



ANNUAL PERFORMANCE PLAN

2022/23–2024/25

seda 
SMALL ENTERPRISE DEVELOPMENT AGENCY
an agency of the dsbd



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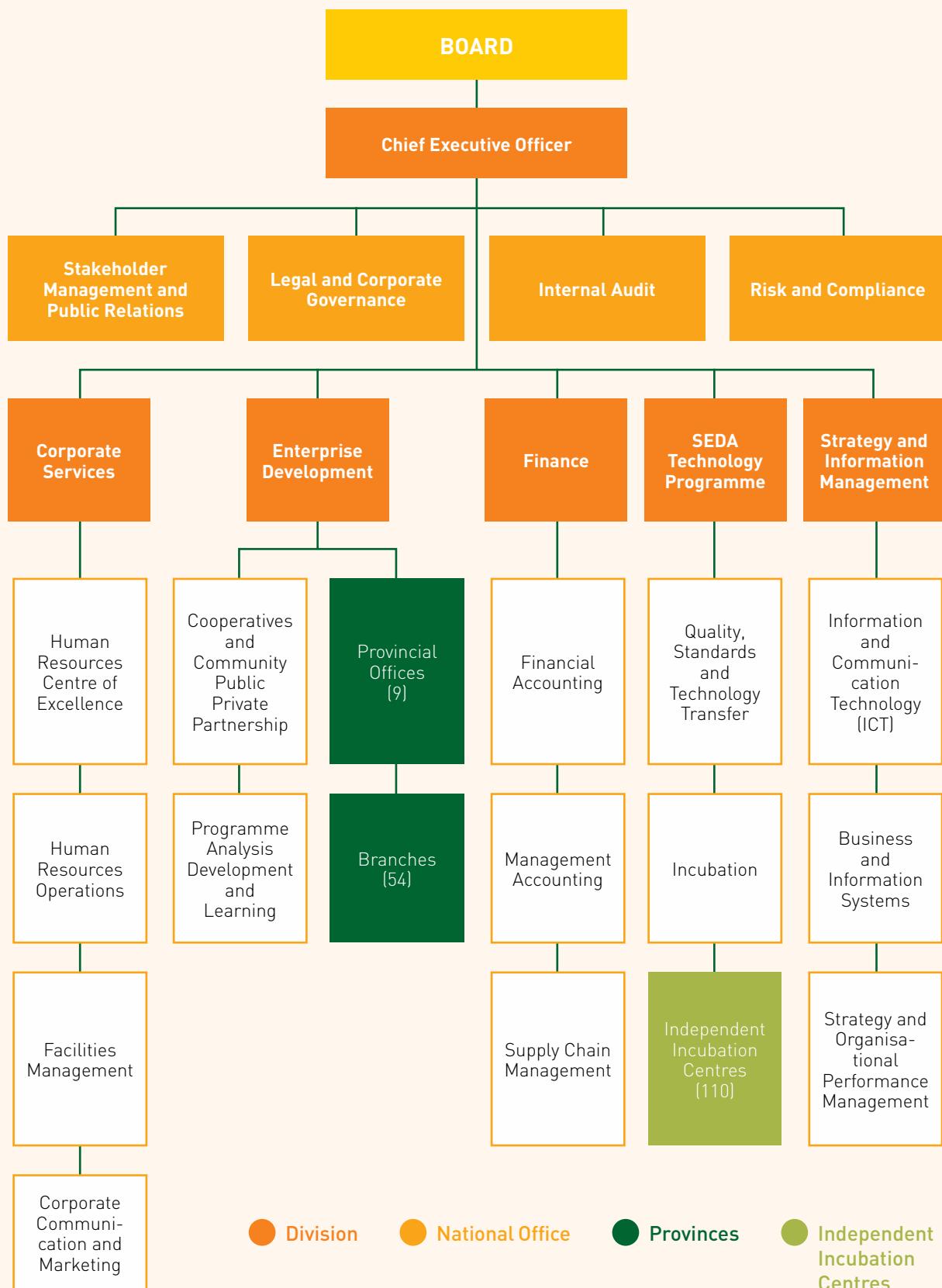
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LIST OF ACRONYMS AND ABBREVIATIONS

4IR	Fourth Industrial Revolution
ARC	Agricultural Research Council
AFTA	African Free Trade Agreement
DDM	District Development Model
DEECT	Department of Economic Development, Conservation and Tourism
DEF	District Ecosystem Facilitation
DRaaS	Disaster Recovery as a Service
DSBD	Department of Small Business Development
EDD	Enterprise Development Division
ERRP	Economic Reconstruction and Recovery Plan
ESD	Enterprise and Supplier Development
GEP	Gauteng Enterprise Propeller
ICT	Information and Communication Technology
LED	Local Economic Development
LEDA	Limpopo Economic Development Agency
MEGA	Mpumalanga Economic Growth Agency
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGP	New Growth Path
NYDA	National Youth Development Agency
PAYE	Pay As You Earn
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
Seda	Small Enterprise Development Agency
Sefa	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium, and Micro Enterprise
STP	Seda Technology Programme
SWOT	Strengths, Weaknesses, Opportunities, and Threats
the dtic	The Department of Trade, Industry and Competition
TID	Technical Indicator Description
UIF	Unemployment Insurance Fund

ORGANISATIONAL STRUCTURE



ACCOUNTING AUTHORITY STATEMENT

In the 2021–22 financial year, some Small, Medium and Micro Enterprises (SMMEs) have demonstrated extraordinary resilience, adaptability and innovation; they have moved up the curve of despite the market decline.

However, the slow economic growth that is attributed to various levels of COVID-19 lockdowns and a decline in consumer demand has negatively affected most SMMEs. It should be noted that SMMEs, when enabled by a business-friendly environment and open markets, can thrive through the support of large businesses.

The importance of collaborative and structured support through the District Development Model has been presented as the game-changer. Seda has started engaging like-minded partners to ensure that support offered to SMMEs and Cooperatives is amplified. The need for a well-functioning SMME ecosystem is imperative: it stands to reason that with adequate support, SMMEs could significantly advance economic growth. A well-functioning ecosystem can boost the business confidence of SMMEs by enabling co-ordinated growth and increasing their competitiveness. In the year ahead, SMMEs will be looking to the government and its agencies to provide guidance to respond to slow economic growth, in order for the South African economy to thrive.

It is important to acknowledge that SMMEs have a broad range of unmet needs. The limited size of many SMMEs means they have difficulty in accessing capabilities and resources that would make them more productive, such as attracting talented individuals with the latest knowledge of technology, finance, and managerial practices. Given the challenges facing small businesses, improving the SMME ecosystem can potentially provide a much-needed intervention to propel SMME growth. Pursuing a targeted approach to serving various SMME sub segments can be a great enabler in providing targeted support. The government, through various instruments is spearheading economic recovery. The economic recovery plan outlines critical interventions that different spheres of the government should champion to ensure that the set goals are met.

Start-ups which are a critical sub segment of SMMEs can become important sources of innovation, because they are unhindered by legacy systems and outdated strategies; new market entrants are often able to rethink established practices and cut through traditional industry boundaries.

Improving entrepreneurial capabilities is important in increasing start-ups' development and survival rates. Many good ideas are never prototyped or converted into a business plan. Risk aversion, fear of failure, and lack of capabilities can be barriers as significant as the absence of regulatory and institutional support.

Seda as a merged entity will be positioned to be a one-stop-shop for the needs of SMME development. This will be achieved through shared platforms for information access, services access points, seamless services for both pre-finance and post-finance support. Market access to both local and international markets is essential to enable small businesses' exposure and access to procurement opportunities.

The impact of digital technology in the delivery of Seda strategy cannot be over-emphasised. SMME and Cooperatives need to embrace this change due to the benefits it brings. By utilising virtual platforms, Seda will incorporate digital technology to improve and transform various aspects of its operations, from e-learning, to online client on-boarding, e-mentorship, communication, promotion and marketing of small business and their products or services. The organisation also needs to improve monitoring and evaluation of its operations and ecosystem partners, data management, and knowledge management.



Dr Matshediso Ndlovu
Board Chairperson

CHIEF EXECUTIVE OFFICER'S STATEMENT



The South African economy has high levels of market concentration by relatively few companies, which create barriers to economic expansion, inclusion and participation. This is a major problem for smaller enterprises which struggle to find new demand for their products and services in a stagnant economy and face market access barriers.

The COVID-19 pandemic has further demonstrated how vulnerable SMMEs are to sudden decline in demand, with the manufacturing sector being one of the hardest hit, together with mining and quarrying, transport, storage and communication, trade and construction (Statista, 2022).

The rate of unemployment among young people in South Africa is 64.4% and the official unemployment rate is 34.9%. The only way to defeat this enemy (unemployment) is to provide an enabling environment for the SMMEs to thrive. The Government of South Africa has identified SMMEs as a driver of job creation. For this goal to be fulfilled, the District Development Model has to function

effectively and efficiently. 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.

Our technology-based incubators establishment mechanism will be informed by the economic activity of various districts. Relevant incubators will be established with a view to equip SMMEs so that they can take advantage of economic activities within the relevant districts. Fear of failure in entrepreneurship is high. 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.

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 Fourth Industrial Revolution (4IR) incubators have been created with a focus on developing solutions in the areas of drone technology, cybersecurity, advanced engineering, artificial intelligence, biotech and networking. We are in the midst of building a new economy based on the ideas from the Presidential Commission on the Fourth industrial Revolution. 4IR incubators are leading this charge by helping bright entrepreneurs create innovative technology and develop new skills for the country's workforce. Business will need to meet a number of criteria in order to be part of the 4IR incubators but most crucial is the role of the business development solutions to uplift South Africa. Seda will further contribute to this sector by rolling out 34 new Incubators, including Digital Hubs in the Townships, over the Medium Term Strategic Framework (MTSF) period.

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. South Africa's manufacturing sector has been under significant strain. Infrastructure investment is identified as a key pillar of the Economic Reconstruction and Recovery Plan and will be supported by the development of a national infrastructure plan. Enhanced focus on infrastructure will have positive spin-offs for SMMEs as an anchor for access to markets.

Seda increased its focus on the implementation of the COVID-19 Relief Programme in the 2021/22 financial year and introduced changes in the organisation's operations to improve efficiency and access to these programmes by SMMEs. These key interventions included the following:

- Expanding support offered to SMMEs and Cooperatives based in township and rural areas
- Improving support offered to start-ups by young people
- Providing support to businesses owned by women, young people and people with disabilities
- Identifying and providing structured support to SMMEs and Cooperatives pursuing localisation and import replacement, including scaling up the Technology Transfer Assistance programme, conformance assessments and sector-specific training
- Prioritising sectors that have high growth prospects, and greater likelihood to create jobs
- Positioning of Seda within the broader SMME support ecosystem as a key enabler of small enterprise support

- Supporting SMMEs and Cooperatives to improve their competitiveness, which will enable them to access international markets
- Rolling out Incubators and Digital Hubs.

Seda understands that relevant needs-based programmes can go a long way towards enhancing the capabilities of the broader SMME and Cooperatives sector, if adequately resourced. For the organisation to sufficiently respond to these critical interventions, the operating environment will be improved by focusing on the following:

- Implementing the ecosystem roadmap,
- Implementing the digitalisation strategy,
- Improving employee engagement and enhancing a culture of innovation,
- Elevating stakeholder's collaboration, and
- Allocating resources to areas where the organisation will derive the most impact.



Mr Nkosikhona Mbatha

Acting Chief Executive Officer

OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the Management of the Seda under the guidance of the Seda Board.
- Takes into account all the relevant policies, legislation and other mandates for which the Seda is responsible.
- Accurately reflects the impact, outcomes and outputs which the Seda will endeavour to achieve over the 2022/23–2024/25 period.

Ms Ntokozo Majola

Executive: Enterprise Development Division
28 March 2022

Mr Colin Leshou

Acting Executive: Seda Technology Programme
28 March 2022

Ms Thabang Serapelo

Acting Executive: Corporate Services
28 March 2022

Mr Elias Maabane

Acting Chief Financial Officer
28 March 2022

Ms Thenjiwe Dlamini

Acting Chief Strategy and Information Officer
28 March 2022

Mr Nkosikhona Mbatha

Acting Chief Executive Officer
28 March 2022

APPROVED BY:

Dr Matshediso Ndlovu

Board Chairperson
28 March 2022



PART A

OUR MANDATE



1 UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

Seda's work is governed by a broad legislative framework, as outlined below.

Table 1: Seda's Legislative Framework

NAME OF ACT	PURPOSE
1. National Small Enterprise Act, No. 102 of 1996 amended by the National by the National Small Business Amendment Act, No. 29 of 2004	<ul style="list-style-type: none"> To provide for the establishment of the Advisory Body and the Enterprise Promotion Agency; and To provide guidelines for organs of state to promote small business in the Republic; and to provide for matters incidental thereto.
2. 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.
3. 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.
4. Co-operatives Act, No. 14 of 2005	<ul style="list-style-type: none"> To provide for the formation and registration of cooperatives; the establishment of a cooperatives' advisory board; the winding-up of cooperatives; the repeal of Act 91 of 1981; and connected matters.
5. 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.
6. 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.

NAME OF ACT	PURPOSE
7. 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 the Labour Court to order that a suitable person be appointed to administer a trade union or employers' organisation; • To enable judges of the Labour Court to serve as a judge on the Labour Appeal Court; • To 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; • To further specify the liability for employer's obligations; and to substitute certain definitions; and to provide for matters connected therewith.
8. 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.
9. 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.
10. 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 ON INSTITUTIONAL POLICIES AND STRATEGIES

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

Table 2: Policy Mandates

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
1. National Development Plan, Vision, 2030 (2012)	<p>The National Development Plan (NDP) envision an economy that provides full employment by 2020 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.</p> <p>Seda plays a co-ordinating 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.</p>
2. The Medium Term Strategic Framework (2019–2024)	<p>The Medium Term Strategic Framework (MTSF) defined as the combination of an NDP five-Year Implementation Plan for the Priorities outlined in the Election Mandate and an Integrated Monitoring Framework. Through the NDP five-Year Implementation Plan, the government will collaborate with the private sector, labour and civil society to contribute to the achievement of the set priorities.</p> <p>With regard to the set seven priorities identified in the MTSF, the DSBD and the Portfolio has a primary/lead role in relation to Priority 1: Economic Transformation and Job Creation and their related sub outcomes and interventions, as follows:</p> <p>PRIORITY 1: Economic Transformation and Job Creation:</p> <ul style="list-style-type: none"> • Upscale and expand support to small businesses; • Creating more jobs; • Inclusive economic growth; • Reindustrialisation of the economy and emergence of globally competitive sectors; • Increased access to and uptake of ICT; and • Competitive and accessible markets through reduced share of dominant firms in priority sectors.
3. The New Growth Path	<p>The New Growth Path (NGP) is a broad framework that sets out a vision of creating five million jobs by 2020 thus reducing the country employment rate by 15%.</p> <p>The SMMEs ecosystem is identified as a key role player in realising this goal.</p>

3 RELEVANT COURT RULINGS

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



PART B

OUR STRATEGIC FOCUS



4 UPDATED SITUATIONAL ANALYSIS

This section analyses the current state of the SMME ecosystem, and the broader factors affecting SMME growth and development, including the key challenges facing SMMEs.

4.1. External Environmental Analysis

The ongoing COVID-19 pandemic is causing untold human suffering across Africa and is going to leave an indelible impact on the continent's SMMEs. These businesses play an important role and employ an estimated 80% of the continent's workforce in both the formal and informal sectors; however, they are often the least resilient (GEDI, 2019). This is because they have limited cash reserves, a smaller client base, and less capacity to manage commercial pressures than do larger companies. For South African SMMEs, already contending with a contracting economy, additional shocks from COVID-19 are putting further pressure on their operations. Lockdown measures have caused revenues in many SMMEs to fall precipitously and the majority report that they are being forced to cut back on business spending to survive. It is projected that around 60% of SMMEs may close before the COVID-19 pandemic is over.

4.1.1. SMMEs are the lifeblood of South Africa's economy and also the most at risk

SMMEs across South Africa represent more than 98% of businesses, employ between 50% and 60% of the country's workforce across all sectors, and are responsible for a quarter of job growth in the private sector. While the gross domestic product contributions from South Africa's SMMEs lags behind compared to other regions – 39% compared to 57% in the EU – there is no doubt that SMMEs are a critical engine of the economy (McKinsey & Company, 2019). Before the COVID-19 crisis, small enterprises in the country were already facing significant headwinds. A sluggish economy coupled with several ratings downgrades negatively affected SMMEs year on year. Many SMMEs have already experienced a dramatic decline in demand. The worst affected sectors include the services sector, tourism, hospitality, and retail. While these are some of the fastest growing SMMEs sectors in the country, the majority of the businesses were not able to operate during the 35-day hard lockdown and their activities continued to be curtailed under level 3 and 4 restrictions (McKinsey & Company, 2019).

4.1.2. SMMEs in South Africa face distinct challenges in navigating the crisis

SMMEs face the several common challenges which include the following:

4.1.2.1. 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. The majority of private equity funding has largely been focused on mature businesses with around 90% of funding going to businesses that are more than five years old. This lack of access to finance is hindering business growth. This is largely due to a lack of knowledge of available funding options as well as challenges in managing cash flow and earnings before interest, taxes and depreciation, to deliver sufficient results to secure funding.

Even when funding is available, low awareness of opportunities and a lack of financial knowledge remain major barriers to SMMEs accessing the required support. When assessing the impact of COVID-19 on SMMEs, 36% of respondents said that they were not receiving government loans or support and a quarter were not making use of payment reliefs such as UIF and PAYE. The top two reasons for not accessing such support, other than not qualifying, included that entrepreneurs were not aware of the opportunities or did not know where to find the information needed to apply. This was also evident prior to the crisis (McKinsey & Company, 2019).

Slowing demand has led to SMMEs having to limit expansion plans and identify alternative channels to sell their products. Many SMMEs were having to scale back and look for new ways to get their products to the market.

4.1.2.2. Accessing the right markets in order to sell products is a challenge

Several SMMEs highlighted an ongoing struggle to connect with potential buyers. Very often, SMMEs are overly dependent on a small number of clients; in some cases, an entire business can be dependent on a single local redistributor. The emergence of online marketplaces and micro sales platforms that allow manufacturers to access new markets is one way of helping to overcome this challenge. Owners and founders struggle to empower staff to lead and drive the business. Many SMMEs are struggling to break free from a restrictive owner mindset and assume a more strategic role. This is largely because small enterprises are often run and managed by the owners and lack sufficient performance management systems, clear day-to-day operating models, and management structures with well-defined roles and responsibilities, key performance indicators and designated decision-making. A manufacturing SMME owner struggled to remove himself from production and manufacturing and hire key skills to take over these roles, even though he was scaling up the business.

4.1.2.3. Liquidity and cash flow management are limited

Many low maturity and new SMME businesses 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. This may be because they have limited cash flow and are highly dependent on clients paying their invoices on time or because they have little knowledge and insight into how to effectively set up and run their businesses, and the associated key metrics to be tracked.

A lack of prioritisation and financial planning that would have allowed them to focus on core areas to finance rather than growing sustainably, and the inconsistency between the scale of their ambitions and poor internal management and processes, resulted in no growth at all. Liquidity and cash flow management are likely to come under even further pressure during the crisis. At this time SMMEs are pursuing several common strategies to support their success in the following domains: financial stability; access to new markets and customers; a stable supply chain; strong customer engagement; a healthy workforce; and a robust post-crisis strategy.

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

4.1.3.1. Develop clearer market access strategies

SMMEs can be more structured and holistic in developing their go-to-market strategies to increase their market share and also reduce the risk inherent in concentrating their sales with one to three large customers. A better understanding of shifting demand, potential new client base, and local substitutes for their product enabled them to shift their focus to new target markets to sustain demand. Access strategies allow SMMEs to focus on their core value proposition that can be leveraged to clearly



position themselves in a new market. This allowed SMMEs to more effectively prioritise scarce business development opportunities as well as investment resources.

4.1.3.2. Drive efficiency as well as sales

Most SMMEs we have worked with focus on increasing sales and managing cash as priorities. SMMEs that also focus on operational efficiencies can drive further competitiveness to support sales, while also potentially creating increased capacity in the business. The use of basic visualisation tools such as management boards can optimise operations, by tracking tasks in progress and Key Performance Indicator dashboards. Through this approach SMMEs can achieve up to 25% improvement in scrap reduction, which had a resultant Earnings before interest, taxes, depreciation, and amortization impact. This tool highlights areas of leakage as well as a better ability to focus team efforts on solving problems and improved visibility. SMMEs that focus on operational efficiencies can drive further competitiveness to support sales, while also potentially creating increased capacity in the business.

4.1.3.3. Develop team skills and capabilities and empower leadership

SMMEs on a fast growth track can struggle to scale up growth, particularly when founders are still actively involved in the business. By investing in capability building, particularly at a leadership level, SMMEs can create more capacity for owners to focus on growth and strategy to ensure sustainability. Leadership training enables the organisation to distribute the workload more effectively and free top management to focus on sourcing new business and developing continuity plans.

4.1.3.4. The right support to enable SMME growth

More than 40% of all SMMEs have already reduced capacity and have laid off or may need to lay off employees; these include larger businesses with revenues in excess of R100 million. Only 21% of respondents are optimistic that the South African economy will recover quickly. In addition to taking steps to innovate and pivot their businesses in response to this new reality, the vast majority of SMMEs are going to need broader support if they are to emerge stronger from the COVID-19 crisis. Many may lack the in-house skills and business advisory services they need to get the right advice on structural business changes and to help them reimagine their business at this time (SIMODISA, 2020).

4.1.3.5. Government support is key to galvanising SMMEs post-COVID-19

Government is undoubtedly a key player in the SMME ecosystem, and post-COVID-19, there will be new pressures, forcing them to be even more careful about ensuring that scarce funds are effectively deployed and utilised. Their role can be viewed through two lenses: as

an enabler of SMME growth, and through the delivery of targeted support, especially to high-growth businesses. We have identified four key areas where government support could be critical.

4.1.3.6. Boost the national entrepreneurship ecosystem

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 could provide outsourcing support for back office services, something that SMMEs typically struggle with. Government could also focus on raising awareness among SMMEs concerning support –financial or otherwise – that is available to them (ANDE Ecosystem Map, 2015).

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 as its approach to playing its facilitator role. The latter is aligned to the government's District Development Model (DDM). The rollout of the DEF was delayed by COVID-19 in 2020 and the organisation achieved very limited success through it. The 2021/22 financial year presented different challenges that emanated 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:

- ESD at district level which will be anchored on the sectors that are competitive in each and will be the key driver for partnerships with the private sector and the various SETAs
- Practitioner capacity building and professionalisation of Business Advisory Standards
- Information management.

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

4.1.3.7. Invest in the skills and capabilities that SMMEs need at this time

Government can continue to ensure that entrepreneurs are supported with the skills and capabilities they need to rebuild and grow their businesses after the crisis. Most would benefit from additional training, for example, 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 from COVID-19 to develop resilience strategies and to help them reimagine their business models going forward.

4.1.3.8. Drive innovation, research, and development

Research and development are key requisites for innovation and growth. Successful entrepreneurship ecosystems recognise this. In South Africa, more will need to be done to identify and fund high-growth businesses and support innovation even where current financials do not support this.

4.1.3.9. Provide targeted and sector-specific support for SMMEs now and post-crisis

There is a significant opportunity for the government to provide nuanced, sector-specific interventions to help SMMEs get back on their feet post-crisis. Some sectors, for example, will need initial financing, while others may need more sustained support. Given that this support will impact the government's financial position, this could extend as far as possible to continuing initiatives such as PAYE deferrals and tax breaks instigated during the crisis. All these support mechanisms need to be clearly and rapidly accessible to ensure that SMME leadership is not having to spend too much time managing financing processes while also managing the crises in their business.

The government can also drive specific support to unlock growth. 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 cooperatives.

4.1.3.10. Private sector support can boost the viability and sustainability of SMME partners

The private sector has several levers it could pull on to support SMME growth – especially those with high potential – after the COVID-19 crisis, depending on the business area. Banks and financial institutions have already started a significant number of initiatives globally and in South Africa 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. For example, a leading South African bank is providing instant short-term deferral on credit products for up to three months and another is offering a similar programme for SMMEs with a turnover of less than R20 million.

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. We recommend

five elements for private sector players to consider as part of their supplier development processes to both serve their needs and ensure the viability and sustainability of their SMME partners as a business imperative and not just for social responsibility purposes.

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

4.1.3.11 Corporates more generally could enable SMMEs by focusing their supplier development for longer-term scale and competitiveness

SMMEs are a vital engine in the South African economy. They drive growth, create employment – especially among young people – and spearhead innovation. SMMEs are also customers to larger companies across the supply chain and supply vital goods and services to companies and households, helping to keep the wheels of the economy in motion. Furthermore, 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 this continent needs to continue on its path to growth and prosperity. When the pandemic will peak in South Africa is uncertain. It is therefore imperative that efforts to protect SMMEs move with speed and decisiveness, not only to cushion the worst of the impacts of the crisis on livelihoods but to help ensure a swifter recovery for the broader economy.

4.2 Internal Environmental Analysis

Seda held its board and management strategy session in preparation for the development of the annual performance plans. Key analyses of the organisational environment were undertaken, among these was the analysis of the external and internal environment (PESTEL and SWOT analysis). The results of the analysis are shared below.

Table 3: PESTEL Analysis and Seda Responses

NO.	FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
1	Political	<ul style="list-style-type: none"> • Changing of local 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
2	Economical	<ul style="list-style-type: none"> • Poor economic growth means that supply opportunities to local and international businesses are reduced (suppresses SMMEs growth and increases business failure) • Limited funds to leverage from partners • Lack of access to development finance 	<ul style="list-style-type: none"> • Prioritise opportunities register, derisking an opportunity matching. 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
3	Social	<ul style="list-style-type: none"> • Inclusion of women, young people and people with disabilities (eradication of poverty and inequality) • Entrepreneurship in schools' curriculum • There is a high unemployment rate that is leading to increasing levels of poverty • Low levels of literacy 	<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 socioeconomic interventions to address poverty and unemployment • 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)

NO.	FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
4	Technological	<ul style="list-style-type: none"> • High data costs and connectivity opportunities for the expansion of Seda services • 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 • Lack of ICT infrastructure rollout • Cyber attacks 	<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 • Outsourcing of ICT in its entirety
5	Environmental	<ul style="list-style-type: none"> • Global warming – massive medium and long-term impacts • Green economy focus as strategic growth area • Environmental impact assessments and requirements can be barriers to SMMEs growth and sustainability 	<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
6	Legal	<ul style="list-style-type: none"> • Product compliance requirements extremely expensive, and regulatory burden is increasing • Labour legislation, such as the Basic Conditions of Employment Act, and minimum wages, have a large impact on SMMEs • 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

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SEDA HELD ITS BOARD AND MANAGEMENT STRATEGY SESSION IN PREPARATION FOR THE DEVELOPMENT OF THE ANNUAL PERFORMANCE PLANS. KEY ANALYSES OF THE ORGANISATIONAL ENVIRONMENT WERE UNDERTAKEN, AMONG THESE WAS THE ANALYSIS OF THE EXTERNAL AND INTERNAL ENVIRONMENT (PESTEL AND SWOT ANALYSIS).

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The table below indicates Seda's challenges which are presented through its weaknesses and threats, and enablers which are presented through its strengths and opportunities.

Table 4: SWOT Analysis

STRENGTHS	WEAKNESSES
<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 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 	<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) 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
OPPORTUNITIES	THREATS
<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 Free Trade Agreement (AFTA) opens enormous opportunities for international trade international agreements Estonian Digital Citizenship allowing South Africans to open up businesses in the Estonian economy Opportunity exists to partner with private sector, SETAs and higher education institutions (general stakeholders) to leverage resources and support The organisation is supported by legislation, to facilitate and coordinate all business development services at all levels of Government AFTA 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 	<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, LEDA, MEGA, LED at municipal level, amongst others) Introduction of new unrealistic targets and programmes by the department with limited resources Perception that Seda only serves micro and small enterprises Cyber-security 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 Cooperatives)

The organisation prepared the following responses to the environmental analysis; the responses are mainly focused on the stated challenges (Weaknesses and Threats).

Table 5: Seda's Weaknesses and Potential Responses

WEAKNESSES	RESPONSES REQUIRED FROM SEDA
<ul style="list-style-type: none"> • Understaffing relative to population size which is required to be served • 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) • Loss of talented staff/failure to retain or attract top talent – no continuity • Bureaucratic, cumbersome, rigid policies and procedures • Inconsistency in the rollout of programmes and services 	<ul style="list-style-type: none"> • Determine adequate ratios of position to population size to ensure adequate service delivery in terms of Seda's mandate • Put through a funding and resourcing proposal to DSBD and the National Treasury • Recruit staff and resource them appropriately • Procure external services to ensure functional systems, including: <ul style="list-style-type: none"> - E-services portal (including digitised Seda tools) - Seda App/web-based application that is mobile friendly and zero-rated website - E-learning system - Stakeholder portal that is web based • Have a dedicated and resourced project management office • A defined Organisation Project Management Policy and Framework • Dedicated project management tool (MS Project) • Implement an effective Disaster Recovery as a service (DRaaS) plan • Develop appropriate value proposition for the different segments of stakeholders • Review and implement stakeholder engagement strategy • Review talent management strategy and ensure relevance and validity for current landscape • Ensure effective job enrichment practices Succession planning practices and effective organisation structures that can promote employee progression (not automatic) • Establish an internal red tape reduction unit to streamline and bring efficiency to processes and policies • Piloting of new programmes prior to the rollout • Ensure adequate capacity and skills to support R&D office

Table 6: Seda's Threats and Potential Responses

THREATS	RESPONSES REQUIRED FROM SEDA
<ul style="list-style-type: none"> • Other agencies assumes Seda's mandated role, leading to Seda's irrelevance • Lack of affordable infrastructure for clients to access digital services due 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 of the government and its agencies • Competition with other business development service providers at local, provincial and national level (NYDA, GEP, LEDA, MEGA, LED at municipal levels, amongst others) • Introduction of new unrealistic targets and programmes by the department with limited resources • Perception that Seda only serves micro and small enterprises • Cyber-security 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 Cooperatives) 	<ul style="list-style-type: none"> • The organisation should emerge as an ecosystem facilitator as opposed to be a competitor through continuous engagements with stakeholders and forming partnerships with other stakeholders like the various SETAs • Zero-rated Seda website • Benchmark, ensure adequate investment and resourcing for R&D throughout the organisation. • Ensure that roles between Seda and the DSBD are clearly delineated to reduce duplication, eliminate confusion and conflict • Joint marketing and public relations campaigns with other agencies to demystify the perception. This should be supported by quick turnaround on service delivery • Seda to emerge as an ecosystem facilitator as opposed to be viewed as competitor by other agencies • Adequate planning, resources and piloting of programmes before implementation to minimise failure rates and wasting of resources • Marketing and public relations campaigns (constant communication of the organisations successes) • Decentralise ICT to provinces • Implement DRaaS • Outsource IT services • Develop proper value proposition to get buy-in from ecosystem partners • Implement technological solutions to ensure effective capturing of ecosystem participants



Table 7: Seda Alignment to MTSF and ERRP Priorities

SEDA IMPACT STATEMENT	SEDA OUTCOMES	2019-24 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 Cooperatives creating jobs and contributing to inclusive economic growth	Improved SMME and Cooperatives growth through the development of competitive local products and services with access to local and international markets	Increased participation of SMMEs and Cooperatives in domestic and international markets	Ensure inclusion of SMMEs in localisation and buy local campaigns	Localisation policy framework and implementation programme on SMMEs and Cooperatives 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 	<ul style="list-style-type: none"> • SMMEs, especially those run by young people, women and persons with disabilities will play a significant role in 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 cooperatives in key economic sectors, such as retail, agriculture and agro processing, financial services (co-operative financial institutions), manufacturing and infrastructure development 	Programme 2: Business Competitiveness and Viability

SEDA IMPACT STATEMENT	SEDA OUTCOMES	ALIGNMENT WITH ERRP KEY PRIORITIES				SEDA PROGRAMME
		DSBD OUTCOMES	MTSF INTERVENTION	MTSF TARGET	PRIORITY INTERVENTIONS	
Competitive, innovative and sustainable SMMEs and Cooperatives creating jobs and contributing to inclusive economic growth	Increased contribution of SMMEs and Cooperatives in priority sectors through the facilitation of enterprise development ecosystem focusing on targeted sectors	Support for SMMEs, Cooperatives and start-ups	• Reviewing and integrating government support for formal and informal SMMEs, start-ups and Cooperatives, including removing red tape and reducing timeframes for relevant licences 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: Township, Rural and Informal Business Programme 2: Business Competitiveness and Viability
Promote entrepreneurship and provide targeted support to rural and township-based SMME and Cooperatives to be competitive and create decent jobs	Scaled-up and co-ordinated support for SMMEs and Cooperatives in village and township economies	100 000 competitive small businesses and Cooperatives supported by 2024	Green economy interventions	• Support for SMMEs and Cooperatives 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: Township, Rural and Informal Business Programme 2: Business Competitiveness and Viability

Table 8: Seda Outputs and Linked Outcomes

OUTCOMES	OUTPUTS
Outcome 1 Increased growth and sustainability of township and rural-based SMMEs and Cooperatives	1. Facilitate township and rural-based SMMEs and Cooperatives support 2. Facilitate small entrepreneurship awareness
Outcome 2 Increased localisation and market penetration by SMMEs and Cooperatives	1. Facilitate access to local markets 2. Facilitate access to international markets 3. SMMEs and Cooperatives supported to be competitive
Outcome 3 Integrated and co-ordinated ecosystem support for SMMEs and Cooperatives	1. Build an effective ecosystem 2. Increase service access points
Outcome 4 Increased growth and sustainability of SMMEs and Cooperatives	1. Facilitate small entrepreneurship awareness 2. Support the growth of SMMEs and Cooperatives 3. Facilitate priority sector support 4. Facilitate job creation and sustainability
Outcome 5 An agile, innovative, excellent and customer-centric organisation	1. Implement innovation ideas 2. Recognise and engage staff 3. Manage customer service 4. Manage the vacancy rate 5. Digitalise Seda services

Table 9: Seda-sefa Collaboration

	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 	<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 installments; 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 report, based on detailed diagnoses and 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.)	<ul style="list-style-type: none"> Pre-funding support (business registration, training and capacity building, business plan development) 	<ul style="list-style-type: none"> Application due-diligence and adjudication, legal contracting and disbursement
Strategic partnerships (priority groups)	<ul style="list-style-type: none"> Provide business development support service to partners in the ecosystem, targeting, among others, entrepreneurs with disabilities, youth entrepreneurs and women entrepreneurs 	<ul style="list-style-type: none"> Provide funding support (access to finance) to SMMEs and Cooperatives, and to businesses that graduate from Seda's interventions
Marketing and business development	<ul style="list-style-type: none"> Joint marketing and outreach campaigns, co-locations in municipalities 	
Monitoring and evaluation, and research	<ul style="list-style-type: none"> An integrated Planning, Monitoring and Evaluation Framework, and strengthened SMME and Cooperatives sector research and knowledge hub Strategic partnerships with HEIs and research partners 	
Systems	<ul style="list-style-type: none"> Shared information and application front-end, CRM, business advisers' database, call centre (national SMME support line) 	

5 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: TOWNSHIP, RURAL AND INFORMAL BUSINESS PROGRAMME

Purpose: To support township, rural-based enterprises and informal businesses to ensure that they are competitive and contribute meaningfully. This includes providing compliance support to aid business formalisation and to enable business growth by providing necessary support to ensure that they are competitive.



OUTCOMES		OUTPUT INDICATORS		ANNUAL TARGETS				MTEF Period				
				Audited Performance	Estimated Performance	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Increased entrepreneurship awareness, growth and sustainability of township and rural-based SMMEs and Cooperatives	Facilitate entrepreneurship awareness	Number of SMMEs and Cooperatives reached through entrepreneurship awareness sessions	Not measured	Not measured	Not measured	18 000	20 000	20 000	20 000	25 000	25 000	30 000
	Facilitate township and rural-based SMMEs and Cooperatives support	Number of township and rural businesses supported	Not measured	Not measured	Not measured	28 000	16 000	16 000	16 000	18 000	18 000	20 000
Integrated and co-ordinated ecosystem support for SMMEs and Cooperatives	Increase service access points	Number of new Incubation Centres established	Not measured	Not measured	Not measured	11	11	11	11	13	13	10
		Number of new Seda access point	Not measured	Not measured	Not measured	80	80	80	80	60	60	40
	Build an effective ecosystem	Ecosystem Development Plan implementation	Not measured	Not measured	Not measured	40%	70%	70%	70%	100%	100%	100%

OUTPUTS INDICATORS: ANNUAL AND QUARTERLY TARGETS					
OUTPUT INDICATORS	2022/23	QUARTERLY MILESTONES			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of SMMEs and Cooperatives reached through entrepreneurship awareness sessions	20 000	3 000	7 000	3 000	7 000
Number of township and rural businesses supported	16 000	3 000	5 000	3 000	5 000
Number of new Incubation Centres established	11	-	3	4	4
Number of new Seda access point	80	20	20	20	20
Ecosystem Development Plan implementation	40%	-	-	40%	-

Explanation of planned outcomes over the medium-term period

- a) Programme 1: Township, Rural and Informal Programme intends to respond to the priorities of government 6th administration, 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. NPD indicates that 90% of the 10 million envisaged jobs by 2030 will come from SMMEs, therefore township, rural and informal 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.
- b) All the outputs measures are structured to provide indication whether the outcome goal of increasing the entrepreneurship awareness, growth and sustainability of township and rural-based SMMEs and Cooperatives and the integration and co-ordinated ecosystem to support SMMEs and Cooperatives will be achieved over the strategic period. Annual outputs will be monitored to assess whether they are yielding the desired results; where necessary, adjustment will be implemented.
- c) The following outputs, facilitate entrepreneurship awareness, facilitate township and rural-based SMMEs and Cooperatives and building an effective ecosystem, are all contributing to the outcome of increasing the entrepreneurship awareness, growth and sustainability of township and rural-based SMMEs and Cooperatives and the integration and co-ordinated ecosystem to support SMMEs and Cooperatives.

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PROGRAMME 1: TOWNSHIP, RURAL AND INFORMAL
PROGRAMME INTENDS TO RESPOND TO THE PRIORITIES
OF GOVERNMENT 6TH ADMINISTRATION, AND EMPHASISES
THE IMPORTANCE OF LOCALISATION, ECONOMIC RECOVERY,
BUSINESS VIABILITY AND PROVIDING STRUCTURED SUPPORT TO
TOWNSHIP AND RURAL-BASED ENTERPRISES.

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PROGRAMME 2: BUSINESS COMPETITIVENESS AND VIABILITY

Purpose: To support SMMEs and Cooperatives by providing them with necessary support develop and enhance business production capacity and capabilities. This also includes improving their competitiveness in order to access local and international markets.



OUTCOMES		OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS				Estimated Performance	MTEF Period
				2018/19	2019/20	2020/21	2021/22		
Increased localisation and market penetration by SMMEs and Cooperatives	Facilitate access to local markets	Number of SMMEs and Cooperatives supported to participate in local markets	Not measured	Not measured	Not measured	Not measured	2 500	2 000	2 500
	Facilitate access to international markets	Number of SMMEs and Cooperatives supported to participate in international markets	Not measured	Not measured	Not measured	Not measured	1 000	1 000	1 250
	SMME and Cooperatives supported to be competitive	Number of SMMEs and Cooperatives assisted through incubation programme	Not measured	Not measured	Not measured	Not measured	2 700	2 500	2 800
		Number of SMMEs and Cooperatives assisted with productivity improvement	Not measured	Not measured	Not measured	Not measured	2 500	2 000	2 250
		Number of SMMEs and Cooperatives assisted through Technological Transfer Assistance programme	Not measured	Not measured	Not measured	Not measured	70	80	90
		Number of SMMEs and Cooperatives assisted with quality improvement	Not measured	Not measured	Not measured	Not measured	2 500	2 500	2 800

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS		ANNUAL TARGETS									
OUTCOMES	OUTPUTS	OUTPUT INDICATORS			Audited Performance			Estimated Performance		MTEF Period	
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Increased growth and sustainability of SMMEs and Cooperatives	Facilitate growth and sustainability of SMMEs and Cooperatives	Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5%	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	4,50	4,60	4,75
	Number of jobs created	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	3 500	4 000	5 000
	Number of jobs sustained	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	3 500	6 000	6 000
	Facilitate priority sector support	Number of SMMEs and Cooperatives supported with training, mentorship and coaching	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	5 000	20 000	22 000
		Number of SMMEs and Cooperatives supported in priority sectors (Scale-Up/High Growth Potential)	Not measured	Not measured	Not measured	Not measured	Not measured	Not measured	100	120	150

OUTPUTS INDICATORS: ANNUAL AND QUARTERLY TARGETS					
OUTPUT INDICATORS	2022/23	QUARTERLY MILESTONES			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of SMMEs and Cooperatives exposed to local markets	2 000	400	600	400	600
Number of SMMEs and Cooperatives supported to participate in international markets	1 000	200	300	200	300
Number of SMMEs and Cooperatives assisted through incubation programme	2 500	500	1 000	1 500	2 500
Number of SMMEs and Cooperatives assisted with productivity improvement	2 000	500	500	500	500
Number of SMMEs and Cooperatives assisted through the Technological Transfer Assistance programme	70	10	20	15	25
Number of SMMEs and Cooperatives assisted with quality improvement	2 500	500	750	500	750
Number of SMMEs and Cooperatives whose turnover has increased by 5% per annum	450	100	150	100	100
Number of jobs created	4 000	800	1 200	800	1 200
Number of jobs sustained	6 000	1 000	2 000	1 000	2 000
Number of SMMEs and Cooperatives supported in priority sectors (Scale-Up/High Growth Potential)	100	20	30	20	30
Number of SMMEs and Cooperatives supported with training, mentorship and coaching	20 000	4 000	6 000	4 000	6 000

Explanation of planned outcomes over the medium-term period

- a) Programme 2: Business Competitiveness and Viability also amplifies the priorities of government 6th administration with greater focus on business viability, market access and productivity improvement. Greater focus is placed on improving productivity and production capacity of the supported enterprises providing structured sector-specific support with clear goals. Business competitiveness cuts across all business, irrespective of their location. Gender mainstreaming will also be highlighted in all outputs being measured.
- b) There are two outcomes in this programme: increased localisation and market penetration by SMMEs and Cooperatives, and increased growth and sustainability of SMMEs and Cooperatives. Both these outcomes are supported by corresponding outputs, which are intended to track the implementation of the strategy over the MTEF period.
- c) The following outputs; Facilitate access to local markets, Facilitate access to international markets, SMME and Cooperatives supported to be competitive, Facilitate growth and sustainability of SMMEs and Cooperatives, and Facilitate priority sector support align very well with increased localisation and market penetration by SMMEs and Cooperatives and increased growth and sustainability of SMMEs and Cooperatives.

PROGRAMME 3: ADMINISTRATION

Purpose: To provide strategic leadership and support to core delivery to ensure successful implementation of the organisation's strategy. This includes monitoring organisational performance, strategic alignment with the shareholders' expectations and capacitating the organisation to achieve its set objectives.



OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS					MTEF Period	
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
An agile, innovative, excellent and customer-centric organisation	Implement innovative ideas	Percentage of innovative ideas implemented	Not measured	Not measured	Not measured	25%	35%	40%	50%
Entrenched performance-driven culture	Percentage of staff who performed at 311 and above in the performance evaluation	Not measured	Not measured	Not measured	Not measured	Not measured	60%	65%	70%
	Percentage of staff satisfaction	Not measured	Not measured	Not measured	Not measured	43%	50%	55%	60%
Manage customer service	Percentage of customer satisfaction	Not measured	Not measured	Not measured	Not measured	86%	80%	85%	85%
Reduce vacancy rate	Percentage of vacancy rate	5%	5%	5%	5%	5%	10%	10%	10%
Digitalise Seda services	Number of priority systems digitised	Not measured	Not measured	Not measured	Not measured	Not measured	2	4	4

OUTPUTS INDICATORS: ANNUAL AND QUARTERLY TARGETS					
OUTPUT INDICATORS	2022/23	QUARTERLY MILESTONES			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Percentage of innovative ideas implemented	35%	-	-	-	35%
Percentage of staff who performed at 311 and above in the performance evaluation	60%	-	-	-	60%
Percentage of staff satisfaction	50%	-	-	50%	-
Percentage of customer satisfaction	80%	-	-	-	80%
Percentage of vacancy rate	10%	10%	10%	10%	10%
Number of priority systems digitised	2	-	-	-	2

Explanation of planned outcomes over the medium-term period

- a) Programme 3: Administration intends to ensure that the organisation is innovative and agile to respond to the priorities of government 6th administration. Issues of customer satisfaction, staff satisfaction and digitalisation of targeted systems are prioritised.
- b) 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, adjustment will be implemented.
- c) The following outputs; Implement innovation ideas, recognise and engage staff, manage customer service, manage the vacancy rate and digitalise Seda services, are all contributing to the outcome, notably ensure the delivery of the Seda mandate through an agile, innovative, excellent and customer-centric organisation.

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PROGRAMME 3: ADMINISTRATION INTENDS TO ENSURE THAT THE ORGANISATION IS INNOVATIVE AND AGILE TO RESPOND TO THE PRIORITIES OF GOVERNMENT 6TH ADMINISTRATION.

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6. PROGRAMME REOURSE CONSIDERATION

Seda applies the zero-based budgeting approach which ensures that only value-added activities are included. These 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.

6.1. 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 by R305 million over the MTEF period 2021/22 to 2023/24, which will have a huge impact on service delivery.

Most of the fixed costs like office rental, goods and services increase at 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. Reduction in partnership initiatives commits Seda to seek alternative funding to continue with such initiatives. Seda often cannot terminate these initiatives which may include service centres. Seda is a service organisation and as such, needs to allocate adequate funds to the compensation of employees to combat staff loss due salaries seen as uncompetitive. The current allocation to compensation of employees is below the industry benchmark, due to available financial resources.

Table 10: Seda Budget 2019/20 – 2024/25

INCOME (R'million)						
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
	Audited			Budget		
Seda – DSBD from ENE budget	607.3	598.8	546.9	616.7	620.7	648.6
STP – DSBD from ENE budget	152.3	148.6	156.5	159.4	160.5	167.7
Seda – National Gazelle programme	2.8	-	-	-	-	-
Seda – DSBD specific projects	37.6	5.0	73.4	29.8	30.0	31.4
STP – Capacity Building programme	36.9	16.1	15.9	16.2	16.3	17.0
STP – Enterprise Incubation programme	57.8	61.0	59.6	62.0	62.4	65.2
External earnings	34.0	23.5	6.9	12.0	12.5	13.2
Other income	23.7	14.7	11.5	6.0	6.3	6.5
Total income	952.4	867.7	870.8	902.2	908.7	949.6
EXPENDITURE (R'million)						
Compensation of employees	367.4	335.3	368.0	409.5	421.7	420.4
Goods and services	534.4	400.8	470.5	450.9	439.6	486.6
Depreciation	14.3	12.5	13.9	18.7	19.6	14.8
Sub-total	916.1	748.7	852.4	879.1	880.9	921.8
Capital expenditure	15.0	24.2	18.4	23.2	27.7	27.7
Total expenditure	931.2	772.8	870.8	902.2	908.7	949.6

6.2. 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 11: Asset and Liability Management

	ASSETS (R'million)					
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
	Audited			Budget		
Carrying value of assets	39.46	50.93	55.50	59.94	68.04	80.98
Inventory	0.30	0.33	0.46	0.47	0.49	0.51
Receivables and repayments	34.14	27.84	5.30	5.62	5.96	6.25
Cash and cash equivalents	204.01	343.54	91.22	90.00	90.00	90.00
Total assets	277.91	422.64	152.47	156.03	164.48	177.74
LIABILITIES (R'million)						
Accumulated surplus/deficit	128.80	247.87	98.37	102.03	110.48	123.74
Operating Lease	3.59	4.34	4.11	4.00	4.00	4.00
Trade and other payables	111.87	136.78	50.00	50.00	50.00	50.00
Provision	33.65	33.65	0.00	0.00	0.00	0.00
Total equity and liabilities	277.91	422.64	152.48	156.03	164.48	177.74

6.3. Cash Flow Projections

The table below details the organisation's cash flow projections for the 2017/2018 to 2023/2024 period.

Table 12: Cash Flow Projections

	CASH FLOW (R'million)					
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
	Audited			Budget		
Cash flow from operating activities	-11.0	163.5	-233.9	21.9	27.8	27.7
Cash flow from investing activities	-14.6	-24.0	-18.4	-23.2	-27.7	-27.7
Cash flow from financing activities	-31.5	0.0	0.0	0.0	0.0	0.0
Net increase/[decrease] in cash and cash equivalents	-57.0	139.5	-252.3	-1.3	0.1	0.0
Cash and cash equivalents at the beginning of the year	261.0	204.0	343.5	91.2	90.0	90.0
Estimate of available cash	204.0	343.5	91.2	90.0	90.0	90.0

6.4. 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 13: Capital Expenditure

	ACQUISITIONS [R'million]					
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
	Audited			Budget		
Buildings: non-residential	0.53	1.72	1.20	1.50	1.80	2.50
Transport equipment	1.81	5.41	0.92	1.75	3.20	3.50
Furniture and office equipment	2.48	1.84	1.10	1.50	2.00	2.20
Computer equipment	10.22	15.22	15.20	18.40	20.74	11.80
Total acquisitions	15.05	24.19	18.42	23.15	27.74	20.00

Table 14: Budget amounts for the programmes

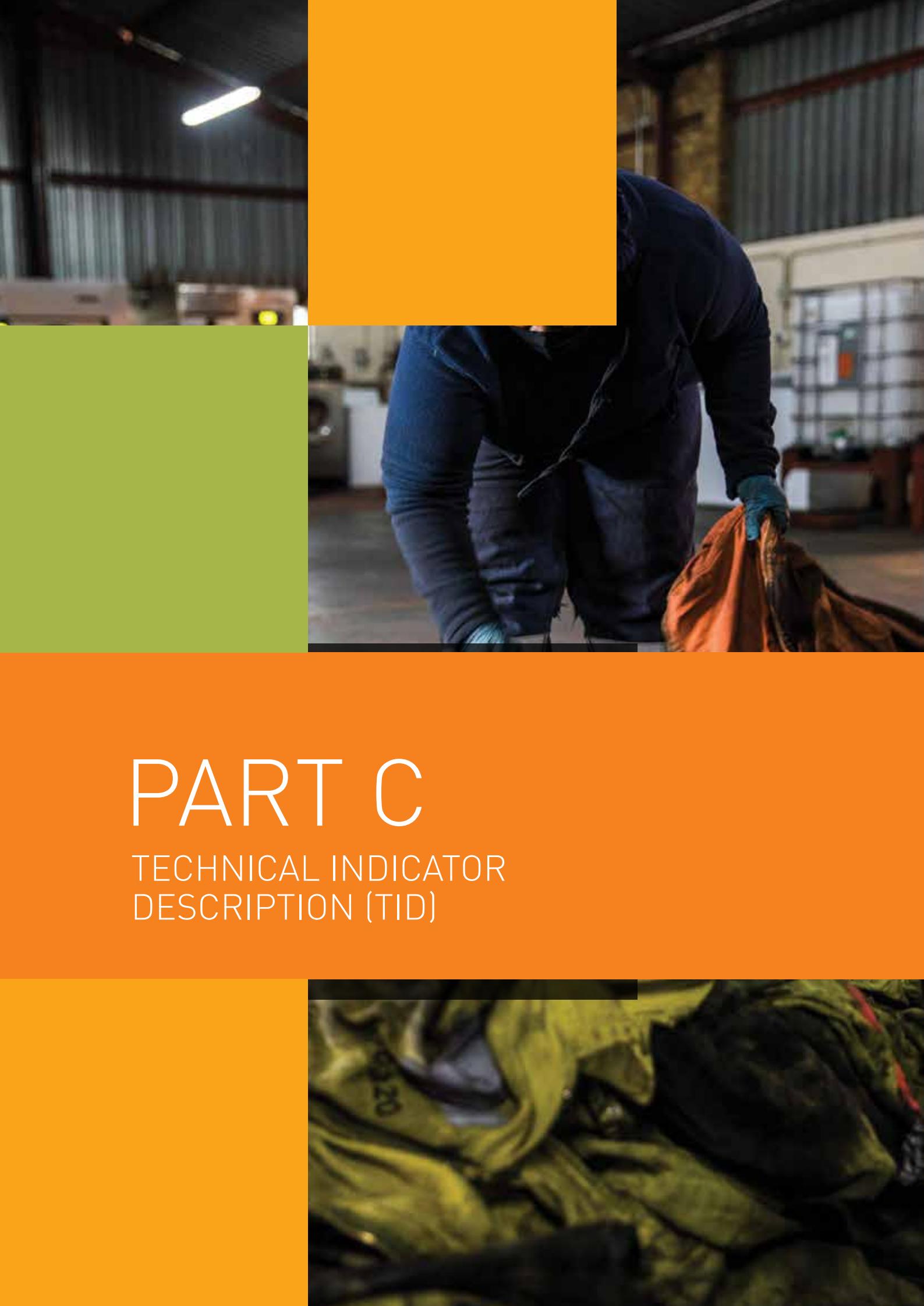
PROGRAMMES	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Audited figures R'000	Audited figures R'000	Estimated budgets R'000			
Administration	168 636	191 491	182 655	208 343	218 191	228 036
Township, rural and informal business	473 717	409 913	446 850	456 253	451 342	471 626
Business competitiveness and viability	273 773	171 441	241 273	237 619	239 147	249 908
Total expenditure	916 126	772 845	870 778	902 215	908 680	949 570

7. 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 take into account the organisation's strategic objectives, the strategic focus areas and the high impact programmes/themes.

Table 14: Strategic Risk Register – 2022/23

OUTCOMES	KEY RISK	RISK MITIGATION
Integrated and co-ordinated ecosystem support for SMMEs and Cooperatives	<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 Cooperatives	<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 Cooperatives Insufficient resources to deliver on planned initiatives Inability of SMMEs and Cooperatives 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 Cooperatives in the priority sectors	<ul style="list-style-type: none"> Inadequate business growth Limited access by SMMEs and Cooperatives 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 Cooperatives	<ul style="list-style-type: none"> Poorly designed initiatives Lack of market development Lack of industry standards and requirements Limited buy-in from big Cooperatives 	<ul style="list-style-type: none"> Develop industry standards through collaboration Identify Cooperatives that can benefit from Seda interventions
An agile, innovative, excellent and customer-centric organisation	<ul style="list-style-type: none"> Lack of Seda innovation strategy 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 Sefa 	<ul style="list-style-type: none"> Develop and implement innovation plan 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



PART C

TECHNICAL INDICATOR DESCRIPTION (TID)

Indicator title	Number of SMMEs and Cooperatives reached through awareness session	Number of township and rural businesses supported
Definition	SMMEs and Cooperatives attending the contact and virtual awareness sessions	Support provided to township and rural-based businesses
Source of data	Attendance register	<ul style="list-style-type: none"> • Business assessment • Training • Interventions implemented
Method of calculation/assessment	Total number of SMMEs and Cooperatives that attend awareness sessions	Total number of township and rural based businesses supported
Means of verification	Attendance register	<ul style="list-style-type: none"> • Business assessment • Training • Interventions implemented
Assumption	SMMEs and Cooperatives who have interest in starting a businesses have been identified	Township and rural businesses needs are identified
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7%
Spatial transformation (where applicable)	Township and rural areas	Township and rural areas
Calculation type	Cumulative (year-end)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly
Desired performance	20 000	16 000
Indicator responsibility	Executive Manager: EDD	Executive Manager: EDD

Indicator title	Number of new Incubation Centres established	Number of new Seda access point	Ecosystem Development Plan Implementation
Definition	Centres where SMMEs and Cooperatives are incubated to grow and sustain their businesses	Access points where SMMEs and Cooperatives are supported to grow and sustain their businesses	The plan developed to drive ecosystem integration and collaboration
Source of data	Proof of establishment contract, proof of partnership renewal	Signed contracts	<ul style="list-style-type: none"> • Project Plan • Proof of implementation
Method of calculation/assessment	Number of existing/new supported Incubation Centres	Number of new access points	Number of initiatives identified in the ecosystem plan versus initiatives implemented
Means of verification	Records of establishment contract, records of partnership renewal	Proof of signed contracts	<ul style="list-style-type: none"> • Project plan • Proof of implementation
Assumption	SMMEs and Cooperatives are ready to be incubated	There is a need to expand Seda services to different locations	Seda has developed a roadmap to be implemented
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	N/A	N/A
Spatial transformation (where applicable)	Township and rural areas	Township and rural areas	Township and rural areas
Calculation type	Cumulative (year-end)	Cumulative (year-end)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	11	80	40%
Indicator responsibility	Executive Manager: STP	Executive Manager: EDD	Office of the CEO

Indicator title	Number of SMMEs and Cooperatives supported to participate in local markets	Number of SMMEs and Cooperatives supported to participate in international markets	Number of SMMEs and Cooperatives assisted with incubation programme
Definition	SMMEs and Cooperatives that are capacitated to access local markets	SMMEs and Cooperatives that are capacitated to export their products to international markets	SMMEs and Cooperatives are receiving mentorship and coaching through the incubation programme
Source of data	<ul style="list-style-type: none"> • Attendance registers • Local exhibitions • Online support • Pop up markets 	<ul style="list-style-type: none"> • Attendance registers • International exhibitions • Online support • SMMEs registered on SHETRADES 	<ul style="list-style-type: none"> • Incubation contract • GrowthWheel assessment
Method of calculation/assessment	Total number of SMMEs and Cooperatives supported to access local markets	Total number of SMMEs and Cooperatives supported through export, exhibitions and trade facilitation	Number of SMMEs and Cooperatives assisted through incubation
Means of verification	<ul style="list-style-type: none"> • Attendance registers • Local exhibitions • Online support 	<ul style="list-style-type: none"> • Attendance registers • International exhibitions • Online support 	<ul style="list-style-type: none"> • Incubation contract • GrowthWheel assessment
Assumption	SMMEs are ready to access local markets	SMMEs are ready to access International markets	SMMEs are ready for incubation
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7%
Spatial transformation (where applicable)	Township and rural areas	Township and rural areas	Township and rural areas
Calculation type	Cumulative (year-end)	Cumulative (year-end)	Cumulative (quarterly)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	2 000	1 000	2 500
Indicator responsibility	Executive Manager: EDD and STP	Executive Manager: EDD	Executive Manager: STP

Indicator title	Number of SMMEs and Cooperatives assisted through the Technological Transfer Assistance programme	Number of SMMEs and Cooperatives assisted with quality improvement	Number of SMMEs and Cooperatives assisted with productivity improvement
Definition	SMMEs and Cooperatives assisted through technology transfer programme	SMMEs and Cooperatives who are supported to improve their quality and to procure quality interventions	SMMEs and Cooperatives supported to improve their productivity
Source of data	<ul style="list-style-type: none"> • List of SMMEs approved for technology support 	<ul style="list-style-type: none"> • Training records, proof of intervention implemented 	<ul style="list-style-type: none"> • Attendance register for innovation forums, compliance sessions and pitch and perfect • Training records • Proof of intervention implemented
Method of calculation/assessment	Number of SMMES and Cooperatives approved for technology support	Number of SMMEs and Cooperatives supported with product testing and conformity assessment, quality training, certification	Number of SMMEs and Cooperatives assisted with productivity improvement
Means of verification	<ul style="list-style-type: none"> • List of SMMEs approved for technology support 	<ul style="list-style-type: none"> • Training records, proof of intervention implemented • List of SMMEs approved for quality intervention 	<ul style="list-style-type: none"> • Attendance register for innovation forums, compliance sessions and pitch and perfect • Training records • Proof of intervention implemented
Assumption	There are enterprises ready to receive technology transfer support	Identified clients are ready to receive interventions	SMMEs are ready for expansion
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Disabled persons 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7%
Spatial transformation (where applicable)	Township and rural areas	Township and rural areas	Township and rural areas
Calculation type	Cumulative (year-end)	Cumulative (year-end)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	70	2 500	2 000
Indicator responsibility	Executive Manager: STP	Executive Manager: EDD and STP	Executive Manager: STP

Indicator title	Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5%	Number of jobs created	Number of jobs sustained
Definition	SMMEs and Cooperatives whose turnover has increased by 5% after receiving business support	Enterprises that have created new jobs after receiving business support	Enterprises that are sustaining existing jobs after receiving business support
Source of data	<ul style="list-style-type: none"> • Improvement assessment forms • Income statements • Aggregate turnover calculations 	<ul style="list-style-type: none"> • Improvement assessment forms • Confirmation of employees • Aggregate employee calculations 	<ul style="list-style-type: none"> • Improvement assessment forms • Confirmation of employees • Aggregate employee calculations
Method of calculation/assessment	Total turnover increased by 5% after intervention vs. turnover pre-intervention	Total number of new jobs after intervention vs. jobs at pre-intervention	Total number of new jobs after intervention vs. jobs at pre-intervention
Means of verification	<ul style="list-style-type: none"> • Improvement assessment forms • Income statements • Aggregate turnover calculations 	<ul style="list-style-type: none"> • Improvement assessment forms • Confirmation of employees • Aggregate employee calculations 	<ul style="list-style-type: none"> • Improvement assessment forms • Confirmation of employees • Aggregate employee calculations
Assumption	SMMEs and Cooperatives are supported to increase their turnover	SMMEs and Cooperatives are encouraged to create jobs	SMMEs and Cooperatives are supported to sustain jobs
Disaggregation of Beneficiaries (where applicable)	N/A	N/A	N/A
Spatial transformation (where applicable)	Township and rural areas	Township and rural areas	Township and rural areas
Calculation type	Cumulative (year-end)	Cumulative (year-end)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	450	6 000	4 000
Indicator responsibility	Executive Manager: EDD and STP	Executive Manager: EDD and STP	Executive Manager: EDD and STP

Indicator title	Number of SMMEs and Cooperatives supported in the priority sectors (Scale-Up/High Growth potential)	Number of SMMEs and Cooperatives supported with training, mentorship and coaching
Definition	SMMEs and Cooperatives within priority sectors (manufacturing and construction, digital and ICT, agriculture and agroprocessing, automotive, mining and aquaculture, tourism, services) as defined by the Government	SMMEs and Cooperatives supported through enterprise coaching
Source of data	<ul style="list-style-type: none"> • Business assessment • Training records • Interventions implemented 	Assessment reports, training conducted, intervention implemented
Method of calculation/assessment	Total number of SMMEs and Cooperatives with sector-specific interventions	Total number of SMMEs and Cooperatives supported through training, mentorship and coaching
Means of verification	<ul style="list-style-type: none"> • Business assessment • Training records • Interventions implemented 	Training report, attendance register, coaching report, mentorship report
Assumption	There are enterprises in the priority sectors ready for support	SMMEs and Cooperatives are ready to receive training, mentorship and coaching
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7% 	<ul style="list-style-type: none"> • Women 40% • Youth 30% • Persons with disabilities 7%
Spatial transformation (where applicable)	N/A	N/A
Calculation type	Cumulative (year-end)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly
Desired performance	100	20 000
Indicator responsibility	Executive Manager: EDD	Executive Manager: EDD

Indicator title	Percentage of innovative ideas implemented	Percentage of staff who performed at 311 and above in performance evaluation	Percentage of staff satisfaction
Definition	Creative and novel ideas suggested for implementation	High performing staff members are recognised for excellence	Measure the level of satisfaction among staff members
Source of data	<ul style="list-style-type: none"> • Idea generation register • Innovative idea implementation report 	Records of staff rated between 311 and above the performance evaluation	<ul style="list-style-type: none"> • Staff satisfaction survey result • Staff satisfaction survey report
Method of calculation/assessment	Number of innovative ideas generated versus ideas implemented	Number of staff recognised for excellence	Number of satisfied staff members versus all staff members
Means of verification	<ul style="list-style-type: none"> • Idea generation register • Innovative idea implementation report 	Records of staff rated between 311 and above in the performance evaluation	<ul style="list-style-type: none"> • Staff satisfaction survey result • Staff satisfaction survey report
Assumption	There is a drive to encourage innovation within the organisation	There is a drive to encourage staff members to excel	There is a drive to encourage and engage staff members
Disaggregation of beneficiaries (where applicable)	N/A	N/A	N/A
Spatial transformation (where applicable)	N/A	N/A	N/A
Calculation type	Non-cumulative (year-end)	Non-cumulative (year-end)	Non-cumulative (year-end)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	35%	60%	50%
Indicator responsibility	All executives	Executive Manager: Corporate Services	Executive Manager: Corporate Services

Indicator title	Percentage of customer satisfaction	Percentage of vacancy rate	Number of priority systems digitised
Definition	Measure the level of satisfaction among customers members	Measure the number of vacant position in the approved structure	The plan developed to drive digitalisation within the organisation
Source of data	<ul style="list-style-type: none"> • Customer satisfaction survey result • Customer satisfaction survey report 	Consolidated vacancies	Digitalisation implementation report
Method of calculation/Assessment	Number of satisfied Customer members versus all customer surveyed	Number of vacancies versus filled positions in the approved structure	Number of systems identified in systems for digitalisation
Means of verification	<ul style="list-style-type: none"> • Customer satisfaction survey result • Customer satisfaction survey report 	Consolidated vacancies	<ul style="list-style-type: none"> • Project plan • Proof of implementation
Assumption	There is a drive to improve customer service	There is a drive to fill vacant positions	Seda has develop a digitalisation roadmap to be implemented
Disaggregation of beneficiaries (where applicable)	N/A	N/A	N/A
Spatial transformation (where applicable)	N/A	N/A	N/A
Calculation type	Non-cumulative (Quarterly)	Non-cumulative (Quarterly)	Cumulative (year-end)
Reporting cycle	Quarterly	Quarterly	Quarterly
Desired performance	80%	10%	2
Indicator responsibility	Executive Manager: EDD and STP	Executive Manager: Corporate Services	Chief Strategy and Information Officer



PART D

DISTRICTS DEVELOPMENT
MODEL



MEDIUM TERM (3-YEAR MTEFI)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
Silverton Mix Used Development	The Silverton Mixed-use Development Project entails development of a new, well-planned and easy-flowing modern urban area allowing comfortable residential elements, modern health care, great schools, creches, good convenience shopping and recreational areas in Mthatha. The development will also accommodate the state subsidised social housing schemes. The project is championed by the King Sabatha Dalindyebo Local Municipality (KSD LM – IDP 2017-2022). It enjoys full support of the OR Tambo District Municipality, the Eastern Cape Premier's Office and it forms part of the National Development Plan (NDP 2014-2030).	Current FY: R150 000	OR Tambo District	-31.624339 -28.818550 -31.6196810 -28.8067257	Xolani Siyongwana	KSD, OR Tambo District Municipality; Department of Human Settlement, EC
Sbhekuza Rail	Resuscitation of the passenger rail between East London and Mthatha, in the process support and revive SMMEs and Cooperatives operating in the various stations on the route.	Current FY: R130 000	Buffalo City Metro	32°20'05.4"S 28°08'36.2"E -32.334819,28.143400	Andile Zondani	Sbhekuza Rail; Transnet, sefa
Vendicom Heavy Mineral Mining	The company has an off take agreement from the Marilox Group for concentrated heavy minerals (THM), Zircon (Zr02), Ilmenite (Fe Ti03) and Rutile (Ti02). This is a Military Veteran owned entity and therefore a sum of R5 million application is in progress through the discounted sefa Ihyamazane 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 R5 million has been submitted to sefa .	Current FY: R700 000	Buffalo City Metro	Farm 1163, East London: Latitude -33.225362 Longitude -27.56863 -33.226045 -27.562838 -33.228013 -27.561598 -33.227325 -27.559632	Zukiswa Masetana	East London IDZ, DTIC (Black Industrialists); sefa ; Dedeat and the Private Sector

MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
Free State	Crop and Livestock Farming	Makholokoeng, Makholokoeng FSPU Secondary Cooperative	Thabo Mofutsanyana	Makholokoeng - Harrismith Latitude: 28°16'21" S Longitude: 29°07'46" E	Mr Katteloh Malau	Department of Rural Development and Land Reform
	Animal Husbandry	Zastron Farmers Support Production Unit (Secondary Cooperative) involved in Cattle Farming Comprises of 13 primary cooperatives	Xhariep District Municipality DALRD Spent: R25 million Seda Spent: R130 000	Zastron Latitude: -30.302560806274414 Longitude: 27.082468032836914	Ms Mosilinyane Malefane	DALRD, Mohokare Local Municipality, Glen Agricultural College
Gauteng	MEDIUM TERM (3-YEAR MTEF)					
	AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER
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

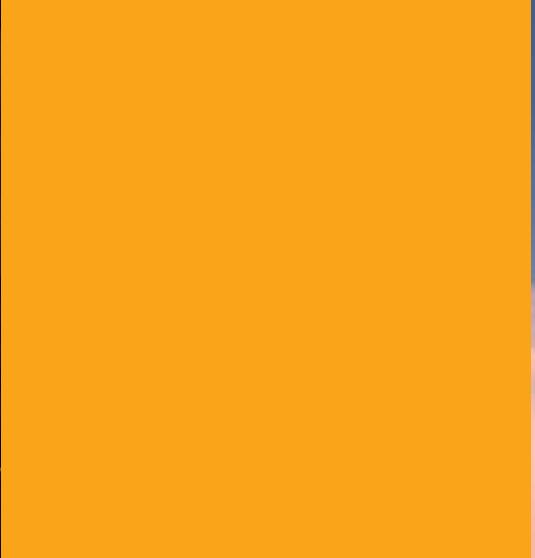
MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
KwaZulu-Natal	Kwa Mashu Station Trader's Market	R3 456 894	eThekweni Metro	Latitude: -29°75'15.393 Longitude: 30°97'63.415, 15.75	Ayanda Ciliza and Cedric Mnguni	DSBD, Seda and eThekweni Metro
	Supply of 2 x 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	R1 610 086	eThekweni Metro	Latitude: -29°72'07.702 Longitude: 30°98'51.454, 3	Ayanda Ciliza and Cedric Mnguni	DSBD, Seda and eThekweni Metro
Limpopo	Kwa BESTER Traders Market	R1 610 086	eThekweni Metro	Latitude: -29°72'07.702 Longitude: 30°98'51.454, 3	Ayanda Ciliza and Cedric Mnguni	DSBD, Seda and eThekweni Metro
	Supply of converted [12] twelve 3m x 6m containers; [1] container 3m x 6m to be used as abulation facility to be separated into Males and female sections. These containers are used by informal traders	R1 610 086	eThekweni Metro	Latitude: -29°72'07.702 Longitude: 30°98'51.454, 3	Ayanda Ciliza and Cedric Mnguni	DSBD, Seda and eThekweni Metro
MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
Farm wholesale market	FABC0 Primary Cooperative established farm wholesale market to create high end market.	• Total budget = R680 K	Mopani District Municipality	Latitude: 23°52'53.6"S Longitude: 30°16'26.8"E	Mr OR Mathebula (Changa)	NAMC, ARC, ETG Logistics (tractors and implement), NetaFim (Irrigation), University of Limpopo, Novon Chemicals, Advanta Seeds, Africa Seed Group/KE Seeds, COPAE (Mozambican Agricultural and Trade Cooperative), Local Municipalities including the district and SEDA

MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
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.	• R45 813 798	Mopani District Municipality	Latitude: 23°53'02.5"S Longitude: 30°15'56.5"E	Mr Moketta Leshoto	LEDA, LIMA RDF, Angel Feeds, Novon, Prasin, Firstrand Bank, Switchafrica, UN environmental Programme, Solidaridad, SEDA, Local Municipalities and Districts, and Department of Agriculture
Access to market for local tomato growers	Limpopo Tomato Grower Association	• R120 Million	Mopani District Municipality	Latitude: -23° 49' 59.59" S Longitude: 30° 09' 48.64" E	Mr. Leshoto / Mapule	DALRRD, Mopani District Municipality (MDM), Seda and Lima
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	Grobtersdal	Mr. S.A Ntshangase/ Rodney Zitha	Sekhukhune District Municipality, Local Municipalities, Makhuduthamaga, Ephraim Mogale, Fetakgomo Tubatse, Elias Motsoaledi and SEDA
ICT	Limpopo Digital Hub	To be determined by 30 th April 2022	Capricorn District Municipality	Seshego Industrial Site	Shaun Moses – the DTIC	the dtic , LEDA, Limpopo Connexion, Polokwane Municipality, SEDA Capricorn Branch, Capricorn District Municipality, DBSA, CSIR and Youth Entrepreneurship Project (YEPSA)

MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
Mpumalanga 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. SASOL has offered to support 20 local SMMEs with containers/kiosks to operate and sell their products from.	R1.5 million	Gert Sibande	26.5158° S, 29.1914° E (Secunda)	Ms Florence Mathebula	SASOL, Seda, NYDA, Govan Mbeki Local Municipality
	Nkomazi Cotton Gin	TBC	Ehlanzeni	5.4510° S, 31.9587° E (Komatiportoort)	Mr Petros Sithole	NEF, Seda, Cotton SA, MEGA, DARDLR, Agronet, ARC, Lebombo Secondary Cooperatives
MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
Northern Cape 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
	Information Event		Tsantsabane Local Municipality	Latitude of 28.331959 degrees and longitude 23.065740 [CBD Area]	Mrs N Bezuidenhout	sefa. VUT, NYDF, DSBD
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

MEDIUM TERM (3-YEAR MTEF)						
AREAS OF INTERVENTION	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
North West	Innovative Building Technologies	Dr Kenneth Kaunda	Latitude: 26.71667 degrees Longitude: 27.1.1 (Potch Industrial Area)	Mrs Lebo Zulu	Department of Human Settlement, Seda, sefa and NYDA	
Building Construction Technologies	IT Product Development and Assembly	Bojanala West	Latitude: 25°59'73"S Longitude: 27°14'3.61"E (Mogwase Industrial Area)	Mr Abe Kgomongoe	Department of Economic Development, Conservation and Tourism (DEDECT), Seda	
IT Innovations and Solutions	Innovation Hub and IT Solutions	Ngaka Modiri Molema	Latitude: 25°853161 Longitude: 25°040181 (Mahikeng Industrial Area)	Mr Joseph Ndaba	DEDECT, Seda	
Citrus Growers	Citrus Fruit Farming Project	Bojanala East	Latitude: 25°38'5.03"S Longitude: 27°46'48.79"E	Mrs Lerato	DALRD, Seda, ARC, Department of Agriculture and AgriSeta	

AREAS OF INTERVENTION	MEDIUM TERM (3-YEAR MTEF)				SOCIAL PARTNERS
	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	
Ostrich Value Chain	Sakhazizwe Co-operative Ltd	R750 000	Garden Route District Municipality	8 Reservewe street, Oudtshoorn	Mr Quinton Coetze (Seda)
	Oudtshoorn Leather Manufacturing Co-operative	R750 000	Garden Route District Municipality	16th Avenue, Bridgtown, Oudtshoorn https://goo.gl/maps/WwRQyq2YyLe5rc7z6	Mr Quinton Coetze (Seda)
Agriculture (Honey Bush)	Western Cape Honey Bush Tea Co-operative Ltd	R1 200 000	Garden Route District Municipality	Office: 1st Floor Room 12, Prince Vincent Building, Church Street, Oudtshoorn 33°22'50.26"S 22°10'44.39"E	Mr Quinton Coetze (Seda)



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