Seda's contribution to these 50 000 targets is reflected in this Annual Performance Plan, led by the two core business programmes.</p>
National Annual Budget Prioritisation Framework	<p>The Annual Budget Prioritisation Framework continues to build on the stabilisation, recovery and reconstruction efforts adopted through the ERRP in 2020/21, and which informs Seda's work and focus.</p> <p>Budgets have not been prioritised for implementation of the five game changers of the Minister, thus limiting the extent to which Seda is able to implement its game changer programme.</p>
Africa Continental Free Trade Agreement (AfCFTA)	<p>As a flagship project of AU Agenda 2063, South Africa is a party to the AfCFTA, which was effective from 1 January 2021.</p> <p>Through its non-financial support and business development offerings, and its close working relations with sefa in supporting access to markets, the opportunities of AfCFTA will be leveraged.</p>

2.2. SEDA-SEFA COLLABORATION AND PENDING AMALGAMATION

To improve uptake on financial support programmes offered by sefa, Seda needs to strengthen its pre-investment support function. An aligned response is needed to facilitate and provide high-quality and bankable business plans, access to markets and industry accreditations, among other interventions, to SMMEs and Co-operatives. This collaboration will ensure a consistent quality pipeline to sefa.

To enhance post-investment business support services to SMMEs and Co-operatives, sefa and Seda must implement a collaborative partnership that will result in relevant and structured mentorship, coaching, turnaround strategies, training and growth and expansion support to SMMEs and Co-operatives.

To this end, and to further enhance integration and collaboration in support of sustainable SMMEs and Co-operatives, a Cabinet resolution on the amalgamation of sefa, Seda and the Co-operatives Bank Development Agency (CBDA) has been taken, with a target date of January 2024. However, it is understood that, until formal promulgation, each entity would still be required to produce and report against its own strategic and annual performance plan.

Irrespective of the timelines for the amalgamation, the emerging role delineation and focus of collaboration between sefa and Seda is as follows:

Table 3: Seda/sefa role delineation

	Seda	sefa
Pre-investment support	<ul style="list-style-type: none"> ▪ Common funding template – Facilitate applications for funding through the common funding template (business plans). ▪ Client assessment. ▪ Provide all BDS interventions. ▪ Compile quality applications that focus on sefa defined programmes, sectors, and target groups. 	<ul style="list-style-type: none"> ▪ Conduct financial, technical, and legal due diligence on funding applications (business plans) forwarded by Seda, approval and legal contracting.
Post-investment (monitoring) support	<p>For TREP and SMME relief:</p> <ul style="list-style-type: none"> ▪ Assist sefa-funded clients with mentorship, coaching, and business performance diagnoses. ▪ Assess clients' operating requirements and provide industry and standards certification. ▪ Provide market access facilitation to sefa-funded clients for growth/to distressed businesses; and ▪ Provide occupation and health, and technical training, to sefa-funded clients. 	<ul style="list-style-type: none"> ▪ sefa will focus on debtor management, including collections, rescheduling loan instalments, restructures, proactive portfolio management/monitoring, including analysis of management accounts, financial statements, stock, business operations, client visits, and advice duties. ▪ Seda reports from various service providers will be utilised to assist sefa to effectively monitor the existing investments. The turnaround reports, based on detailed diagnoses of distressed entities, will help sefa to effectively manage turnaround of the distressed entities and debt restructures. ▪ Access to market efforts by Seda helps to strengthen repayment capability of sefa clients. Additional markets bring income stability to sefa clients, thus improving business cashflows.

	Seda	sefa
Funding programmes (TREP, YCF, etc.)	Pre-funding support (business registration, training and capacity building, business plan development).	Application due-diligence and adjudication, legal contracting, and disbursement.
Strategic partnerships (priority groups)	Provide business development support services to partners in the ecosystem, targeting, among others, entrepreneurs with disabilities, youth entrepreneurs, and women entrepreneurs.	Provide funding support (access to finance) to SMMEs and Co-operatives, and to businesses that graduate from Seda's interventions.
Marketing and business development	Joint marketing and outreach campaigns, co-locations in municipalities.	
Monitoring and evaluation, and research	<p>An integrated Planning, Monitoring and Evaluation Framework, and strengthened SMME and Co-operatives sector research and knowledge hub.</p> <p>Strategic partnerships with HEIs and research partners.</p>	
Systems	Shared information and application front-end, CRM, business advisers' database, call centre (national SMME support line).	

2.3. SBD SECTOR GAME CHANGERS AND BOARD PRIORITIES

The management and Board strategic review and planning sessions that were held in preparation for the development of the 2023/24 APP focussed on responding to the Minister's priorities and SBD sector game changer programme, and aligning the strategic focus areas of the Board, through the development of seven Seda game changers (SGCs) and one cross-cutting business enabler.

The table below provides a summary of the SBD sector game changers that Seda intends to contribute to through its own aligned game changers once the proposed budget has been made available.

Table 4: Small Business Development (SBD) Sector proposed game changers

SBD GAME CHANGERS	TARGETS	PROPOSED FUNDING (Over the MTEF)
GC1: New Economy Start-ups	<ul style="list-style-type: none"> Immediate: 100 top tech and energy start-ups. MTEF: 1 500 high potential technology start-ups. 	<ul style="list-style-type: none"> Little fiscal cost for the regulatory changes. Incentives to be fully costed

SBD GAME CHANGERS	TARGETS	PROPOSED FUNDING (Over the MTEF)
GC2: Township and Rural Economic Development	<ul style="list-style-type: none"> Immediate: 20 000 T&R enterprises through TREP MTEF: 30 000 T&R enterprises through National T&R Economic Development Bill. 	<ul style="list-style-type: none"> Additional R5 billion is required.
GC3: Refuelled Incubator/ Accelerator Programme	<ul style="list-style-type: none"> Immediate: 23 incubators established through Seda. MTEF: 100 top incubators refuelled for scaling. 150 000 entrepreneurs benefitting. 	<ul style="list-style-type: none"> Additional R1.5 billion required to leverage R2 billion private sector funding. Additional R1.5 billion required for the Youth Challenge Fund.
GC4: Recapitalised SMME Funding Package	<ul style="list-style-type: none"> sefa direct lending: 36 000 jobs. MF programme: 297 000 jobs/ self-employed enterprises. KCG: 6 000 enterprises Blended finance: 120 000 jobs/entrepreneurs. 	<ul style="list-style-type: none"> KCG: R10 billion required to leverage R66 billion from the private sector. Micro-finance intermediary programme – R3 billion capitalisation. sefa direct lending: R7 billion capitalisation. Blended finance programme: R4.4 billion capitalisation.
GC5: Supplier Development Partnership Programme	<ul style="list-style-type: none"> MTEF: R10.8 billion for T&R infrastructure, equipment, WC and access to technology. R2 billion leveraged for incubator/ accelerator refuelling. 300 000 T&R enterprises benefitting. 	<ul style="list-style-type: none"> R1.5 billion matched funding instrument.

In addition to, and complementing the above, the new Seda Board identified the following strategic focus areas and priorities for the planning period:

Strategic Focus Area 1: Strategic Impact:

Marketing the organisation | Mobilisation of entrepreneurs | Provincial plans

Strategic Focus Area 2: Proposals to improve Seda's delivery model:

Segment client support | Catalytic projects | Market access opportunities | Organisational issues

Strategic Focus Area: Policy and Mandate Issues:

Lobbying | Amalgamation

A detailed and engaging process was undertaken by Seda management and the Board in responding to the above priorities through the development of **Seda Game Changers (SGCs)**. SGC's and alignment to the SBD Sector Game Changers and Board strategic focus areas are shown in the table below.

Table 5: Seda Game Changers

SBD GAME CHANGERS AND BOARD STRATEGIC FOCUS AREAS	SEDA GAME CHANGER / ENABLER
GC5: Supplier Development Partnership Programme	SGC1: Market Access and Supplier Development Partnership Programme
Board: Delivery Model / Market access opportunities	
Board: Delivery Model / Marketing the organisation and mobilisation of entrepreneurs	ENABLER: Marketing and Entrepreneurship Mobilisation
GC2: Township and Rural Economic Development	SGC2: Township and Rural Economic Development
GC4: Recapitalised SMME Funding Package	SGC3: Pre-investment and Post-investment Business Development and Support Programme
Board: Policy and Mandate Issues / Lobbying	SGC4: District Ecosystem Facilitation Programme
GC3: Refuelled Incubator/ Accelerator Programme	SGC5: Refuelled Incubator/Accelerator Programme
Board: Strategic impact / Provincial plans and Delivery Model / catalytic projects	SGC6: SMME Participation in catalytic projects Programme
Board: Organisational issues, cross-cutting	SGC 7: Smart systems and technology programme

Each SGC plan includes a problem statement, key interventions, funding proposals, short- and medium-term priority actions, outputs for inclusion in either the APP or AOP, and key dependencies. The game changer outputs will be included in the APP in line with the MTEF budget allocation. For 2023/24, budgets have not been allocated for the game changers and Seda has therefore had to hold back on implementing new outputs due to a lack of resources to do so. The

Agency will, however, utilise existing resources to respond where possible through existing APP outputs.

2.4. SEDA ALIGNMENT TO MTSF AND ERRP PRIORITIES

SEDA IMPACT STATEMENT	SEDA OUTCOMES	2019-2024 MTSF PRIORITY		ALIGNMENT WITH ERRP KEY PRIORITIES			SEDA PROGRAMME
		DSBD Outcomes	MTSF Intervention	MTSF Target	Priority Interventions	Strategic Objectives	
Competitive, innovative, and sustainable SMMEs and Co-operatives creating jobs and contributing to inclusive economic growth	Improved SMME and Co-operatives growth through the development of competitive local products and services with access to local and international markets	Increased participation of SMMEs and Co-operatives in domestic and international markets	Ensure inclusion of SMMEs in localisation and buy local campaigns	Localisation policy framework and implementation programme on SMMEs and Co-operatives development and adopted by March 2021/22	Industrialisation through localisation	<ul style="list-style-type: none"> Reduce the proportion of imported intermediate and finished goods. Improve the efficiency of local producers. Develop export competitive sectors that can expand the sales of South African made products on the continent and beyond 	Programme 1: Enterprise Development Programme 2: Seda Technology Programme
				Implement the SMME-focused localisation policy and ensure 100% compliance by public sector in procuring 1 000 designated local products and services from SMMEs by 31 March 2024 10 000 youth small businesses and Co-operatives supported by 2024.	Gender equality and economic inclusion of women and young people	<ul style="list-style-type: none"> SMMEs, especially those run by young people, women, and persons with disabilities will play a significant role in the delivery of the infrastructure necessary to catalyse economic recovery and reconstruction. Young people, women, and persons with disabilities will be encouraged and supported to form Co-operatives in key economic sectors, such as retail, agriculture and agro processing, financial services (co-operative financial institutions), manufacturing and infrastructure development 	

SEDA IMPACT STATEMENT	SEDA OUTCOMES	2019-2024 MTSF PRIORITY		ALIGNMENT WITH ERRP KEY PRIORITIES			SEDA PROGRAMME
		DSBD Outcomes	MTSF Intervention	MSTF Target	Priority Interventions	Strategic Objectives	
	Improved competitiveness and innovation of SMME and Co-operatives through the facilitation of enterprise development ecosystem focusing on targeted sectors	Increased contribution of SMMEs and Co-operatives in priority sectors			Support for SMMEs, Co-operatives and start-ups	<ul style="list-style-type: none"> Reviewing and integrating government support for formal and informal SMMEs, start-ups, and Co-operatives, including removing red tape and reducing timeframes for relevant licenses and permits to improve the ease of doing business. Designing more appropriate financing products, such as microfinance, gap housing products, and blended financing to include emerging farmers The support to SMMEs to participate in the localisation opportunities 	Programme 1: Enterprise Development Programme 2: Seda Technology Programme
	Promote entrepreneurship and provide targeted support to rural and township based SMME and Co-operatives to be competitive and create decent jobs	Scaled-up and coordinated support for SMMEs and Co-operatives in village and township economies	Facilitate the increase in number of competitive small businesses with a focus on township and rural	100 000 competitive small businesses and Co-operatives supported by 2024	Green economy interventions	<ul style="list-style-type: none"> Support for SMMEs and Co-operatives to take advantage of opportunities in the Green Economy Support for small grower farmers through public private partnerships in forestry, including state plantations 	Programme 1: Enterprise Development Programme 2: Seda Technology Programme
				<ul style="list-style-type: none"> 100 incubation centers and digital hubs established 	<ul style="list-style-type: none"> SMME development through incubation centers and digital hubs 	<ul style="list-style-type: none"> Increase the sustainability of SMMEs and Cooperatives through structured incubation programme. 	Programme 2: Seda Technology Programme

3. UPDATES TO RELEVANT COURT RULINGS

There are no court judgements that have a material and/or direct bearing mandate and/ or core operations of Seda.

PART B: OUR STRATEGIC FOCUS

In giving effect to the legislative and policy mandate outlined in Part A, the 2020-2025 Strategic Plan articulates the Small Enterprise Development Agency's strategic focus – its vision, mission, and institutional values – as follows:

VISION
To make a difference in SMMEs' lives everyday

MISSION
To promote entrepreneurship and facilitate the development of small enterprises by providing customised business support services that result in business growth and sustainability in collaboration with other role players in the ecosystem

VALUE	DESCRIPTION
Nurture	We create a nurturing environment by partnering with our clients and employees and in the way in which we care and support them
Innovation	We foster innovative ideas and solutions in order to deliver exceptional customer service
Customer-centricity	We place customer service excellence at the centre of everything we do
Responsible conduct	We behave with integrity in all our actions, always acting in the best interest of Seda and its stakeholders

1. UPDATED SITUATIONAL ANALYSIS

Seda executes its mandate, and seeks to achieve its strategic intent, in a complex environment, impacted by global, regional, and subnational events. In turn, the organisation requires the correct institutional environment to enable delivery of its strategic intent.

1.1. EXTERNAL ENVIRONMENT ANALYSIS

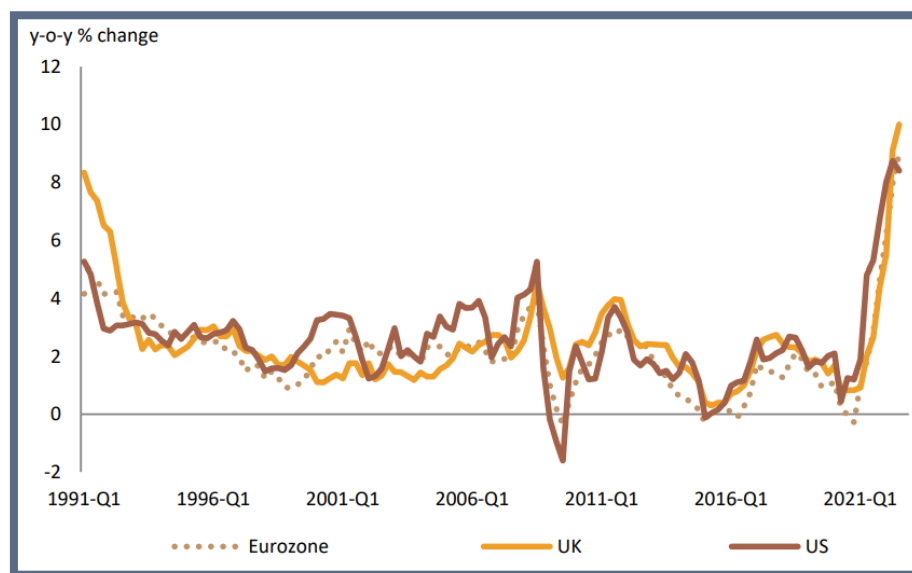
1.1.1.1. GLOBAL ECONOMIC OUTLOOK

The current global economic environment is characterised by **low growth, high inflation, and rising interest rates**.

After widespread COVID-19 lockdowns plunged the world economy into the deepest recession since World War II, there was hope that 2022 would see a gradual but steady recovery. However, on 24 February, just before the financial year began, a long-simmering conflict between the Russian Federation and Ukraine escalated into an invasion of the latter by the former, further destabilising an already fragile global economy as the two countries are important sources of agricultural and energy commodities.

Global inflation increased unexpectedly rapidly, driven largely by higher food and energy prices, as well as lingering imbalances in supply and demand, and significant money market interventions undertaken by the US and European central banks during the pandemic.

Figure 1: Inflation rates in the US, UK, and Eurozone



Source: DataStream, Seda SMME Quarterly Update, 1st Quarter 2022

As inflation reached multidecade highs, well above the targets set by central banks, over forty nations around the globe began aggressively raising policy interest rates. This will almost certainly erode already downgraded growth prospects for 2022 and beyond.

As Russia supplied a large percentage of Europe's (and particularly Germany's) natural gas, energy costs skyrocketed across the region, with the knock-on effects resulting in a cost-of-living crisis. The Eurozone is a key South African trading partner and source of tourists, and a slowdown there will undoubtedly have a negative impact on South Africa's bottom line. The UK seems to be in particular trouble, with an inflation rate higher than that of other G7 countries.

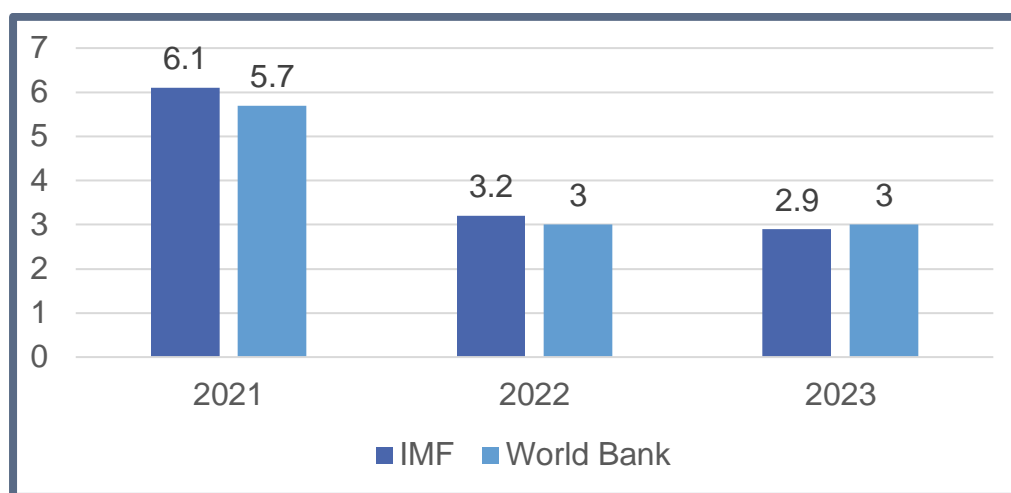
The US economy, the world's largest, fell into a technical recession in the second quarter of 2022 (two concurrent quarters of negative growth). However, the labour market seems robust, and the Fed has committed to lowering inflation through as much money tightening as might be necessary.

China is the world's second largest economy and has a significant influence on overall global growth prospects. Instability in the Chinese property sector, as well as ongoing 'zero-COVID-19' lockdowns in large cities and significant production hubs in the country, have adversely affected

the country's 2022 growth. China is a key consumer of commodities, and the giant's slowdown is also likely to have a negative impact on South Africa's growth.

The World Bank expects inflation to peak in mid-2022, but levels will remain high for some time, necessitating continued hikes in interest rates¹. Global growth, which has trended downwards since the beginning of 2022, is expected to remain subdued for the remainder of the decade. The IMF baseline forecast is for global growth to slow from 6.1% in 2021, to 3.2% in 2022, and 2.9% in 2023². The World Bank's forecasts follow a similar pattern, 5.7% in 2021 followed by 3% in both 2022 and 2023.

Figure 2: Global GDP projections from IMF and World Bank



The world economy is facing what could be a lengthy period of *stagflation*, where inflation and unemployment are high, and growth is low. This presents a challenge for governments because interventions designed to curtail inflation may well exacerbate unemployment, and policies designed to lower unemployment may send inflation higher. Fears of a full-blown global recession are mounting.

1.1.1.2. SOUTH AFRICAN SOCIO-ECONOMIC OUTLOOK

Like the rest of the world, South Africa finds itself in a period of **low growth**, **high inflation**, and **rising interest rates**. The country faces the additional challenge of **excessively high unemployment**. The fiscus will inevitably continue to tighten, and government will have to reduce spending and increase revenue wherever possible.

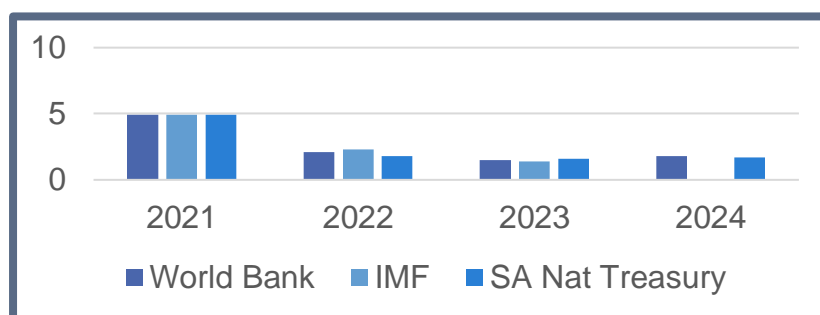
¹ World Bank. 2022. *Global Economic Prospects*, June 2022. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1843-1. License: Creative Commons Attribution CC BY 3.0 IGO.

² IMF *World Economic Outlook*, July 2022 Update

Growth

The IMF's downwardly revised forecast for South African GDP growth during 2022 is 2.3%, slipping down to just 1.4% in 2023. The World Bank predicts 2.1% in 2022, and 1.5% for the 2023 financial year. Even National Treasury is uncharacteristically pessimistic in its outlook, forecasting real economic growth in the country of just 1.8% in 2022, 1.6% in 2023, and 1.7% in 2024. The University of Stellenbosch's Bureau of Economic Research (BER) forecasts real GDP growth for 2022 of around 1.9%.

Figure 3: South African GDP growth forecasts



GDP contracted by 0.7% in the second quarter of 2022 from the 1.7% expansion in the first. On an annualised basis, real GDP grew by 1.6% in the first half of 2022. The primary and secondary sectors were negatively affected by prolonged industrial action in the mining sector, severe flooding in KwaZulu-Natal during April, and extensive loadshedding throughout the quarter. Sustained high input cost pressures were another constraint.

The primary industry slipped into a technical recession as value add in both the agricultural and mining sectors declined for a second consecutive quarter. Construction posted a fifth consecutive quarterly decline. Gross domestic expenditure slowed, and growth in import volumes outpaced any rise in exports³.

A worsening global economic outlook poses a notable risk to the country's GDP growth in the second half of 2022 into 2023, and loadshedding threatens to make a bad situation worse. Current levels of growth are well below those needed to achieve any of the country's significant economic development and unemployment reduction goals. Raising interest rates to tame inflation risks tightening the job market even further.

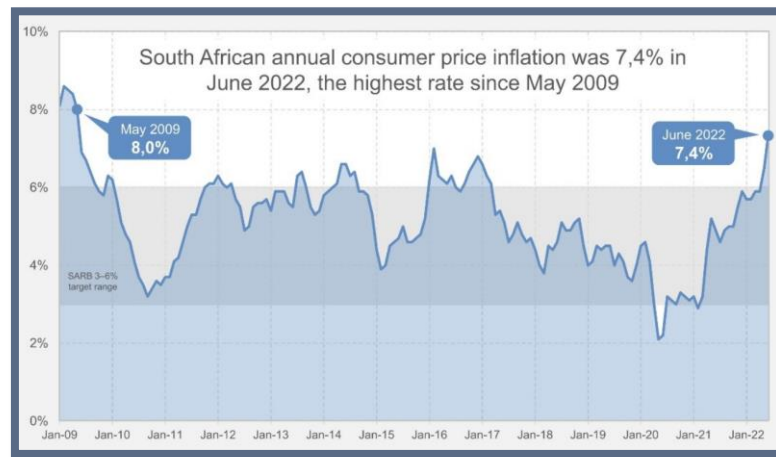
Inflation

Headline inflation reached 7.4% in June 2022, its highest level in thirteen years. The target range is 3-6%. The upper limit has been breached for months, and indications are that it may take a while

³ Seda SMME Quarterly Update, 1st Quarter 2022

to bring back down. SARB has responded to the inflationary pressure by raising interest rates but has few other tools of intervention at its disposal.

Figure 4: South African consumer price inflation, 2009 to 2022

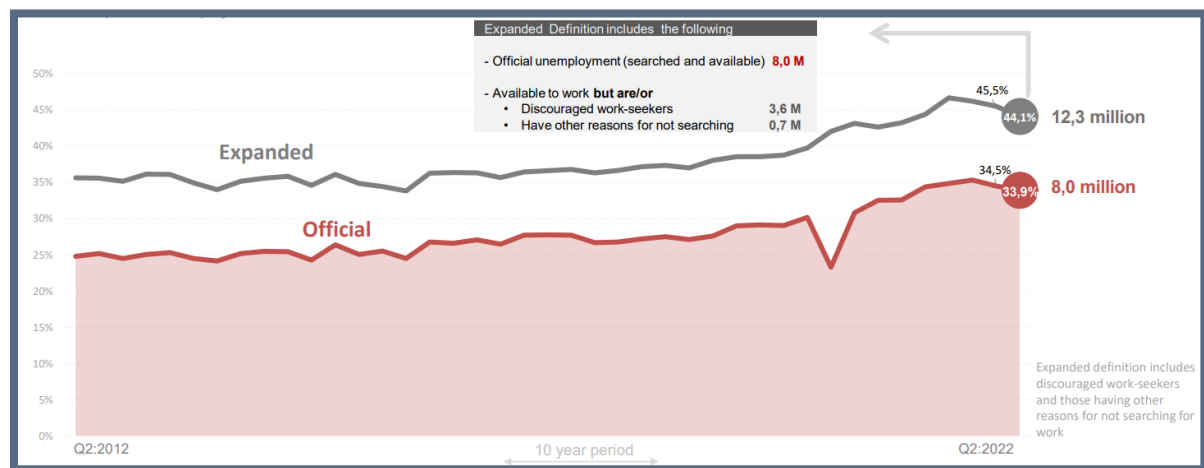


Source: Stats SA, Consumer Price Index, June 2022

The policy rate has been raised four times during the current hiking cycle, with further increases likely to be necessary to bring inflation back within target, particularly as Reserve Bank governor Lesetja Kganyago believes that the rate needs to be dropped all the way back to 3%.

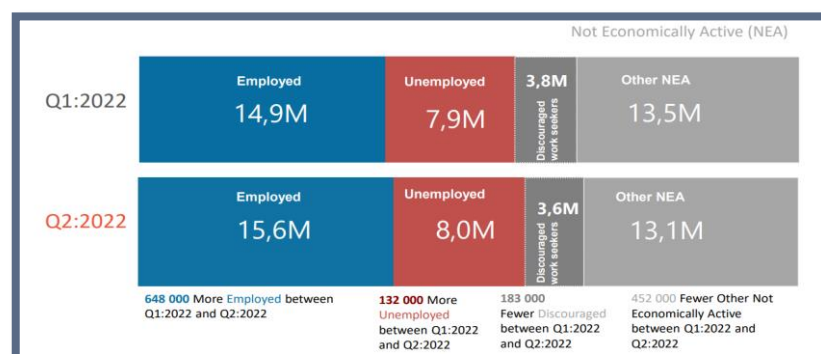
Unemployment

South Africa's unemployment problem is not a new phenomenon or a consequence of COVID, but a systemic and steadily worsening feature of the country's economy. Looking at the graph below, none of the many job programmes or policy interventions over the past decade can be said to have been effective, as success would have meant a downward trend in the number of people in the country unable to find work. Economic growth and job creation are not keeping track with the country's population growth, and the political promise of decent work for all remains very much unfulfilled.

Figure 5: Expanded vs official unemployment rate over last ten years

Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

The official unemployment rate decreased by 0.6% from 34.5% to 33.9% between Q1 and Q2 of 2022. The expanded definition of unemployment (which includes discouraged work seekers and those who have other reasons for not trying to find work) also decreased by 1.4% to 44.1%. Despite the improvement these figures remain unsustainably high, particularly among the youth. Youth aged 15-24 years and 25-34 again recorded the highest unemployment rates of 61.4% and 41.2% respectively⁴.

Figure 6: South African employment 2022 Q1 and Q2

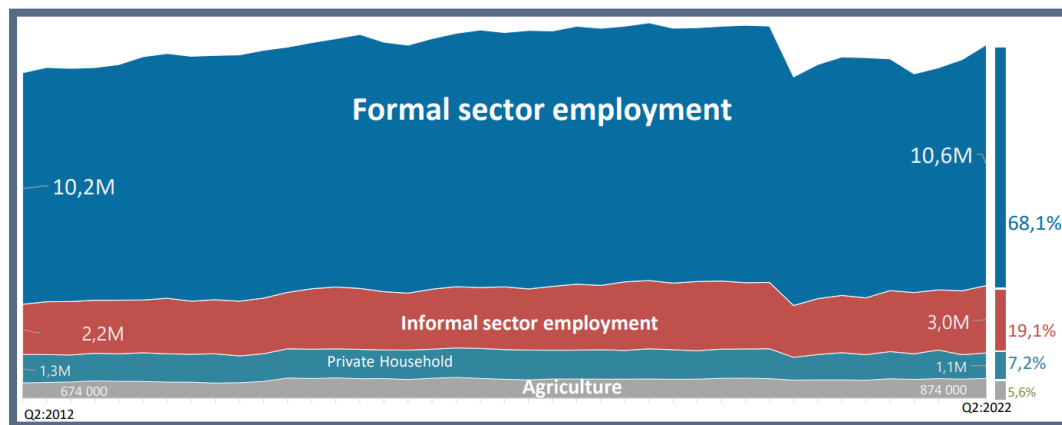
Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

68.1% of those who are employed, or 10.6 million people, work in the formal sector, and 19.1%, or around 3 million people, have found informal employment. 1.1 million people, or 7.2% of all

⁴ Stats SA, Quarterly Labour Force Survey (QLFS) – Q2:2022

those employed, work for private households. Under a million work in agriculture. The agricultural sector accounts for just 5.6% of the country's total employment.

Figure 7: Employment by sector, 2012 Q2 to 2022 Q2



Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

1.1.1.3. THE SMME LANDSCAPE IN SOUTH AFRICA

Note:

The SMME survey results quoted in the section below were extracted by Seda from the 2022 Q1 Quarterly Labour Force Survey (QLFS) conducted by Stats SA. Figures quoted may be influenced by the fact that, due to lockdown restrictions in 2020 and 2021, Stats SA had to switch to telephonic interviews instead of their usual in-person method. This affected response rate, which fell to just 44.6% in 2021 Q4.

A smaller sample means that the results are less accurate. In the first quarter of 2022, lockdown regulations eased, allowing Stats SA to revert to their in-person method and the response rate rebounded to 64.7%. This means that figures from this period likely provide a more accurate picture of the labour market than those collected during the pandemic compromised period, and quarter to quarter growth figures may be somewhat skewed.

South African SMMEs were already contending with a contracting economy when additional shocks from COVID-19 put further pressure on their operations. Lockdown measures caused revenues in many SMMEs to fall precipitously, and the majority of owners reported that they were being forced to cut back on business spending to survive. The worst affected sectors were the best performing in the past: the services sector, tourism, hospitality, and retail.

In spite of this, as is seen in the table below, the number of SMMEs in the country rose by 135 453 from 2021Q1 to a total of 2 460 656 million in 2022Q1. Nationally, 70% of all SMMEs operate in the informal sector, with just 26% formally registered. This has important implications for the total number of people employed by SMMEs, as 64% of SMMEs in the formal sector employ people, compared to only 21% of SMMEs in the informal sector. Overall, only a third of SMME owners employ other people, and the remainder are own account workers.

The number of SMMEs that employ other people actually dropped by just under 40 000 between 2021 Q1 and 2022 Q2, which means that the recovery in SMME numbers was solely driven by own account workers in the informal sector⁵.

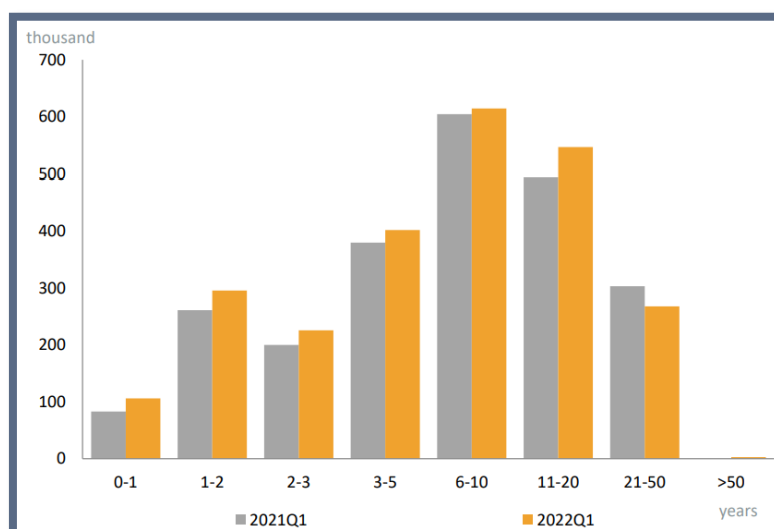
Table 6: Number of SMMEs

Indicator	2021Q1		2021Q4		2022Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Employer	869 036	5.7%	863 173	5.9%	830 143	5.5%	-33 030	-3.8%	-38 893	-4.5%
Own account worker	1 456 167	9.6%	1 589 560	10.8%	1 630 513	10.8%	40 953	2.6%	174 346	12.0%
SMME owners	2 325 203	15.3%	2 452 733	16.6%	2 460 656	16.3%	7 923	0.3%	135 453	5.8%
Working for someone	12 736 240	83.9%	12 143 111	82.4%	12 511 819	82.9%	368 708	3.0%	-224 421	-1.8%
Helping in household business	114 245	0.8%	143 968	1.0%	111 621	0.7%	-32 347	-22.5%	-2 624	-2.3%
Total employed	15 175 688	100.0%	14 739 812	100.0%	15 084 096	100.0%	344 284	2.3%	-91 592	-0.6%

Enterprise age of SMMEs

More entrepreneurs started their own micro businesses in the first quarter of 2022 compared to the same time in 2021, a period when the COVID-19 impact was still substantial, resulting in an increase of 27% in the number of new SMMEs (0-1 years old) in the country. There was a 12% decline in enterprises in operation for twenty years in 2022 Q1, but the change in sample size could be at least partly responsible for this.

Figure 8: Enterprise age of SMMEs



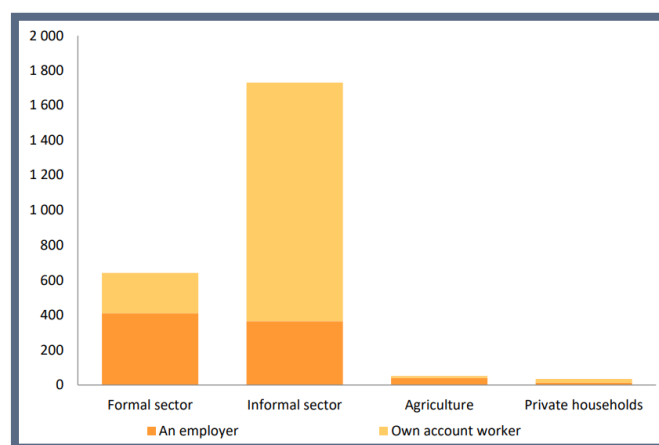
⁵ Seda SMME Quarterly Update 1st Quarter 2022

The **average enterprise age declined** from 11.1 years to 10.5 years over the same period. There was also a significant increase in SMMEs up to 20 years of age, indicating that entrepreneurs may have persisted with their businesses due to there being fewer job opportunities elsewhere.

SMMEs by formal and informal sector

At 26% in 2022Q1, the number of formal SMMEs has dropped to the lowest level in the current survey series, which started in 2008, fourteen years ago. The share of SMMEs operating in the informal sector jumped to 70%.

Figure 9: Formal vs Informal SMMEs, 2022 Q1



64% of SMME owners in the formal sector employ other people, while only 21% in the informal sector do so. Of all SMME owners, 34% employ other people and 66% are own account workers.

Employment provided by SMMEs.

It seems that the figures around the number of people employed by SMMEs may have been affected by the survey sampling changes mentioned at the beginning of this section. According to the latest survey SMMEs provided 5.43 million jobs to others in the first quarter of 2022, which is 1.56 million fewer than in the quarter before. At the same time, 1.93 million additional jobs were counted at large enterprises. It is possible that many formal enterprises, which were previously counted as owner-owned are now classified under a corporate structure or board managed, and therefore fall away from the proxy count. For example, the latest survey counted just below 11 000 enterprises with 50 or more employees, compared to more than 35 000 the previous quarter, impacting significantly on the derived number of jobs provided⁶.

⁶ Seda SMME Quarterly Update, 1st Quarter 2022

Table 7: Employment provided by SMMEs, 2022Q1.

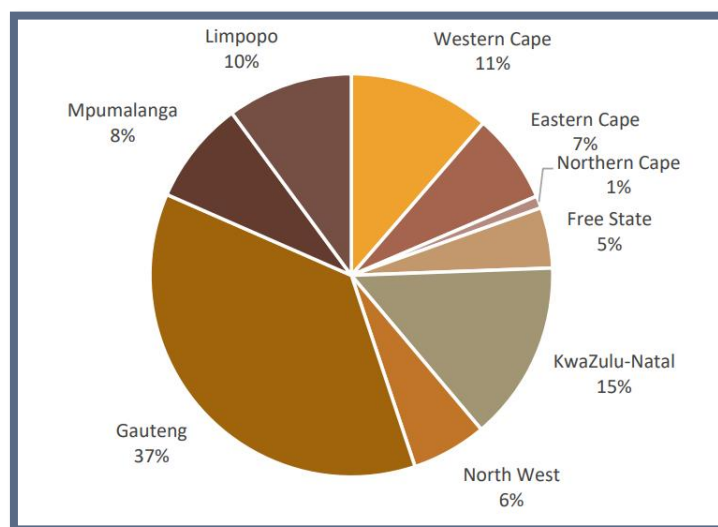
	2021Q1		2021Q4		2022Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Formal sector	5 081 610	52.1%	5 269 424	55.8%	3 757 122	47.6%	-1 512 301	-28.7%	-1 324 487	-26.1%
Informal sector	1 226 738	12.6%	843 111	8.9%	1 398 263	17.7%	555 152	65.8%	171 525	14.0%
Agriculture	1 107 846	11.4%	863 788	9.1%	258 280	3.3%	-605 508	-70.1%	-849 566	-76.7%
Private households	15 890	0.2%	13 670	0.1%	13 355	0.2%	-315	-2.3%	-2 535	-16.0%
Provided to others	7 432 084	76.2%	6 989 993	74.0%	5 427 021	68.8%	-1 562 973	-22.4%	-2 005 063	-27.0%
% Female*		38.3%		36.7%		36.6%		-0.1% pts		-1.8% pts
Employer	869 036	8.9%	863 173	9.1%	830 143	10.5%	-33 030	-3.8%	-38 893	-4.5%
Own account worker	1 456 167	14.9%	1 589 560	16.8%	1 630 513	20.7%	40 953	2.6%	174 346	12.0%
Total	9 757 287	100.0%	9 442 727	100.0%	7 887 676	100.0%	-1 555 050	-16.5%	-1 869 610	-19.2%

Source: QLFS of Stats SA

* of all people working for private enterprises, of which 84% worked for SMMEs over the last 5 years

SMMEs by province

In the first quarter of 2022, almost 37% of SMMEs in the country operated in Gauteng, up from 34% a year before. Over the same period, KwaZulu-Natal and the Eastern Cape registered fewer SMMEs.

Figure 10: SMMEs by province

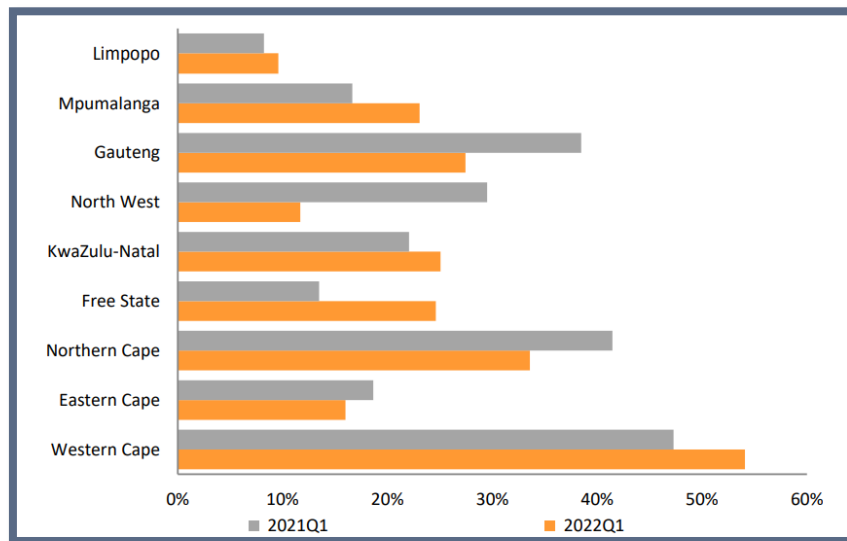
The largest proportional increase was in the Northwest province, where 32% more SMMEs were reported as operating than in the year before. It does not seem that this increase was due to multiple business opportunities opening up in the province as economic growth in the Northwest was estimated at half the national average during this period. It is therefore more likely that dire economic conditions prompted more unemployed people to try opening a business out of desperation. A similar situation seems to have been at play in the Northern Cape.

SMMEs by province and formal/informal sector

When looking at the provincial data, Gauteng, North-West and the Northern Cape all saw a significant decline in the number of formally registered SMMEs between 2021 Q1 and 2022 Q1. In

contrast, the formal proportion of small business in the Free State nearly doubled from 14% to 25%.

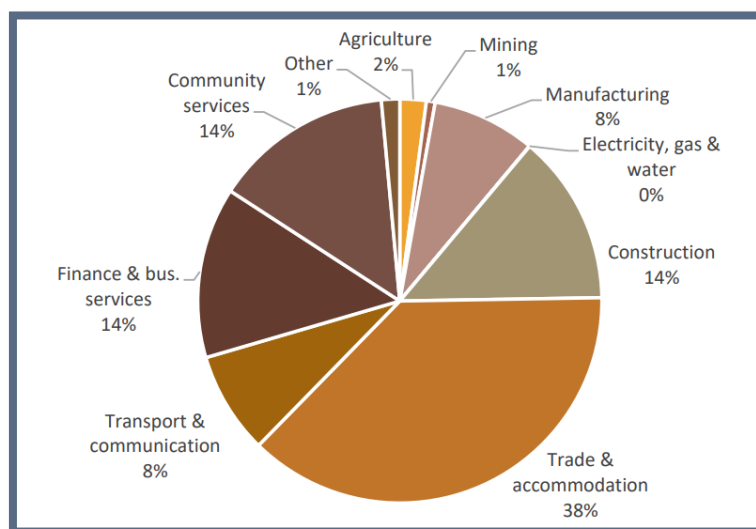
Figure 11: Formal sector SMMEs by province



The Western Cape stands out by having more than half of its SMMEs operating in the formal sector. On the other end of the scale, in Limpopo and Northwest more than eight out of ten SMMEs operate in the informal sector. The Northwest saw the biggest percentage drop of formally registered SMMEs in the country.

SMMEs by industry

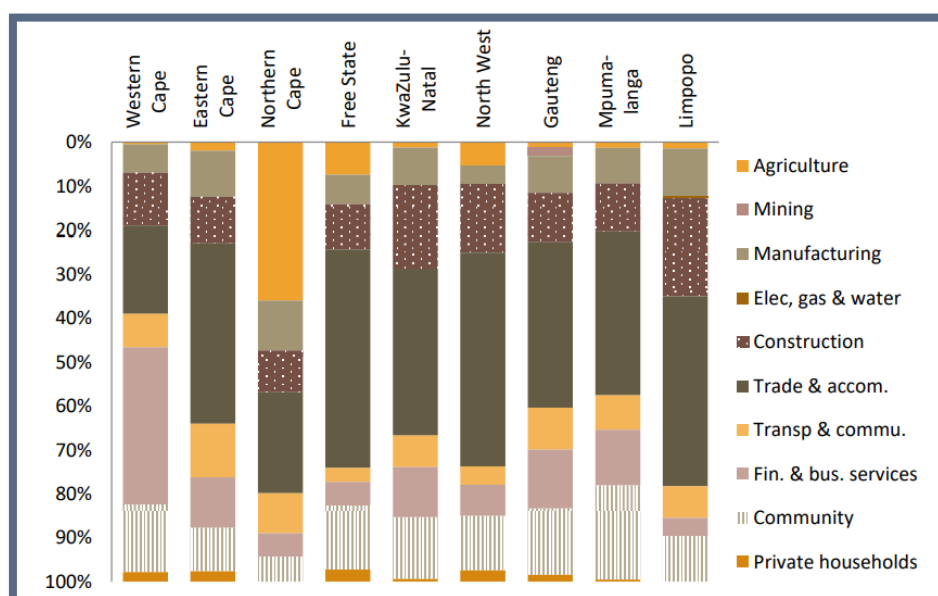
There was an increase in SMMEs operating in the services sector of the economy over the last year, in line with the long-term trend, especially in transport and communication. Many informal businesses are found in the trade and accommodation sector, with street vending, online or craft selling, and informal spaza shops providing a path into trading. Accommodation is another area of business frequently not formalised.

Figure 12: SMMEs by industry, 2022 Q1

The higher number of SMMEs counted in the mining sector is noteworthy, as most mining ventures require significant capital investment, which is usually an insurmountable obstacle for small entrepreneurs. It could be that illegal and informal miners were included in the survey sample for the first time.

SMMEs by industry and province

Provinces with high concentrations of SMMEs in the trade and accommodation sector tend to have higher ratios of informal businesses as the sector has relatively low barriers to entry, and entrepreneurs operating micro enterprises may feel the business does not warrant registering.

Figure 13: SMMEs by industry and province

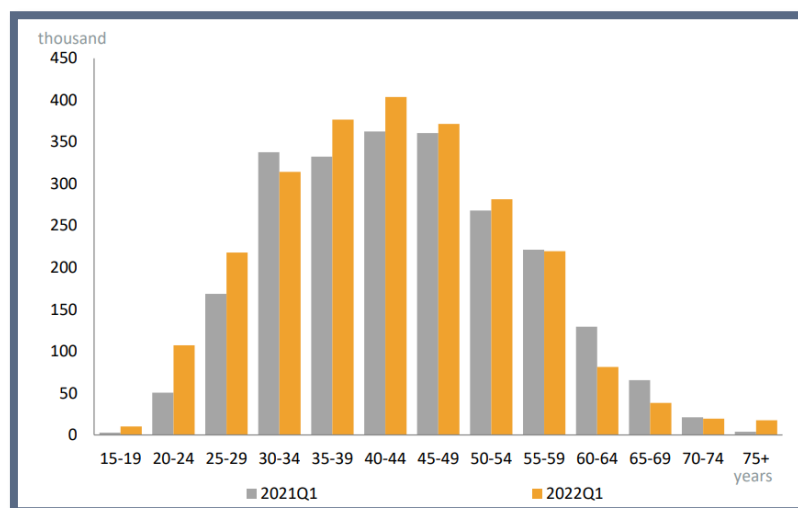
The Western Cape, where more than half of the province's SMMEs operate formally, has a relatively small trade and accommodation sector, and in contrast to other provinces, a large concentration of finance and business services SMMEs. Mpumalanga has the largest percentage of SMMEs in the community sector.

Gauteng is the only province with SMMEs operating in the mining sector, and as mentioned above, they may be illegal as well as informal. The Northern Cape has a large proportion of SMMEs in the agricultural sector, which differentiates it from other provinces.

SMME owners by age

Unemployed and desperate young people are starting their own businesses in order to survive. There was a 112% surge in the number of 20- to 24-year-olds who started their own micro enterprise between 2021 Q1 and 2022 Q1. The increase correlates with the high unemployment rate among the youth and the increase of SMMEs in the informal sector. Businesses owned by 25- to 29-year-olds increased by just over 29% as well, although businesses owned by the upper band of those considered youth, 30- to 34-year-olds, declined by 7% over the year. 15- to 19-year-olds starting businesses had the biggest gains in percentage terms: 264.2% growth. Businesses owned by this age group rose from 2 794 in 2021 Q1, to 7 382 in 2022 Q1.

Figure 14: SMME owners by age



The number of SMME owners older than 60 years declined by 29% over the same period. Despite the significant movements at either end of the age scale, most SMME owners remain in the 40- to 44-year-old age band.

SMMEs by population group

The number of white-owned SMMEs plummeted by almost 20% in the first quarter of 2022, while increases were counted among the other racial groups. Of particular note is the increase of over 28% in the number of Indian-owned SMMEs compared to a year earlier. The number of small businesses owned by coloured people declined 8% year on year. The number of black-owned small businesses increased by 8.3%.

Table 8: SMMEs by population group

Race	2021Q1		2021Q4		2022Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Indian/Asian	90 639	3.9%	91 191	3.7%	116 406	4.7%	25 215	27.7%	25 767	28.4%
Coloured	101 396	4.4%	86 462	3.5%	93 316	3.8%	6 854	7.9%	-8 080	-8.0%
White	445 451	19.2%	524 591	21.4%	422 469	17.2%	-102 122	-19.5%	-22 982	-5.2%
Black	1 687 718	72.6%	1 750 488	71.4%	1 828 465	74.3%	77 977	4.5%	140 748	8.3%
Total	2 325 203	100.0%	2 452 733	100.0%	2 460 656	100.0%	7 923	0.3%	135 453	5.8%

Once again, the change in survey methodology may account for some of the movements in this category rather than actual changes in the underlying demographic profile.

SMME owners by educational attainment

The number of SMME owners who completed secondary school increased by 16% year on year, and the group now accounts for 31.2% of all SMMEs. Those who have not completed secondary school are still the largest cohort with a third of all SMMEs. Businesses formed by people with no schooling rose 22.8% year on year, but the number of business owners who had not completed primary school dropped by nearly 17%. The number of SMMEs owned by people who completed primary school rose 24.2% year on year, from 92 901 to 115 420.

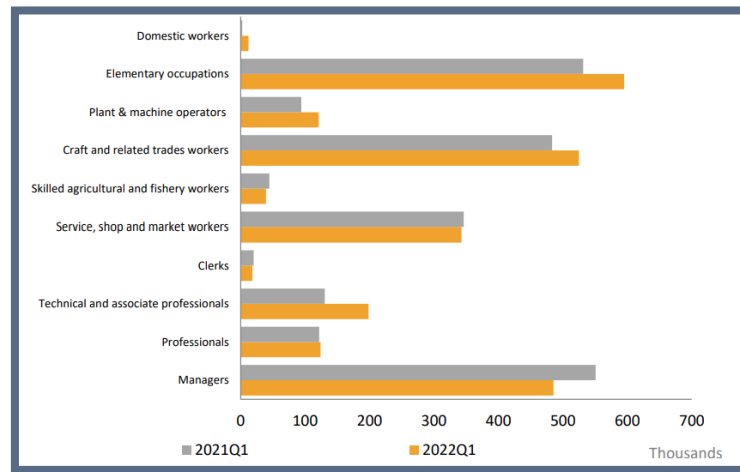
Table 9: SMME owners by educational attainment

Schooling	2021Q1		2021Q4		2022Q1		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
No schooling	42 296	1.8%	42 292	1.7%	51 961	2.1%	9 669	22.9%	9 664	22.8%
Less than primary completed	176 054	7.6%	192 309	7.8%	146 397	5.9%	-45 912	-23.9%	-29 657	-16.8%
Primary completed	92 901	4.0%	90 847	3.7%	115 420	4.7%	24 573	27.0%	22 519	24.2%
Secondary not completed	803 749	34.6%	761 761	31.1%	818 450	33.3%	56 689	7.4%	14 700	1.8%
Secondary completed	661 018	28.4%	799 656	32.6%	766 577	31.2%	-33 079	-4.1%	105 559	16.0%
Tertiary	524 660	22.6%	545 362	22.2%	532 658	21.6%	-12 704	-2.3%	7 998	1.5%
Other	24 524	1.1%	20 506	0.8%	29 194	1.2%	8 688	42.4%	4 670	19.0%
Total	2 325 203	100.0%	2 452 733	100.0%	2 460 656	100.0%	7 923	0.3%	135 453	5.8%

Businesses owned by those with a tertiary education contracted by 1.5%. Those with the educational attainment of 'other' grew by 19% but were still small, accounting for just 1.2% of SMME owners in the country.

SMMEs by occupation

Nearly a quarter of all SMME owners operated in elementary occupations during the first quarter of 2022, just slightly more than a year earlier. The share of technical and associate professionals increased from 5.6% to 8.1%. Managers, however, saw around 12% decline in numbers, as did skilled agricultural and fishery workers.

Figure 15: SMMEs by occupation

Craft and related trades workers increased by 8.6%, and there were an additional 26 905 plant and machine operators added year on year. There was a slight drop in the number of service, shop and market workers despite the increase of SMMEs in the trade and accommodation industry⁷.

1.1.1.4. GROWTH AREAS FOR SMALL ENTERPRISES

The Seda Quarterly Review, 2022Q1, has identified three priority sectors as potential growth areas for SMMEs: manufacturing, ICT, and tourism and hospitality.

Manufacturing

Manufacturing business confidence is well below the long-term average. According to the latest Absa Manufacturing Survey, 7 out of 10 respondents were unsatisfied with prevailing business conditions. Whilst this survey is conducted among larger businesses in the formal sector, SMMEs are likely to encounter similar challenges.

The intense loadshedding in 2022, which is likely to continue for an undetermined period, has an obviously deleterious effect on manufacturing at almost any scale. The fact that there is no obvious end in sight is eroding confidence in the sector. Floods in KwaZulu-Natal in April shut down the Toyota factory and interrupted other manufacturing concerns, negatively affecting the sector's performance in Q2 and 3. The prolonged strike in the gold mining sector may have also negatively impacted the affiliated manufacturing subsectors in Q2.

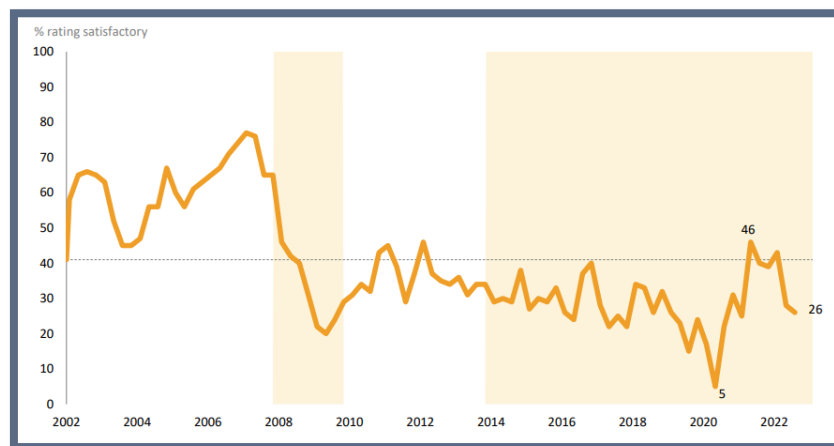
The temporary closure of the N3 highway between Durban and Johannesburg and the closure of the Durban port hurt both exporters and importers. South Africa's other ports, instead of picking up

⁷ Seda SMME Quarterly Update 1st Quarter 2022

the slack, added to supply chain challenges, deepened business constraints, and exacerbated sustained high input cost pressures.

The current global economic circumstances create tough trading conditions all round. Manufacturers need more certainty on the strength of demand for the products they are producing before they can move forward with confidence. Sharply rising production costs and dubious demand mean that producers cannot be confident about turnover expectations or profit margins. The shortage of raw materials, again due in part to inefficiencies in South African port and transport infrastructure, remains a key constraint for many businesses. In addition to all these headwinds, the rising policy interest rate is a growing concern for manufacturers.

Figure 16: Manufacturing business confidence



Despite the bad news, nominal turnover of SMEs in the sector was 15% higher year on year. Inflation averaged at 5.8% over the period, meaning the sector managed solid growth, with large enterprises managing a 10% growth in turnover. Due to higher growth of SME turnover relative to that of large enterprises, the share that SMEs contributed to turnover of all enterprises rose to 38.7%, the highest level since 2009 when the average prime interest rate was 14.3% compared to the current 9%⁸.

Information Communication Technology (ICT)

Globally the performance of the Information Communication Technology (ICT) sector has returned to pre-pandemic levels, but as with general economic performance, South Africa's recovery is lagging. Revenue growth in the IT and telecoms space in the country was just below 4%, when globally the sector has seen an expansion of 5-6%, according to India based technology research college BMIT.

⁸ Seda SMME Quarterly Update 1st Quarter 2022

A positive for the sector was the eventual auction of the high frequency radio spectrum by ICASA in March 2022. The delayed release of the much-needed extra bandwidth was constraining expansion of ICT services in the country. The release of the additional frequencies should facilitate the absorption of new technologies and open opportunities for new business services and revenue streams, creating space for smaller, niche businesses in the sector. The move should also bring down the cost of access, but this remains to be seen.

The lockdowns in 2020 and 2021 sparked certain broad societal behavioural changes. Remote working and telecommuting accelerated significantly, and online shopping received a tremendous boost. According to FNB Merchant Services, the value of the local e-commerce market is currently estimated at just under R200 billion per annum. E-commerce penetration rates are expected to continue to rise as more of the population gains access to the internet and customers are enticed by the convenience of being able to shop from wherever they are.

The e-commerce option does create some challenges for traders. In a traditional shop a customer visits a physical location and walks away with an item paid for in cash or increasingly with a card or secure mobile phone app. With an online shop, the item purchased must be delivered from wherever it might be stored to the customer's physical location, and a secure method of payment must be available. Returns of goods purchased presents its own set of challenges.

Many large online market platforms now take care of all the logistics surrounding selling an item online for third party sellers. They provide the 'shop front' needed to have the product seen by customers, secure payment options, delivery and returns, warehousing, sometimes even marketing and inventory management, all for a fee, of course. This provides small importers, agents and manufacturers with a simple and convenient way to access new online markets without having to build logistical capacity.

As a spin off, whether it's high-end electronics or daily groceries, all product-based e-commerce relies on physical deliveries, which creates demand for more delivery drivers.

Automation, digital transformation, and e-commerce provides businesses with opportunities to reduce operational costs, enhance customer service, and improve competitiveness. Tech incubators and accelerator programmes can assist South African entrepreneurs, and particularly young entrepreneurs, to create new and innovative applications and digitally based or assisted businesses⁹.

Tourism and Hospitality

Tourism is a significant part of the South African economy, contributing just under 4% to GDP, which is more than agriculture, utilities, or construction. Perhaps more important in the local context is that the sector is fairly labour intensive and provides many opportunities for lower skilled workers. Another important feature of the sector is that it is not geographically centred in the main economic

⁹ Seda SMME Quarterly Update 1st Quarter 2022

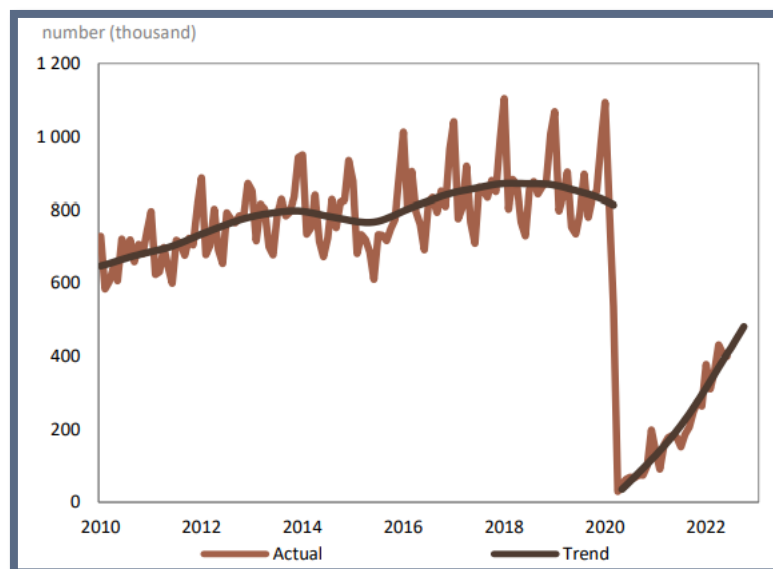
hubs like Cape Town and Johannesburg and provides work opportunities in all corners of the country.

Also, unlike many sectors of the local economy, it is not completely dominated by very large corporate players, and barriers to entry are not prohibitively high. Websites like Airbnb and Lekkeslaap provide opportunities for independent and small-scale accommodation provision. One of the more revolutionary applications of the internet is connecting people with similar, sometimes very niche interests. This allows entrepreneurs to establish small, easy to set up travel businesses appealing to niche interests.

For example, a company could package tours for dance music enthusiasts who like to travel to music festivals and nightclubs around the world. Another entrepreneur could focus on 'dark tourism' for people with an interest in visiting places where wars, conflict or crime took place, facilitating visits to battlegrounds, memorials or the homes and birthplaces of famous killers or criminals. Although a little controversial, poverty tourism provides opportunities to uplift impoverished areas whilst increasing global awareness of the plight of the poor and promoting social justice. South Africa contains a diverse range of peoples and places besides safaris and beach holidays that could be exploited by smaller operators.

Another niche group growing in prominence is the 'digital nomad', a person whose business is entirely online, enabling them to work from anywhere on earth if they have power to charge their laptop and a reliable internet connection. This group highlights the necessity of reliable power supply and availability of fast, affordable internet across the country.

Figure 17: Overnight tourists to South Africa



It is believed that there is significant pent-up demand for global travel post COVID-19 restrictions, supported by low rates of unemployment and high levels of accumulated savings in some of South Africa's more robust tourist supplying markets, and although the sector has not yet recovered to pre-pandemic levels, there are encouraging signs of progress in that direction. Resumptions of direct flights to South Africa from the US, UK, and Eurozone cities should increase tourist inflows to the country. South Africa's SMMEs need to be ready to exploit the opportunity.

Loadshedding on South African economy

Small businesses are at the heart of South Africa's economy as they provide employment to majority of South Africa's population and 3 to 4 hours without electricity has major financial implications on these businesses. Small businesses are faced with loss of profits during load shedding because in most cases they require electricity to function and run their businesses. A loss of profits is as a result of loss of production, where employees are essentially not working during periods of load shedding. The loss of productivity due to loadshedding runs into billions of rands. It should be noted that not all small businesses have the privilege of alternate power supply. Not only do businesses lose production and profits, they have no access to Wi-Fi which relies on electricity and when businesses are not able to connect to the network, they may miss important information or not have the ability to send out quotations, invoices, etc.

Load shedding affects traffic lights – this can potentially result in missed meetings, arriving late at work or deliveries delaying and goods not arriving on time. Although load shedding schedules are provided and businesses may try plan accordingly and try incorporate the schedule times in their business operations, this is not a sustainable long term solution. There's the cost of downtime, the cost of business disruption – up to three times daily, and many businesses are at high risk with their equipment, so maintenance costs also escalate, he said.

The silent costs of load shedding to the economy

There is no way to quantify the damage done by load shedding, because the numbers and models simply cannot estimate what could have been, had load shedding not existed or had been dealt with expeditiously. Some of these 'silent' costs to the economy include:

- Tens of thousands of jobs are lost as a direct result of load shedding;
- Hundreds of thousands of jobs could have been created had load shedding not happened;
- South Africa's reputation globally;
- A loss of confidence by the citizens in the government;
- The loss of skills and expertise due to emigration.

Global consultancy firm PwC estimates that South Africa's economy could have grown by as much as 7% in 2022 had there been a reliable electricity supply. This means that power cuts cost South African economy around five percentage points in lost GDP.

DSBD portfolio response to load shedding

The Department of Small Business Development is working on an energy relief package for the SMMEs with stakeholders to alleviate the devastating impact of load shedding on small businesses. SMMEs are particularly hit hard by continued power outages as many cannot afford

alternative power sources such as generators. Seda and sefa are collaborating with different stakeholders within and outside government on an energy relief package. The envisaged relief packages will entail providing small businesses with some sort of technology to mitigate outages like inverters and batteries. The solution for medium businesses will also include providing them with generators that can be able to sustain businesses where power is not available, more especially manufacturing businesses.

1.1.1.5. KEY CHALLENGES FACING SOUTH AFRICAN SMMES

SMMEs in South Africa face distinct challenges in navigating the current economic conditions, including the following:

1) Limited access to low and medium cost funding is constraining business growth

Only 6% of SMMEs surveyed received government funding and only 9% had sourced funding from private sources. Most private equity funding has been focused on mature businesses with around 90% of funding going to businesses that are more than five years old.

Even when funding is available, low awareness of opportunities and a lack of financial knowledge remain major barriers to SMMEs accessing the required support.

Slowing demand has led to SMMEs having to limit expansion plans and identify alternative channels to sell their products.

2) Access to the right markets to sell products.

Several SMMEs highlight an ongoing struggle to connect with potential buyers. Very often, SMMEs are overly dependent on a small number of clients. The emergence of online marketplaces and micro sales platforms is one way to overcome this challenge.

3) Lack of clear market access strategies

SMMEs should be more structured and think more holistically in developing their market strategies. A better understanding is needed of shifting demand, potential new client bases, and local substitutes for imported product. Access strategies allow SMMEs to focus on their core value proposition that can be leveraged to clearly position themselves in a new market.

4) Founders and owners struggle to empower staff to lead and drive the business.

Many SMMEs struggle with a restrictive owner mindset. This is largely because small enterprises are often run and managed by the founders/owners who have expertise in their area of operation but know little to nothing about human performance management systems, day-to-day operating models, and management structures with well-defined roles and responsibilities, key performance indicators, and delegated decision-making.

5) Developing team skills and capabilities and empowering leadership

SMMEs on a growth fast track can struggle to scale up, particularly when founders are still actively involved in the business. By investing in capacity building, particularly at a leadership

level, SMMEs can create more capacity for owners to focus on growth and strategy to ensure sustainability.

6) Liquidity and cashflow management are limited.

Many new and low maturity SMMEs lack the financial, operational, and strategic structures that are common in larger businesses. This hinders them from making the best use of available capital to scale their operations. A lack of prioritisation and financial planning can result in poor to no growth of the business. Liquidity and cashflow management are likely to come under even further pressure during times of crisis.

7) Difficulty leveraging technology to reach new customers or provide a distinctive value proposition

Digital and new technologies create an opportunity for SMMEs to enhance their reach and increase efficiency at lower costs, overcoming the scale disadvantage they have relative to larger players. Some SMMEs struggle to focus on key areas of competitiveness in their value chain, product, and/ or operations and identify the best technology levers to enhance competitiveness.

8) Balancing the drive for efficiency with the push for sales

Most SMMEs we have worked with focus on increasing sales and managing cash as priorities. SMMEs that focus on operational efficiencies can drive further competitiveness to support sales, while also potentially creating increased capacity in the business.

9) Access to the right support to enable growth.

Many SMMEs lack the in-house skills and business advisory services they need to get the right advice on structural business changes to help them reimagine their business in response to the current economic reality.

10) Impact of loadshedding on small businesses

SMMEs feel the loss of power, particularly those that do not have the necessary infrastructure to help cope with the loss of power supply. Not only are businesses trying to whether the storm of the pandemic and low economic growth, they are now faced with the impact of load shedding. When businesses experience load shedding, some of them are forced to close their doors because they cannot function or run their businesses as they do not have the infrastructure and security is compromised.

1.1.1.6. ENABLING SMMEs AND ENTREPRENEURSHIP

The state of entrepreneurship in South Africa

The Global Entrepreneurship Monitor (GEM) divides participating economies into three levels: A, B, and C. Level A economies have a GDP per capita of more than \$40 000. Level B consists of economies with GDP per capita of between \$20 000 and \$40 000, and Level C is for countries with a GDP per capita of less than \$20 000. South Africa is classified as Level C. GEM has identified

13 key conditions necessary to facilitate small enterprise formation and growth, which they refer to as “Entrepreneurial Framework Conditions (EFCs)”, listed below.¹⁰

Figure 18: Entrepreneurial Framework Conditions (EFCs)

A1.	Entrepreneurial Finance	Are there sufficient funds for new start-ups?
A2.	Ease of Access to Entrepreneurial Finance	And are those funds easy to access?
B1.	Government Policy: Support and Relevance	Do they promote and support start-ups?
B2.	Government Policy: Taxes and Bureaucracy	Or are new businesses burdened?
C.	Government Entrepreneurial Programmes	Are quality support programmes available?
D1.	Entrepreneurial Education at School	Do schools introduce entrepreneurship ideas?
D2.	Entrepreneurial Education Post-school	Do colleges offer courses in starting a business?
E.	Research and Development Transfers	Can research be translated into new businesses?
F.	Commercial and Professional Infrastructure	Are these sufficient and affordable?
G1.	Ease of Entry: Market Dynamics	Are markets free, open and growing?
G2.	Ease of Entry: Burdens and Regulation	Do regulations encourage or restrict entry?
H.	Physical Infrastructure	Is this sufficient and affordable?
I.	Social and Cultural Norms	Does culture encourage and celebrate entrepreneurship?

Source: GEM (Global Entrepreneurship Monitor) (2022). Global Entrepreneurship Monitor 2021/2022 Global Report: Opportunity Amid Disruption. London: GEM.

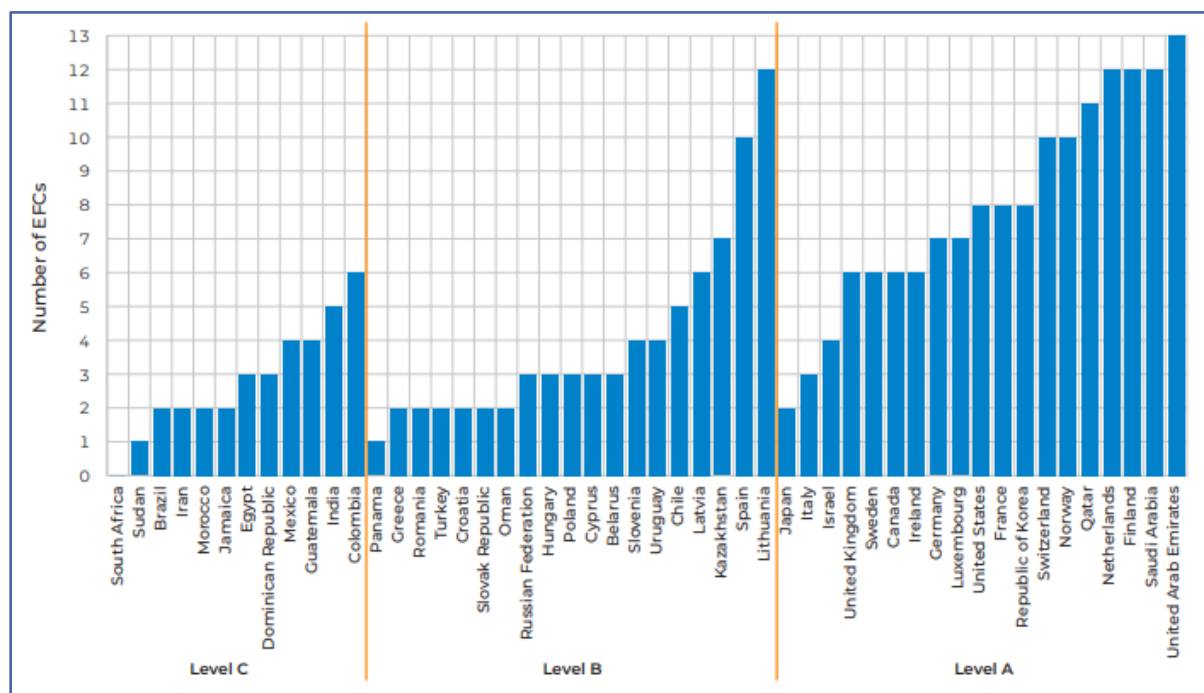
50 countries participated in GEM 2021/22. GEM seeks out expert views on the sufficiency or otherwise of each EFC by carrying out a National Expert Survey (NES) in each economy. The NES asks the same questions of at least 36 national experts in each economy, and often more, each of whom has an identified high level of expertise in at least one of the framework conditions. All experts completed the NES questionnaire by scoring their national economy against the extent to which they agreed or did not agree to questions about each framework condition. The framework conditions are scored according to an 11-point Likert scale, ranging from completely untrue (0) to completely true (10). A score of 5 and above is regarded as sufficient and a score of less than 5 means less than sufficient.

Of all participating economies, South Africa is the only one to score zero out of 13 in terms of the adequacy of EFCs in the country, i.e., a score of less than 5 on all framework conditions. The total score is then translated into a National Entrepreneurship Context Index (NECI). South Africa’s NECI of 3.7 ranks South Africa joint 45 out of 50 countries, with the Dominican Republic. Only

¹⁰ GEM (Global Entrepreneurship Monitor) (2022). Global Entrepreneurship Monitor 2021/2022 Global Report: Opportunity Amid Disruption. London: GEM

Brazil, Belarus, Iran and Sudan had a lower NECI. By comparison, the United Arab Emirates achieved the highest NECI, at 6.8.

Figure 19: Number (out of 13) of entrepreneurial framework conditions (EFCs) scored as sufficient per economy



Source: GEM (Global Entrepreneurship Monitor) (2022). *Global Entrepreneurship Monitor 2021/2022 Global Report: Opportunity Amid Disruption*. London: GEM.

What is clear from this data is that there is a need for South African policymakers to improve levels of support for aspirant entrepreneurs and SMMEs, and to create an environment that is more conducive to their formation and growth. This requires an all-encompassing and collaborative approach between all role-players in the public and private sector, and a key enabler of a sustainable small enterprises support operating model and framework.

DSBD/Seda/sefa need to work collaboratively to impact the EFCs by ensuring adequate funding for new start-ups, creating a conducive policy environment, ensuring ease of access to finance, quality support programmes, access to markets, access to sufficient and affordable infrastructure, and promoting and encouraging entrepreneurship.

Creating an enabling environment for entrepreneurship to thrive in South Africa

The table below summarises the key enablers that Seda, in partnership with sefa, should consider in strengthening the entrepreneurial framework conditions identified by the GEM 2022 report.

Table 10: Key enablers of entrepreneurship, informing product and service design.

KEY ENABLER	DESCRIPTION
Entrepreneurial vs. survivalist culture	<ul style="list-style-type: none"> Entrepreneurship is to a large extent stimulated by a culture that values entrepreneurship as a desirable career path and encourages

KEY ENABLER	DESCRIPTION
and motive for business ownership	<p>risk taking and creativity, as well as experimentation and tolerance for failure.</p> <ul style="list-style-type: none"> ▪ The reality in South Africa is that most micro-enterprises are informal and focused on survival. More often than not, operating an own business is not a chosen career path.
Supportive policy environment	<ul style="list-style-type: none"> ▪ While Seda/sefa is not the policymaker and thus has limited control over the regulatory frameworks and administrative burdens that hinder small enterprises, the organisation needs to align with the latest policy developments, for example, the NISED Masterplan and DSBD District Ecosystem Facilitation Model, which aims at coordinating and aligning small enterprises support across the spheres of government, the private sector and other key role-players.
Entrepreneurial finance: sufficient funds for start-ups and developing micro-enterprises	<ul style="list-style-type: none"> ▪ Access to financial resources is critical to successful entrepreneurship and small enterprises development. It is often the key inhibitor in business establishment, in terms of capital to set up a business, and also the availability of appropriate financing streams to assist in reducing transaction costs and improving business cashflows.
Entrepreneurial finance: awareness and ease of access to funds	<ul style="list-style-type: none"> ▪ There are several DFIs and commercial banks offering financial support to small businesses; however, they often preclude start-ups from accessing credit/loans due to a lack of assets/collateral and poorly conceived business plans. ▪ The reach of these financial institutions, into the rural areas and townships is also insufficient, as is a lack of awareness of, and investment readiness, of the entrepreneurs to access the funds.
Human capital development	<ul style="list-style-type: none"> ▪ Human capital refers to the capabilities and skills of not only the individuals that could potentially become entrepreneurs, but also the availability of appropriately skilled labour to take up job opportunities. ▪ Such capabilities and skills are a function of the education and training system (both at foundational and tertiary level) and the extent to which a country's educational system encourages entrepreneurship.
Quality support programmes	<ul style="list-style-type: none"> ▪ Entrepreneurship is promoted by the presence of a range of support systems that facilitate business development and growth, for example, business support services, incubation and mentorship as backing for entrepreneurs, particularly during the early stages of the business
Access to markets and economic development opportunities	<ul style="list-style-type: none"> ▪ The success of any new venture is to a large extent driven by its ability to access markets, and to provide its goods and services competitively in that space. ▪ Open markets that are new business friendly, where market information is easily accessible and where barriers to entry are reduced contribute to entrepreneurship and small business development.

KEY ENABLER	DESCRIPTION
Access to sufficient and affordable infrastructure and technology	<ul style="list-style-type: none"> Physical infrastructure is a key enabler of entrepreneurial development, and by extension economic growth. Such economic infrastructure involves the availability of good transport and telecommunications networks, and electricity supply, which enable entrepreneurs to access markets.

The role of government

Government sees itself as a key player in the SMME ecosystem, both as a general enabler of SMME growth, and through the delivery of targeted support to high-growth businesses. Governments can enhance the national entrepreneurial culture by promoting programmes that prioritise SMMEs as preferred suppliers. They can also work to identify and bridge gaps in business enablement that could hinder SMME growth. In addition, they can provide outsourcing support for back-office services, something that SMMEs typically struggle with. Government could also focus on raising awareness among SMMEs about the support, financial or otherwise, that is available to them.

The National Small Business Amendment Act (Act 29 of 2004) places a lot of emphasis on Seda's role as an ecosystem facilitator. The organisation developed the District Ecosystem Facilitation (DEF) Model, aligned to the government's District Development Model (DDM). The rollout of the DEF was delayed by COVID-19 in 2020, and in the 2021/22 financial year challenges arose from the fact that different provinces were rolling out the DDM differently. This called for Seda to step back and review its approach to the rollout of the model to achieve better collaboration with district municipalities and other public and private stakeholders.

The key elements of the model are as follows:

- 1) ESD at district level will be anchored to the sectors that are competitive, and they will be the key drivers of partnerships with the private sector and the various SETAs.
- 2) Practitioner capacity building and professionalisation of business advisory standards.
- 3) Information management.

The three elements above will be positioned to improve support to SMMEs on one hand and the initiatives of the districts on the other.

Government can continue to ensure that entrepreneurs are supported with the skills and capabilities they need to rebuild and grow their businesses. Most would benefit from additional training in business scenario planning or managing scarce financial resources. This would be particularly relevant where relief funding is provided. Government could also work with industries and sectors that are most under threat to develop resilience strategies and to help them reimagine their business models going forward.

Research and development are key to innovation and growth, and there is an opportunity for the government to provide nuanced, sector-specific interventions. For example, the government could support export-focused companies in agriculture and business process outsourcing by setting up an export office for all SMMEs to help reduce bottlenecks. In addition, the government could

support manufacturing and consumer goods businesses that have the potential to compete with larger players and offer alternatives to imported goods. This might include creating Co-operatives.

The role of the private sector

The private sector has several levers it could pull on to support SMME growth, especially those with high potential. Banks and financial institutions have already started a significant number of initiatives to support SMMEs, including the suspension of loan repayments or the reworking of principal repayments, the provision of resources and communication tools to clients, interest and fee waivers, relief loans, and preapproved or expedited loan approvals. Financial institutions can also play a significant role in driving uptake and capability-building in new channels and payment methods.

Corporates more generally could enable SMMEs by focusing their supplier development for longer-term scale and competitiveness. Seda recommends five elements for private sector players to consider as part of their supplier development processes that serve their own business needs, as well as ensure the viability and sustainability of their SMME partners:

- 1) Develop clear selection criteria for suppliers upfront by defining the categories in which to develop suppliers. This could be based on ownership structure, business performance, or other criteria.
- 2) Assess the capability gaps that exist within suppliers up-front and develop plans to help them close these.
- 3) Build funding and capability requirements into the contract to create sustainability.
- 4) Simplify contractual terms and conditions and required paperwork for SMMEs that often do not have dedicated commercial teams.
- 5) Establish regular check-ins and course correction sessions throughout the lifecycle of the relationship with suppliers.

SMMEs are considered a vital engine in an economy, driving growth, spearheading innovation, and perhaps most importantly, creating employment, especially among young people. They can leverage their agility to design and incubate new technologies and business models to build a better future. Many of South Africa's SMMEs have the potential to become tomorrow's large corporations, the African unicorns that the continent needs to continue its path towards growth and prosperity¹¹.

¹¹ Seda Annual Performance Plan, 2022/23–2024/25

1.1.1.7. UPDATED PESTEL ANALYSIS

An analysis of the key macro-environmental factors impacting on the work of Seda is summarised in the table below.

Table 11: PESTEL analysis and Seda responses

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
Political	<ul style="list-style-type: none"> ▪ Growing tensions between the world's most powerful players threaten to disrupt the decades old economic and political status quo and reshape global cooperation and trade patterns. ▪ Policy uncertainty, lack of clarity on economic recovery plans, and looming inefficiencies in decision-making driven by coalition management of municipalities is further eroding the credibility of public institutions. ▪ In the November 2021 municipal elections, all parties claimed that if elected they would put an end to poor financial management and corruption in municipalities. ▪ The government will come under increasing pressure to curb spending and increase revenue as the tax base comes under pressure due to low growth, and taxpayers feel the pain of high inflation. ▪ Food inflation will affect the poor and unemployed dramatically, potentially sparking more widespread unrest than seen in July 2021. A cash-strapped government will be unable to offer much in the way of relief. ▪ Changing of political leadership at local, provincial, or national level can lead to programme implementation breakdown, as it disrupts the existing agreements and leads to lack of traction. 	<ul style="list-style-type: none"> ▪ Proactively brief new political incumbents on previous agreements, re-establish relationship. ▪ The department to focus on regulating the environment and engage in political advocacy to ensure collaboration on all spheres of the government. ▪ Agility and willingness to adapt to change (meeting and managing stakeholder expectations). ▪ Lobbying of the department to influence policy promulgation. ▪ There should be a clear distinction between policymakers and implementing agency.
Economical	<ul style="list-style-type: none"> ▪ Having just begun to emerge from the massive disruption and economic losses caused by COVID-19 mitigation efforts, the global economy is again on 	<ul style="list-style-type: none"> ▪ Prioritise opportunities to register, de-risking and opportunity matching.

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>shaky ground as long-standing geopolitical tensions boiled over into war in Ukraine.</p> <ul style="list-style-type: none"> Global growth estimates have been revised downwards and are likely to contract further as high inflation persists for longer than forecast, creating concerns that constricting global growth will develop into a global recession. Tightening monetary policy and rising interest rates in advanced economies will make debt more expensive for emerging markets and create downward pressure on their currencies. Global supply chains are likely to see more regular disruptions due to an increasingly fractious geopolitical environment and bottlenecks in the system. Trade patterns are being rethought as fragilities and inefficiencies are exposed. South Africa needs to be cautious of an overreliance on buoyant commodity prices and focus on building a diverse and robust local economy poised to take advantage of recovery opportunities. Agriculture contributes around 2.5% of total GDP and employs around 5% of the workforce, so may be a sector with room to expand. The sector also provides significant opportunity for less highly skilled jobseekers. Poor economic growth means that supply opportunities to local and international businesses are reduced. 	<ul style="list-style-type: none"> There are existing opportunities on international trade through trade agreements (Africa, BRICS, US, EU, amongst others). Develop appropriate value propositions to leverage funds from partners/stakeholders. Digitalise, create operational efficiencies, and leverage additional funding and resources through the ecosystem.
Social	<ul style="list-style-type: none"> Widespread poverty, fuelled by mass unemployment, is an urgent challenge. Structural and socio-economic inequality was deepened by the pandemic, and gaps continue to widen 	<ul style="list-style-type: none"> Prioritise women-owned businesses and programmes (such as Shetrades), coaching and mentorship focusing on women-owned business. Promote entrepreneurship, identifying and implementing

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>as unemployment rises, especially among the youth.</p> <ul style="list-style-type: none"> ▪ Socio-economic challenges are exacerbated by the underperformance of the education system, with low pass rates generally, and specifically poor results in science, technology, engineering, and mathematics (STEM). ▪ As STEM subjects are key to employability in technical and professional occupations, the education system is not delivering the skills youth need to thrive in the current and future economy. Early childhood development is critical to successful outcomes later in the educational process. ▪ In a report compiled by the World Economic Forum "Social cohesion erosion" was considered a short-term threat in 31 countries, including Argentina, France, Germany, Mexico and South Africa. ▪ Inclusion of women, young people, and people with disabilities (eradication of poverty and inequality). ▪ Lack of entrepreneurship in schools' curriculum. 	<p>socioeconomic interventions to address poverty and unemployment.</p> <ul style="list-style-type: none"> ▪ Entrepreneurship awareness programmes. ▪ Define specific programmes targeted at the unemployed and grant dependent. ▪ Customised Seda training material to support people who cannot read (more pictures and illustrations).
Technological	<ul style="list-style-type: none"> ▪ Digitalisation and automation of administrative, organisational and management processes may facilitate greater efficiencies. ▪ In many industries technology has lowered barriers to entry, provided affordable business administration and support tools, and supplied access to global markets. ▪ Access to technology in South Africa mirrors the patterns of general inequality in the country. Whilst most of the country is covered by cellular networks 2, 3 and 4G, the price of data remains prohibitively high, and speeds are not always adequate. 	<ul style="list-style-type: none"> ▪ Provided limited devices and data to qualifying enterprises (zero-rating Seda website). ▪ Invest in technology and ensure that the requisite skills are embedded in the organisation and aligned to R&D. ▪ Scale the digital trade opportunities. Ensure that e-commerce is defined as a critical outcome in all market access initiatives. ▪ Development of district information management system.

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>Reliable, high-speed, cost-effective internet access through fibre and 5G remain the dominion of the privileged.</p> <ul style="list-style-type: none"> ▪ The downside to reliance on technology is its fragility and susceptibility to attack and disruption. Technology does not work without electricity, and most transactions conducted today are completely reliant on technological systems to complete them. ▪ Increasingly sophisticated automation and robotics threaten jobs across all sectors of the economy. ▪ Harnessing the power of Big Data, Blockchain Technology, Artificial Intelligence, Machine Learning to improve Seda services. ▪ E-trade and virtual trading platforms to enable market access ▪ Lack of integrated information management system within the ecosystem ▪ The ongoing and real threat of cyber attacks 	<ul style="list-style-type: none"> ▪ Outsourcing of ICT in its entirety.
Environmental	<ul style="list-style-type: none"> ▪ A coordinated and centrally controlled approach to tackling climate change and future pandemics is being strongly advocated by groups such as the World Economic Forum, WHO, IMF, and World Bank. ▪ Corporate investment decisions are increasingly being influenced by environmental, social, and governance (ESG) considerations, although 'official' ESG scores are still somewhat contentious. ▪ Fixed investment in infrastructure and the green economy (including renewable energy and climate friendly industrial processes) is expected to accelerate, supporting the emergence of 'green' industries and occupations. 	<ul style="list-style-type: none"> ▪ Create a dedicated Green Desk and appoint Green Champions (the same can be done for other priority sectors) ▪ Create a funding mechanism within Seda to assist clients to comply with environmental requirements.

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<ul style="list-style-type: none"> Developed nations are in talks with the South African government regarding loans and funding for the transition away from coal to 'green energies. Focus on green economy as strategic growth area. Environmental impact assessments and requirements can be barriers to SMMEs growth and sustainability 	
Legal	<ul style="list-style-type: none"> A factor perennially accused of suppression of investment and economic growth is overly rigid labour regulation. Wage bargaining is conducted at a relatively high level and negotiated terms are automatically extended to smaller firms, negatively affecting the development of small business, and hindering employment of youth. Labour legislation, such as the Basic Conditions of Employment Act, and minimum wages, have a large impact on SMMEs. Product compliance requirements extremely expensive, and regulatory burden is increasing. Bureaucratic and cumbersome processes (overregulation and onerous compliance requirements). Poor implementation of legal requirements by the government. 	<ul style="list-style-type: none"> Increase the allocation budget to enable international compliance for products. Assist DSBD in lobbying to reduce the impact and get exemptions for SMMEs from inhibitory labour legislation. Implementation of a red tape reduction unit within the organisation. Lobbying and advocacy for limited compliance and requirements for SMMEs.

1.2. INTERNAL ENVIRONMENT ANALYSIS

1.2.1.1. SEDA AND DSBD OUTCOMES AND PROGRAMME ALIGNMENT

As reflected in the 2020-2025 Strategic Plan, the roles and functions of the department and its implementing agencies, Seda and sefa, are broadly summarised as follows:

Table 12: High-level roles of the DSBD and implementing agencies.

ROLE OF NATIONAL DEPARTMENT (DSBD)	ROLE OF DSBD AGENCIES (SEDA, SEFA)
<ul style="list-style-type: none"> Provide direction and leadership to the small business and Co-operatives sector broadly and across all three spheres of government. Provide oversight and governance of entities. 	<ul style="list-style-type: none"> Implement the delegated mandate from DSBD and develop and rollout implementation level policy and protocols.
<ul style="list-style-type: none"> Research, monitoring and evaluation of the impact of investments made in small business development and its contribution to economic growth and job creation, to inform evidence-based decision-making. Develop and implement sector-wide databases and M&E tools. 	<ul style="list-style-type: none"> Programme-level research that informs targeted programme design and package for a holistic sector view. Monitoring and evaluation at programme implementation level, to inform refinements to programmes.
<ul style="list-style-type: none"> Plan, coordinate and mobilise resources for the implementation and delivery of small enterprise's development projects, programmes and services. 	<ul style="list-style-type: none"> Implementation of well-conceptualised and targeted programmes, aligned to the overall sector policy stance and sectoral indicators.
<ul style="list-style-type: none"> Strengthen accountability, partnerships and communication with sector stakeholders, communities and key role-players, both nationally and internationally. 	<ul style="list-style-type: none"> Ensure a coordinated regional/provincial presence to support implementation. Development and management of partnerships and communication in support of the delivery mandate.

It is within this context that Seda has aligned its strategic outcomes and programmes to that of the Department, shown in the table below.

Table 13: Seda alignment of DSBD outcomes

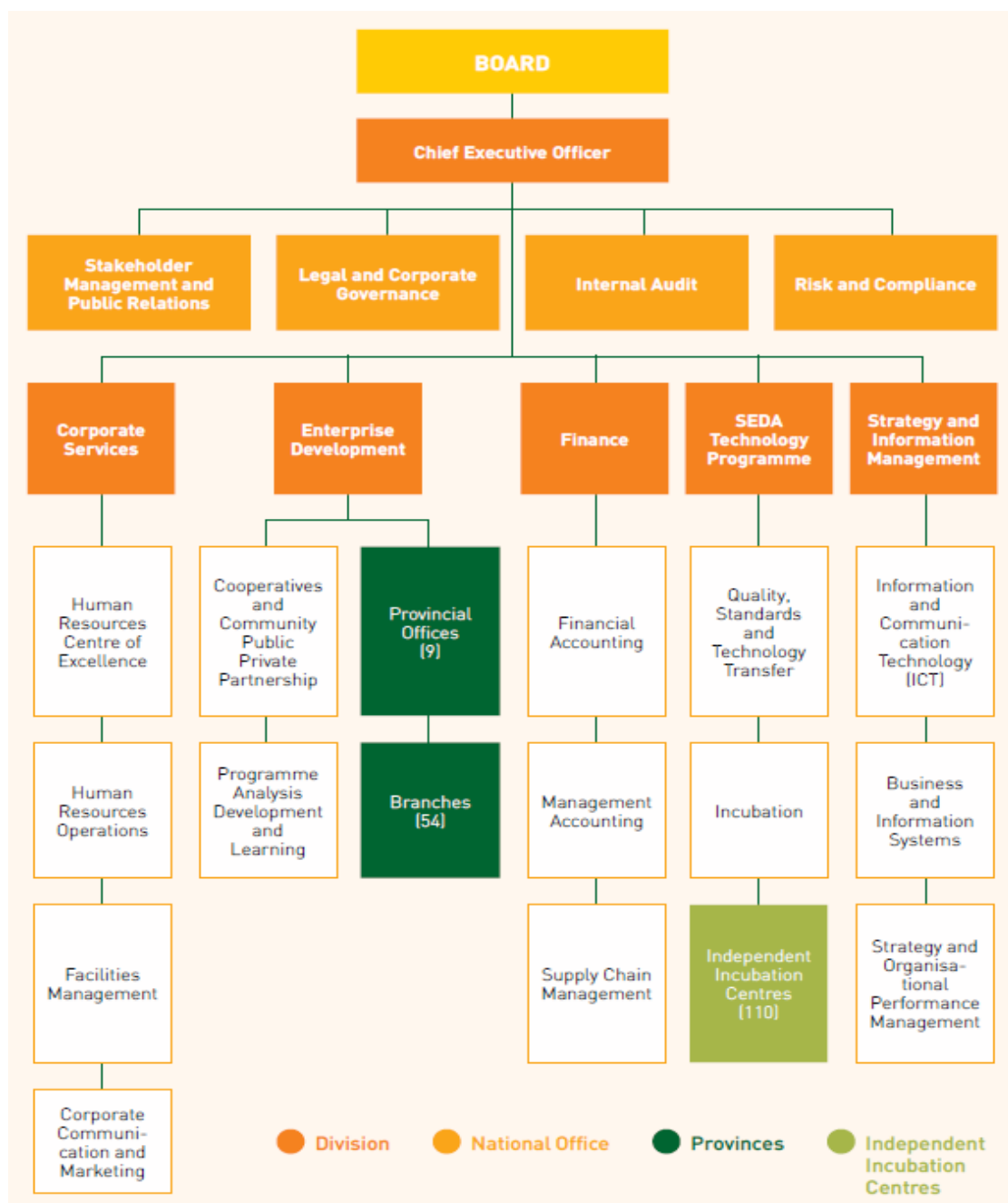
DSBD OUTCOME	SEDA OUTCOME	SEDA PROGRAMME
Increased participation of SMMEs and Co-operatives in domestic and international markets.	Increased localisation and market penetration by SMMEs and Co-operatives:	Programme One: Enterprise Development Programme Two: Seda Technology Programme
<ul style="list-style-type: none"> Increased contribution of SMMEs and Co-operatives in priority sectors. 	Increased growth and sustainability of SMMEs and Co-operatives	Programme One: Enterprise Development

DSBD OUTCOME	SEDA OUTCOME	SEDA PROGRAMME
<ul style="list-style-type: none"> Expanded financial and non-financial support and implemented responsive programmes to new and existing SMMEs and Co-operatives. 		Programme Two: Seda Technology Programme
Scaled-up and coordinated support to SMMEs, Co-operatives, village, and township economies.	Increased growth and sustainability of township and rural-based SMMEs and Co-operatives.	Programme One: Enterprise Development
Improved governance and compliance.	An agile, innovative, excellent, and customer-centric organisation.	Programme Three: Administration
Improved, integrated and streamlined business processes and systems.	Integrated and coordinated ecosystem support for SMMEs and Co-operatives.	Programme Three: Administration

1.2.1.2. SEDA ORGANISATIONAL STRUCTURE

Seda's organisational structure is reflected in the below figure. It comprises two core business divisions – Enterprise Development, and the Seda Technology Programme, supported by Corporate Services, Finance, Strategy and Information Management, and functions related to Stakeholder Management and Governance.

Figure 20: Seda organisational structure



1.2.1.3. REFLECTION ON PERFORMANCE TO DATE

The table below shows Seda's performance in contributing to the Minister's performance agreement, which is informed by MTSF 2019-2024.

Table 14: MTSF 2019-2024 and Minister's performance agreement

INTERVENTION	INDICATOR	BASELINE	TARGET	2019/20	2020/21	2021/22	YTD, 2022/23
Facilitate the increase in number of competitive small businesses with a focus on township and rural economies	Number of competitive small businesses and Co-operatives supported	New indicator	100 000	2 114	4 438	11 151	17 703
SMME development through incubation centres and digital hubs	Number of incubation centres and digital hubs established	73	100	23	8	6	110
Explore the introduction of measures to support the establishment of new, youth-owned start-ups	Number of youth business start-ups supported	New indicator	10 000 per year	2 500	3 689	4 309	10 498
Facilitate the increase in number of competitive small businesses with a focus on township and rural economies	Township and rural entrepreneurship programme implemented.	New indicator	100 000	12 074	15 678	31 457	63 082

Headline performance against key APP targets is reflected below.

Table 15: APP-aligned performance

INDICATOR	MTSF TARGET	MTSF AGGREGATE ACHIEVEMENT	2019/20 FY	2020/21 FY	2021/22 FY	2022/23 FY Q1
Total SMMEs and Co-operatives supported	219 000	361 129	89 113	45 850	185 987	40 179
Enterprises reached through awareness	75 000	152 512	48 866	8 576	67 029	28 041



INDICATOR	MTSF TARGET	MTSF AGGREGATE ACHIEVEMENT	2019/20 FY	2020/21 FY	2021/22 FY	2022/23 FY Q1
SMMEs and Co-operatives supported (excluding TREP)	90 000	145 535	28 173	21 596	87 501	8 265
Township and Rural Enterprises Programme (TREP)	54 000	63 082	12 074	15 678	31 457	3 876
incubators supported	100	110	96	104	110	110
Jobs created	18 000	14 817	6 709	2 292	5 176	640
Jobs sustained	30 000	39 097	22 230	8 283	8 584	2 630
Turnover increase	1.5 billion	3.49 billion	2.1 billion	1.1 billion	289 million	263 million




All cumulative targets for the 2019/20 to 2021/22 have been achieved, except for the number of jobs created. As reflected in the table, the dip in jobs created occurred in the COVID-19 affected 2020/21 financial year.

1.2.1.4. SWOT ANALYSIS

The 2023/24 APP has taken into consideration the critical issues and focus areas derived from the analysis of Seda's strengths, weaknesses, opportunities, and threats (SWOT), outlined below.

Table 16: Seda SWOT analysis

<div style="text-align: center;">  STRENGTHS </div> <ul style="list-style-type: none"> Geographical presence across all the provinces, almost all district and local municipalities. Relatively skilled and knowledgeable workforce with a vast knowledge of SMMEs sectors. The organisation has exposure to world-class best practices and insights (internal and external). Ability to leverage on political support due to the mandate of the organisation supported by the Act. 	<div style="text-align: center;">  WEAKNESSES </div> <ul style="list-style-type: none"> Understaffing relative to population size which is required to be served. Insufficient access points for Seda services throughout the country. Lack of digital delivery channels. Poor implementation of critical programmes. Lack of disaster recovery plan/system. Inadequate value proposition. Seda's failure to position itself as an ecosystem facilitator (failure to leverage on the mandate).
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<div data-bbox="272 280 421 412">  </div> <div data-bbox="432 324 639 360"> <h3>STRENGTHS</h3> </div> <ul style="list-style-type: none"> ▪ Above-average stakeholder and partnership support. ▪ Structured SMME support programmes. ▪ Targeted programmes (Township and Rural Entrepreneurship Programme, Women Enterprise Coaching Programme, Entrepreneurship in Schools, Market Access programmes). ▪ The organisation has approved incubation standards that leverage it to be an incubator of incubators. ▪ The organisation has approved business advisory services standards, which enable it to contribute towards the professionalization of the sector. ▪ The organisation has established processes and programmes. 	<div data-bbox="879 280 1027 412">  </div> <div data-bbox="1038 324 1278 360"> <h3>WEAKNESSES</h3> </div> <ul style="list-style-type: none"> ▪ Loss of talented staff/failure to retain or attract top talent – no continuity. ▪ Bureaucratic, cumbersome, rigid policies and procedures. ▪ Inconsistency in the roll-out of programmes and services.
<div data-bbox="272 1155 421 1288">  </div> <div data-bbox="432 1200 703 1236"> <h3>OPPORTUNITIES</h3> </div> <ul style="list-style-type: none"> ▪ Updating and modernising processes and systems to improve turnaround times. ▪ Usage of 4IR, big data, artificial intelligence, blockchain technology, and machine learning in establishing new programmes. ▪ Increase client databases to assist in the planning of programmes and implementation thereof and to advocate for more resources. ▪ The African Continent Free Trade Agreement (AfCFTA) opens enormous opportunities for international trade international agreements ▪ Estonian Digital Citizenship allowing South Africans to open businesses in the Estonian economy. ▪ Opportunity exists to partner with private sector, SETAs, and higher education 	<div data-bbox="879 1155 1027 1288">  </div> <div data-bbox="1038 1200 1198 1236"> <h3>THREATS</h3> </div> <ul style="list-style-type: none"> ▪ Other agencies assume Seda's mandated role, leading to Seda's irrelevance. ▪ Lack of affordable infrastructure for clients to access digital services due to exorbitant data costs. ▪ Other organisations use innovation to outcompete Seda and offer more effective services. ▪ Blurred department's role and responsibility whereby the department implements certain programmes. ▪ Negative perception about the government and its agencies. ▪ Competition with other business development service providers at local, provincial, and national level (NYDA, GEP,

 OPPORTUNITIES	 THREATS
<p>institutions (general stakeholders) to leverage resources and support.</p> <ul style="list-style-type: none"> ▪ The organisation is supported by legislation, to facilitate and coordinate all business development services at all levels of government. ▪ AfCFTA and its impact on South African businesses. Only 2.9% of small businesses are currently exporting. Big opportunity to export to the rest of the continent. ▪ Development of standards for business advisory services and incubation. ▪ Due to the fragmented SMME ecosystem, Seda has an opportunity to facilitate and be the leader of the ecosystem. ▪ Reduce the cost of business by utilising solar in branches and provincial offices which can reduce rental costs of electricity. ▪ The power purchase programme presents an opportunity for the organisation to assist SMMEs with solution to their current problem of loadshedding. 	<p>LEDA, MEGA, LED at municipal level, amongst others).</p> <ul style="list-style-type: none"> ▪ Introduction of new unrealistic targets and programmes by the department with limited resources ▪ Perception that Seda only serves micro and small enterprises. ▪ Cybersecurity threat (constant). ▪ Loss of systems (failure of disaster recovery plan/system). ▪ Reputational risk (lack of integrated ecosystem to enable the support and sustain SMMEs and Co-operatives. ▪ Business disruption due to load shedding, this can have a direct impact in the operating hours of Seda offices.

1.2.1.5. SEDA CAPACITY TO DELIVER ON ITS MANDATE

12.1.5.1 Seda Budget Allocation

Seda's budget allocation is provided by the Department of Small Business Development on an annual basis and Seda work around the allocated budget to submit a balance budget to the Department and National Treasury. The budget allocation from DSBD Vote allocation is mainly for Seda Enterprise Development Programme, Seda Technology Programme and Administration, the budget for 2023/24 is below:

Transfers and subsidies	2022/23	2023/24	Change	% Change
Seda: Enterprise Development and Operational	R 678 751 000	R 683 092 000	R4 341 000	0.64%
Seda: STP Capacity-building programme	R 16 171 000	R 16 274 000	R 103 000	0.64%
Seda: Technology programme	R 159 445 000	R 160 466 000	R 1 021 000	0.64%
Grand Total	R854 367 000	R859 832 000	R5 465 000	0.64%

An increase of R5,4 million will not enable the organisation to implement the Seda game changers. The 0.64% increase is below the inflation, other support and administrative expenditure like office space, insurance, ICT licences, internet connectivity, replacement of obsolete assets are increasing at the rate above 5%. The Game changers prioritised the support offered to township and rural based SMMEs and Cooperatives, refuelling incubators and accelerators, amplifying supplier development encouraging and supporting youth entrepreneurship and addressing responding with agility on the issues of financial and non-financial support.

Human Resource Capacity

The Seda human resources unit sets strategic priorities that are translated into actions, while enabling other divisions to ensure that adequate and efficient service delivery is offered. It is widely acknowledged that employees are most productive when the working environment reflects a caring, supportive, and collaborative management culture. Workforce planning within Seda is the process of continuous optimisation that helps the organisation align its goals and needs with that of its workforce. It recruits and retains in line with its recruitment and selection policy and procedures, thus ensuring access to the current and future critical human resources required for meeting organisational objectives. This practice assists the organisation in attracting potential incumbents who have the correct values, skills, and experience to provide high-quality services to fill the workforce gaps.

Seda recruits and retains individuals with the correct values, skills, and competencies required to support the organisation's mandate. The vacancy rate is one of the Seda strategic indicators, and the target is monitored regularly. Seda promotes a culture of high performance, quality, and excellence, providing a forward-looking focus that permeates all levels of the organisation. The Seda performance management and development process aims to encourage an ongoing communication process between management and staff, as well as good staff management practice across Seda. It also assists employees in achieving their individual and organisational objectives.

ICT Capacity & Capability

The ICT strategy takes its cue from Seda's outcomes and contribute to Seda's vision to make a difference in SMME's life every day. Seda ICT function will work towards operating according to excellence standards and continuously adding value to the organisation. The ICT function further work towards ensuring the development of innovative solutions that will enable Seda to meet its outcomes. Below are some of the areas being explored with business for possible development and implementation.

ICT will seek to provide an agile platform to enable Seda to deliver its services, programmes, and products. This can be done through: Continuous improvement of the management of organisations electronic information through on the premises and in the cloud system. Improved communications with clients using client engagement modules and mobile telephony. Allowing clients to conduct online pre-assessments and IT involvement in hosting and development of Seda's diagnostic tools.

Implementation of these initiatives would result in improved user satisfaction and productivity, and ultimately improved business performance by Seda's assisted clients. ICT can play a critical role in the provision of secure, reliable, and sustainable access to business support services through:

Automation of key processes will greatly enhance the organisation's support functions and realise financial savings in the medium to long term.

Seda's compliance with the Broad-Based Black Economic Empowerment Act 53 of 2003

In 2021/22 FY Seda implemented a Learnership and Bursary programme for B-BBEE Skills development targets in terms of B-BBEE Act and aligned to Seda EAP Targets. Seda obtained a level 4 B-BBEE Contributor Status. B-BBEE Evaluation is done annually.

Seda's interventions related to women, youth, and persons with disabilities.

The organisation has mainstreamed the support offered to Seda clients in all indicators where in all indicators 40 % of the client supported should be Women, 30% Youth and 7% Disabled persons. The performance in the previous quarters vary where the organisation normally exceeds the set targets for women and youth. There are number of interventions that have been proposed to improve performance among SMMEs owned by people with disabilities. These includes engaging with organisations who are supporting persons with disabilities to having interventions specifically targeting these people. There uptake is still low, but the organisation will put efforts to ensure that these interventions yield results.

Summary of key Priorities for the 2023/24 financial Year:

The organisation has identified the following priorities for 2023-24 financial year,

- Entrepreneurship Promotion
- Township and Rural Entrepreneurship
- Access to markets for both Local and International Markets
- Quality and Productivity Improvement
- Incubation and Technology Transfer Assistance
- Training, Mentorship and Coaching

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Seda is constituted by the following programmes, which informs the packaging of this Annual Performance Plan:

Table 17: Seda programmes

PROGRAMME NO.	PROGRAMME PURPOSE
Programme 1	Enterprise Development Programme Provide needs based and growth-oriented business support to small enterprises and cooperatives through Seda network. SMMEs and cooperatives are supported with business related information, advice, consultancy, training, mentoring services, access to markets and other business specific interventions. Township and rural-based enterprises are prioritised to ensure that they are competitive and contribute meaningfully to the South African economy.
Programme 2	Technology Programme To support SMMEs and Co-operatives by providing them with necessary skills and tools to enhance their business production capacity and sustainability. Seda provides incubation services, technology transfer assistance.
Programme 3	Impact and Sustainability Programme To monitor and measure business impact post Seda intervention, key indicators include jobs created, jobs sustained and turnover improvement. To support SMMEs and Co-operatives by providing necessary skills and tools to enhance their business production capacity and sustainability. The support includes the provision of incentives for quality and compliance standards, product testing and certification.
Programme 4	Administration To provide strategic leadership and capacitating the organisation to deliver on its mission. This includes monitoring customer, stakeholder and employees' level of satisfaction and introducing initiatives to improve the organisations level of innovation and agility. The programme also amplifies the need to collaborate with other partners in the ecosystem to increase service access.

Informed by the legislative and policy mandates and strategic focus, the Revised 2020-2025 Strategic Plan presents the impact statement of the Small Enterprise Development Agency as:

Competitive, innovative, and sustainable SMMEs and Co-operatives creating jobs and contributing to inclusive economic growth.

Listed below, the outcomes of the 2020-2025 Strategic Plan are aligned to MTSF 2019-2024:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives

Outcome 2: Increased localisation and market penetration by SMMEs and Co-operatives

Outcome 3: Integrated and coordinated ecosystem support for SMMEs and Co-operatives

Outcome 4: An agile, innovative, excellent, and customer-centric organisation

The three programmes contribute to the attainment of the outcomes through programme level outputs, output indicators, and annual and quarterly targets, as reflected in the sections below.

1.1. PROGRAMME 1: ENTERPRISE DEVELOPMENT

1.1.1. PROGRAMME PURPOSE

Provide needs based and growth-oriented business support to small enterprises and cooperatives through a network of Seda branches and sub units in the National Office. SMMEs and cooperatives are supported with business related information, advice, consultancy, training, and mentoring services including business specific interventions to access markets. Township and rural-based enterprises are prioritised to ensure that they are competitive and contribute meaningfully to the South African economy.

In contributing towards the Seda impact of “Competitive, innovative, and sustainable SMMEs and Co-operatives creating jobs and contributing to inclusive economic growth”, the Programme delivers against the following outcomes in the approved Strategic Plan:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives.

Outcome 2: Increased localisation and market penetration by SMMEs and Co-operatives

The 2023/24 Performance Plan of Programme 1 is reflected in the log frame tables below:

1.1.2. PROGRAMME 1: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1. Increased growth and sustainability of based SMMEs and Co-operatives	Facilitate township and rural-based SMMEs and Co-operatives support	Number of township and rural based businesses supported with non-financial business development	Not measured	New indicator	28 000	16 000	18 000	20 000	21 333
	Facilitate entrepreneurship awareness	Number of people who attended entrepreneurship awareness sessions	Not measured	New indicator	18 000	20 000	20 000	26 250	27 563
2. Increased localisation and market penetration by SMMEs and Co-operatives	Facilitate access to local markets	Number of SMMEs and Co-operatives supported to participate in local markets	Not measured	New indicator	2 500	1 200	2 500	2 800	3 000
	Facilitate access to international markets	Number of SMMEs and Cooperatives supported with international markets readiness interventions	Not measured	New indicator	1 000	1 000	500	550	600
		Number of SMMEs and Co-operatives	Not measured	Not measured	Not measured	New indicator	500	550	600

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		supported through trade missions							
		Number of SMMEs and Co-operatives supported with business development	Not measured	Not measured	Not measured	New indicator	2 000	2 500	3 000
		Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses	Not measured	Not measured	New indicator	100	50	70	90
	Facilitate priority sector support	Number of SMMEs and Co-operatives supported with training, mentorship, and coaching	Not measured	New indicator	5 000	20 000	20 500	21 000	21 500

1.1.3. PROGRAMME 1: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Number of people who attended entrepreneurship awareness sessions	20 000	3 000	7 000	3 000	7 000
Number of township and rural based businesses supported with non-financial business development	18 000	3 600	5 400	3 600	5 400
Number of SMMEs and Co-operatives supported to participate in local markets	2 500	500	750	500	750
Number of SMMEs and Cooperatives supported with international markets readiness interventions	500	100	150	100	150
Number of SMMEs and Co-operatives supported through trade missions	500	100	150	100	150
Number of SMMEs and Co-operatives supported with business development	2 000	400	600	400	600
Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses	50	-	10	20	20
Number of SMMEs and Co-operatives supported with training, mentorship, and coaching	20 500	4 000	6 000	4 000	6 500

1.1.4. PROGRAMME 1: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Programme 1: Enterprise Development intends to respond to the priorities of the 6th administration of government, and emphasises the importance of localisation, economic recovery, business viability, and providing structured support to township and rural-based enterprises. Support provided to informal businesses is central to economic recovery as supported informal businesses can be meaningful contributors to economic growth. The NDP indicates that 90% of the 10 million envisaged jobs by 2030 will come from SMMEs, therefore township and rural businesses should be capacitated and supported to be competitive and innovative. All programmes implemented within Seda will mainstream women, young people, and businesses owned by people with disabilities.

CONTRIBUTION OF PROGRAMME OUTPUTS TO THE OUTCOMES AND IMPACT OF SEDA'S STRATEGIC PLAN.

The output measures are structured to provide an indication whether the outcomes related to increasing entrepreneurship awareness, growth, and sustainability of township and rural-based SMMEs and Co-operatives and the integration and coordinated ecosystem to support SMMEs and Co-operatives will be achieved over the strategic planning period. Specific contributions are as follows:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives:

- **Entrepreneurship awareness:**

The objective of entrepreneurship awareness is to persuade South Africans to consider self-employment and being employers through small business as opposed to finding jobs. through this initiative Seda intend hosting small business start-up workshops and engaging learners in school to participate.

- **Township and rural economic development:**

Priority will be given to providing business development services to support the participation of SMMEs and Co-operatives in provincial economic clusters with a focus on rural and township-based enterprises. Further interventions include providing business development and technical support to artisans and small enterprises.

- **Business development support**

Priority will be given to providing business development services to support the participation of SMMEs and Co-operatives in provincial economic clusters. Further interventions include providing business development and technical support to artisans and small enterprises.

▪ Business Mentorship and Coaching

Businesses as they move from one stage of development to another, they require mentors who have had exposure and are able to guide SMMEs and cooperatives to new requirements like managing different stakeholders and customers in different regions. structured mentorship and coaching will be implemented based on the business needs to improve their level of competitiveness.

Outcome 2: Increased localisation and market penetration by SMMEs and Co-operatives

▪ Access to local and international markets including trade missions:

The intention is to assist SMMEs and cooperatives through market linkages both locally and internationally. interventions that will be implemented includes pop up markets supporting SMMEs and cooperatives with exhibition, product packaging and product quality. To access international markets, SMMEs and cooperatives will be supported with trade exhibition training, trade mission to foreign countries and through registering on the trade platforms.

PROGRAMME 1: RESOURCE CONSIDERATIONS

Programme 1 - Enterprise Development Programme					
Aligned to the budget					
		2022/23	2023/24	2022/23 R	2023/24 R
1	Number of people attended entrepreneurship awareness sessions	20,000	20,000	30,000,000	30,000,000
2	Number of township and rural based businesses supported with non-financial business development	16,000	18,000	139,420,000	162,900,000
3	Number of SMMEs and Co-operatives supported to participate in local markets	2,000	2,500	20,000,000	25,000,000
4	Number of SMMEs and Co-operatives supported with business development	-	2,000	-	8,000,000
5	Number of SMMEs and Cooperatives supported with international market readiness interventions	1,000	500	15,000,000	7,500,000
6	Number of SMMEs and Co-operatives supported through trade missions	-	500	-	25,000,000
7	Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses	100	50	5,000,000	2,500,000
8	Number of SMMEs and Co-operatives supported with training, mentorship, and coaching	20,000	20,500	40,000,000	41,000,000
TOTAL				249,420,000	301,900,000

1.2. PROGRAMME 2: TECHNOLOGY PROGRAMME

1.2.1. PROGRAMME PURPOSE

To support SMMEs and Co-operatives by providing them with necessary skills and tools to enhance their business production capacity and sustainability. Seda provides incubation services, technology transfer assistance.

The Technology Programme delivers against the following outcome and five-year targets in the approved Strategic Plan:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives.

The 2023/24 Performance Plan of Programme 2 is reflected in the log frame tables below:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives

- **Incubation Support**

The provision of access to infrastructure, technical and business development support for SMMEs in sector specific areas for a defined period of time.

- **Technology Transfer Assistance**

Tailor-made support interventions that are needs based for SMMEs by providing them with a grant to purchase equipment, machinery and associated working capital.

1.2.2. PROGRAMME 2: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
4. Increased growth and sustainability of SMMEs and Co-operatives	SMME and Co-operatives supported to be competitive	Number of SMMEs and Co-operatives supported through Incubation Programme	Not measured	New indicator	2 700	2 500	1 800	2 000	2 200
		Number of SMMEs and Co-operatives supported through Technological Transfer Assistance Programme	Not measured	Not measured	New indicator	70	50	80	90

1.2.3. PROGRAMME 2: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Number of SMMEs and Co-operatives supported through Incubation Programme	1 800	360	540	360	540
Number of SMMEs and Co-operatives supported through Technological Transfer Assistance Programme	50	-	-	50	-

1.2.4. PROGRAMME 2: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Programme 2: Technology Programme amplifies the priorities of government of the 6th administration with greater focus on incubation and technology transfer. Gender mainstreaming will also be highlighted in all outputs being measured.

CONTRIBUTION OF PROGRAMME OUTPUTS TO THE OUTCOMES AND IMPACT OF SEDA'S STRATEGIC PLAN.

There is one outcome in this programme supported by corresponding outputs, which are intended to track the implementation of the strategy over the MTEF period. Specific contributions are as follows:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives:

- **Incubator/Accelerator Support**

The provision of access to infrastructure, technical and business development support for SMMEs in sector specific areas for a defined period.

- **Technology Transfer Assistance**

Tailor-made support interventions that are needs based for SMMEs by providing them with a grant to purchase equipment, machinery and associated working capital.

1.2.5. PROGRAMME 2: RESOURCE CONSIDERATIONS

Programme 2 - Technology Programme					
Aligned to the budget					
		2022/23	2023/24	2022/23 R	2023/24 R
1	Number of SMMEs and Cooperatives assisted through incubation programme	2500	1800	R 169,000,000	103,740,000
2	Number of SMMEs and Cooperatives assisted through Technological Transfer Assistance programme	70	50	R 19,500,000	10,000,000
TOTAL					113,740,000

1.3. PROGRAMME 3: IMPACT AND SUSTAINABILITY PROGRAMME

1.3.1. PROGRAMME PURPOSE

To monitor and measure business impact post Seda intervention, key indicators include jobs created, jobs sustained and turnover improvement. To support SMMEs and Co-operatives by providing necessary skills and tools to enhance their business production capacity and sustainability. The support includes the provision of incentives for quality and compliance standards, product testing and certification.

In contributing towards the Seda impact of “Competitive, innovative, and sustainable SMMEs and Co-operatives creating jobs and contributing to inclusive economic growth”, the Impact and Sustainability Programme delivers against the following outcome and five-year targets in the approved Strategic Plan:

Outcome 4: Increased growth and sustainability of SMMEs and Co-operatives.

The 2023/24 Performance Plan of Programme 2 is reflected in the log frame tables below:

Outcome 4: Increased growth and sustainability of SMMEs and Co-operatives

- **Quality and Productivity Interventions**

Quality interventions like product testing, product certification and the implementation of quality management system will be prioritised to ensure that SMMEs are competitive and are able to attract and maintain new clients. Productivity is also a key feature in this section as it goes hand in hand with improved production quality. Interventions like efficiency studies, elimination of waste and production capacity improvement will be prioritised.

- **Jobs Created, Jobs sustained and business turnover increase.**

Business impact indicators focusing on turnover improvement, job created, and jobs sustained will be monitored in this programme. The envisaged and the reported achievement will be for changes for businesses based in township, rural areas and urban areas. This information will be tracked and monitored in all quarters the contributing factors will be noted and necessary interventions will be implemented to respond to those contributing factors.

1.3.2. PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		Number of SMMEs and Co-operatives supported with quality improvement interventions	Not measured	Not measured	2 000	2 500	1 000	1 200	1 500
4. Increased growth and sustainability of SMMEs and Co-operatives	Facilitate growth and sustainability of SMMEs and Co-operatives	Number of SMMEs and Co-operatives supported with productivity improvement interventions	Not measured	Not measured	New indicator	2 000	1 000	600	750
		Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5% per annum	Not measured	Not measured	New indicator	180	280	360	400
		Number of jobs created by SMMEs, and Co-operatives supported through non-financial	Not measured	New indicator	3 500	1 600	1 800	2 000	2 200

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		support interventions							
		Number of jobs sustained by SMMEs, and Co-operatives supported through non-financial support interventions	Not measured	New indicator	3 500	2 400	3 200	4 000	4 800

1.3.3. PROGRAMME 2: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Number of SMMEs and Co-operatives supported with quality improvement interventions	1 000	200	300	200	300
Number of SMMEs and Co-operatives supported with productivity improvement interventions	1 000	200	300	200	300
Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5% per annum	700	150	200	150	200
Number of jobs created by SMMEs, and Co-operatives supported through non-financial support interventions	4 500	900	1350	900	1350
Number of jobs sustained by SMMEs and Co-operatives supported through non-financial support interventions	8 000	1 500	2 500	1 500	2 500

1.3.4. PROGRAMME 3: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Programme 3: Impact and Sustainability Programme is to monitor and measure business impact post Seda intervention, key indicators include jobs created, jobs sustained and turnover improvement. To support SMMEs and Co-operatives by providing necessary skills and tools to enhance their business production capacity and sustainability. The support includes the provision of incentives for quality and compliance standards, product testing and certification. Gender mainstreaming will also be highlighted in all outputs being measured.

CONTRIBUTION OF PROGRAMME OUTPUTS TO THE OUTCOMES AND IMPACT OF SEDA'S STRATEGIC PLAN.

There is one outcome in this programme: Increased growth and sustainability of SMMEs and Co-operatives. This outcome is supported by corresponding outputs, which are intended to track the implementation of the strategy over the MTEF period. Specific contributions are as follows:

Outcome 1: Increased growth and sustainability of SMMEs and Co-operatives:

- **Quality and Productivity Improvement**

Quality interventions like product testing, product certification and the implementation of quality management system will be prioritised to ensure that SMMEs are competitive and are able to attract and maintain new clients. productivity is also a key feature in this section as it goes hand in hand with improved production quality. interventions like efficiency studies, elimination of waste and production capacity increases will be prioritised.

- **Jobs Created, Jobs sustained and business turnover increase.**

Business impact indicators focusing on turnover change and job creation will be monitored in this programme. the envisaged and the reported achievement will be for changes for businesses based in township, rural areas and urban areas. this information will be tracked and monitored in all quarters the contributing factors will be noted and necessary interventions will be implemented to respond to those contributing factors.

1.3.5. PROGRAMME 2: RESOURCE CONSIDERATIONS

Programme 3 - Impact and Sustainability Programme					
Aligned to the budget					
		2022/23	2023/24	Costing per unit R	2023/24 R
1	Number of jobs created by SMMEs and Co-operatives supported through non-financial support interventions	4,000	4,500	In-house	-
2	Number of jobs sustained by SMMEs and Co-operatives supported through non-financial support interventions	6,000	8,000	In-house	-
3	Number of SMMEs and Co-operatives supported with quality improvement interventions	2,500	1,000	37,500	37,500,000
4	Number of SMMEs and Co-operatives supported with productivity improvement interventions	2,000	1,000	50,000	50,000,000
5	Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5% per annum	630	700	In-house	-
TOTAL					87,500,000

1.4. PROGRAMME 4: ADMINISTRATION PROGRAMME

1.4.1. PROGRAMME PURPOSE

To provide strategic leadership and capacitating the organisation to deliver on its mission. This includes monitoring customer, stakeholder and employees' level of satisfaction and introducing initiatives to improve the organisations level of innovation and agility. The programme also amplifies the need to collaborate with other partners in the ecosystem to increase service access.

In contributing towards the Seda impact of "Competitive, innovative, and sustainable SMMEs and Co-operatives creating jobs and contributing to inclusive economic growth", the Administration Programme delivers against the following outcome and five-year targets in the approved Strategic Plan:

Outcome 3: Integrated and coordinated ecosystem support for SMMEs and Co-operatives.

Outcome 4: An agile, innovative, excellent, and customer-centric organisation.

The 2023/24 Performance Plan of Programme 4 is reflected in the log frame tables below:

1.4.2. PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
5. An agile, innovative, excellent and customer-centric organisation	Implement innovative ideas	Percentage of innovative ideas implemented	Not measured	Not measured	New indicator	35%	40%	50%	55%
	Digitalise Seda services	Number of priority systems digitised	Not measured	Not measured	New indicator	2	1	1	1
	Measure Seda brand positioning	Percentage of Seda brand awareness	Not measured	Not measured	Not measured	New indicator	65%	70%	75%
	Measure stakeholder satisfaction	Percentage of stakeholder satisfaction	Not measured	Not measured	Not measured	New indicator	85%	85%	85%
	Measure Customer satisfaction	Percentage of customer satisfaction	Not measured	Not measured	New indicator	80%	85%	85%	85%
	Measure Employee satisfaction	Employee satisfaction	Not measured	Not measured	New indicator	50%	55%	60%	65%
	Reduce vacancy rate	Percentage of vacancy rate	Not measured	Not measured	New indicator	10%	10%	10%	10%
	Entrenched performance-driven culture	Percentage of staff who performed at 311 and above in the	Not measured	Not measured	New indicator	60%	65%	70%	75%

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		performance evaluation							
3. Integrated and coordinated ecosystem support for SMMEs and Co-operatives	Build an effective ecosystem	Percentage implementation of the Ecosystem Development Plan	Not measured	Not measured	New indicator	40%	70%	100%	-

1.4.3. PROGRAMME 3: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Percentage of innovative ideas implemented	40%	-	-	-	50%
Number of priority systems digitised	1	-	-	-	1
Percentage of Seda brand awareness	65%	-	-	-	65%
Percentage of stakeholder satisfaction	85%	-	-	-	85%
Percentage of customer satisfaction	85%	85%	85%	85%	85%
Employee satisfaction	55%	-	-	55%	-
Percentage of vacancy rate	10%	10%	10%	10%	10%
Percentage of staff who performed at 311 and above in the performance evaluation	65%	-	-	-	65%
Percentage implementation of the Ecosystem Development Plan	70%	-	-	-	70%

1.4.4. PROGRAMME 4: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Programme 4: Administration intends to ensure that the organisation is innovative and agile to respond to the priorities of government's 6th administration. Issues of customer satisfaction, staff satisfaction, and digitalisation of targeted systems are prioritised.

CONTRIBUTION OF PROGRAMME OUTPUTS TO THE OUTCOMES AND IMPACT OF SEDA'S STRATEGIC PLAN.

All the outputs measures are structured to provide an indication whether the outcome goal ensures an agile, innovative, excellent, and customer-centric organisation, will be achieved over the strategic period. Annually outputs will be monitored to determine whether they are yielding the desired results; where necessary, adjustments will be implemented. Specific contributions include:

Outcome 5: An agile, innovative, excellent, and customer-centric organisation:

- **Seda Marketing**
 - a) Improved branding of all Seda offices, co-locations, access points and Seda programmes.
 - b) A minimum of four marketing campaigns, including boosted social media campaigns, print, radio, TV, and media partnerships.
 - c) Centralised digital marketing messages for walk-ins and clients to provinces via TV modems.
 - d) Adequate quantities of promotional and branding material.
 - e) Development of digital communication platforms to effectively reach SMMEs.
 - f) Intensifying the Brand Advocacy Programme.
 - g) Investing in mass communication tools, such as WhatsApp business.
 - h) Partnerships with corporates.

Outcome 3: Integrated and coordinated ecosystem support for SMMEs and Co-operatives:

▪ District Ecosystem Facilitation (DEF) Programme:

The rollout of the DEF model was delayed by COVID-19 in 2020 and, in the 2021/22 financial year, challenges arose from the fact that different provinces were rolling out the DDM differently. This called for Seda to step back and review its approach to the rollout of the model to achieve better collaboration with district municipalities and other public and private stakeholders.

Focus will be given to implementing the Ecosystem Development Plan by capacitating internal and external stakeholders on the strategic value proposition of the DEF model, implementing change management interventions, creating awareness, and engaging stakeholders, identifying, and supporting the implementation of DDM projects jointly with ecosystem partners, and continuing with the development and implementation of the District Information Management System (DIMS).

1.4.5. PROGRAMME 4: RESOURCE CONSIDERATIONS

Programme 4 - Administration					
Aligned to the budget					
		2022/23	2023/24	Costing per unit R	2023/24 R
1	Percentage of innovative ideas implemented	35%	40%	In-house	-
2	Number of priority systems digitised	2	1	3,000,000	3,000,000
3	Percentage of Seda brand awareness	-	65%	2,000,000	2,000,000
4	Percentage of stakeholder satisfaction	80%	85%	In-house	-
5	Percentage of customer satisfaction	80%	85%	In-house	-
6	Percentage of employee satisfaction	50%	55%	In-house	-
7	Percentage of staff who performed at 311 and above in the performance evaluation	60%	65%	In-house	-
8	Percentage of vacancy rate	10%	10%	In-house	-
9	Percentage implementation of Ecosystem Development Plan	40%	70%	6,300,000	6,300,000
TOTAL					11,300,000

2. RESOURCE CONSIDERATIONS

Seda applies the zero-based budgeting approach which ensures that only value-added activities are included. Such activities are tested for value addition, as well as contribution to actual delivery of small enterprises. It further allows Seda to manage the available budget effectively.

2.1.1. EXPENDITURE ESTIMATES

The table below details Seda's budget for the three-year planning cycle as per the MTEF allocation. Seda's MTEF allocation was cut with R94,23 million over the MTEF period 2023/24 to 2025/26 which will have a huge impact on service delivery.

Most of the fixed costs like office rental, software licences, other goods and services increase with rates that are mostly above the rate of inflation, meanwhile the allocated budget amounts are increasing at minimal rates that are below the rate of inflation. This results in the amount available for programmes and projects being reduced accordingly as the total budget amount is limited.

Seda has also experienced reduced funding from partner organisations. Seda is a service organisation and as such, needs to allocate adequate funds to the compensation of employees to combat staff losses due to high number of terminations. The current allocation to compensation of employees is mainly for the core personnel in the delivery network.

Table 19: Seda Budget 2021/22 – 2025/26 (Rand Million)

INCOME					
	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
	Audited figures R	Budget R			
Seda - DSBD from ENE budget	666.1	678.8	683.1	713.8	745.7
STP - DSBD from ENE budget	156.5	159.4	160.5	167.7	175.2
Seda - DSBD specific projects	3.7	81.3	31.3	-	-
STP - Capacity Building programme	15.9	16.2	16.3	17.0	17.8
External earnings	40.6	1.8	-	-	-
Other income	19.4	10.0	5.0	5.0	5.0
TOTAL INCOME	902.2	947.5	896.1	903.4	943.7
EXPENDITURE					
Compensation of employees	376.7	375.5	397.7	417.6	438.4
Programme and Projects	773.6	554.8	468.7	454.9	473.1
Depreciation	13.2	15.8	14.9	15.5	16.1
Sub-total	1,163.5	946.1	881.3	888.0	927.6
Capital expenditure	21.6	1.4	14.9	15.5	16.1
TOTAL EXPENDITURE	1,185.1	947.5	896.1	903.4	943.7

2.1.2. ASSET AND LIABILITY MANAGEMENT

Seda's asset and liability management works towards ensuring a balance between assets and liabilities. The largest asset is cash and cash equivalents, while trade and other payables make up a sizeable portion of the liabilities.

Table 20: Asset and Liability Management (R Million)

ASSETS	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
	Budget				
	R'million				
Carrying value of assets	58.57	49.58	61.24	72.88	84.53
Inventory	0.25	0.32	0.38	0.46	0.49
Receivables and prepayments	25.04	23.55	5.96	5.96	5.96
Cash and cash equivalents	189.65	68.68	65.73	65.73	65.73
Total assets	273.49	142.13	133.31	145.03	156.70
LIABILITIES					
Accumulated surplus/deficit	-13.37	15.00	15.00	15.00	15.00
Operating Lease	3.29	2.52	3.71	3.71	3.71
Trade and other payables	255.42	124.61	114.60	126.32	138.00
Provisions	28.15	0.00	0.00	0.00	0.00
Total equity and liabilities	273.49	142.13	133.31	145.03	156.70

2.1.3. CASH FLOW PROJECTIONS

The table below details the organisation's cash flow projections for the 2021/2022 to 2025/2026 period.

Table 21: Cash Flow Projections (R million)

CASH FLOW DATA	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
	Audited	Budget R'million			
Cash flow from operating activities	-132.6	-119.6	11.9	15.5	16.1
Cash flow from investing activities	-21.3	-1.4	-14.9	-15.5	-16.1
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Net increase/(decrease) in cash and cash equivalents	-153.9	-121.0	-3.0	0.0	0.0
Cash and cash equivalents at the beginning of the year	343.5	189.6	68.7	65.7	65.7
Estimate of available cash	189.6	68.7	65.7	65.7	65.7

2.1.4. CAPITAL EXPENDITURE PROGRAMMES

Seda's planned capital expenditure programme aims to ensure equitable access by small enterprises to support services. As a result, Seda branches need to be equipped to service large volumes of clients and also to reach clients in outlying areas.

Table 22: Capital Expenditure (R million)

CAPITAL EXPENDITURE DETAILS	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
	Audited	Budget			
	R'million				
Buildings: non-residential	0.26	0.00	0.00	0.00	0.00
Vehicles	3.00	0.61	3.20	3.50	3.20
Furniture and office equipment	3.92	0.11	2.00	2.20	0.00
Computer equipment and softwares	14.41	0.64	9.68	9.78	12.90
TOTAL ACQUISITIONS	21.59	1.36	14.88	15.48	16.10

3. UPDATED KEY RISKS

The Seda Board and Management annually assess the organisation's risk environment and identify strategic risks that the Board manages through the Audit and Risk Committee. Management through Exco manages operational risks. The risks consider the organisation's outcomes and high-impact programmes/themes.

Table 23: Strategic Risk Register – 2023/24

OUTCOMES	KEY RISK	RISK MITIGATION
Integrated and coordinated ecosystem support for SMMEs and Co-operatives.	<ul style="list-style-type: none"> Failure to integrate technology with ecosystem partners. Insufficient collaboration from public and private sector. 	<ul style="list-style-type: none"> Identify win-win benefits for Seda and targeted partners. Actively pursue stakeholder engagement.
Increased entrepreneurship awareness, growth, and sustainability of township and rural-based SMMEs and Co-operatives.	<ul style="list-style-type: none"> Inadequate customisation of Seda services to identified or profiled rural areas and townships. Limited access to Seda service by SMMEs and Co-operatives. Insufficient resources to deliver on planned initiatives. Inability of SMMEs and Co-operatives to produce a desired quality. 	<ul style="list-style-type: none"> Conduct needs analysis for rural and township-based businesses and craft interventions that are suitable to their needs. Expand service access points. Leverage funding from partners. Provide mentoring and coaching, including quality testing and certification interventions.
Increased growth and sustainability of SMMEs and Co-operatives in the priority sectors.	<ul style="list-style-type: none"> Inadequate business growth. Limited access by SMMEs and Co-operatives to opportunities and barriers to participate in priority sectors. Non-alignment of Seda offerings to the market. 	<ul style="list-style-type: none"> Identify SMMEs in high growth sectors and support them. Enable support through business linkages. Conduct SMME needs analysis and benchmark with the market.
Increased localisation and market penetration by SMMEs and Co-operatives.	<ul style="list-style-type: none"> Poorly designed initiatives. Lack of market development. Lack of industry standards and requirements. Limited buy-in from big Co-operatives. 	<ul style="list-style-type: none"> Develop industry standards through collaboration. Identify Co-operatives that can benefit from Seda interventions.
An agile, innovative, excellent and	<ul style="list-style-type: none"> Lack of Seda innovation strategy. 	<ul style="list-style-type: none"> Develop and implement innovation plan.

OUTCOMES	KEY RISK	RISK MITIGATION
customer-centric organisation.	<ul style="list-style-type: none"> ▪ Inadequate ICT systems, infrastructure. ▪ Incoherent performance-focused culture. ▪ Lack of skills alignment with organisational goals. ▪ High dependency on service providers. ▪ Uncertainty of organisational efficiency post-merger with seda. 	<ul style="list-style-type: none"> ▪ Identify required infrastructure and consolidate resources to develop or acquire it. ▪ Identify skills deficiencies and develop a skills plan to mitigate deficiencies. ▪ Identify service provider replacement through capacity increases and skills development. ▪ Engage with DSBD and ministry on the way forward.

4. PUBLIC ENTITIES

Not applicable.

5. INFRASTRUCTURE PROJECTS

Not applicable.

6. PUBLIC PRIVATE PARTNERSHIPS

Not applicable.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. PROGRAMME 1: ENTERPRICE DEVELOPMENT

Indicator Title	Number of people reached through entrepreneurship awareness sessions
Definition	People who have an interest in starting small businesses including those who have recently started new businesses but need more information and guidance in managing their businesses.
Source of Data	Attendance register
Method of Calculation / Assessment	A numerical count of who have captured their names in the attendance register
Means of Verification	Attendance register
Assumptions	SMMEs and Co-operatives who have interest in starting a business have been identified
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	20 000
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of township and rural based businesses supported with non-financial business development
Definition	Seda offers non-financial business development support to SMMEs and Cooperatives that are operating in township and in rural areas. The indicators measure businesses that have been supported with various interventions to ensure that they are sustainable and grow to contribute meaningfully to the township and rural economy.
Source of Data	<ul style="list-style-type: none"> ▪ Business assessment ▪ Training ▪ Interventions implemented
Method of Calculation / Assessment	A numerical count of business assessments reports and business development interventions offered to SMMEs and Cooperatives that are based in township and rural areas.
Means of Verification	<ul style="list-style-type: none"> ▪ Business assessment ▪ Training ▪ Interventions implemented
Assumptions	Township and rural businesses needs are identified
Disaggregation of Beneficiaries	Women: 40% Youth: 30% Persons with disabilities: 7%
Spatial Transformation	Township and rural areas
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	18 000
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Co-operatives supported to participate in local markets
Definition	The intention of the indicator is to capacitate SMMEs and Co-operatives with interventions to enable them to effectively participate in the local markets. This is achieved through providing them with market access exposures, pop up market exhibitions, marketing access interventions and capacity building to enable them to improve their market access.

Indicator Title	Number of SMMEs and Co-operatives supported to participate in local markets
Source of Data	<ul style="list-style-type: none"> Local Markets Support files Branch files Client files
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives who have been supported with access local markets interventions.
Means of Verification	<ul style="list-style-type: none"> Local exhibitions register/report. Online support register/report Pop up markets register/report
Assumptions	SMMEs are ready to access local markets
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	2 500
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Co-operatives supported with international markets readiness
Definition	The intention of the indicator is to capacitate SMMEs and Co-operatives to export their products to international markets through export business assessments to assess their level of readiness. Various interventions are offered to ensure that businesses which are not ready to export to international markets are provided with training, mentorship, or a relevant business development intervention to improve their level of export readiness.
Source of Data	<ul style="list-style-type: none"> International Support files Branch files Client files SMMEs registered on SHETRADES

Indicator Title	Number of SMMEs and Co-operatives supported with international markets readiness
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that are supported through exports assessment, export development, capacity building and through offering relevant interventions.
Means of Verification	<ul style="list-style-type: none"> ▪ International Markets Assessment Reports ▪ International Exhibitions Register/Report ▪ Online Support Register/Report
Assumptions	SMMEs are capacitated to access international markets through various business development interventions.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	500
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Co-operatives supported through trade missions
Definition	The intention of the indicator is to capacitate SMMEs and Co-operatives to showcase their products to international markets through attending trade missions in various countries.
Source of Data	<ul style="list-style-type: none"> ▪ International Support files ▪ Branch files ▪ Client files
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that have exhibited their products in international destinations
Means of Verification	<ul style="list-style-type: none"> ▪ International Exhibitions Register/Report
Assumptions	SMMEs are ready to access international markets

Indicator Title	Number of SMMEs and Co-operatives supported through trade missions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	500
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Co-operatives supported with business development
Definition	SMMEs and Co-operatives that are capacitated with business development support (prioritising business in urban areas and businesses supported with access to finance interventions)
Source of Data	<ul style="list-style-type: none"> ▪ Branch files ▪ Client files
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives capacitated with business development support.
Means of Verification	<ul style="list-style-type: none"> ▪ Attendance registers ▪ Proof of intervention implemented.
Assumptions	SMMEs are ready to receive business development interventions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	2 000

Indicator Title	Number of SMMEs and Co-operatives supported with business development
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses
Definition	This indicator focusses on SMMEs and Co-operatives within priority sectors (manufacturing and construction, digital and ICT, agriculture, and agro- processing, automotive, mining and aquaculture, tourism, services) as defined by the government. These businesses must have a turnover of above R2 Million before receiving business development support. The intention is to ensure that they are provided with sector specific support to enable them to improve their businesses at a faster rate.
Source of Data	<ul style="list-style-type: none"> ▪ Client files ▪ Training records ▪ Interventions implemented
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that have received sector-specific interventions
Means of Verification	<ul style="list-style-type: none"> ▪ Training register ▪ Proof of interventions implemented
Assumptions	There are enterprises in the priority sectors ready for support
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	50
Indicator Responsibility	Executive Manager: EDD

Indicator Title	Number of SMMEs and Co-operatives supported with training, mentorship, and coaching
Definition	SMMEs and Co-operatives supported through enterprise coaching
Source of Data	<ul style="list-style-type: none"> ▪ Client files ▪ Training files
Method of Calculation / Assessment	Total number of SMMEs and Co-operatives supported through training, mentorship, and coaching
Means of Verification	<ul style="list-style-type: none"> ▪ Training Report, ▪ Attendance Register, ▪ Coaching Report, ▪ Mentorship Report
Assumptions	SMMEs and Co-operatives are ready to receive training, mentorship, and coaching
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	20 500
Indicator Responsibility	Executive Manager: EDD

2. PROGRAMME 2: TECHNOLOGY PROGRAMME

Indicator Title	Number of SMMEs and Co-operatives assisted through Incubation Programme
Definition	The intention of this indicator is to support SMMEs and Co-operatives to develop their products and skills to sustain their businesses during the early stages of formation. Various business development interventions are offered which includes technical training, business management support and mentorship and coaching and other necessary business development support.
Source of Data	Incubation files and Growth Wheel assessment
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that are participating in the incubation programme.
Means of Verification	<ul style="list-style-type: none"> ▪ Incubation Contract ▪ Growth Wheel Assessment
Assumptions	SMMEs are ready for incubation
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	1 800
Indicator Responsibility	Executive Manager: STP

Indicator Title	Number of SMMEs and Co-operatives assisted through Technological Transfer Assistance Programme
Definition	The intention of this indicator is to support SMMEs and Co-operatives to with technology to improve their business productivity and efficiency. These businesses are subsidised in the procurement of the machinery that is funded by Seda depending on the business needs.
Source of Data	TTA files
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that have received technology support.
Means of Verification	<ul style="list-style-type: none"> ▪ Technology support ▪ Approval list/register
Assumptions	There are enterprises ready to receive technology transfer support
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired Performance	50
Indicator Responsibility	Executive Manager: STP

3. PROGRAMME 3: IMPACT AND SUSTAINABILITY PROGRAMME

Indicator Title	Number of SMMEs and Co-operatives supported with quality improvement interventions
Definition	The intention of this indicator is to support SMMEs and Co-operatives to with quality improvement interventions to expand their product acceptance through various destinations. These businesses are subsidised by Seda in funding their QMS implementation, product testing, ISO and Product certification, conformity assessments and product design depending on the business needs.
Source of Data	<ul style="list-style-type: none"> ▪ Training records ▪ Proof of intervention implemented
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that have received product testing and conformity assessment, quality training, certification.
Means of Verification	<ul style="list-style-type: none"> ▪ Training records, proof of intervention implemented. ▪ List of SMMEs approved for quality intervention
Assumptions	Identified clients are ready to receive interventions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	1 000
Indicator Responsibility	Executive Manager: EDD & STP

Indicator Title	Number of SMMEs and Co-operatives assisted with productivity improvement
Definition	The intention of this indicator is to support SMMEs and Co-operatives to with productivity improvement interventions to expand their production output to meet customers' demand. These businesses are subsidised by Seda in funding their production analysis, production layout, ergonomics studies, work studies, production optimisation techniques, waste management and continuous improvement techniques.
Source of Data	<ul style="list-style-type: none"> ▪ Productivity improvement files ▪ Branch files
Method of Calculation / Assessment	A numerical count of SMMEs and Co-operatives that have received production improvement interventions.
Means of Verification	<ul style="list-style-type: none"> ▪ Training Attendance Register/Report, ▪ Intervention Implementation Report ▪ Productivity improvement Intervention Approval List/ Register
Assumptions	<ul style="list-style-type: none"> ▪ Identified clients are ready to receive productivity improvement interventions. ▪ SMMEs are ready for expansion
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	1 000
Indicator Responsibility	Executive Manager: EDD & STP

Indicator Title	Number of SMMEs and Co-operatives whose turnover has increased by a minimum of 5%
Definition	SMMEs and Co-operatives whose turnover has increased by 5% after receiving business support
Source of Data	<ul style="list-style-type: none"> ▪ Client files
Method of Calculation / Assessment	Total turnover increased by 5% after intervention vs. turnover pre intervention
Means of Verification	<ul style="list-style-type: none"> ▪ Improvement assessment forms ▪ Income statements ▪ Aggregate Turnover Calculations Analysis Report
Assumptions	SMMEs and Co-operatives are supported to increase their turnover
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	700
Indicator Responsibility	Executive Manager: EDD & STP

Indicator Title	Number of jobs created by SMMEs, and Co-operatives supported through non-financial support interventions
Definition	Enterprises that have created new jobs after receiving business support
Source of Data	<ul style="list-style-type: none"> ▪ Client files ▪ Proof of employment ▪ Confirmation of employees ▪ Aggregate employee calculations
Method of Calculation / Assessment	Total number of new jobs created during incubation

Indicator Title	Number of jobs created by SMMEs, and Co-operatives supported through non-financial support interventions
Means of Verification	<ul style="list-style-type: none"> Confirmation of employees Employment contract Aggregate jobs created Calculations Analysis Report
Assumptions	SMMEs and Co-operatives are encouraged to create jobs
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	4 500
Indicator Responsibility	Executive Manager: EDD & STP

Indicator Title	Number of jobs sustained by SMMEs, and Co-operatives supported through non-financial support interventions
Definition	Enterprises that are sustaining existing jobs after receiving business support
Source of Data	<ul style="list-style-type: none"> Client files Proof of employment Confirmation of employees Aggregate employee calculations
Method of Calculation / Assessment	Total number of new jobs after intervention vs. jobs at pre-intervention
Means of Verification	<ul style="list-style-type: none"> Confirmation of employees Employment contract Aggregate Jobs sustained Calculations Analysis Report
Assumptions	SMMEs and Co-operatives are supported to sustain jobs

Indicator Title	Number of jobs sustained by SMMEs, and Co-operatives supported through non-financial support interventions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	8 000
Indicator Responsibility	Executive Manager: EDD & STP

4. PROGRAMME 4: ADMINISTRATION

Indicator Title	Percentage of innovative ideas implemented
Definition	Creative and novel ideas suggested for implementation
Source of Data	<ul style="list-style-type: none"> Idea Generation Register Innovative Idea Implementation Report
Method of Calculation / Assessment	Number of innovative ideas generated versus ideas implemented
Means of Verification	<ul style="list-style-type: none"> Idea Generation Register Innovative Idea Implementation Report
Assumptions	There is a drive to encourage innovation within the organisation
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly

Indicator Title	Percentage of innovative ideas implemented
Desired Performance	40%
Indicator Responsibility	OCEO

Indicator Title	Number of priority systems digitised
Definition	The plan developed to drive digitalisation within the organisation
Source of Data	Digitalisation implementation report
Method of Calculation / Assessment	Number of systems identified in systems for digitalisation
Means of Verification	Project Implementation Report
Assumptions	Seda has develop a digitalisation roadmap to be implemented
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	1
Indicator Responsibility	Chief Strategy and Information Officer

Indicator Title	Percentage of Seda's brand awareness
Definition	Measure the level of brand awareness and perception amongst public
Source of Data	Brand positioning survey results
Method of Calculation / Assessment	Number of responses received vs targeted population

Indicator Title	Percentage of Seda's brand awareness
Means of Verification	Satisfaction survey result
Assumptions	To ensure that the organisation's brand is effectively positioned in the marketplace
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	65%
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	Percentage of stakeholder satisfaction
Definition	Index to measure stakeholder satisfaction
Source of Data	Stakeholder Index
Method of Calculation / Assessment	Number of stakeholders satisfied over total number of stakeholders
Means of Verification	Stakeholder satisfaction survey result
Assumptions	To ensure that the organisation continuously access stakeholders Level of satisfaction
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non- Cumulative
Reporting Cycle	Annually
Desired Performance	85%
Indicator Responsibility	Office of CEO

Indicator Title	Percentage of customer satisfaction
Definition	Measure the level of satisfaction among customers members
Source of Data	Customer satisfaction survey report
Method of Calculation / Assessment	Number of satisfied customer members vs all customers surveyed
Means of Verification	Customer satisfaction survey report
Assumptions	There is a drive to improve customer service
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	85%
Indicator Responsibility	Executive Manager: EDD and STP

Indicator Title	Percentage of employee satisfaction
Definition	Measure the level of satisfaction among staff members
Source of Data	Staff satisfaction survey result
Method of Calculation / Assessment	Number of satisfied staff members versus all staff members
Means of Verification	Staff satisfaction survey result
Assumptions	There is a drive to encourage and engage staff members
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A

Indicator Title	Percentage of employee satisfaction
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	55%
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	Percentage of vacancy rate
Definition	Measure the number of vacant positions in the approved structure
Source of Data	Consolidated vacancies
Method of Calculation / Assessment	Number of vacancies versus filled positions in the approved structure
Means of Verification	Consolidated vacancies
Assumptions	There is a drive to fill vacant positions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	10%
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	Percentage of staff who performed at 311 and above in the performance evaluation
Definition	High-performing staff members are recognised for excellence
Source of Data	Records of staff rated between 311 and above the performance evaluation

Indicator Title	Percentage of staff who performed at 311 and above in the performance evaluation
Method of Calculation / Assessment	Number of staff recognised for excellence
Means of Verification	Records of staff rated between 311 and above the performance evaluation
Assumptions	There is a drive to encourage staff members to excel
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	65%
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	Percentage implementation of the ecosystem development plan
Definition	The intention of this indicator is to ensure that there is collaboration is providing both financial and non-financial support among business development providers in various districts in south Africa. The ecosystem developed plan was developed with milestones to track the progress made towards realising effective SMMEs and cooperatives support, various milestones are tracked and reported in specified intervals.
Source of Data	<ul style="list-style-type: none"> ▪ Project Plan ▪ Proof of implementation
Method of Calculation / Assessment	Total number of initiatives identified in the ecosystem plan versus initiatives implemented
Means of Verification	<ul style="list-style-type: none"> ▪ Project Plan ▪ Proof of implementation
Assumptions	Seda has developed a roadmap to be implemented

Indicator Title	Percentage implementation of the ecosystem development plan
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	70%
Indicator Responsibility	Office of CEO

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

During the 2021-22 performance information audit, the programmes names and indicators were found to be not reliable and measurable. Seda has performed a full review of the APP which resulted in the review of the linked outcomes and related outputs.

The following changes were made on the Strategic Plan 2019-24:

- ❖ In Outcome1: **Increased growth and sustainability of township and rural SMMEs and Co-operatives**, the following changes were implemented, township and rural focus was removed, the reviewed outcome 1 is now similar to outcome 4 : **Increased growth and sustainability of SMMEs and Co-operatives**. This outcome has been named outcome 1.
- ❖ In Outcome 1: The following two outputs were added into outcome 1 in the reviewed strategic plan (**Facilitate growth and sustainability of SMMEs and Co-operatives, Facilitate priority sector support**).
- ❖ In Outcome 3: The Output **Increase service access points** was removed in the reviewed strategic plan.
- ❖ In Outcome 5: The Output **Improve Seda brand positioning and measure stakeholder satisfaction**, were introduced in the reviewed strategic plan. This outcome has been named outcome 4.

Table 24: Strategic Plan Review

Strategic Plan 2019 - 24		Reviewed Strategic Plan 2023 - 24	
Outcomes	Outputs	Outcomes	Outputs
1. Increased growth and sustainability of township and rural SMMEs and Co-operatives	Facilitate entrepreneurship awareness. Facilitate township and rural-based SMMEs and Co-operatives support.	1. Increased growth and sustainability of SMMEs and Co-operatives	Facilitate entrepreneurship awareness. Facilitate township and rural-based SMMEs and Co-operatives support. Facilitate growth and sustainability of SMMEs and Co-operatives. Facilitate priority sector support.
2. Increased localisation and market penetration by SMMEs and Co-operatives	Facilitate access to local markets. Facilitate access to international markets.	2. Increased localisation and market penetration by SMMEs and Co-operatives	Facilitate access to local markets. Facilitate access to international markets.
3. Integrated and coordinated ecosystem support for SMMEs and Co-operatives	Increase service access points. Build an effective ecosystem.	3. Integrated and coordinated ecosystem support for SMMEs and Co-operatives	Build an effective ecosystem.
4. Increased growth and sustainability of SMMEs and Co-operatives	Facilitate growth and sustainability of SMMEs and Co-operatives. Facilitate priority sector support.	This Outcome was moved to Outcome1	

5. An agile, innovative, excellent, and customer-centric organisation	<p>Implement innovative ideas.</p> <p>Manage customer service.</p> <p>Entrench performance driven culture.</p> <p>Manage employee satisfaction.</p> <p>Reduce vacancy rate.</p> <p>Digitalise Seda services.</p>	4. An agile, innovative, excellent, and customer-centric organisation	<p>Implement innovative ideas.</p> <p>Improve Seda brand positioning.</p> <p>Manage customer service.</p> <p>Measure stakeholder satisfaction.</p> <p>Entrench performance driven culture.</p> <p>Manage employee satisfaction.</p> <p>Reduce vacancy rate.</p> <p>Digitalise Seda services.</p>
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ANNEXURE B: CONDITIONAL GRANTS

Not applicable.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable.

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ANNEXURE D: DISTRICT DEVELOPMENT MODEL

PROVINCE NAME: EASTERN CAPE

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
VENDICOM HEAVY MINERAL MINING	The company has an off take agreement from the Martilox Group for concentrated heavy minerals (THM), Zircon (ZrO ₂), Ilmenite (Fe TiO ₃) and Rutile (TiO ₂). This is a Military Veteran owned entity and therefore a sum of R5m application is in progress through the discounted Sefa Inyamazane Fund. The business plan was initially presented by the PM and Vendicom directors to the Sefa Head Office in Pretoria to check their appetite. Sefa indicated its appetite for the project and provided their guide with regards to the loan application. The application for R5m has been submitted to Sefa.	Current FY: R700 000.00	BUFFALO CITY METRO	Farm 1163, East London: Latitude Longitude -33.225362 -27.560863 -33.226045 -27.562838 -33.228013 -27.561598 -33.227325 -27.559632	ZUKISWA MASELANA	East London IDZ, DTIC (Black Industrialists); Sefa; Dedeat & the Private Sector.
EC CANNABIS CLUSTER PROJECT	Broader cluster support through EDSE programme with other EC Government stakeholders participating.	Current FY: R400,000.00	AMATHOLE <i>(to be rolled out in all Districts)</i>	Spread across the Amathole district and Buffalo City Metropolitan Municipality areas.	Duma Maqubela	AmaRharhabe Royal House, ECRDA, DEDEAT, EL IDZ, ECDC, DRDAR,

	<p>The purpose of the cluster approach is to develop the Industrial Hemp capabilities of the farmers in the Eastern Cape.</p> <p>Seda EC took an approach that looked a supporting emerging farmer to participate in an off-take opportunity with a Canadian buyer. The plan is to support a minimum of ten such farmers to participate in cultivating ten ha each to get a minimum of 100 ha for the project in the first season of cultivation.</p>					DOHNE Agricultural Research Institute
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PROVINCE NAME: FREE STATE

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Crop & Livestock Farming	<u>Makholokoeng</u> MAKHOLOKOENG FSPU SECONDARY CO-OPERATIVE	DALRD Spent: R75m Seda Spent: R180k	Thabo Mofutsanyana	Makholokoeng -Harrismith Latitude: 28° 16'21" S Longitude: 29° 07'46" E	Mr Katleho Malau	Department of Rural Development and Land Reform, local Municipality.
Animal Husbandry	Zastron Farmers Support Production Unit (Secondary Coop) involved in Cattle Farming Comprises of 13 primary cooperatives	DALRD Spent: R25m Seda Spent: R130k	Xhariep District Municipality	Zastron Latitude of -30.302560806274414 Longitude of 27.082468032836914	Ms Mosilinyane Malefane	DALRD, Local Glen College Mohokare Municipality, Agricultural

	<div>Increase Fleet (Tractor; Ripper; Bailer)</div> <div>Supply input support for milling to produce own feed</div> <div>Assisted with financial statements</div> <div>Assist with application for funding for solar system. Not yet started</div>					
Crop and Livestock Farming	Kroonstad FSPU Management Secondary Cooperative	DALRD Spend:15m. Seda Spent:80k	Fezile Dabi	Kroonstad Latitude: -27° 39' 1.30" S Longitude: 27° 14' 5.57" E	Mr Katleho Malau	Department of Rural Development and Land Reform, Moqhaka local Municipality.
Agricultural equipment	Setsoto FSPU Secondary Cooperative	DALRD Spend:9m.Seda Spent:50k	Thabo Mofutsanyana	Ficksburg Latitude: 28° 52'19" S Longitude: 27° 52'30" E	Mr Katleho Malau	Department of Rural Development and Land Reform, Setsoto local Municipality.

PROVINCE NAME: GAUTENG

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Business Development - setting up One-Stop-Shop	Cities Support Programme Township Economic Development Project	TBA	Tshwane	1873 R101, Mandela, Pretoria, 0400, South Africa, Gauteng. https://goo.gl/maps/WWvM1cwFucFJyt67	Sunday Mahlangu	City of Tshwane Cities Support Programme
Business Development	Cannabis Project - Hempvest Africa	TBA	Joburg	Plot 47 Vlakdrift, Farm 167, Mogale City, 1739	Zane Mohidin	Mogale City District Municipality
Business Development	Manufacturing Project - Buntu Foods	TBA	Joburg	61 Old Pretoria Road, Midway Park, Midrand, Gauteng, South Africa	Lesego Modise	City of Joburg
Business Development	Mixed Sectors - Moloto City Mall	TBA	Tshwane	Moloto Road, Moloto, 1029	Leroux Shabangu	Matelot Properties (Pty) Ltd

PROVINCE NAME: KWAZULU NATAL

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Kwa Mashu Station Trader's Market	Supply of 2x refrigerated containers with security gates, 12 x meat preparation tables , 2 sets of 2 x sinks with 2 x 2000Lt water tanks, 4 x concrete platform with grill for cooking purpose, erection of canopy / roof as per the supplied drawings at Kwa Mashu Station	R3 456 894	eThekweni Metro	Latitude - 29.7515393 Longitude 30.9763415,15.75	Ayanda Ciliza & Cedric Mnguni	DSBD, Seda and eThekweni Metro
Liberty Ezolimo Secondary Co-Operative	The business used to be a producer of raw milk. A decision was taken to undertake value adding activities on the milk. The Co-Op intends to process Maas, cheese, yogurt, and other processed dairy products, from milk. A state-of-the-art processing plant have been installed.	R6.5m	Zululand	TBA	Thulani Ndlovu& Dumisani Zikalala	DSBD, Sefa and Seda

Hlathikhulu FPSU	<p>Products: Agriculture - Crop production, maize, beans, potatoes, etc.</p> <p>Interventions: Mentorship & Packaging</p>	R150 000	UThukela	<p><i>Latitude 29°11'50.17" S</i></p> <p><i>Longitude 29°39'25.89" E</i></p>	Linda Ndovela Thanda Khathi	SEDA and Department of Agriculture, Land and Rural Development
Tugela Ferry FPSU	<p>Products/Services: Agriculture - Crop production, maize, beans, potatoes, etc.</p> <p>Interventions: Branding, signage, promotional material and mentorship</p>	R200 000	Umzinyathi	<p><i>Latitude 28.741461,</i></p> <p><i>Longitude 30.453960</i></p>	Aubrey Chonco Thanda Khathi	SEDA and Department of Agriculture, Land and Rural Development

PROVINCE NAME: LIMPOPO

Areas of Intervention	Medium Term (3-Year MTEF)						Planned envisaged projects for 2023/24
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners	
Farm wholesale market	FABCO Primary Cooperative established farm wholesale market to create high end market.	<ul style="list-style-type: none"> • Total budget = R680K • AgriSETA - R400 k • Mopani District - R80 k • GTEDA - R120 k • SEDA spent - R80 k 	Mopani District Municipality	Latitude: 23° 52' 53.6"S Longitude: 30° 16' 26.8"E	Mr. OR Mathebula (Changa)	<ol style="list-style-type: none"> 1. NAMC 2. ARC 3. ETG Logistics (tractors & implement) 4. NetaFim (Irrigation) 5. University of Limpopo 6. Novon Chemicals 7. Advanta Seeds 8. Africa Seed Group / KE Seeds 9. COPAE (Mozambican Agricultural and Trade Cooperative) 10. Local Municipalities including the district 	Access to funding and (investments) linkages, Market access drives for casava processing

Agricultural Hub	Mopani Agrihub Secondary Cooperative , have farm equipment to help farmers reduce production costs and self-creation of markets through the Hub through the bulk buying point at the hub.	<ul style="list-style-type: none"> • R45 813 798 	Mopani District Municipality	Latitude: 23 ° 53'02.5"S Longitude: 30 ° 15'56.5"E	Mr Mocketla Leshoto	<ol style="list-style-type: none"> 1. LEDA 2. LIMA RDF 3. Angel Feeds 4. Novon 5. Prasin 6. Firststrand Bank 7. Switchafrica 8. UN environmental Programme 9. Solidaridad 10. SEDA 11. Local Municipalities and Districts 12. Department of Agriculture 	Packaging equipment (Packhouse) branding and marketing material
Access to market for local tomato growers	Limpopo Tomato Grower Association	<ul style="list-style-type: none"> • R 120 Million 	Mopani District Municipality	Latitude: -23° 49' 59.59" S Longitude: 30° 09' 48.64" E	Mr. Leshoto / Mapule	<ol style="list-style-type: none"> 1. Department of Agriculture Land Reform and Rural Development (DALRRD) 2. Mopani District Municipality (MDM) 3. Seda 4. Lima 	Facilitate access to funding to facilitate resuscitation processing plant, QMS and Market access.
Sekhukhune Clothing and Textile Project	Sekhukhune Clothing and Textile Project is aimed at capacitating about 100 Clothing and textile small businesses in the district which is 25 per local municipality		Sekhukhune District Municipality And local Municipalities	Groblersdal	Mr. S.A Ntshangase / Rodney Zitha	<ol style="list-style-type: none"> 1. Sekhukhune District Municipality 2. And local Municipalities 3. 1.Makhuduthamaga 4. 2.Ephraim Mogale 5. 3.Fetakgomo Tubatse 6. 4.Elias Motsoaledi 7. SEDA 	Market access linkages negotiated with major retail outlets, product development and SOP`s to standardise

							processes and or CMT
ICT	Limpopo Digital Hub	To be determined by 30 th April 2022	Capricorn District Municipality	Seshego Industrial Site	Shaun Moses - the DTIC	<ol style="list-style-type: none"> 1. The DTIC 2. LEDA 3. Limpopo Conexion 4. Polokwane Municipality 5. SEDA Capricorn Branch 6. Capricorn District Municipality 7. DBSA 8. CSIR 9. Youth Entrepreneurship Project (YEPSA) 	Expansion cell phone repair facilities and access to small tools and equipment.

PROVINCE NAME: MPUMALANGA

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Support for local SMMEs with kiosks	To provide a conducive environment for the SMME's to reach their markets through establishment of containers/kiosks from which they can sell their products.	R1.5 million	Gert Sibande	26.5158° S, 29.1914° E (Secunda)	Ms Florence Mathebula	SASOL, Seda, NYDA, Govan Mbeki Local Municipality,

	SASOL has offered to support 20 local SMMEs with containers/kiosks to operate and sell their products from.					
Nkomazi Cotton Gin	Establishment of a cotton gin to support the local cotton farmers in Nkomazi area.	TBC	Ehlanzeni	5.4510° S, 31.9587° E (Komatipoort)	Mr Petros Sithole	NEF, Seda, Cotton SA, MEGA, DARDLR, Agronet, ARC, Lebombo Secondary Coop, established Farmers of Nkomazi.
Bhelisa mining JV	It's a quarry that focus on the mining of aggregate in Gert Sibande District Municipality: Chief Albert Luthuli Local Municipality	R852 000-Barloworld Siyakhula R200 000-Seda	Gert Sibande District Municipality	32.7384° S, 28.0523°E (Mooiplaas)	Nomsa Mtsweni	Barloworld Siyakhula; DMRE
Bread & Confectionary Kiosks Project	A group of 90 beneficiaries (30 per municipality) from Victor Khanye, eMalahleni & Steve Tshwete Local Municipality were identified & recruited to participate on the project. The project is aimed at formalizing bakery businesses; capacitate bakery owners with technical and soft skills; assist with both access to funding and markets.	R5 854 500	Nkangala	25.8728° S, 29.2553° E (Emalahleni)	Ms Zanele Khoza	Nkangala District Municipality, BICSA, FoodBev Seta & Seda

PROVINCE NAME: NORTHERN CAPE

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Manufacturing – Plant processor	Processing and packaging of Rooibos Tea		Namakwa	Latitude of -29.6101494 degrees and longitude 17.8736913	Malcom Baard/ Lionel Louw	Namakwa District Municipality, Department of Agriculture land Reform and rural Development (DALRRD), Seda
Enterprise Development Project	Youth Entrepreneurship Empowerment (18 participants)		Pixley ka Seme District Municipality	Latitude of -29,050000 degrees and longitude 23,766700 (CBD)	Ms Pamela Matyeka/Andre Lawrence	Boikanyo Solar, NC SMME Trust, Seda
Development of a craft shop- Access to markets	Northern Cape Craft Shop		Frances Baard	Latitude: -28° 44' 11.39" S	Development of a craft shop- Access to markets	Northern Cape Craft Shop

PROVINCE NAME: NORTH WEST

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Furniture Manufacturing Plant	Eco Furniture Plant		Dr Ruth Mompoti District	Lekwa-Teemaneng Local Municipality	Mr Paul Manoto	The Department of Forestry, Fisheries, and the Environment; Dr Ruth S Mompoti District Municipality, Department of Agriculture; Lekwa-Teemane Development Agency; Office of the Premier North West
IT & Product Dev	IT Product Development & Assembly		Bojanala West	Latitude -25degrees'59.73"S longitude 27 degrees14'3.61"E (Mogwase Industrial Area)	Mr Abe Kgomongoe	Dept of Economic Development , Seda Conservation & Tourism (DEDECT)
IT Innovations & Solutions	Innovation Hub & IT Solutions		Ngaka Modiri Molema	Latitude -25.853161 longitude 25.640181 (Mahikeng Industrial Area)	Mr Joseph Ndaba	DEDECT, Seda

Citrus Growers	Citrus Fruit Farming Project		Bojanala East	Latitude: -25degrees38'5.03"S Longitude:27degrees46'48.79E	Mrs Lerato	DALRD, Seda ,ARC, Dept of Agriculture & AgriSeta
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PROVINCE NAME: WESTERN CAPE

Areas of Intervention	Medium Term (3-Year MTEF)					
	Project Description	Budget Allocation	District Municipality	Location: GPS Coordinates	Project Leader	Social Partners
Ostrich Value Chain	Sakhasizwe Co-operative Ltd	TBD	Garden Route District Municipality	8 Reserve street, Oudtshoorn	Mr Quinton Coetzee (Seda)	Seda, Garden Route District Municipality, Department of Economic Development and Tourism (DEDAT WC)
	Oudtshoorn Leather Manufacturing Co-operative	TBD	Garden Route District Municipality	16 th Avenue, Bridgton, Oudtshoorn https://goo.gl/maps/WvRQYq2YyLe5rc7z6	Mr Quinton Coetzee (Seda)	Seda, Garden Route District Municipality, Department of Economic Development and

						Tourism (DEDAT WC)
Agriculture (Honey Bush)	Western Cape Honey Bush Tea Co-operative Ltd	TBD	Garden Route District Municipality	Office: 1 st Floor Room 12, Prince Vincent Building, Church Street, Oudtshoorn 33° 22' 50.26"S 22° 10' 44.39 E	Mr Quinton Coetzee (Seda)	Seda, Garden Route District Municipality, Department of Economic Development and Tourism (DEDAT WC)

