



**SMALL ENTERPRISE DEVELOPMENT AGENCY**

an agency of the dsbd

# ANNUAL PERFORMANCE PLAN FOR 2024/25



small business  
development

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA



**SMALL ENTERPRISE DEVELOPMENT AGENCY**

an agency of the dsbd

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## ACCOUNTING AUTHORITY STATEMENT

Dear Stakeholders,

I am pleased to present Seda's renewed commitment to stimulating and supporting entrepreneurship among Small, Medium, and Micro Enterprises (SMMEs) and Cooperatives, recognising their pivotal role in achieving the South African National Development Plan's (NDP's) vision for 2030.

As we look to the future, it is essential to reflect on the progress we have made. In October 2023, Seda convened a board strategy review to assess our strategic plan's implementation and the path forward in achieving our outlined outcomes. This reflection allowed us to take stock of the gains made in the achievement of our Medium-Term Expenditure Framework (MTEF) targets and Economic Recovery and Reconstruction Plan (ERRP) goals, closely aligned with the Minister of Small Business Development's performance contract.

I am proud to report that Seda remains on track to meet its targets, particularly in increasing the number of competitive small businesses in township and rural areas. Furthermore, we have already reached our goal of establishing 100 incubation centres and digital hubs by 2024, prompting us to shift our focus towards enhancing governance and maximising returns on investments within these incubators.

Our ongoing commitment to improvement has prompted us to analyse both our previous year's performance and current trends, identifying the enablers necessary for our organisation's success and the challenges we must overcome in the final year of the 2020-2025 strategic planning period.

Notably, our strategic vision aligns with the 'game changers' proposed by the Minister of Small Business Development, designed to uplift the livelihoods of small businesses in South Africa. These game changers emphasise our support for township and rural-based SMMEs and Cooperatives, the revitalisation of incubators and accelerators, amplification of supplier development, encouragement and support for youth entrepreneurship, and the flexibility to respond promptly to the evolving landscape of financial and non-financial support.

To augment this, we have developed our own game changers, closely aligned with those formulated during our portfolio strategy sessions. These encompass market access and supplier development partnerships, entrepreneurship mobilisation, township and rural economic development, pre-investment and post-investment business development support programmes, district ecosystem facilitation, refuelled incubator/accelerator, SMME participation in the Catalytic Projects Programme, and smart systems and technology initiatives.

To ensure the sustainability and growth of SMMEs and Cooperatives, we recognise the need to enhance Seda's image, attract funding, and collaborate with like-minded stakeholders. Our active participation in major provincial projects is an imperative step to bolster our relationships with provincial stakeholders.

In line with our commitment to innovation and improvement, we emphasise the importance of leveraging technology as a differentiator, significantly enhancing service turnaround times and accessibility for technologically-savvy SMMEs.

Seda's mandate underscores our commitment to promoting entrepreneurship, facilitating the provision of non-financial support to SMMEs and Cooperatives, and working in synergy with our partners to expand SMME support.

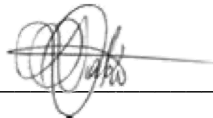
We also acknowledge the unique challenges facing Cooperatives and have outlined interventions to empower them, including governance training before establishment and tailored support to enable market access and access to funding for those already operational.

At the core of our mission is the recognition that the needs of SMMEs and Cooperatives are diverse, varying with the stage of their development. Seda's role is to provide personalised support after thorough engagement to ensure that recommended interventions result in business growth and job creation.

Seda's 2024/25 Annual Performance Plan (APP) presents our organisation's commitments and focus areas for the new financial year, and we are resolute in our dedication to realising these by the end of the financial year.

I invite you to join us on this journey as we work together to build a thriving entrepreneurial ecosystem that will drive the realisation of South Africa's vision for 2030.

Sincerely,



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**Ms Xoliswa Daku**  
Board Chairperson

## CHIEF EXECUTIVE OFFICER STATEMENT

I am pleased to present Seda's APP for the 2024/25 financial year, marking the fifth year of our Revised Strategic Plan for 2020-2025. In accordance with the DPME Revised Framework for Strategic Plans and Annual Performance Plans, our board has undertaken a comprehensive process to shape this APP.

While we previously mentioned a Cabinet resolution regarding the merger of sefa, Seda, and the Co-operative Banks Development Agency (CBDA) with a target date of April 2023, it is important to note that until the merger is fully realised, each entity will continue to produce and report against its own APP.

One of the key highlights of this APP is Seda's commitment to responding to the Minister's game changers by developing our own game changers, closely aligned with the Minister's priorities. We aim to ensure that the enablers necessary for the realisation of these game changers are thoughtfully considered. These game-changing interventions and outputs will be implemented in a phased approach, given our current budget allocation, which does not yet meet the level required for the significant transformation in SMME support envisioned by the game changers. Furthermore, we are actively responding to the strategic guidance from our board, emphasising the importance of enhanced collaboration with our partners and exploring avenues for additional funding to fulfil our organisational mandate.

Acknowledging the persistent challenge of high youth unemployment in South Africa, we remain steadfast in our belief that the path to combating this unemployment is to create an enabling environment for SMMEs to prosper. Our approach begins with a thorough analysis and understanding of the economic activities within each district, serving as the foundation for an effective delivery model. Seda's products and delivery model will then revolve around identifying and training SMMEs that can be connected with larger corporations in each district, thereby unlocking value chains and fostering SMME participation. We are committed to enhancing our current Seda enterprise and supplier development (ESD) model to foster more partnerships with the private sector, aiming to increase SMME participation.

Seda has been at the forefront of driving the Fourth Industrial Revolution (4IR) and supporting digital hubs across various provinces. These hubs empower SMMEs and entrepreneurs to innovate and develop technological solutions for their businesses. Leveraging technology is integral to our strategy, enabling us to realise quick wins and enhance our performance through virtual SMME support, ultimately enabling self-service for our clients. With our well-positioned infrastructure, we will provide the necessary training, mentorship, business management support, and product quality standards. We will also seek partnerships with various sector education and training authorities (SETAs) to implement sector-focused training.

In the 2023/24 financial year, we concentrated our efforts on meaningful interventions aligned with the 2020-2025 Strategic Plan and the MTSF 2019-2024 objectives. We allocated a significant portion of our resources to enhance the growth and sustainability of township and rural-based SMMEs and Cooperatives. Seda established 79 (seventy nine) service access points throughout the country, mainly in township and rural areas. This is indicative of its commitment to increase its footprint and its capacity to service clients in these areas as part of government's initiatives to bring small business development to the people.

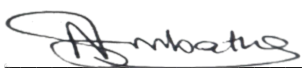
We recognised the challenges faced by newly established businesses in accessing markets and have committed to channelling more resources to improve this support in the coming financial year.

Seda acknowledges that working with partners can significantly expand the reach and sustainability of small businesses. We have actively participated in district dialogues and projects that stimulate entrepreneurship and offer opportunities for SMMEs and Cooperatives. We believe that structured coordination through the District Development Model (DDM) holds tremendous potential, and our ultimate goal remains the growth and sustainability of SMMEs and Cooperatives, thereby creating opportunities for them to trade their products internationally. The charge of leading this initiative towards the 4IR is taken up by 4IR incubators, where bright entrepreneurs develop innovative technologies and new skills for the country's workforce.

As a vital pillar of South Africa's recovery plan and medium-term economic development, industrialisation, and localisation continue to be the focal point. These industries have the capacity to create jobs, foster skills development, and support the advancement of new technologies. Seda understands that tailored needs-based programmes can significantly enhance the capabilities of the broader small enterprise and cooperative sector. The implementation of our game changers will facilitate the realisation of substantial impacts. However, we cannot overstate the importance of proper funding, and our ongoing dialogues with stakeholders to improve our funding and cost-sharing mechanisms are progressing, although some discussions take longer than anticipated. Our commitment is to ensure that our 2024/25 performance commitments are adequately funded to achieve the desired impact.

I extend my heartfelt appreciation to the Minister and Deputy Minister, who passionately advocate for SMMEs and Cooperatives in South Africa, and actively work to secure the necessary resources to enable us to fulfil our mandate. I would further like to thank our Seda board members for the invaluable support and guidance we receive from them. Thirdly, our Seda management and staff, officials from the Department of Small Business Development and our sister agency sefa, for their comradery and diligence breaking barriers in assisting South African small businesses and Cooperatives. Lastly, I express my gratitude to the Portfolio and Select Committee, which hold us accountable for the work we have committed to deliver as an organisation.

Sincerely,



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**Mr Nkosikhona Mbatha**  
Chief Executive Officer (Acting)

## OFFICIAL SIGN-OFF

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

- 1) Was developed by the management team of Seda under the guidance of the Seda Board.
- 2) Takes into account all the relevant policies, legislation, and other mandates for which Seda is responsible; and
- 3) Accurately reflects the outcomes and outputs which Seda will endeavour to achieve over the 2024/25 period.




**Ms Ntokozo Majola**

Executive Manager: Enterprise Development Division

28/02/2024

**Date**



**Mr Siphon Ngcai**

Executive Manager: Seda Technology Programme

28/02/2024

**Date**



**Ms Thabang Serapelo**

Acting Executive Manager: Corporate Services

28/02/2024

**Date**



**Mr Elias Maabane**

Acting Chief Financial Officer

28/02/2024

**Date**

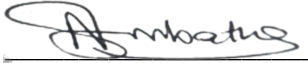


**Mr Sandile Ndaba**

CSIO (Official Responsible for Planning)

28/02/2024

**Date**



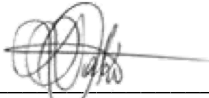
**Mr Nkosikhona Mbatha**

Acting Chief Executive Officer

29/02/2024

**Date**

**APPROVED BY:**



**Ms Xoliswa Daku**

Board Chairperson

29 February 2024

**Date**



## ABBREVIATIONS AND ACRONYMS

<b>4IR</b>	Fourth Industrial Revolution
<b>AfCFTA</b>	African Continental Free Trade Agreement
<b>APP</b>	Annual Performance Plan
<b>BTB</b>	Back 2 Basics
<b>BIAT</b>	Boosting Intra-African Trade (African Union programme)
<b>Board</b>	Seda Board
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CBDA</b>	Cooperatives Bank Development Agency
<b>CfERI</b>	Centre for Entrepreneurship and Rapid Incubator
<b>COVID-19</b>	Novel Coronavirus Disease 2019
<b>DDM</b>	District Development Model
<b>DEF</b>	District Ecosystem Facilitation
<b>DSBD</b>	Department of Small Business Development
<b>EDD</b>	Enterprise Development Division
<b>EFC</b>	Entrepreneurial Framework Condition
<b>ERRP</b>	Economic Reconstruction and Recovery Plan
<b>GDP</b>	Gross Domestic Product
<b>GEM</b>	Global Entrepreneurship Monitor
<b>GEP</b>	Gauteng Enterprise Propeller
<b>HACCP</b>	Hazard Analysis and Critical Control Point
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>LED</b>	Local Economic Development
<b>LEDA</b>	Limpopo Economic Development Agency
<b>MEGA</b>	Mpumalanga Economic Growth Agency
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NASP</b>	National Annual Strategic Plan
<b>NDP</b>	National Development Plan, Vision 2030

<b>NECI</b>	National Entrepreneurship Context Index
<b>NISED</b>	National Integrated Small Enterprise Development Framework
<b>NYDA</b>	National Youth Development Agency
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PWD(s)</b>	Persons With Disability/ies
<b>Q</b>	Quarter
<b>QMS</b>	Quality Management System
<b>SARB</b>	South African Reserve Bank
<b>Seda</b>	Small Enterprise Development Agency
<b>SEDFA</b>	Small Enterprise Development Finance Agency
<b>sefa</b>	Small Enterprise Finance Agency
<b>SETA</b>	Sector Education and Training Authority
<b>SLA</b>	Service Level Agreement
<b>SME</b>	Small and Medium-sized Enterprise
<b>SMME</b>	Small, Medium, and Micro Enterprise
<b>SONA</b>	State of the Nation Address
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>STP</b>	Seda Technology Programme
<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>The Constitution</b>	Constitution of the Republic of South Africa Act, 1996
<b>The Republic</b>	Republic of South Africa
<b>TREP</b>	Township and Rural Entrepreneurship Programme
<b>USA</b>	United States of America
<b>YTD</b>	Year To Date

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# PART A: OUR MANDATE

## 1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

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

**Table 1: Seda’s Legislative Framework**

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

NAME OF ACT	PURPOSE
<p><b>Public Finance Management Act (No. 1 of 1999)</b></p>	<ul style="list-style-type: none"> <li>▪ To regulate financial management in the national and provincial governments.</li> <li>▪ To ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively; and</li> <li>▪ To provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.</li> </ul>
<p><b>Cooperatives Act (No. 14 of 2005)</b></p>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<p><b>Businesses Act, 1991 (No. 71 of 1991)</b></p>	<ul style="list-style-type: none"> <li>▪ To repeal or amend certain laws regarding the licensing and carrying on of businesses, and shop hours; to make certain new provision regarding such licensing and carrying on of businesses; and to provide for matters connected therewith.</li> </ul>
<p><b>Basic Conditions of Employment Act (No. 75 of 1997)</b></p>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<p><b>Income Tax Act (No. 58 of 1962)</b></p>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<p><b>Labour Relations Act (No. 66 of 1995)</b></p>	<ul style="list-style-type: none"> <li>▪ To facilitate the granting of organisational rights to trade unions that are sufficiently representative.</li> <li>▪ 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.</li> <li>▪ To provide for the Labour Court to order that a suitable person be appointed to administer a trade union.</li> <li>▪ To enable judges of the Labour Court to serve as a judge on the Labour Appeal Court.</li> <li>▪ Further regulate enquiries by arbitrators and to provide greater protection for workers placed in temporary employment services.</li> </ul>

NAME OF ACT	PURPOSE
	<ul style="list-style-type: none"> <li>▪ To regulate the employment of fixed-term contracts and part-time employees earning below the earnings threshold determined by the Minister.</li> <li>▪ To further specify the liability for employer’s obligations, and to substitute certain definitions, and to provide for matters connected therewith.</li> </ul>
<b>Employment Equity Act (No. 55 of 1998)</b>	<ul style="list-style-type: none"> <li>▪ To provide for employment equity and to provide for matters incidental thereto.</li> </ul>
<b>Promotion of Access to Information Act (No. 2 of 2000)</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<b>Promotion of Administrative Justice Act (No. 3 of 2000)</b>	<ul style="list-style-type: none"> <li>▪ 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, and to provide for matters incidental thereto.</li> </ul>

## 1.1. EMERGING LEGISLATION

### 1) Public Procurement Bill (18-2023)

The Public Procurement Bill aims to introduce a single regulatory framework for all public procurement across national, provincial, and local government. It aims to codify South Africa’s multilayered procurement system that has been fragmented since its inception in 1999. Seda, as a public entity, needs to review its supply chain management and other related policies to ensure that the organisation is compliant with the act when it comes into effect. Although uncertain, indications are that the bill will be enacted in the 2024/25 financial year.

### 2) Employment Equity Act (No. 55 of 1998): New Regulations

The amendments to the Employment Equity Act were signed into law by the President of the Republic of South Africa on 14 April 2023. The amendments, according to the Department of Employment and Labour, are intended to promote transformation in the private sector. It further seeks to empower the Minister of Employment and Labour to regulate sector employment targets after consulting with sector stakeholders and seeking advice from the Employment Equity Commission.

Companies that conduct business with the state will receive a compliance certificate if they comply. On 12 May 2023, the first set of regulations to implement the Amendment was published for 30 days of public comment. It is likely to come into effect in 2023/24, Seda will need to review its supply chain management and human resources policies to ensure compliance with the new regulations.



### 3) National State Enterprises Bill (15 September 2023)

The National State Enterprises Act intends to establish a State Asset Management SOC Ltd to provide for the state as the sole shareholder of a holding company, to consolidate the state's shareholdings in state enterprises, to provide for the powers of the shareholder on behalf of the state, to provide for the phased succession of state enterprises to the holding company, to provide for the holding company's powers as shareholder of subsidiaries, to provide for the restructuring and management of subsidiaries for developmental purposes, to provide for appropriate and effective performance monitoring mechanisms over subsidiaries, to provide for the corporatisation of those state enterprises that are not registered as companies, and to provide for matters connected therewith.

Once assented, the act will affect the operating model and framework of Seda's merger with sefa and will inform the development of the merged entity strategy.

### 4) National Small Enterprise Amendment Bill (B16-2023)

The National Small Enterprise Amendment Bill, 2023, seeks to amend the National Small Enterprise Act, 1996 (Act No. 102 of 1996) to –

- a) Provide for the establishment and registration, in terms of the Companies Act, 2008 (Act No. 71 of 2008), of the Small Enterprise Development Finance Agency (SEDFA) and the subsequent disestablishment of the Small Enterprise Financing Agency (Sefa), the Co-operative Banks Development Agency (CBDA), and the Small Enterprise Development Agency (Seda); and
- b) Provide for the establishment of the Office of the Small Enterprise Ombud Service.
- c) The bill furthermore enables the Minister to declare certain practices in relation to small enterprises to be prohibited as unfair trading practices and to make regulations with regard thereto.
- d) The bill also proposes an amendment to Section 20(2) of the act to bring that section in line with a recent Constitutional Court judgment.

#### *Establishment of the SEDFA:*

The establishment of the SEDFA gives effect to a Cabinet decision to enable and provide for integrated government support (both financial and non-financial) to small enterprises, which are defined as including Cooperatives. In addition, the inclusion of the roles and functions of the identified three entities into SEDFA contributes to the Cabinet endorsed rationalisation of the number of public entities.

The bill was approved by cabinet in December 2023. It is currently with the National Council of Provinces, undergoing a consultative process before it will be finalised. It is envisaged that the bill will be passed in time for the merger to take effect by the end of the 2024/25 financial year.

## 2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

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

### 2.1. INSTITUTIONAL POLICIES AND STRATEGIES

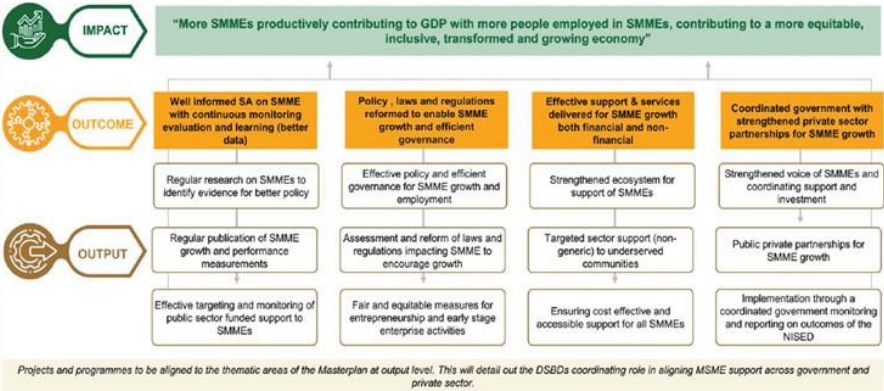
The policy and strategy mandates informing the strategic posture and intent of Seda are summarised below.

**Table 2: Institutional policies and strategies**

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
<p><b>National Development Plan, Vision, 2030 (2012)</b></p>	<ul style="list-style-type: none"> <li>▪ The 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.</li> <li>▪ Seda plays a coordinating role in the implementation of Chapter 3 and 6 of the NDP, which respectively deal with the economy and unemployment, and inclusive rural development and growth.</li> </ul>
<p><b>Revised Medium Term Strategic Framework 2019-2024 (MTSF) (October 2021)</b></p>	<p><b>Priority 1: A Capable, Ethical and Developmental State:</b></p> <ul style="list-style-type: none"> <li>▪ Improved governance and accountability.</li> <li>▪ Enhance productivity and functionality of public sector institutions in supporting people centred service delivery.</li> <li>▪ Modernise business processes in the public sector.</li> <li>▪ Improve coordination between national, provincial and local government for an integrated approach to service delivery</li> </ul> <p><b>Priority 2 - Economic Transformation and Job Creation:</b></p> <ul style="list-style-type: none"> <li>▪ Upscale and expand support to small businesses.</li> <li>▪ More decent jobs created and sustained, with youth, women and persons with disabilities prioritised.</li> <li>▪ Investing in accelerated inclusive growth.</li> <li>▪ Re-industrialisation of the economy and emergence of globally competitive sectors.</li> <li>▪ Improve competitiveness through information and communication technology (ICT) adoption.</li> <li>▪ Competitive and accessible markets through reduced share of dominant firms in priority sectors and expanded small business.</li> </ul>

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
	<ul style="list-style-type: none"> <li>▪ Improve the quality and quantum of investment to support growth and job creation.</li> <li>▪ Increased economic participation, ownership and access to resources and opportunities by women, youth and persons with disabilities</li> </ul> <p><b>Cross-cutting outcome: Increased economic participation, ownership, access to resources, opportunities, and wage equality for women, youth, and persons with disabilities (PWDs):</b></p> <ul style="list-style-type: none"> <li>▪ Develop, implement, support, and monitor programmes for equitable job creation, representation and ownership by women, youth, and persons with disabilities.</li> <li>▪ Expand government spend on women, youth, and persons with disabilities through preferential procurement.</li> <li>▪ Programmes to expand access to finance, incentives and opportunities for women, youth, and persons with disabilities-led and owned businesses.</li> </ul>
<p><b>Economic Reconstruction and Recovery Plan (ERRP) (2020)</b></p>	<p>In response to the COVID-19 pandemic, the ERRP seeks to create jobs primarily through aggressive infrastructure investment and mass employment programmes; reindustrialise the economy by focusing on growing small businesses; accelerate economic reforms to unlock investment and growth, fight crime and corruption; and improve the capability of the state.</p> <p><b>A key enabler of the ERRP is strengthened support to SMMEs, Cooperatives, and start-ups</b></p> <ul style="list-style-type: none"> <li>▪ Reviewing and integrating government support for formal and informal SMMEs, start-ups, and Cooperatives, including removing red tape and reducing timeframes for relevant licenses and permits to improve the ease of doing business.</li> <li>▪ Designing more appropriate financing products, such as microfinance, gap housing products and blended financing, including for emerging farmers.</li> <li>▪ Support to SMMEs to participate in localisation opportunities.</li> </ul>
<p><b>Alignment to the State of the Nation Address (SONA), February 2023</b></p>	<p>President Cyril Ramaphosa, in his 2023 SONA, said, “<i>We are not presenting new plans, nor are we outlining here the full programme of government; rather, we are concentrating on those issues that concern South Africans the most: loadshedding, unemployment, poverty and the rising cost of living, and crime and corruption</i>”.</p> <p><b>Seda supports the DSBD in responding to SONA, in terms of:</b></p> <ul style="list-style-type: none"> <li>▪ Assisting SMMEs to mitigate production losses due to loadshedding.</li> <li>▪ Supporting SMMEs to create jobs and alleviate unemployment.</li> </ul>

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
	<ul style="list-style-type: none"> <li>▪ Contributing to the DSBD’s efforts to reduce red tape and improve the ease of doing business.</li> <li>▪ Women (and youth) empowerment.</li> <li>▪ Improving governance and accountability.</li> </ul>
<p><b>Minister/Sector Priorities for the Small Business Development Portfolio</b></p>	<p><b>Seda direct contribution to the Minister/sector priorities:</b></p> <ul style="list-style-type: none"> <li>▪ Accelerate implementation of the Township and Rural Enterprises Programme (TREP).</li> <li>▪ Implementation of the Youth Challenge Fund.</li> <li>▪ Rollout the Cooperatives Development Support Programme.</li> <li>▪ Continue to implement the Localisation Policy Framework and Implementation Programme on SMMEs and Cooperatives.</li> <li>▪ Continued rollout of the programme to facilitate procurement of SMME produced products and services.</li> <li>▪ Promote and encourage localisation in targeted sectors (Small Enterprise Manufacturing Programme).</li> <li>▪ Facilitate an increase in the number of competitive small businesses with a focus on township and rural economies.</li> <li>▪ Report on the number and performance of incubation centres and digital hubs for the SMMEs development.</li> <li>▪ Support SMMEs with sources of power to mitigate loadshedding.</li> <li>▪ Implement the NISED Strategic Framework.</li> <li>▪ Mobilise resources to implement game changers programmes.</li> <li>▪ Prioritise women, youth, and PWDs to ensure a minimum 40.0% target for women, 30.0% for youth, and 7.0% for PWDs.</li> </ul>
<p><b>National Integrated Small Enterprise Development (NISED) Strategic Framework (Final Draft, 10 May 2022)</b></p>	<p>A key focus of the NISED Strategic Framework is to align programme areas of work across different role-players in government and the private sector in order to coordinate and drive SMME growth and performance. In partnership with business, labour, and civil society, the NISED Strategic Framework presents a coordination tool and repository of the action steps to be taken by numerous actors by and within government and the whole of society.</p> <p>The impact envisaged by NISED will be realised through four outcomes and 12 outputs, reflected in the strategy map below.</p>

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
	 <p><b>Seda’s strategic outcomes are supportive of the NISED outcomes, with specific contributions by this APP to the following outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Regular publication of SMME growth and performance measures – The Seda SMME quarterly update report is produced and disseminated on a quarterly basis.</li> <li>▪ Strengthened ecosystem for support of SMMEs – Seda is the lead agency for coordinating the District Ecosystem Facilitation Model and has developed a game changer to build the ecosystem of support in collaboration with a broad range of public and private sector partners.</li> <li>▪ Targeted sector support for underserved communities – Seda’s programmes are being aligned with the DDM, to ensure tailored support is provided at a district level.</li> <li>▪ Ensuring cost effective and accessible support for all SMMEs – Seda’s programmes are accessed through an extensive branch and service access points network, and through supported incubation centres.</li> <li>▪ Strengthened voice of SMMEs and coordinating support and investment – Seda and sefa are strengthening their working relationship to ensure government’s financial investment in SMMEs is supported with pre- and post-investment support and development.</li> </ul>
<p><b>District Development Model (DDM)</b></p>	<p>The DDM, introduced in South Africa in 2019, is a whole-of-government approach to development planning and service delivery. It is designed to streamline the efforts of national, provincial, and local government departments, as well as the private sector and civil society, to work together in a coordinated manner within specific geographic districts. This model seeks to ensure that development initiatives are integrated, responsive, and tailored to the unique needs of each district.</p> <p>The DDM centres on a "One Plan" for each district, which serves as a blueprint for comprehensive development. It is crucial in addressing a range of socio-economic challenges, including unemployment, poverty, inequality, and service delivery backlogs. By establishing a common vision and shared</p>

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
	<p>goals, it aims to enhance the impact of government interventions and investments.</p> <p>Seda’s contribution to and support for the DDM is through the District Ecosystem Facilitation (DEF) Model of the DSBD. Specific programmes for each province are reflected in <i>Annexure D</i> of the APP.</p>
<p><b>National Annual Strategic Plan (NASP)</b></p>	<p>Adopted at the Cabinet Lekgotla in September 2021, the NASP has been introduced as a short-term national planning instrument for government as a whole. It aims to improve the implementation of the MTSF by translating the medium-term priorities into identified interventions and targets for a particular year ahead.</p> <p>The NASP reflects the Small Business Development Portfolio’s (DSBD, Seda, and sefa together) role in interventions to support and integrate SMMEs, township, and rural enterprises in value chains and to provide access to markets. Through the current TREPs, the NASP reflects a <b>target of 50 000 competitive small businesses and Cooperatives supported per year</b>.</p> <p>Seda’s contribution to these 50 000 targets is reflected in this APP, led by the two core business programmes.</p>
<p><b>National Annual Budget Prioritisation Framework</b></p>	<p>The Annual Budget Prioritisation Framework continues to build on the stabilisation, recovery, and reconstruction efforts adopted through the ERRP in 2020/21, and which informs Seda’s work and focus.</p> <p>Budgets have not been prioritised for implementation of the five game changers of the Minister, thus limiting the extent to which Seda is able to implement its Game Changer Programme.</p>
<p><b>Energy Action Plan (EAP), July 2022</b></p>	<p>The EAP is South Africa’s plan to end load shedding and achieve energy security. Announced by President Cyril Ramaphosa in July 2022, it outlines a bold set of objectives and actions aimed at fixing Eskom and adding as much new generation capacity as possible, as quickly as possible, to close the gap in electricity supply. Seda programming considerations:</p> <ul style="list-style-type: none"> <li>▪ EAP objective 2 relates to enabling and accelerating private investment in generation capacity. There are opportunities for SMMEs to collaborate with larger businesses as part of their supplier development programmes.</li> <li>▪ EAP objective 4 relates to the introduction of special incentives for businesses and households to install solar and a revised bounce-back loan scheme to help small businesses go solar and sell any surplus power back to the grid in certain areas.</li> </ul>
<p><b>Science, Technology, and Innovation (STI) Decadal Plan, 2022</b></p>	<p>The South African STI Decadal Plan is a comprehensive strategic framework designed to guide the country’s advancement in science, technology, and innovation over a ten-year period.</p>

INFORMING POLICY OR STRATEGY	KEY PLANNING CONSIDERATIONS / INTERVENTIONS
	<p>Developed by the Department of Science and Innovation (DSI), this plan outlines key objectives and priorities aimed at leveraging scientific research, technological advancements, and innovation to address societal challenges, foster economic growth, and enhance competitiveness on a global scale.</p> <p>Of relevance to Seda is the emphasis on investing in research and development, strengthening human capital in STEM fields, promoting collaboration among various stakeholders including government, academia, industry, and international partners, and ensuring the responsible and inclusive application of science and technology for the benefit of South Africa's socio-economic development and sustainable future.</p>
<p><b>Africa Continental Free Trade Agreement (AfCFTA)</b></p>	<p>As a flagship project of African Union Agenda 2063, South Africa is a party to the AfCFTA, which was effective from 1 January 2021.</p> <p>Through its non-financial support and business development offerings, and its close working relations with sefa in supporting access to markets, the opportunities of AfCFTA will be leveraged.</p>

## 2.2. SEDA-SEFA COLLABORATION AND PENDING AMALGAMATION

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

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

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

**Table 3: Seda/sefa role delineation**

	SEDA	SEFA
<p><b>Pre-investment support</b></p>	<ul style="list-style-type: none"> <li>▪ Facilitate applications for funding through the common funding template (business plans).</li> <li>▪ Client assessments.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conduct financial, technical, and legal due diligence on funding applications (business plans) forwarded by Seda, approval and legal contracting.</li> </ul>

	SEDA	SEFA
	<ul style="list-style-type: none"> <li>▪ Provide all business development support interventions.</li> <li>▪ Compile quality applications that focus on sefa defined programmes, sectors, and target groups.</li> </ul>	
<b>Post-investment (monitoring) support</b>	<p>For TREP and SMME relief:</p> <ul style="list-style-type: none"> <li>▪ Assist sefa-funded clients with mentorship, coaching, and business performance diagnoses.</li> <li>▪ Assess clients' operating requirements and provide industry and standards certification.</li> <li>▪ Provide market access facilitation to sefa-funded clients for growth/to distressed businesses; and</li> <li>▪ Provide occupation and health, and technical training, to sefa-funded clients.</li> </ul>	<ul style="list-style-type: none"> <li>▪ sefa will focus on debtor management, including collections, rescheduling loan instalments, restructures, proactive portfolio management and monitoring, including analysis of management accounts, financial statements, stock, business operations, client visits, and advice duties.</li> <li>▪ Seda reports from various service providers will be utilised to assist sefa to effectively monitor the existing investments. The turnaround reports, based on detailed diagnoses of distressed entities, will help sefa to effectively manage turnaround of the distressed entities and debt restructures.</li> <li>▪ 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.</li> </ul>
<b>Funding programmes (TREP, Youth Challenge Fund, etc.)</b>	Pre-funding support (business registration, training and capacity building, business plan development).	Application due-diligence and adjudication, legal contracting, and disbursement.
<b>Strategic partnerships (priority groups)</b>	Provide business development support services to partners in the ecosystem, targeting, among others, entrepreneurs with disabilities, youth entrepreneurs, and women entrepreneurs.	Provide funding support (access to finance) to SMMEs and Cooperatives, and to businesses that graduate from Seda's interventions.



	SEDA	SEFA
<b>Marketing and business development</b>	Joint marketing and outreach campaigns, co-locations in municipalities.	
<b>Monitoring and evaluation, and research</b>	<p>An integrated Planning, Monitoring and Evaluation Framework, and strengthened SMME and Cooperatives Sector research and knowledge hub.</p> <p>Strategic partnerships with higher education institutions and research partners.</p>	
<b>Systems</b>	Shared information and application front-end, customer relationship management, business advisers’ database, call centre (national SMME support line).	

Although both Seda and sefa have included the above responsibilities matrix in their respective APPs, challenges have been identified in terms of the referral system between the two entities – collaborative processes needed to prepare, refer, process, and receive feedback on applications for funding through programmes such as TREP, manufacturing, persons with disabilities, Amavulandlela, among others. To improve communication and streamline processes between the two agencies, each party has made the following pre-merger commitments:

**Table 4: Seda/sefa pre-merger commitments**

COMMITMENT	SEDA	SEFA
<b>Seda officials to be trained on sefa programmes in order to provide pre-investment support (e.g. TREP application processes)</b>	<ul style="list-style-type: none"> <li>▪ Coordinate and provide sefa with access to all branches and access points, nationally, for training on the TREP application process.</li> <li>▪ Finalise training of Seda officials by sefa to improve quality of applications.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sefa has trained eight out of nine provinces on TREP application procedures.</li> <li>▪ Additional pre-investment training on access points will start in November 2023.</li> </ul>
<b>Development and implementation the referral system</b>	<ul style="list-style-type: none"> <li>▪ Collaborate with sefa to build the pipeline of successful funding applications.</li> <li>▪ Referral systems piloted in Seda, Mpumalanga Province (all branches).</li> <li>▪ Monthly provincial meetings with sefa on status of referral applications.</li> <li>▪ Status of referrals to be a Seda Exco agenda item, reported to Seda Board (Board).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaborate with Seda to build the pipeline of successful funding applications.</li> <li>▪ Referral system is being piloted in all Mpumalanga branches.</li> <li>▪ Monthly provincial meetings with Seda on status of referral applications.</li> <li>▪ Status of referrals to be a sefa Exco agenda item, reported to Board.</li> </ul>

COMMITMENT	SEDA	SEFA
<p><b>Communication and sharing of information between Seda and Sefa</b></p>	<ul style="list-style-type: none"> <li>▪ Attend sefa strategic planning sessions and workshops.</li> <li>▪ Senior Manager: Special Projects to focus on the programmes that are jointly implemented by Seda and Sefa, for example, TREP, Youth Challenge Fund, and other special projects</li> <li>▪ Establish a clear channel to assist common clients that are in distress.</li> <li>▪ To assist sefa clients with compliance and market access.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attend Seda strategic planning sessions and workshops.</li> <li>▪ Sefa's project managers for TREP and Youth Challenge Fund to be proactive and to work with Seda to manage the pipeline from Seda and provide responses timeously.</li> <li>▪ Establish a clear channel to assist common clients that are in distress. Sefa to provide Seda with a list of clients that are distressed due to lack of markets.</li> </ul>
<p><b>Graduate Programme</b></p>	<ul style="list-style-type: none"> <li>▪ Due to limited budget to provide mentorship to micro and TREP businesses, Seda has committed to provide graduates to assist with post-investment monitoring for Spaza shops and other TREP businesses.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Interventions will enable Sefa to utilise Seda branches and graduates to monitor its clients and improve reporting.</li> </ul>
<p><b>Co-location/Office sharing</b></p>	<ul style="list-style-type: none"> <li>▪ Seda has a vast network and has committed to offer working space to sefa's officials where possible.</li> <li>▪ Sharing of access points and costs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sefa will work with Seda to finalise the assessment of office space availability and commit resources.</li> <li>▪ Sharing of access points and costs.</li> </ul>

Seda and sefa will commence collaborations with the CBDA by ensuring they form part of the adjudication committee on the Cooperatives Support Development Programme. This will be done by aligning the CBDA with Seda's Cooperatives Business Unit in developing a solid pipeline across both entities. This will assist with aligning CBDA Cooperatives' intermediaries to sefa's Wholesale Lending Division and assisting CBDA to improve monitoring of funded intermediaries by providing provincial resourcing.

### 2.3. SEDA ALIGNMENT TO MTSF AND ERRP PRIORITIES

**Table 5: Seda alignment to the MTSF and ERRP**

SEDA IMPACT STATEMENT	SEDA OUTCOMES	2019-2024 MTSF PRIORITY		ALIGNMENT WITH ERRP KEY PRIORITIES			SEDA PROGRAMME
		DSBD Outcomes	MTSF Intervention	MTSF Target	Priority Interventions	Strategic Objectives	
Competitive, innovative, and sustainable SMMEs and 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"> <li>Reduce the proportion of imported intermediate and finished goods</li> <li>Improve the efficiency of local producers</li> <li>Develop export competitive sectors that can expand the sales of South African made products on the continent and beyond</li> </ul>	<p><b>Programme 1:</b> Enterprise Development</p> <p><b>Programme 2:</b> Seda Technology Programme</p>
				Implement the SMME-focused Localisation Policy and ensure 100.0% compliance by public sector in procuring 1 000 designated local products and services from SMMEs by 31 March 2024  10 000 youth small businesses and Cooperatives supported by 2024	Gender equality and economic inclusion of women and young people	<ul style="list-style-type: none"> <li>SMMEs, especially those run by young people, women, and persons with disabilities will play a significant role in the delivery of the infrastructure necessary to catalyse economic recovery and reconstruction</li> <li>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</li> </ul>	<p><b>Programme 3:</b> Impact and Sustainability Programme</p>

SEDA IMPACT STATEMENT	SEDA OUTCOMES	2019-2024 MTSF PRIORITY		ALIGNMENT WITH ERRP KEY PRIORITIES			SEDA PROGRAMME
		DSBD Outcomes	MTSF Intervention	MSTF Target	Priority Interventions	Strategic Objectives	
	Improved competitiveness and innovation of SMME and Cooperatives through the facilitation of enterprise development ecosystem focusing on targeted sectors	Increased contribution of SMMEs and Cooperatives in priority sectors			Support for SMMEs, Cooperatives and start-ups	<ul style="list-style-type: none"> <li>Reviewing and integrating government support for formal and informal SMMEs, start-ups, and Cooperatives, including removing red tape, and reducing timeframes for relevant licenses and permits to improve the ease of doing business</li> <li>Designing more appropriate financing products, such as microfinance, gap housing products, and blended financing to include emerging farmers</li> <li>The support to SMMEs to participate in the localisation opportunities</li> </ul>	<p><b>Programme 1:</b> Enterprise Development Programme</p> <p><b>Programme 2:</b> Technology Programme</p> <p><b>Programme 3:</b> Impact and Sustainability Programme</p>
	Promote entrepreneurship and provide targeted support to rural and township based SMMEs and Cooperatives to be competitive and create decent jobs	Scaled-up and coordinated support for SMMEs and Cooperatives in village and township economies	Facilitate the increase in number of competitive small businesses with a focus on township and rural	100 000 competitive small businesses and Cooperatives supported by 2024	Green Economy interventions	<ul style="list-style-type: none"> <li>Support for SMMEs and Cooperatives to take advantage of opportunities in the Green Economy</li> <li>Support for small grower farmers through public private partnerships in forestry, including state plantations</li> </ul>	<p><b>Programme 1:</b> Enterprise Development Programme</p> <p><b>Programme 2:</b> Technology Programme</p>
				100 incubation centres and digital hubs established	SMME development through incubation centres and digital hubs	<ul style="list-style-type: none"> <li>Increase the sustainability of SMMEs and Cooperatives through structured Incubation Programme</li> </ul>	<p><b>Programme 2:</b> Technology Programme</p>

## ELABORATING ON THE ABOVE – FINISHING MTSF 2019-2024 STRONG

- 1) **Outcomes of the Small Business Development Portfolio Planning Session, June 2023:**
  - a) Leveraging the sector’s strength – sound government policies for SMME development.
  - b) Consider changes in weaknesses and threats – shortage of specialised skills and restrictive and outdated regulatory environment. Therefore, the need for vision, enhancing capacity and capabilities, and motivation to create impact.
  - c) Address Small Business Development Portfolio challenges – department and entities working in silos, fragmentation of efforts, lack of decisiveness, and insufficient budget, thus the need for innovation and partnerships.
  - d) Leverage opportunities – sound financial and non-financial instruments. Seda and sefa value chain collaboration is, therefore, critical.
  - e) Small Business Development Portfolio interventions to scale up: Informal and micro enterprise support, TREP, programmes targeting designated groups, Co-operative interventions, grant funding, sector-specific support, and DDM-oriented programmes.
  - f) Portfolio interventions to scale down: Blended finance and placement of employees.
- 2) **MTSF / DSBD 2024/25 alignment – Seda contribution:**
  - a) Support implementation of the Localisation Policy Framework.
  - b) Implement and align to the NISED Strategic Framework.
  - c) Seda to continue establishing the Incubation centres and digital hubs as per DPME Circular 2 of 2023 directives – 100 established by 2024.
  - d) Seda to continue contributing to the youth business start-ups.
  - e) In parallel to SMMEs and Cooperatives Funding Policy to be approved, Seda to implement relevant recommendations.
  - f) Seda to continue contributing towards competitive small business targets: 100 000 by 2024 (National Strategic Plan – 50 000).
  - g) Seda to contribute towards Township Economies profiles in key township economic sectors in specific areas of the country, thereby increasing employment.

### 3. UPDATES TO RELEVANT COURT RULINGS

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

## PART B: OUR STRATEGIC FOCUS

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

VISION
To make a difference in SMMEs lives everyday

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

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

### 1. UPDATED SITUATIONAL ANALYSIS

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

#### 1.1. EXTERNAL ENVIRONMENT ANALYSIS

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##### 1.1.1. GLOBAL AND REGIONAL MACROECONOMIC OUTLOOK

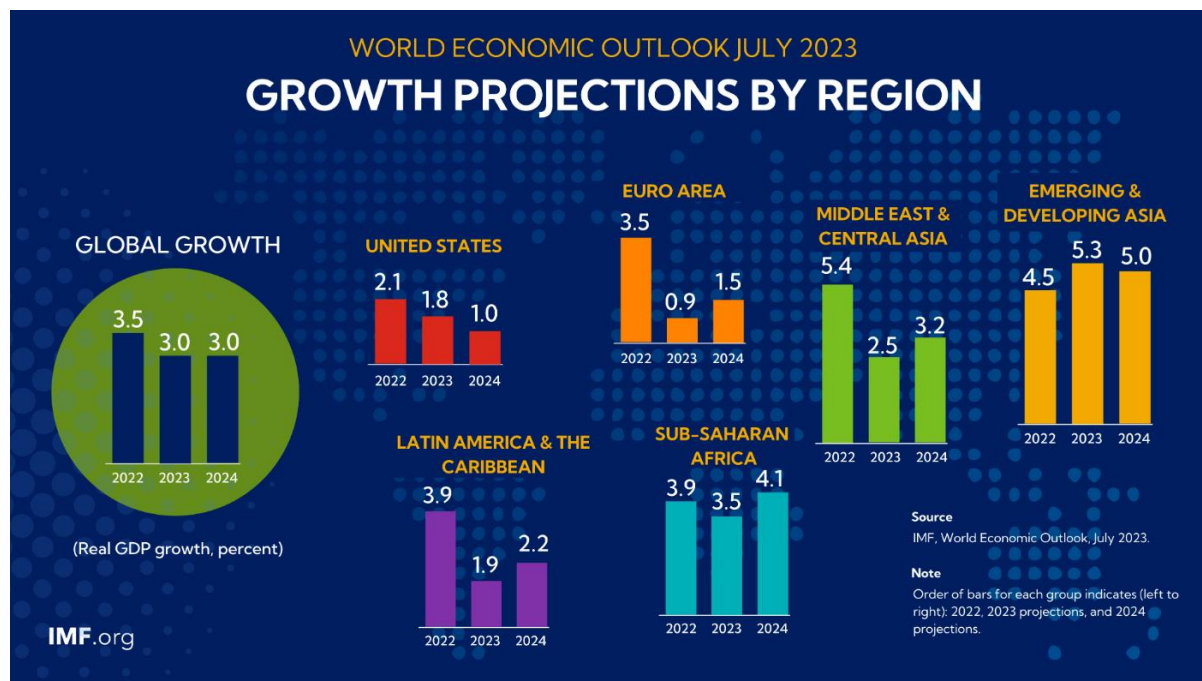
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The World Bank says the global economy is in ‘rough shape’ and the International Monetary Fund (IMF) foresees a ‘rocky recovery.’ A forecasted global economic recession looms, underpinned by

rising inflation, geopolitical tensions, growth-stabilising monetary policies, and a subdued recovery of the global economy.

Global GDP growth is projected to decelerate to 3.0% for 2023 and 2024, driven primarily by unfavourable factors in the USA, Euro area, and China. Emerging markets, have a greater growth prospect, although off smaller economy bases, as reflected in Figure 1 below.

**Figure 1: Growth projections by region**



Emerging economy currencies have taken losses against a stronger dollar, and investors have pulled back from riskier emerging markets as the cost of debt has increased. Global growth has trended downwards since Q1:2022 and is expected to remain subdued for the remainder of the decade. There was hope that China’s lifting of COVID-19 restrictions would return the country to its role of stimulating global growth, but the bounce back turned out to be short lived, and the world’s second largest economy currently faces multiple significant threats.

**Increasing geopolitical tensions are beginning to have an impact on global trade patterns as alliances shift and organisations like BRICS challenge American Hegemony**

Oil prices have gained sharply after the Organisation of the Petroleum Exporting Countries and its allies announced the extension of oil output cuts to the end of 2023. Deficit levels may further push up prices, worsening trade balances, and further pushing up inflation. It will increase the cost of doing business, negatively affecting key sectors, such as agriculture, manufacturing, and transportation.

In the USA, unemployment and consumption are both surprisingly buoyant given the high rate of inflation and rising borrowing costs, defying forecasts of recession. Some analysts continue to predict that recession is merely being delayed.

Geopolitical factors continue to weigh heavily on the prospects for improved global growth. The Russia-Ukraine conflict drags on, and tensions between China and the USA are growing as trade volumes between the world’s two largest economies shrink. Trade between the two nations fell by 14.5% in the first half 2023 from the same period in 2022 and, early in 2023, Mexico took over as the USA’s largest trading partner.

**“An expanded BRICS will represent a diverse group of nations with different political systems that share a common desire to have a more balanced global order.”**

President Cyril Ramaphosa

Whilst the BRICS partners seek to create a ‘multipolar’ and ‘balanced’ global economic order, there is a push by the currently dominant USA-led ‘western’ alliance towards greater centralisation of control of everything from monetary policy and financial regulation to climate concerns and the management of human health. How this will impact patterns of global cooperation into the future is not yet entirely clear, but it is evident that the development creates significant challenges for South Africa in managing its foreign relations.

**Africa – Stable Growth Prospects with Cautionary Risks**

Africa has shown resilience in the face of tough global conditions. The continent’s GDP is tracking higher than the global average but poverty, food security, regional conflicts, and political tensions in some African countries remain pressing challenges.

18 African nations experienced double-digit inflation rates in 2022, as prices were driven upwards by increased food and energy costs. Inflation remained at elevated levels throughout the continent, throughout the year, with annual food price inflation climbing above 20.0% in several large economies like Ethiopia, Ghana, and Rwanda. Governments increased social expenditure in an attempt to shield vulnerable communities from the effects of rising prices, placing pressure on public finances.

The global rise in food and energy prices sharply increased food insecurity in sub-Saharan Africa, with nearly 180 million people suffering acute food shortages in 2023, 35 million more than at the start of 2022. Africa’s average consumer price inflation is projected to increase from an estimated 14.2% in 2022 to 15.1% in 2023, before declining to 9.5% in 2024.

The tightening of worldwide financial conditions and the strengthening of the US dollar have increased what it costs African governments to service their dollar denominated debt. This heightens the risk of debt distress, particularly for nations facing significant fiscal constraints.

**According to the African Development Bank, climate action and green growth present the continent with a multitrillion-dollar opportunity**

Africa possesses significant deposits of a number of mineral resources that are key to the global energy transition to a net zero carbon future,



including bauxite, cobalt, graphite, lithium, manganese, and vanadium. More than half of the countries on the continent have at least one of the critical metals or minerals needed for the energy transition. This should bestow the continent with a strategic advantage in the coming years. However, Africa has a long history of failing to benefit from her own resources, primarily exporting raw materials with little or no local value addition and receiving around 10.0% of the total value chain of such minerals.

The continent needs to beat the curse of exportation without beneficiation and make increasing use of the multitude of opportunities afforded by the AfCFTA. Stronger intra-African trade and cooperation will make the continent less susceptible to the storms created in the rest of the global economy.

### **1.1.2. SOUTH AFRICAN MACROECONOMIC OUTLOOK**

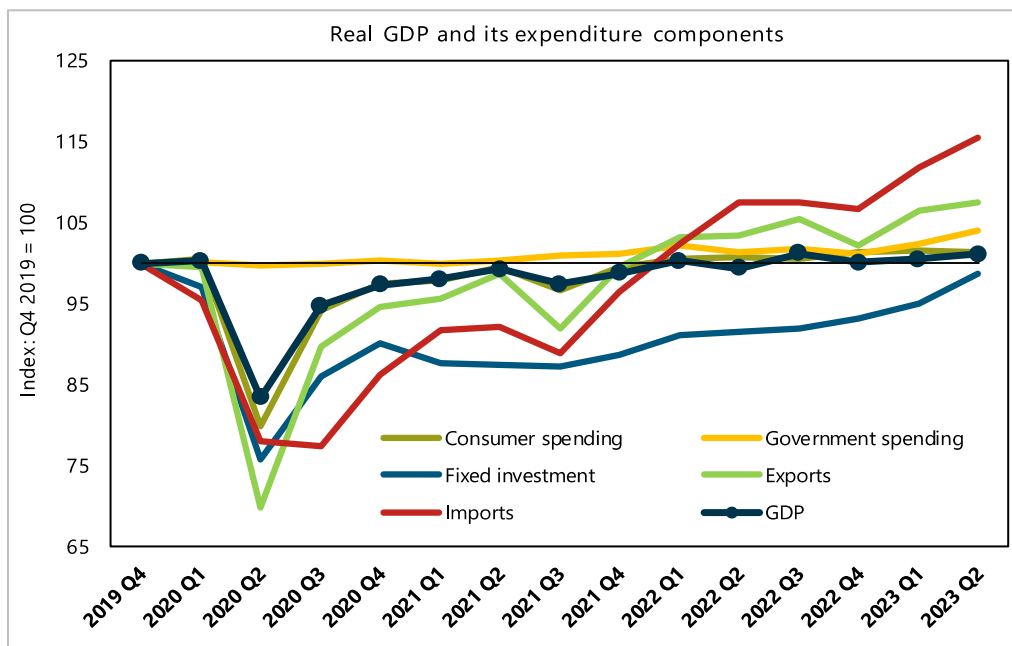
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The South African economy is facing multiple serious challenges, and finds itself in the precarious state of stagflation, characterised by:

- Weak spending, production, and fixed investment activity in an inflationary environment with rising interest rates.
- Extremely high unemployment, increased poverty, and social unrest.
- Operational constraints on various critical fronts underlying the very low confidence among consumers and businesses, and the major uncertainty prevailing in the economy.
- Failing energy and logistics infrastructure, which is costing the country multiple percentage points of GDP growth every year.

Real GDP expanded by 0.6% (q/q) in Q2 2023, after having increased by 0.4% in quarter 1, thus reaching a level that was marginally higher than pre-pandemic levels.

**Figure 2: South African real GDP and its expenditure components**



Source: IDC using Statistics South Africa data

The forecasts for South African economic growth in 2023 from the African Development Bank, the IMF, the South African Reserve Bank (SARB), and the World Bank differ slightly, with the most optimistic outlook set at 0.3%. Forecasts range between 1.0% (International Monetary Fund) and 1.8% (IMF) GDP growth for 2024.

South Africa has three key internal concerns robbing the country of much needed growth: insufficient electricity supply, failing logistics infrastructure, and endemic crime and corruption:

**1) Electricity supply**

Stage 6 loadshedding is estimated to cost the economy a billion rand a day, and the SARB estimates that electricity supply constraints will cost the nation two percent GDP growth in 2023.

Eskom has more maintenance outages planned in the late third and fourth quarters of the year, after scaling back maintenance during the winter months. However, the increase in planned outages will be offset by all five units at Kusile returning to service between September and December 2023 after a long shutdown for significant repairs. A fully operational Kusile will add 4 000MW of capacity to the national grid.

Loadshedding is expected to abate by the end of 2024. However, generation capacity needs to be supported by an expanded distribution network in excess of 14 000km. This will become the next constraint as independent power producers come on board.

## 2) Logistics

According to research by the Gain Group, inefficiencies at the state-owned logistics and ports operator, Transnet, costs the economy a billion rand per day, which equates to 5.0% of lost GDP growth over the year.

Failures in Transnet operations have significantly curtailed mining and other valuable economic outputs. The Minerals Council estimates inefficiencies at the state-owned entity may have cost the country R150 billion in lost sales in 2022. That figure will be higher in 2023 and will continue into the medium-term period.

## 3) Crime and corruption

High levels of crime and corruption continue to undermine development, compromise safety and stability, and impede the delivery of essential infrastructure and services.

A much-publicised pledge was signed by 115 South African chief executive officers in July 2023. It was a statement of faith in the future of the country, and a commitment to action by a group of executives representing over R11 trillion in capital and 1.2 million employees.

Business Unity South Africa, through its structure Business for South Africa, was said to be executing crucial priority initiatives in the domains of Energy, Transport and Logistics, and Crime and Corruption, in collaboration and cooperation with government counterparts. The detailed particulars of these initiatives have not yet been disclosed.

### Other critical factors:

- Business confidence levels have fallen sharply over the past two years and are only expected to recover significantly once there is clear evidence that critical constraints to business operations, primarily in the electricity, transport and logistics, and water infrastructure spheres, are being addressed in a decisive and effective manner.
- Fixed investment activity is expected to remain constrained in the face of policy uncertainty and low business and consumer confidence levels.
- The Rand may recover some ground but will remain susceptible to undervaluation. Although market dependent, the weak Rand provides for good prospects for expansion into sub-Saharan Africa, where economies are growing at faster rates than the global average.
- Inflation and interest rates are expected to moderate over the medium term, with headline inflation forecast at 5.1% in 2024. However, economic growth is projected to remain weak to tepid over the period to 2028.

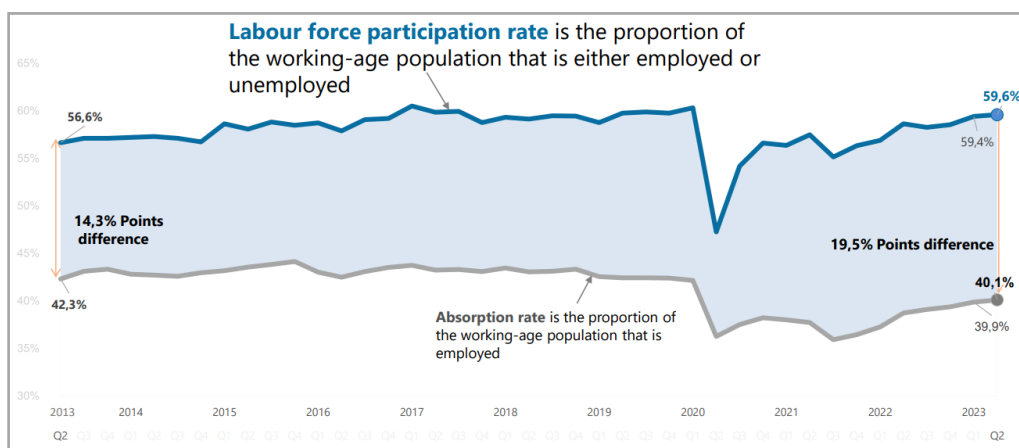
### Unemployment:

Although the South African economy created around 150 000 jobs in Q2:2023, the long-term trend sees unemployment rising steadily. There were 5 million unemployed people in South Africa in 2013. In 2023, that number has grown to 7.9 million. The number of long-term unemployed has

grown as a percentage of the total number of unemployed in the country. This means that a growing number of job seekers have been unable to find employment for a year or longer.

The local economy’s ability to create jobs for the country’s working age population has deteriorated over the past ten years. Whilst the participation rate has grown, the absorption rate has reduced slightly.

**Figure 3: Labour force participation, 2013-2023**



Source: Statistics South Africa

High levels of unemployment sustain high levels of poverty and exacerbate the extreme inequality already present in South African society. These conditions make the possibility of widespread civil unrest ever more likely and expounds the need for small businesses to create jobs as envisaged by the NDP.

### 1.1.3. THE SMME LANDSCAPE IN SOUTH AFRICA

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

2022 has seen an ongoing post-COVID-19 recovery in the number of SMMEs. The number of SMME owners rose by 11.6% to 2.68 million between 2021Q3 and 2022Q3, a significant increase of 279 039 enterprises. This growth returns the number of SMMEs to pre-COVID-19 levels, 2.68 million SMME owners.

Although the majority of SMMEs in the country still operate in the informal sector, there was an encouraging 17.0% increase in the number of formal SMMEs over the period. A recovery in tourism may have assisted in bumping the number of new enterprises higher, as tourists arriving by air increased by 19.0% in the third quarter of 2022.

Whilst the numbers of those employed by SMMEs did increase by around 10.2% year on year (1.47 million), many SMMEs do not hire additional workers but are self-employment vehicles for the owners. The growth is, however, encouraging, considering that overall employment is still struggling to recover to where it was before the pandemic.

**Table 6: Number of SMMEs – yearly change, 2021Q3 to 2022Q3**

Indicator	2021Q3		2022Q2		2022Q3		Quarterly change		Yearly change	
	Number	Distrib.	Number	Distrib.	Number	Distrib.	Number	%	Number	%
Employer	866 747	6.0%	853 917	5.4%	958 429	6.0%	104 512	12.2%	91 682	10.6%
Own account worker	1 537 817	10.6%	1 681 321	10.7%	1 725 174	10.8%	43 853	2.6%	187 357	12.2%
<b>SMME owners</b>	<b>2 404 564</b>	<b>16.6%</b>	<b>2 535 238</b>	<b>16.1%</b>	<b>2 683 603</b>	<b>16.8%</b>	<b>148 365</b>	<b>5.9%</b>	<b>279 039</b>	<b>11.6%</b>
Working for someone	11 986 519	82.8%	13 158 476	83.4%	13 157 761	82.5%	-715	0.0%	1 171 242	9.8%
Helping in household business	87 889	0.6%	90 628	0.6%	109 259	0.7%	18 631	20.6%	21 370	24.3%
<b>Total employed</b>	<b>14 478 972</b>	<b>100.0%</b>	<b>15 784 343</b>	<b>100.0%</b>	<b>15 950 623</b>	<b>100.0%</b>	<b>166 280</b>	<b>1.1%</b>	<b>1 471 651</b>	<b>10.2%</b>

*Source: SMME Quarterly Update, Third Quarter 2022*

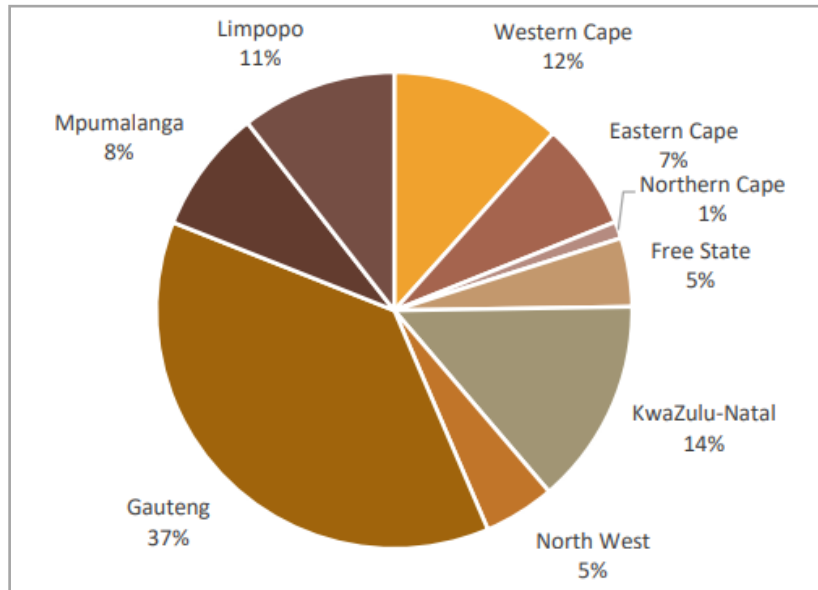
**Gauteng remains the province with the highest share of SMMEs (37.0%)**

**This is consistent with Gauteng’s 35.0% share of the total South African economy**

In the year 2021Q3 to 2022Q3 KwaZulu-Natal was the only province to see a decline in the number of SMMEs. Over the same period, there was an overall increase of employment in the province, suggesting that workers found work with larger enterprises.

There was a massive 61.0% increase in the number of SMMEs operating in the Northern Cape, and Limpopo saw a 42.0% increase in the number of small, medium, and micro businesses in the province. There was also a significant general recovery in total employment in these two provinces: 17.6% in the Northern Cape and 16.7% in Limpopo. The absolute number of formal SMMEs nearly doubled in Limpopo, and Mpumalanga saw an 86.0% increase in formally registered small businesses.

**Figure 4: Provincial distribution of SMMEs**

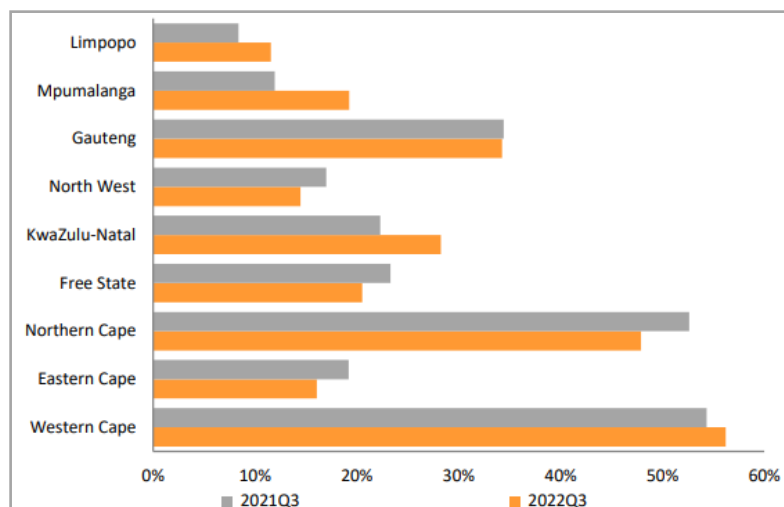


Source: SMME Quarterly Update, Third Quarter 2022

**The number of SMMEs operating in the formal sector increased by 17.0% in the year up to the third quarter of 2022**

During the 2021Q3 to 2022Q3 period, formal sector firms declined in the Free State, the North West, and the Eastern Cape. KwaZulu-Natal saw a decline in the number of informal SMMEs active in the province. The Western and Northern Cape have the highest proportions of formal sector SMMEs at 56.0% and 48.0% respectively.

**Figure 5: Formal sector SMMEs by province**



Source: SMME Quarterly Update, Third Quarter 2022

**The trade and accommodation sector grew the most over the period, with 48 000 businesses added between Q2 and Q3 of 2022**

**This is likely largely due to the 19.0% increase in tourists arriving by air**

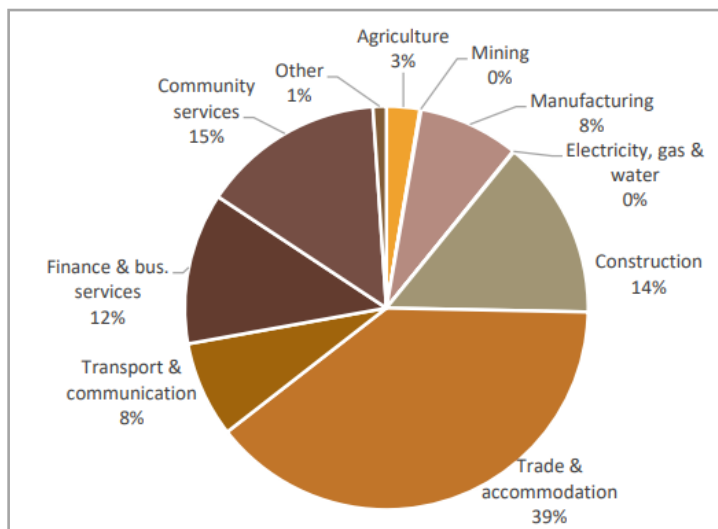
Between Q32021 and Q32022, more than half of the growth in SMMEs came from the trade and accommodation sector, with a total of 133 755 new enterprises added. Over the same period 71 000 SMMEs

were added to the construction sector, representing 22.5% growth.

The community services sector saw growth of nearly 70 000 new enterprises, and SMMEs in the transport and communication space grew by 16.3%, or 28 830 new enterprises. 17 981 new manufacturing SMMEs were created over the period, which is growth of 9.1%.

The number of SMMEs operating in finance and business services declined by over 59 000, a decrease of 15.4%.

**Figure 6: SMMEs by industry, 2022Q3**



Source: SMME Quarterly Update, Third Quarter 2022

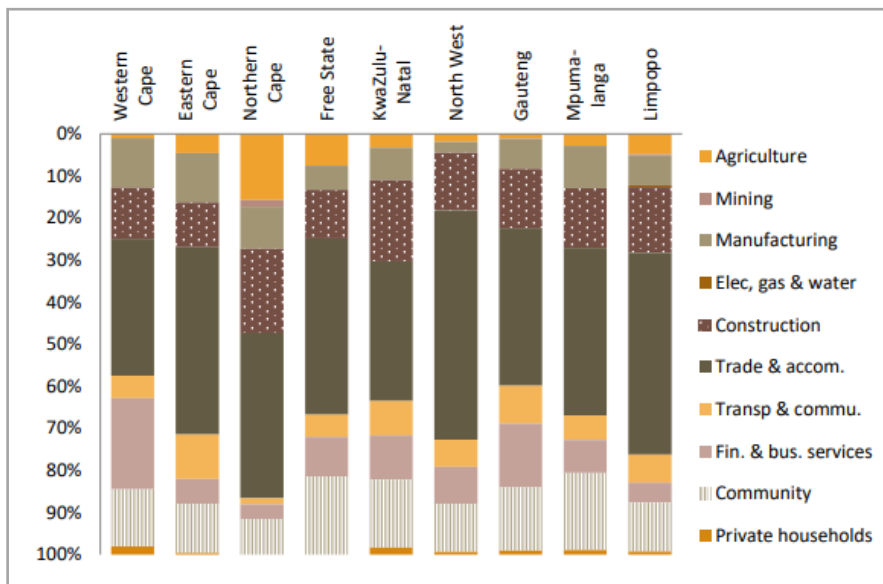
**High concentrations of SMMEs in the trade and accommodation sector tend to mean higher ratios of informal businesses in a province, as the sector includes many businesses that have a low barrier to entry, like spaza shops**

**Entrepreneurs running these types of micro enterprises may not recognise the benefit of formal registration**

More than half of the Western Cape’s SMMEs are formally registered, and the province has a relatively small number of SMMEs operating in the trade and accommodation sector. It also has a larger than average number of small enterprises operating in the finance and business services sector.

The Northern Cape has the largest proportion of SMMEs in the agricultural sector, and Mpumalanga has the largest percentage of SMMEs in the community sector, where Gauteng and the Northern Cape are the only provinces with SMMEs operating in the mining sector, but these businesses may be illegal as well as informal.

**Figure 7: SMMEs by industry and province**



Source: SMME Quarterly Update, Third Quarter 2022

**Manufacturing, ICT, and tourism and hospitality have been identified by Seda as growth areas for SMMEs**



## MANUFACTURING

Business confidence in the manufacturing sector is still well below the long-term average. The latest survey conducted by the Bureau for Economic Research revealed that less than 2 out of 10 businesses were satisfied with the prevailing business conditions.

Loadshedding is the predominant issue negatively affecting confidence, along with water shortages and other service delivery failings.

Rail network inefficiencies combine with underperformance at the local ports to reduce optimism in manufacturing businesses involved in imports and exports.





## INFORMATION AND COMMUNICATION TECHNOLOGY

A noteworthy recent development in the ICT space is the emergence of what are being called “green technologies”, which are innovations aimed at maintaining quality and quantity in the production of goods and services, whilst reducing the environmental cost. Examples range from simply replacing physical business meetings with virtual ones, to completely overhauling production methods to minimise waste.



## TOURISM AND HOSPITALITY

International tourist visitors fell from 14.8 million in 2019 to just 3.9 million in 2020, resulting in a 70.5% drop in inbound tourism expenditure. Domestic tourism also struggled, with spending falling 32.8% year on year in 2020. Consequently, jobs in the tourism sector fell precipitously, particularly in road passenger transport and tourism connected retail.

The latest foreign tourism arrival data points to a strong recovery in tourism in the 2022/23 high season, which bodes well for a recovery in the sector’s contribution to GDP and job creation.

Other job creating, productive, sectors for increased participation of SMMEs are agriculture, agro-processing, and mining.

### 1.1.4. KEY CHALLENGES FACING SOUTH AFRICAN SMMES

**SMMEs in South Africa face distinct challenges in navigating the current economic conditions**

#### 1) **Limited access to low- and medium-cost funding is constraining business growth:**

Only 6.0% of SMMEs surveyed received government funding and only 9.0% had sourced funding from private sources. Most private equity funding has been focused on mature businesses with around 90.0% of funding going to businesses that are more than five years old.

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

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

**2) Access to the right markets to sell products:**

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

**3) Lack of clear market access strategies:**

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

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

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

**5) Developing team skills and capabilities and empowering leadership:**

SMMEs on a growth fast track can struggle to scale up, particularly when founders are still actively involved in the business. By investing in capacity building, particularly at a leadership level, SMMEs can create more capacity for owners to focus on growth and strategy to ensure sustainability.

**6) Liquidity and cashflow management are limited:**

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

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

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

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

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

**9) Access to the right support to enable growth:**

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

**10) Lost productivity owing to loadshedding:**

Small businesses are at the heart of South Africa's economy as they provide employment to the majority of South Africa's population and three to four hours per day without electricity has major financial implications on these businesses. Small businesses are faced with loss of profits during loadshedding because in most cases they require electricity to function and run their businesses.

A loss of profits is because of loss of production, where employees are essentially not working during periods of loadshedding. The loss of productivity due to loadshedding runs into billions of rands. It should be noted that not all small businesses have the privilege of alternate power supply. Not only do businesses lose production and profits, but they also have no access to Wi-Fi which relies on electricity and when businesses are not able to connect to the network, they may miss important information or not have the ability to send out quotations, invoices, etc.

Loadshedding also affects traffic lights, which may result in missed meetings, late work arrivals, delayed deliveries, and goods not arriving on time. Although loadshedding schedules are provided and businesses may try to plan accordingly and seek to incorporate the schedule times in their business operations, this is not a sustainable long-term solution. There is the cost of downtime, the cost of business disruption (up to three times per day during Stage 6 loadshedding), equipment failure and increased maintenance costs.

**11) Criminal syndicates – extortion and protection fees:**

South Africa ranks seventh in the world in terms of the prevalence of mafia-style criminal networks and organised crime syndicates. The increased prevalence of these syndicates demanding protection fees, and extorting procurement processes in construction projects is a growing concern for all businesses, including SMMEs. The Western Cape and Eastern Cape have been particularly hard hit, with several small businesses shutting down due to these illicit practices.

### 1.1.5. ENABLING SMMES AND ENTREPRENEURSHIP

#### The state of entrepreneurship in South Africa

The Global Entrepreneurship Monitor (GEM) divides participating economies into three levels: A, B, and C. Level A economies have a GDP per capita of more than \$40 000. Level B consists of economies with GDP per capita of between \$20 000 and \$40 000, and Level C is for countries with a GDP per capita of less than \$20 000. South Africa is classified as Level C. GEM has identified 13 key conditions necessary to facilitate small enterprise formation and growth, which they refer to as “Entrepreneurial Framework Conditions (EFCs)”, listed below.<sup>1</sup>

**Figure 8: Entrepreneurial Framework Conditions**

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

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

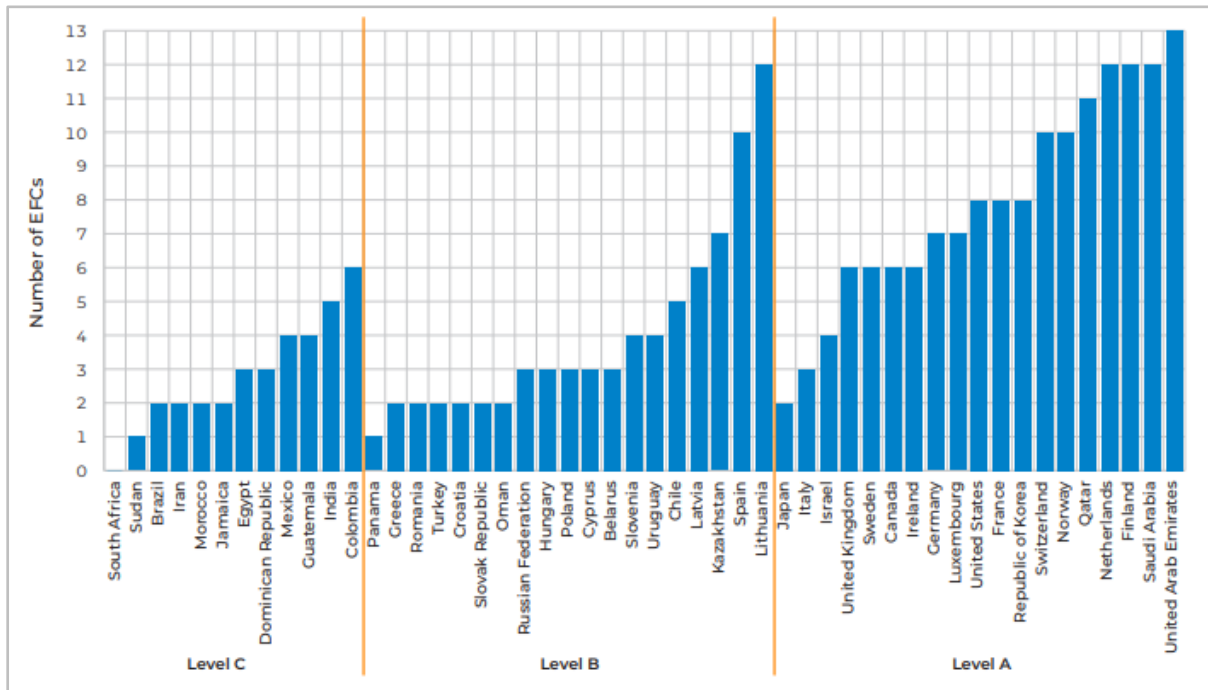
50 countries participated in GEM 2021/22. GEM seeks out expert views on the sufficiency or otherwise of each EFC by carrying out a National Expert Survey in each economy. The National Expert Survey asks the same questions of at least 36 national experts in each economy, and often more, each of whom has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

Of all participating economies, South Africa is the only one to score zero out of 13 in terms of the adequacy of EFCs in the country, i.e., a score of less than 5 on all framework conditions. The total

<sup>1</sup> *Global Entrepreneurship Monitor (2022). Global Entrepreneurship Monitor 2021/2022 Global Report: Opportunity Amid Disruption. London: GEM*

score is then translated into a National Entrepreneurship Context Index (NECI). South Africa’s NECI of 3.7 ranks South Africa joint 45 out of 50 countries, with the Dominican Republic. Only Brazil, Belarus, Iran, and Sudan had a lower NECI. By comparison, the United Arab Emirates achieved the highest NECI, at 6.8.

**Figure 9: Number (out of 13) of entrepreneurial framework conditions scored as sufficient per economy**



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

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

**Positive Year-on-Year Change – GEM Report 2022/23:**

- South Africa showed year-on-year improvements on 10 of the 13 framework conditions, including the three conditions directly dependent on government: Government Policy: Support and Relevance, Government Policy: Taxes and Bureaucracy and Government Entrepreneurial Programmes.
- Just as importantly, both the level and access to entrepreneurial finance also improved. As a result, South Africa’s overall score for its entrepreneurial environment in the NECI increased from 3.7 in 2021 to 4.1 in 2022, lifting it from 45th to 40th overall.
- However, South Africa was just one of three economies in 2022, alongside Togo and Tunisia, with all framework conditions scored as insufficient (<5.0) Although, in the case of South

Africa, at least two (Physical Infrastructure and Ease of Entry: Market Dynamics) are edging closer to sufficiency.

### **Key findings relating to entrepreneurial activity in South Africa:**

- The early stages of the pandemic saw a substantial increase in the proportion of adults starting or running a new business in South Africa, up from 11.0% in 2019 to 17.0% in 2021, before falling back to 8.0% in 2022. Similar volatility was seen in business intentions, with 12.0% of adults intending to start a business in the next three years in 2019, rising to 20.0% in 2021, then falling back to 6.0% in 2022.
- EBO was 3.5% in 2019, went up to 5.2% in 2021, and then fell further to 1.8% in 2022. This entrepreneurial instability, of course, mirrors the wider economy.
- More than three in five South Africans report that their household income has fallen in 2022 because of the pandemic.
- Just over a third of South Africans know someone who has recently started a business, while twice this level consider they have the skills and experience to run their own business. More than three in five see good opportunities to start a business, although more than half of these would be deterred by fear of failure.
- In South Africa, men are slightly more likely than women to be starting a new business, although the entrepreneurial gender gap remains small. However, job expectations continue to decline in 2019. Three in 10 of those starting or running a new business expected to employ another six or more people in the next five years, but by 2022 this share had fallen to just two in 10.
- Not surprisingly, earning a living because jobs are scarce continues to be the dominant agreed motive in an economy in which 97.0% of new businesses have local customers, although almost a quarter also have customers outside of South Africa, up from less than a fifth in 2021.
- More than four out of five new entrepreneurs in South Africa agreed with the motivation to start a business in order “to earn a living because jobs are scarce,” while almost as many agreed with the motivations “to make a difference in the world” and “to build great wealth or very high income.” For South African entrepreneurs, these motivations are not exclusive.

### **Creating an enabling environment for entrepreneurship to thrive in South Africa:**

DSBD, Seda, and sefa need to work collaboratively to impact the EFCs by ensuring adequate funding for new start-ups, creating a conducive policy environment, ensuring ease of access to finance, quality support programmes, access to markets, access to sufficient and affordable infrastructure, and promoting and encouraging entrepreneurship. The key enablers are described in Table 7 below.

**Table 7: Key enablers of entrepreneurship, informing product and service design.**

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

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

**The role of government:**

**Government sees itself as a key player in the SMME ecosystem, both as a general enabler of SMME growth, and through the delivery of targeted support to high-growth businesses**

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

The National Small Business Amendment Act (No. 29 of 2004) places emphasis on Seda’s role as an ecosystem facilitator. The organisation developed the DEF Model, aligned to the government’s DDM. The rollout of the DEF was delayed by COVID-19 in 2020, and in the 2021/22 financial year, challenges arose from the fact that different provinces were rolling out the DDM differently. This called for Seda to step back and review its approach to the rollout of the model to achieve better collaboration with district municipalities and other public and private stakeholders.

The key elements of the model are as follows:

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

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

Government can continue to ensure that entrepreneurs are supported with the skills and capabilities they need to rebuild and grow their businesses. Most would benefit from additional training in business scenario planning or managing scarce financial resources. This would be particularly relevant where relief funding is provided. Government could also work with industries



and sectors that are most under threat to develop resilience strategies and to help them reimagine their business models going forward.

Research and development are key to innovation and growth, and there is an opportunity for the government to provide nuanced, sector-specific interventions. For example, the government could support export-focused companies in agriculture and business process outsourcing by setting up an export office for all SMMEs to help reduce bottlenecks. In addition, the government could support manufacturing and consumer goods businesses that have the potential to compete with larger players and offer alternatives to imported goods. This might include creating Cooperatives.

*DSBD portfolio response to loadshedding:*

The DBSD is working on an energy relief package for SMMEs with stakeholders to alleviate the devastating impact of loadshedding on small businesses. SMMEs are particularly hit hard by continued power outages as many cannot afford alternative power sources, such as generators. Seda and sefa are collaborating with different stakeholders within and outside government on an energy relief package. The envisaged relief packages will entail providing small businesses with technologies, such as inverters and batteries to mitigate outages. The solution for medium businesses will also include providing them with generators that can sustain businesses when power is not available, more specially manufacturing businesses.

*Leveraging opportunities of South Africa's BRICS partnership:*

A BRICS workstream has been established to develop alternative and innovative options for small and medium enterprises (SMEs) to access finance within BRICS countries, including the SME Intellectual Property Pledge Financing initiative, innovative financial solutions for cross-border transactions and the introduction of a multicurrency clearing process. Significant focus will be given to ESG and green financing.

The workstream is advocating for the establishment of a BRICS SME Fund that supports businesses with early-stage funding in various industries and crowding in private sector and other global development finance institutions. The New Development Bank is pivoting towards Green Finance, based on ESG requirements. SMMEs, therefore, need to be supported with project preparation to access these opportunities.

Trade and Investment is a key pillar of the BRICS partnership and interest has been shown by member BRICS countries to collaborate with an agency, such as Seda, to link with and access information regarding small businesses in several sectors, particularly within the green economy, energy, digital and innovation economy, and agri-business sectors, among others. From a South African perspective, beneficial partnerships should, therefore, be established to prepare SMEs for exports within the identified sectors, and over the long-term to reduce the trade deficit.

The forging of partnerships with BRICS countries has already provided insights into the models and approaches adopted by member nations to stimulate entrepreneurship, including the rapid incubation model adopted in India and the trade, skills, and delivery model (similar to Seda's) utilised by Sebrae in Brazil. Therefore, several opportunities exist for DSBD, Seda, and sefa to tap into opportunities for South Africa's SMEs by forging partnerships and collaborations with BRICS countries and facilitating learning and knowledge sharing among the expanded BRICS nations.

### The role of the private sector:

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

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

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

SMMEs are considered a vital engine in an economy, driving growth, spearheading innovation, and perhaps, most importantly, creating employment, especially among young people. They can leverage their agility to design and incubate new technologies and business models to build a better future. Many of South Africa's SMMEs have the potential to become tomorrow's large corporations, the African unicorns that the continent needs to continue its path towards growth and prosperity<sup>2</sup>.

#### 1.1.6. UPDATED PESTEL ANALYSIS

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

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<sup>2</sup> Seda Annual Performance Plan, 2022/23–2024/25

**Table 8: PESTEL analysis and Seda responses**

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

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>geopolitical tensions boiled over into war in Ukraine.</p> <ul style="list-style-type: none"> <li>▪ Global growth estimates have been revised downwards and are likely to contract further as high inflation persists for longer than forecast, creating concerns that constricting global growth will develop into a global recession.</li> <li>▪ Tightening monetary policy and rising interest rates in advanced economies will make debt more expensive for emerging markets and create downward pressure on their currencies.</li> <li>▪ Global supply chains are likely to see more regular disruptions due to an increasingly fractious geopolitical environment and bottlenecks in the system. Trade patterns are being rethought as fragilities and inefficiencies are exposed.</li> <li>▪ South Africa needs to be cautious of an overreliance on buoyant commodity prices and focus on building a diverse and robust local economy poised to take advantage of recovery opportunities.</li> <li>▪ Agriculture contributes around 2.5% of total GDP and employs around 5.0% of the workforce, so may be a sector with room to expand. The sector also provides significant opportunity for less highly skilled jobseekers.</li> <li>▪ Poor economic growth means that supply opportunities to local and international businesses are reduced.</li> <li>▪ Impact of undocumented immigrants on the economy.</li> </ul>	<p>BRICS, USA, European Union, amongst others).</p> <ul style="list-style-type: none"> <li>▪ Develop appropriate value propositions to leverage funds from partners/stakeholders.</li> <li>▪ Digitalise, create operational efficiencies, and leverage additional funding and resources through the ecosystem.</li> <li>▪ Support the easing of red tape for SMMEs by creating an enabling environment.</li> </ul>
<p><b>Social</b></p>	<ul style="list-style-type: none"> <li>▪ Widespread poverty, fuelled by mass unemployment, is an urgent challenge.</li> <li>▪ Structural and socio-economic inequality was deepened by the pandemic, and gaps continue to widen</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prioritise businesses owned by women, persons with disabilities, and youth with coaching and mentoring linked to the Youth Challenge Fund,</li> </ul>

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>as unemployment rises, especially among the youth.</p> <ul style="list-style-type: none"> <li>▪ Socio-economic challenges are exacerbated by the underperformance of the education system, with low pass rates generally, and specifically poor results in science, technology, engineering, and mathematics (STEM).</li> <li>▪ As STEM subjects are key to employability in technical and professional occupations, the education system is not delivering the skills youth need to thrive in the current and future economy. Early childhood development is critical to successful outcomes later in the educational process.</li> <li>▪ In a report compiled by the World Economic Forum “Social cohesion erosion” was considered a short-term threat in 31 countries, including Argentina, France, Germany, Mexico, and South Africa.</li> <li>▪ Inclusion of women, young people, and persons with disabilities (eradication of poverty and inequality).</li> <li>▪ Lack of entrepreneurship in schools’ curriculum.</li> </ul>	<p>SheTrades, and Cherry Blair Foundation (GIBS).</p> <ul style="list-style-type: none"> <li>▪ Promote entrepreneurship, identifying and implementing socioeconomic interventions to address poverty and unemployment.</li> <li>▪ Entrepreneurship awareness programmes.</li> <li>▪ Define specific programmes targeted at the unemployed and grant dependent.</li> <li>▪ Customised Seda training material to support people who cannot read (more pictures and illustrations).</li> <li>▪ Partnership with the Department of Social Development.</li> <li>▪ Seda to participate in the drafting of entrepreneurship curriculum within higher institutions.</li> <li>▪ Strengthen Seda’s relationship with Primestars to introduce Entrepreneurship in School Programme.</li> <li>▪ Centre for Entrepreneurship and Rapid Incubator (CfERI) to be elevated within the Department of Higher Education.</li> </ul>
<p><b>Technological</b></p>	<ul style="list-style-type: none"> <li>▪ Digitalisation and automation of administrative, organisational and management processes may facilitate greater efficiencies.</li> <li>▪ In many industries technology has lowered barriers to entry, provided affordable business administration and support tools, and supplied access to global markets.</li> <li>▪ Access to technology in South Africa mirrors the patterns of general</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide limited devices and data to qualifying enterprises (zero-rating Seda website) and ensure that free Wi-Fi is made available in Seda offices.</li> <li>▪ Invest in technology and ensure that the requisite skills are embedded in the organisation and aligned to Research and Development.</li> </ul>

FACTOR	ANALYSIS	RESPONSES REQUIRED FROM SEDA
	<p>inequality in the country. Whilst most of the country is covered by cellular networks 2G, 3G, and 4G, the price of data remains prohibitively high, and speeds are not always adequate. Reliable, high-speed, cost-effective internet access through fibre and 5G remain the dominion of the privileged.</p> <ul style="list-style-type: none"> <li>▪ The downside to reliance on technology is its fragility and susceptibility to attack and disruption. Technology does not work without electricity, and most transactions conducted today are completely reliant on technological systems to complete them.</li> <li>▪ Increasingly sophisticated automation and robotics threaten jobs across all sectors of the economy.</li> <li>▪ Harnessing the power of big data, blockchain technology, artificial intelligence, and machine learning to improve Seda services.</li> <li>▪ E-trade and virtual trading platforms to enable market access.</li> <li>▪ Lack of integrated information management system within the ecosystem.</li> <li>▪ The ongoing and real threat of cyberattacks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scale the digital trade opportunities. Ensure that e-commerce is defined as a critical outcome in all market access initiatives.</li> <li>▪ Development of district information management system.</li> <li>▪ Consider outsourcing options for ICT.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▪ Coordinated and centrally controlled approach to tackling climate change and future pandemics is being strongly advocated by groups such as the World Economic Forum, World Health Organization, IMF, and the World Bank.</li> <li>▪ Corporate investment decisions are increasingly being influenced by ESG considerations, although 'official' ESG scores are still somewhat contentious.</li> <li>▪ Fixed investment in infrastructure and the green economy (including renewable energy and climate friendly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create a dedicated 'Green Desk' and appoint 'green champions' (the same can be done for other priority sectors).</li> <li>▪ Create a funding mechanism within Seda to assist clients to comply with environmental requirements.</li> <li>▪ Establish partnerships with organisations to assist with green funding and ESG (OECD).</li> </ul>

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

## 1.2. INTERNAL ENVIRONMENT ANALYSIS

### 1.2.1. SEDA AND DSBD OUTCOMES AND PROGRAMME ALIGNMENT

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

**Table 9: High-level roles of the DSBD and implementing agencies**

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

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

**Table 10: Seda alignment to DSBD outcomes**

DSBD OUTCOME	SEDA OUTCOME	SEDA PROGRAMME
<p>Increased participation of SMMEs and Cooperatives in domestic and international markets.</p>	<p>Increased localisation and market penetration by SMMEs and Cooperatives:</p>	<p><b>Programme One:</b> Enterprise Development Programme</p> <p><b>Programme Two:</b> Technology Programme</p>
<ul style="list-style-type: none"> <li>▪ Increased contribution of SMMEs and Cooperatives in priority sectors.</li> <li>▪ Expanded financial and non-financial support and</li> </ul>	<p>Increased growth and sustainability of SMMEs and Cooperatives.</p>	<p><b>Programme One:</b> Enterprise Development Programme</p> <p><b>Programme Two:</b></p>

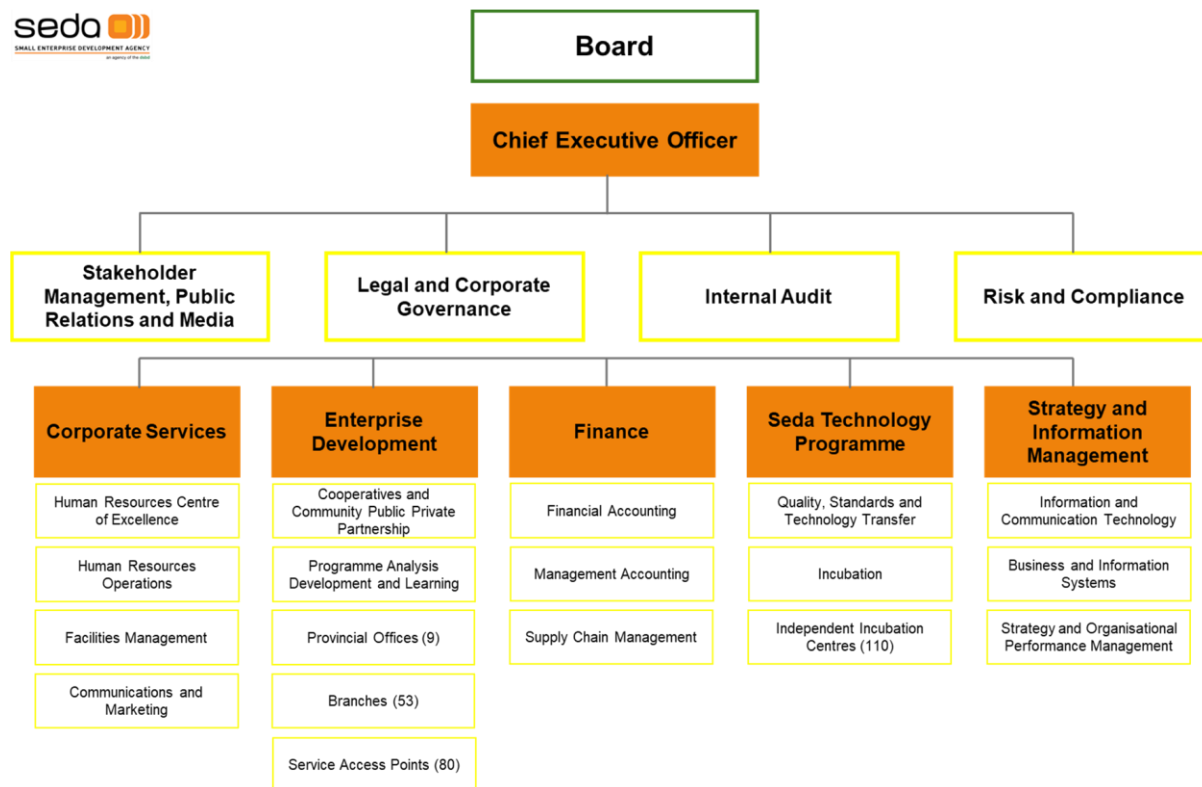


DSBD OUTCOME	SEDA OUTCOME	SEDA PROGRAMME
implemented responsive programmes to new and existing SMMEs and Cooperatives.		Technology Programme <b>Programme 3:</b> Impact and Sustainability Programme
Scaled-up and coordinated support to SMMEs, Cooperatives, village, and township economies.	Increased growth and sustainability of township and rural-based SMMEs and Cooperatives.	<b>Programme One:</b> Enterprise Development Programme
Improved governance and compliance.	An agile, innovative, excellent, and customer-centric organisation.	<b>Programme Four:</b> Administration Programme
Improved, integrated, and streamlined business processes and systems.	Integrated and coordinated ecosystem support for SMMEs and Cooperatives.	<b>Programme Four:</b> Administration Programme

### 1.2.2. SEDA ORGANISATIONAL STRUCTURE

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

Figure 10: Seda organisational structure



### 1.2.3. REFLECTION ON PERFORMANCE TO DATE

The table below shows Seda’s performance in contributing to the Minister’s performance agreement over the period MTSF period 2019-20 – 2023/24 (Q2 YTD).

Table 11: MTSF 2019-2024 and Minister’s performance agreement

INTERVENTION	INDICATOR	BASELINE	TARGET	19/20	20/21	21/22	22/23	23/24 (YTD)	Total
Facilitate the increase in number of competitive small businesses with a focus on township and rural economies	Number of competitive small businesses and Cooperatives supported	New indicator	100 000	2 114	4 438	11 151	11 721	4 025	33 449
SMME development through incubation centres and digital hubs	Number of incubation centres and digital hubs established	73	100	96	104	110	110	110	110

INTERVENTION	INDICATOR	BASELINE	TARGET	19/20	20/21	21/22	22/23	23/24 (YTD)	Total
Explore the introduction of measures to support the establishment of new, youth-owned start-ups	Number of youth business start-ups supported	New indicator	<b>10 000 per year</b>	2 500	3 689	4 309	9 094	5 850	<b>25 442</b>
Facilitate the increase in number of competitive small businesses with a focus on township and rural economies	Township and Rural Entrepreneurship Programme implemented	New indicator	<b>100 000</b>	12 074	15 678	31 457	21 902	10 836	<b>91 947</b>

Seda’s contribution to the Revised MTSF 2019-2024 (Seda specific targets), for the period 2019/20 – 2023/24 (Q2 YTD):

**Table 12: Seda’s contribution to the Revised MTSF 2019-2024**

INTERVENTION	INDICATOR	MTSF TARGET	*ACTUAL TO DATE	ANNUAL PERFORMANCE
Facilitate an increase in the number of competitive small businesses, with a focus on township economies and rural development	Number of SMMEs receiving business development support	260 000	<b>511 984</b>	2019/20: 77 809 2020/21: 49 126 2021/22: 178 369 2022/23: 106 230 2023/24 YTD: 49 057 Total = 460 591
	Number of entrepreneurs trained on business development			2019/20: 11 318 2020/21: 2 845 2021/22: 4 692 2022/23: 22 088 2023/24 YTD: 10 450 Total = 51 393
	Number of SMMEs participating in export markets and development	35 731	<b>13 613</b>	2019/20: 585 2020/21: 4 694 2021/22: 3 103 2022/23: 2 559 2023/24 YTD: 2 672
SMMEs development through incubation centres and digital hubs	Increase the number of incubators, centres for entrepreneurship and rapid incubation (CfERIs) and digital hubs to 270, prioritised in rural and township areas	270	<b>110</b>	2019/20: 28 2020/21: 101 2021/22: 101 2022/23: 110 2023/24 YTD: 110

INTERVENTION	INDICATOR	MTSF TARGET	*ACTUAL TO DATE	ANNUAL PERFORMANCE
Transformative, representative, and inclusive economy that prioritises women, youth, and persons with disabilities	Women (40.0%) – Number of women accessing business development support	104 000	<b>92 730</b>	2019/20: 8 096 2020/21: 11 170 2021/22: 31 636 2022/23: 32 510 2023/24 YTD: 9 318
	Youth (30.0%) – Number of young entrepreneurs accessing business development support	78 000	<b>72 323</b>	2019/20: 8 741 2020/21: 6 925 2021/22: 23 964 2022/23: 26 843 2023/24 YTD: 5 850
	Persons with disabilities (7.0%) – Number of persons with disabilities accessing business development support	18 200	<b>5714</b>	2019/20: 249 2020/21: 223 2021/22: 487 2022/23: 1 239 2023/24 YTD: 659

\* Actual for the 4.5-year period, 2019/20 to Q2 2023/24

Performance against key APP targets is reflected below.

**Table 13: APP-aligned performance**

INDICATOR	MTSF TARGET	MTSF AGGREGATE ACHIEVEMENT	2019/20	2020/21	2021/22	2022/23	2023/24 (YTD, Q2)
<b>Total SMMEs and Cooperatives supported</b>	<b>219 000</b>	<b>498 293</b>	89 113	45 850	185 987	128 286	49 057
Enterprises reached through awareness	<b>75 000</b>	<b>197 626</b>	36 684	8 576	67 029	68 117	17 220
SMMEs and Cooperatives supported (excluding TREP)	<b>90 000</b>	<b>213 855</b>	28 173	21 596	87 501	38 367	38 218
Township and Rural Enterprises Programme (TREP)	<b>54 000</b>	<b>91 850</b>	12 074	15 678	31 457	21 802	10 839
Incubators supported	<b>100</b>	<b>110</b>	96	104	110	110	110
Jobs created	<b>18 000</b>	<b>22 195</b>	6 709	2 292	5 176	5 433	2 585
Jobs sustained	<b>30 000</b>	<b>58 214</b>	22 230	8 283	8 584	12 541	6 576
Turnover increase	<b>R1.5 billion</b>	<b>R3.49 billion</b>	R2.1 billion	R1.1 billion	R289 million	Not measured	Not measured
Number of SMMEs and Cooperatives	<b>Not measured</b>	<b>Not measured</b>	Not measured	Not measured	Not measured	2 683	252

INDICATOR	MTSF TARGET	MTSF AGGREGATE ACHIEVEMENT	2019/20	2020/21	2021/22	2022/23	2023/24 (YTD, Q2)
whose turnover has increased by 5.0% per annum							

All cumulative targets for the 2019/20 to 2022/23 period have been achieved, except for the number of persons with disabilities.

### 1.2.4. SWOT ANALYSIS

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

**Table 14: Seda SWOT analysis**

<div style="text-align: center; margin-bottom: 10px;">  <p><b>S STRENGTHS</b></p> </div> <ul style="list-style-type: none"> <li>▪ Strong brand presence – geographical presence across all the provinces, almost all district and local municipalities.</li> <li>▪ Introduction of service access points is becoming instrumental to expanding the reach of Seda services to rural areas.</li> <li>▪ Skilled workforce with broad-based knowledge.</li> <li>▪ Vacancy rate for funded positions maintained at acceptable levels.</li> <li>▪ Structured SMME support processes and programmes in place to address generic SMME development needs.</li> <li>▪ Targeted programmes in place (e.g. TREP, Women Enterprise Coaching Programme, entrepreneurship in schools, market access programmes).</li> <li>▪ Approved incubation standards firmly established to position Seda as leader in incubation ecosystem.</li> <li>▪ The organisation has approved business advisory services standards, which enable it to contribute towards the professionalisation of the sector.</li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  <p><b>W WEAKNESSES</b></p> </div> <ul style="list-style-type: none"> <li>▪ Insufficient specialist, sector-based, skills to support SMME development in regional priority sectors.</li> <li>▪ Insufficient funding to support high growth/scalable businesses.</li> <li>▪ Slow adoption of digitalisation</li> <li>▪ Value proposition and market positioning as South Africa’s ecosystem facilitator not entrenched.</li> <li>▪ Limited resources to market the organisation and its products and services effectively.</li> <li>▪ Fixed term vs. permanent staff contracts leading to loss of talented staff and failure to retain or attract top talent – impact on staff morale.</li> <li>▪ Inconsistency in the roll-out of critical programmes and services.</li> </ul>
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<ul style="list-style-type: none"> <li>▪ Knowledge-based community of practices established and working well.</li> <li>▪ Established, functional, disaster recovery plan and system.</li> </ul>	
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<div style="text-align: center; margin-bottom: 10px;">  <h2 style="margin: 0;">OPPORTUNITIES</h2> </div> <ul style="list-style-type: none"> <li>▪ Leverage Seda’s exposure to global best practices and insights into entrepreneurship and SMME development programmes.</li> <li>▪ Updating and modernising processes and systems to improve turnaround times.</li> <li>▪ Usage of 4IR, big data, artificial intelligence, blockchain technology, and machine learning in establishing new programmes.</li> <li>▪ Increase client databases to assist in the planning of programmes and implementation thereof and to advocate for more resources.</li> <li>▪ The buy BRICS campaign and AfCFTA opens enormous opportunities for international trade agreements and opening of export markets.</li> <li>▪ Opportunity exists to partner with private sector, SETAs, and higher education institutions (general stakeholders) to leverage resources and support.</li> <li>▪ Due to the fragmented SMME ecosystem, Seda has an opportunity, supported by the legislation to facilitate and be the leader of the ecosystem.</li> <li>▪ Collaboration between Seda/sefa on the delivery of various programmes.</li> <li>▪ Position Seda as an ESD partner of choice to facilitate access to markets for SMMEs and to leverage additional funds.</li> <li>▪ Collaboration with international partners to facilitate access to markets for SMMEs.</li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  <h2 style="margin: 0;">THREATS</h2> </div> <ul style="list-style-type: none"> <li>▪ Other agencies assume Seda’s mandated role, leading to a lack of optimisation of the ecosystem of support for SMMEs.</li> <li>▪ Lack of affordable infrastructure for clients to access digital services due to exorbitant data costs.</li> <li>▪ Other organisations use innovation to outcompete Seda and offer more effective services.</li> <li>▪ Blurred department roles and responsibilities, whereby the department implements certain programmes.</li> <li>▪ Negative perception about the government and its agencies.</li> <li>▪ The risk of redundancy owing to competition with other business development service providers at local, provincial, and national level (NYDA, GEP, LEDA, MEGA, LED at municipal level, amongst others).</li> <li>▪ Inadequate network connectivity due to loadshedding.</li> <li>▪ Perception that Seda only serves micro and small enterprises.</li> <li>▪ Cybersecurity threat (constant).</li> <li>▪ Reputational risk (lack of integrated ecosystem to enable the support of and to sustain SMMEs and Cooperatives).</li> <li>▪ Delays in the finalisation of the merger leading to the erosion of institutional knowledge.</li> </ul>
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## 1.2.5. SEDA CAPACITY TO DELIVER ON ITS MANDATE

### Seda budget allocation:

Seda's budget allocation is provided by the DSBD on an annual basis and Seda works around the allocated budget to submit a balance budget to the department and National Treasury. The budget allocation from DSBD Vote allocation is mainly for the Seda Enterprise Development Programme, Seda Technology Programme, and Administration; the Draft Budget for 2024/25 is outlined in the table below.

**Table 15: Seda budget allocation for the MTEF, 2024/25 to 2026/27**

2024 MTEF ALLOCATION					
FINANCIAL YEARS	2024/25	2025/26	2026/27	TOTAL MTEF	% Split
	R'000	R'000	R'000	R'000	
<b>SEDA Breakdown</b>					
Small Enterprise Development Agency (EDD + Operations)	646,617	672,873	702,027	2,021,517	49.74%
Seda: Technology programme	184,677	192,951	201,791	579,419	14.26%
Asset Assist Programme	225,000	225,000	225,000	675,000	16.61%
General Dealers Programme	45,000	45,000	45,000	135,000	3.32%
Product Market Programme	153,000	153,000	153,000	459,000	11.29%
Cooperatives Development Support Programme	61,780	64,547	67,504	193,831	4.77%
<b>TOTAL</b>	<b>1,316,074</b>	<b>1,353,371</b>	<b>1,394,322</b>	<b>4,063,767</b>	<b>100.00%</b>

The year-on-year budget has improved by the additional increase of R514,78 million, which will enable the organisation to fully implement critical programmes, which prioritise the support offered to township and rural-based SMMEs and Cooperatives. However, there is still lack of budget for the refuelling incubators and accelerators, amplifying supplier development, encouraging and supporting youth entrepreneurship, and responding with agility on the issues of financial and non-financial support.

The 3.7% increase between 2023/24 and 2024/25 is below inflation, and other support and administrative expenditure like office space, insurance, ICT licences, internet connectivity, and replacement of obsolete assets are increasing at the rate of above 5.0%.

Notwithstanding the budget constraints, Seda leads by example by ensuring creditors are paid within the legislated 30 days' timeframe and continues to strive towards maintaining the targeted 75.0% of budget allocated to the core business, and 25.0% to support. Improvements are underway in terms of segmenting reporting (budget and actual) per location, improving procurement turnaround times, and automating all financial management systems.

### Human resource capacity:

The Seda Human Resources Unit sets strategic priorities that are translated into actions, while enabling other divisions to ensure that adequate and efficient service delivery is offered. It is widely acknowledged that employees are most productive when the working environment reflects a

caring, supportive, and collaborative management culture. Workforce planning within Seda is the process of continuous optimisation that helps the organisation align its outcomes and needs with that of its workforce.

Seda recruits and retains in line with its Recruitment and Selection Policy and procedures, thus ensuring access to the current and future critical human resources required for meeting organisational objectives. This practice assists the organisation in attracting potential incumbents who have common values, the right skills, and experience to provide high-quality services in line with Seda's mandate. To attract the right skills and improve recruitment turnaround times, Seda will use multiple recruitment channels, including job boards, social media, company website, and professional networks, to reach a broader pool of potential candidates.

The vacancy rate is one of the Seda strategic indicators, and the target is monitored regularly, and maintained within acceptable standards (for funded positions). Seda promotes a culture of high performance, quality, and excellence, providing a forward-looking focus that permeates all levels of the organisation. The Seda performance management and development process aims to encourage an ongoing communication process between management and staff, as well as good staff management practice across Seda. It also assists employees in achieving their individual and organisational objectives.

#### **ICT capacity and capability:**

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

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

Implementation of these initiatives would result in improved user satisfaction and productivity, and ultimately improved business performance by Seda's assisted clients. ICT can play a critical role in the provision of secure, reliable, and sustainable access to business support services through the automation of key processes that will greatly enhance the organisation's support functions and realise financial savings in the medium to long term.

In terms of the above continual improvement process, the following has been achieved: Adopted IT governance framework as per the DPSA prescripts, approved IT and planning and reporting policies, began the implementation of new systems, and upgraded the network to enhance productivity of provincial staff. Focus will be given to addressing shortcomings around resolution of performance information audit findings, turnaround times for producing performance information and reports, quicker decision making, and document management.



**Marketing, communications, and stakeholder management:**

Seda has developed an Integrated Marketing Strategy and Brand Positioning Guidelines and Policy. The intention is to improve awareness of the Seda brand and its offerings to external and internal stakeholders.

As the marketing budget is very limited, Seda is unable to undertake traditional marketing activities that include costly advertisements on radio, television, and print, and relies on the use of social media, public relations, and face-to-face meetings to communicate with its stakeholders. Innovative means are being sought to leverage successful projects, particularly, positive word of mouth messages from beneficiaries of Seda services to assist with the narrative of successful stories that have realised demonstrable economic transformation and job creation.

**Seda’s compliance with the Broad-Based Black Economic Empowerment Act (No. 53 of 2003)**

In the 2022/23 financial year, Seda maintained a Level 4 B-BBEE contributor status, which is evaluated annually. In 2023/24, Seda continued to implement a Learnership and Bursary Programme for B-BBEE skills development targets in terms of the B-BBEE Act and aligned with Seda Employee Assistance Plan targets. Implementation will continue in the 2024/25 financial year.

**Seda’s interventions related to women, youth, and persons with disabilities:**

The organisation has mainstreamed the support offered to Seda clients in all indicators wherein 40.0% of the clients’ supported should be women, 30.0% youth, and 7.0% disabled persons. The performance in the previous quarters vary where the organisation normally exceeds the set targets for women and youth. There are number of interventions that have been proposed to improve performance among SMMEs owned by persons with disabilities, including engaging with organisations who are supporting persons with disabilities to having interventions specifically targeting these people. The uptake is still low, but the organisation will put in efforts to ensure that these interventions yield results.

The table below illustrates Seda’s contribution to the MTSF targets, prioritising women, youth and persons with disabilities.

**Table 16: Seda contribution to MTSF targets, prioritising women, youth, and persons with disabilities**

	MTSF TARGET	ACHIEVEMENT TO DATE	PERCENTAGE ACHIEVEMENT TO DATE
<b>Women (40.0%)</b>	104 000	92 730	89.16%
<b>Youth (30.0%)</b>	78 000	72 323	92.72%
<b>PWD (7.0%)</b>	18 200	2 857	15.70%

## Enterprise Development Programme offerings gap analysis:

Although the worst effects of the COVID-19 pandemic appear to be coming to an end, its economic impact is still being felt across the globe and South Africa in particular. Seda is increasing its efforts toward understanding the entrepreneurial customer journey and their business development support needs. Emanating from the Research Study, which focused broadly on the existing gaps within the Enterprise Development Division's (EDD's) operational tools, processes, systems, and offerings, a more detailed analysis and insights on the offerings aspect of the study was instituted.

Subsequently, business and stakeholder surveys were conducted. These surveys sought to gather insights on EDD's offerings (services and programmes) that are provided to small businesses across the country (in rural, township, and urban areas), based on perceptions from small businesses and business development support providers from the ecosystem. In the post-COVID-19 era, to establish whether there is a need for new business development support services that have emerged.

The survey made several findings regarding the challenges faced by SMMEs post-COVID-19. The lack of awareness of funding opportunities and knowledge on how to access them (23.8%), decline in revenue and profitability (20.0%), lack of cash flow and liquidity (13.3%), limited access to low- and medium-cost funding or credit (12.8%), as well as lack of access to markets (9.9%) were highlighted as the primary challenges faced by small businesses post-COVID-19. Notably, small businesses have also experienced a decline in business confidence. This implies that, with low levels of business confidence in the economy, the level of investment becomes lower and economic growth is affected. There is, therefore, a need to put in place development support interventions that are targeted towards addressing these challenges by institutions, like Seda, in order to assist small businesses to thrive and become sustainable.

Seda is undisputedly a key player in the small business development support ecosystem and, post-COVID-19, there is an increased demand and pressure, which requires the agency to be resourceful amid limited resources. It is expected that services are provided effectively and efficiently in line with the needs of what the small businesses market requires. The provision and facilitation of access to credit or funding (31.9%); provision of effective training, skills development, coaching, and industry-specific mentorship programmes (28.0%); provision of business advice relating to the current small business needs (9.7%); and facilitating access to markets (8.8%) were identified as the main focus areas that Seda should prioritise in assisting small businesses to deal with the challenges experienced post-COVID-19. It is, therefore, expected that Seda continue to create an enabling environment and deliver targeted support in these areas, particularly to high-growth small businesses.

The survey findings made detailed recommendations to enhance the relevancy, accessibility, efficiency, and effectiveness of the Seda EDD offerings post-COVID-19. Each of the recommendations headlined below includes interventions that Seda will prioritise for implementation:

- 1) Market segmentation – recommended basket of offerings per market segment.
- 2) Monitoring and evaluation of EDD offerings implementation – measurement of impact.

- 3) Adequately resource the EDD offerings – from low cost, minimal impact interventions to appropriated costed offerings that attract competitive partners and service providers that can deliver quality support to clients, thus increased developmental impact.
- 4) Digitisation and/or automation of processes, integrated with other ecosystem processes (system and database interfaces and new tools), for Seda to play the facilitation role in the DEF Model.
- 5) Improvement on client consultation processes – establishment of call centre(s) and customer service desk(s).
- 6) Optimisation of assessment processes – simplification and incorporation of online assessment tools, which are accessible to ecosystem players, and more sector/industry-based tools with appropriate and relevant capabilities for effectiveness deployment.
- 7) External project administration – strengthen capacity through the use of external project managers for high-impact EDD programmes.

The Division is currently undertaking various initiatives to implement most of the recommendations that have been mentioned above. A key initiative for the planning period is the roll-out of a digitalisation strategy and systems, led by the ICT unit.

**Incubation centres:**

Seda currently supports a total of 110 incubators in South Africa, distributed across the provinces as shown in the table below. 12 new incubation centres are in the process of being established.

**Table 17: Number of incubation centres and rapid incubators**

PROVINCE	NUMBER OF INCUBATION CENTRES AND RAPID INCUBATORS
Eastern Cape	21
Free State	6
Gauteng	28
KwaZulu-Natal	17
Limpopo	8
Mpumalanga	9
Northern Cape	5
North West	6
Western Cape	10
	<b>NUMBER OF NEW INCUBATION CENTRES</b>

PROVINCE	NUMBER OF INCUBATION CENTRES AND RAPID INCUBATORS
	12

In addition to the above, there are 12 (twelve) new incubators which will increase the number of incubators to 122.

**Summary of focus areas to the end of the 2024/25 financial year:**

- 1) **Entrepreneurship promotion and development:**
  - a) Township and rural entrepreneurship
  - b) Extensive awareness programmes
  - c) Pre-investment support – investment readiness, to access finance (sefa requirements)
  - d) Seda/sefa collaboration on applications / referrals / feedback
  
- 2) **Continue developing the district ecosystem facilitation model:**
  - a) Build the network of ecosystem partnerships and collaborations
  - b) Support for the DDM One Plans through active participation
  
- 3) **Facilitate the growth and sustainability of SMMEs along the business growth cycle:**
  - a) Priority sector development
  - b) Access to local and international markets
  - c) Quality and productivity improvement
  - d) Ongoing training, mentorship, and coaching, supporting sefa’s PIM
  
- 4) **Incubation and technology transfer assistance:**
  - a) Complete the assessment of incubators / implement mechanisms for increasing their self-sustainability and independence
  - b) Complete the establishment of 12 new incubators
  
- 5) **Increased brand awareness, marketing, and communication:**
  - a) Implement traditional and new marketing and communication tools, including TV and radio, social media, public relations, and through supported enterprises

- b) DSBD/Seda/sefa integrated marketing – alignment and support for DSBD marketing campaigns

# PART C: MEASURING OUR PERFORMANCE

## 1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Seda is constituted by the following programmes, which informs the packaging of this APP:

**Table 18: Seda programmes**

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

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

**Competitive, innovative, and sustainable SMMEs and Cooperatives creating jobs and contributing to inclusive economic growth.**

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

**Outcome 1:** Increased growth and sustainability of SMMEs and Cooperatives.

**Outcome 2:** Increased localisation and market penetration by SMMEs and Cooperatives.

**Outcome 3:** Integrated and coordinated ecosystem support for SMMEs and Cooperatives.

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

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

## **2. PROGRAMME 1: ENTERPRISE DEVELOPMENT PROGRAMME**

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### **2.1. PROGRAMME PURPOSE**

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The Enterprise Development Programme provides needs based and growth-oriented business support to small enterprises and Cooperatives through the Seda network. SMMEs and Cooperatives are supported with business-related information, advice, consultancy, and mentoring services including business specific interventions to access markets. Township and total-based enterprises are prioritised to ensure that they are competitive and contribute meaningfully to the South African economy.

In contributing towards the Seda impact of: “Competitive, innovative, and sustainable SMMEs and Cooperatives creating jobs and contributing to inclusive economic growth,” the programme delivers against the following outcomes in the approved strategic plan:

**Outcome 1:** Increased growth and sustainability of SMMEs and Cooperatives.

**Outcome 2:** Increased localisation and market penetration by SMMEs and Cooperatives.

The 2024/25 Performance Plan of Programme 1 is reflected in the log frame tables below:

## 2.2. PROGRAMME 1: OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1. Increased growth and sustainability of SMMEs and Cooperatives	Entrepreneurship awareness facilitated	Number of people who attended entrepreneurship awareness sessions	New indicator	67 029	68 117	20 000	22 000	24 000	26 000
	Township and rural-based SMMEs and Cooperatives support facilitated	Number of township and rural businesses supported with business development	New indicator	31 457	21 802	18 000	18 850	19 825	20 796
		Number of township and rural SMMEs assisted with Asset Assist Support Programme	Not Measured	Not Measured	Not Measured	New indicator	1 000	1 020	1 041
		Number of township and rural SMMEs assisted with General Dealer Support Programme	Not Measured	Not Measured	Not Measured	New indicator	150	155	163
	Priority sector support facilitated	Number of SMMEs and Cooperatives	Not measured	New indicator	100	50	100	110	120



OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		supported in priority sectors with non-financial business development to scale- up their businesses							
	Growth and sustainability of SMMEs and Cooperatives facilitated	Number of SMMEs and Cooperatives supported with business development	Not measured	Not measured	New indicator	2 000	2 500	3 000	3 500
		Number of SMMEs and Cooperatives supported with training, mentorship, and coaching	New indicator	5 000	20 000	20 500	21 000	21 500	22 000
		Number of Cooperatives assisted through cooperative development support programme	Not measured	Not measured	New indicator	40	40	45	50
2. Increased localisation and market penetration by	Access to local markets facilitated	Number of SMMEs and Cooperatives supported with	New indicator	2 500	1 200	2 500	1 767	1 967	2 000

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
SMMEs and Cooperatives		local markets readiness interventions							
		Number of SMMEs and Cooperatives linked to local markets	Not measured	Not measured	Not measured	New indicator	100	150	200
	Access to international markets facilitated	Number of SMMEs and Cooperatives supported with international market readiness interventions	New indicator	1 000	1 000	500	300	350	400
		Number of SMMEs and Cooperatives supported through trade missions	Not measured	Not measured	New indicator	300	200	205	210

### 2.3. PROGRAMME 1: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
Number of people who attended entrepreneurship awareness sessions	22 000	4 000	7 500	3 500	7 000
Number of township and rural businesses supported with non-financial business development	18 850	3 000	6 500	4 500	4 850
Number of township and rural businesses assisted through the Asset Assist Support Programme	1000	-	400	250	350
Number of township and rural businesses assisted through the General Dealer Support Programme	150	-	-	75	75
Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses	100	-	30	35	35
Number of SMMEs and Cooperatives supported with business development	2 500	500	750	500	750
Number of SMMEs and Cooperatives supported with training, mentorship, and coaching	21 000	2 000	6 500	5 000	7 500
Number of Cooperatives assisted through cooperative development support programme	40	-	20	20	-

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
Number of SMMEs and Cooperatives supported with local markets readiness interventions	1 767	267	600	600	300
Number of SMMEs and Cooperatives linked to local markets	100	20	30	30	20
Number of SMMEs and Cooperatives supported with international market readiness interventions	300	50	100	100	50
Number of SMMEs and Cooperatives supported through trade missions	200	0	50	75	75

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

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Programme 1: Enterprise Development intends to respond to the priorities of the sixth administration of government and emphasises the importance of localisation, economic recovery, business viability, and providing structured support to township and rural-based enterprises. Support provided to informal businesses is central to economic recovery, as supported informal businesses can be meaningful contributors to economic growth. The NDP indicates that 90.0% of the 10 million envisaged jobs by 2030 will come from SMMEs; therefore, township and rural businesses should be capacitated and supported to be competitive and innovative. All programmes implemented within Seda will mainstream women, young people, and businesses owned by persons with disabilities.

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

The specific contributions of this programme to the achievement of the outcomes are as follows:

### **Outcome 1: Increased growth and sustainability of SMMEs and Cooperatives:**

#### **1) Entrepreneurship awareness:**

The objective of entrepreneurship awareness is to persuade South Africans to consider self-employment and being employers through small businesses as opposed to finding jobs. Through this initiative, Seda intends on hosting small business entrepreneurship awareness and start-up workshops, either at Seda facilities, or at partner facilities (where Seda plays a lead role). A standardised approach and minimum requirements for the intervention will be developed. It excludes outreach programmes.

#### **2) Township and rural economic development:**

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

#### **3) Asset Assist Support Programme:**

Tailor-made support interventions that are needs based for SMMEs by providing them with a grant to purchase equipment, machinery, and associated working capital to a maximum of 15.0% of the total capex amount requested.

4) **General Dealers Support Programme:**

The purpose of the programme is to resuscitate general dealers that were/ are operating in townships and rural areas. This will be done by refurbishing existing derelict buildings, partitioning, and branding them into modern general dealers as well as providing stock. The owners will also be provided with training and mentorship, thus ensuring that their businesses become profitable and sustainable.

**Outcome 2: Increased localisation and market penetration by SMMEs and Cooperatives:**

1) **Access to local and international markets including trade missions:**

The intention is to assist SMMEs and Cooperatives through market linkages both locally and internationally. Interventions that will be implemented include pop up markets supporting SMMEs and Cooperatives with exhibition, product packaging, and product quality. To access international markets, SMMEs and Cooperatives will be supported with trade exhibition training, trade missions to foreign countries, and through registering on the trade platforms. ESD programmes will be used to assist enterprises with access to local markets.

2) **Business development support:**

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

3) **Business mentorship and coaching:**

As businesses move from one stage of development to another, they require experienced mentors who are able to guide SMMEs and Cooperatives to new requirements, like managing different stakeholders and customers in different regions. Structured mentorship

and coaching will be implemented based on the businesses needs to improve their level of competitiveness. Training webinars are included in this output.

## 2.5. PROGRAMME 1: RESOURCE CONSIDERATIONS

Programme 1 - Enterprise Development Programme							
		2022/23	2023/24	2024/25	2025/26	2026/27	Cost
1	Number of people attended entrepreneurship awareness sessions	68,117	20,000	22,000	24,000	26,000	33,000,000
2	<b>Township and rural-based SMMEs and Cooperatives support facilitated</b>						
	- Number of township and rural based businesses supported with non-financial business development	21,802	18,000	18,850	19,825	20,796	183,528,600
	- Number of township and rural SMMEs assisted with Asset Assist Support Programme			1,000	1,020	1,041	225,000,000
	- Number of township and rural SMMEs assisted with General Dealer Support Programme			150	155	163	45,000,000
3	Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their businesses	187	50	100	110	120	5,000,000
4	Number of SMMEs and Co-operatives supported with business development	0	2,000	2,500	3,000	3,500	10,000,000
5	Number of SMMEs and Co-operatives supported with training, mentorship, and coaching	22,088	20,500	21,000	21,500	22,000	256,600,000
6	Number of Cooperatives assisted through cooperative development support programme	0	40	40	50	50	61,780,000
7	Number of SMMEs and Cooperatives supported with local markets readiness interventions	4,590	2,500	1,767	1,967	2,167	21,204,000
8	Number of SMMEs and Cooperatives linked to local markets	0	0	100	150	200	200,000
9	Number of SMMEs and Cooperatives supported with international market readiness interventions	2,559	500	300	350	400	4,500,000
10	Number of SMMEs and Co-operatives supported through trade missions	0	300	200	205	210	20,000,000
	<b>TOTAL</b>						<b>865,812,600</b>

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### 3. PROGRAMME 2: TECHNOLOGY PROGRAMME

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#### 3.1. PROGRAMME PURPOSE

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

In contributing towards the Seda impact statement of: “Competitive, innovative, and sustainable SMMEs and Cooperatives creating jobs and contributing to inclusive economic growth,” the Technology Programme delivers against the following outcome and five-year targets in the approved strategic plan:

**Outcome 1:** Increased growth and sustainability of SMMEs and Cooperatives.

The 2024/25 Performance Plan of Programme 2 is reflected in the log frame tables below:



### 3.2. PROGRAMME 2: OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1. Increased growth and sustainability of SMMEs and Cooperatives	SMME and Cooperatives supported to be competitive	Number of SMMEs and Cooperatives assisted through the Incubation Programme	New indicator	2 700	2 500	1 800	2 000	2 440	2 500
		Number of SMMEs and Cooperatives supported through the Technological Transfer Assistance Programme	Not measured	New indicator	70	50	6	7	8
		Number of Product Markets Established	Not Measured	Not Measured	Not Measured	New Indicator	7	7	8

### 3.3. PROGRAMME 2: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
Number of SMMEs and Cooperatives assisted through the Incubation Programme	2 000	400	600	400	600
Number of SMMEs and Cooperatives supported through the Technological Transfer Assistance Programme	6	-	-	6	-
Number of Product Markets Established	7	-	-	-	7

### **3.4. PROGRAMME 2: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD**

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

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

**The specific contributions of this programme to the achievement of the outcomes are as follows:**

#### **Outcome 1: Increased growth and sustainability of SMMEs and Cooperatives:**

**1) Incubation support:**

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

**2) Technology transfer assistance:**

Tailor-made support interventions that are needs based for SMMEs by providing them with a grant to purchase equipment, machinery, and associated working capital to a maximum of 10.0% of the total capex amount requested.

**3) Product Markets Established:**

The purpose of the Product market programme is to provide enabling infrastructure for SMME's to operate their businesses, so that they can be closer to their customers. The programme will target mostly start-up businesses.

### 3.5. PROGRAMME 2: RESOURCE CONSIDERATIONS

Programme 2 - Technology Programme							
		2022/23	2023/24	2024/25	2025/26	2026/27	Cost
1	Number of SMMEs and Cooperatives assisted through incubation programme	2,507	1,800	2,000	2,440	2,500	130,000,000
2	Number of SMMEs and Cooperatives assisted through Technological Transfer Assistance programme	32	50	6	7	8	3,000,000
3	Number of product market established	-	-	7	7	7	153,000,000
<b>TOTAL</b>							<b>286,000,000</b>

## 4. PROGRAMME 3: IMPACT AND SUSTAINABILITY PROGRAMME

### 4.1. PROGRAMME PURPOSE

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

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

**Outcome 1: Increased growth and sustainability of SMMEs and Cooperatives.**

The 2024/25 Performance Plan of Programme 3 is reflected in the log frame tables that follow:

#### 4.2. PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1. Increased growth and sustainability of SMMEs and Cooperatives	Growth and sustainability of SMMEs and Cooperatives facilitated	Number of SMMEs and Cooperatives supported with quality improvement interventions STP (60% STP)	New indicator	2 000	2 500	1 000	125	138	152
		Number of SMMEs and Cooperatives supported with productivity improvement interventions STP (60% STP)	Not measured	New indicator	2 000	1 000	125	138	152
		Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5.0% per annum EDD (60% EDD)	Not measured	New indicator	450	700	800	900	1 000
		Number of jobs created by SMMEs, and Cooperatives supported through	New indicator	3 500	4 000	4 500	4 800	5 000	5 200

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		nonfinancial support interventions EDD (60%)							
		Number of jobs sustained by SMMEs, and Cooperatives supported through non-financial support interventions EDD (60%)	New indicator	3 500	6 000	8 000	9 000	10 000	11 000

### 4.3. PROGRAMME 3: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
Number of SMMEs and Cooperatives supported with quality improvement interventions	125	15	30	40	40
Number of SMMEs and Cooperatives supported with productivity improvement interventions	125	15	30	40	40
Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5.0% per annum	800	150	250	200	200
Number of jobs created by SMMEs, and Cooperatives supported through nonfinancial support interventions	4 800	900	1 500	900	1 500
Number of jobs sustained by SMMEs, and Cooperatives supported through nonfinancial support interventions	9 000	1 500	3 000	1 500	3 000

#### **4.4. PROGRAMME 3: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD**

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

##### **Contribution of programme outputs to the outcomes and impact of Seda's Strategic Plan:**

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

##### **Outcome 1: Increased growth and sustainability of SMMEs and Cooperatives**

###### **1) Quality and productivity improvement:**

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

###### **2) Jobs created, jobs sustained, and business turnover increase:**

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



## 4.5. PROGRAMME 3: RESOURCE CONSIDERATIONS

Programme 3 - Impact and Sustainability Programme								
		2022/23	2023/24	2024/25	2025/26	2026/27	Average Costing	Cost R
1	Number of SMMEs and Co-operatives supported with quality improvement interventions	4,179	1,000	125	138	152	70,000	8,750,000
2	Number of SMMEs and Co-operatives supported with productivity improvement interventions	2,257	1,000	125	138	152	60,000	7,500,000
3	Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5% per annum	2,683	700	800	900	1,000	In-house	In-house
4	Number of jobs created by SMMEs and Co-operatives supported through non-financial support interventions	5,433	4,500	4,800	5,000	5,200	In-house	In-house
5	Number of jobs sustained by SMMEs and Co-operatives supported through non-financial support interventions	12,541	8,000	9,000	10,000	11,000	In-house	In-house
<b>TOTAL</b>								<b>16,250,000</b>

## 5. PROGRAMME 4: ADMINISTRATION PROGRAMME

### 5.1. PROGRAMME PURPOSE

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

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

**Outcome 3:** Integrated and coordinated ecosystem support for SMMEs and Cooperatives.

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

The 2024/25 Performance Plan of Programme 4 is reflected in the log frame tables that follow:

## 5.2. PROGRAMME 4: OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
4. An agile, innovative, excellent and customer-centric organisation	Innovative ideas implemented	Percentage of innovative ideas implemented	Not measured	New indicator	35.0%	40.0%	50.0%	55.0%	60.0%
	Stakeholder satisfaction measured	Percentage stakeholder satisfaction	Not measured	New indicator	80.0%	85.0%	85.0%	85.0%	85.0%
	Seda services digitalised	Number of priority systems digitised	Not measured	New indicator	2	1	1	1	1
	Vacancy rate maintained	Percentage of vacancy rate of approved posts	Not measured	New indicator	10.0%	10.0%	10.0%	10.0%	10.0%
	Performance-driven culture	Percentage of staff who performed at 311 and above in the performance cycle	Not measured	New indicator	60.0%	65.0%	70.0%	75.0%	75.0%
	Customer satisfaction measured	Percentage customer satisfaction	Not measured	New indicator	80.0%	85.0%	85.0%	85.0%	85.0%
	Employee satisfaction Measured	Percentage employee satisfaction	Not measured	New indicator	50.0%	55.0%	60.0%	65.0%	70.0%

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
3. Integrated and coordinated ecosystem support for SMMEs and Cooperatives	An effective ecosystem built	Percentage implementation of the Ecosystem Development Plan	Not measured	Not measured	New indicator	70.0%	100.0%	-	-

### 5.3. PROGRAMME 4: OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
Number of innovative ideas implemented	50.0%	-	-	-	50.0%
Percentage stakeholder satisfaction	85.0%	-	-	-	85.0%
Number of priority systems digitised	1	-	-	-	1
Percentage of vacancy rate of approved posts	10.0%	10.0%	10.0%	10.0%	10.0%
Percentage of staff who performed at 311 and above in the performance cycle	70.0%	-	-	-	70.0%
Percentage customer satisfaction	85.0%	-	-	-	85.0%
Percentage employee satisfaction	60.0%	-	-	-	60.0%
Percentage implementation of the Ecosystem Development Plan	100.0%	-	-	-	100.0%

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

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

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

### DEF Programme:

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

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

## 5.5. PROGRAMME 4: RESOURCE CONSIDERATIONS

Programme 4 - Administration								
		2022/23	2023/24	2024/25	2025/26	2026/27	Costing R	Cost R
1	Percentage of innovative ideas implemented	40%	40%	50%	55%	60%	In-house	
2	Percentage of stakeholder satisfaction		85%	85%	85%	85%	In-house	
3	Number of priority systems digitised	4	1	1	1	1	1,500,000	1,500,000
4	Percentage of vacancy rate on the approved posts	7%	10%	10%	10%	10%	In-house	
5	Percentage of staff who performed at 311 and above in the performance cycle.	83%	65%	70%	75%	75%	In-house	
6	Percentage customer satisfaction	99%	80%	85%	85%	85%	In-house	
7	Percentage of employee satisfaction	51%	55%	60%	65%	70%	In-house	
8	Percentage implementation of Ecosystem Development Plan	6%	70%	100%			3,000,000	3,000,000
<b>TOTAL</b>								<b>4,500,000</b>

## **6. RESOURCE CONSIDERATIONS**

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

### **6.1. EXPENDITURE ESTIMATES**

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The table below details Seda's budget for the three-year planning cycle as per the MTEF allocation. Seda's MTEF allocation was increased by R123.76 million over the MTEF period 2024/25 to 2026/27, which includes the new programme named Co-operative Development Support Programme. The normal allocation increase of below 5.0% continues to have an impact on service delivery.

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

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

**Table 19: Seda budget 2022/23 to 2026/27 (R million)**

INCOME					
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Audited R'million	Budget R'million			
DSBD from ENE budget	678.8	1,153.1	1,069.6	1,095.9	1,125.0
DSBD from ENE budget - STP	159.4	160.5	167.7	175.2	183.2
DSBD Capacity Building - ENE - STP	16.2	16.3	17.0	17.8	18.6
DSBD - Co-operatives Development Supplier Programme	-	73.1	61.8	64.5	67.5
DSBD specific projects	71.8	36.4	-	-	-
Specific projects - external	17.4	163.3	231.4	142.0	
Other income	13.3	7.5	10.0	10.0	10.0
<b>TOTAL INCOME</b>	<b>956.9</b>	<b>1,610.1</b>	<b>1,557.4</b>	<b>1,505.4</b>	<b>1,404.3</b>

EXPENDITURE					
Compensation of employees	381.1	420.2	424.4	441.0	470.0
Programme and Projects	552.8	1,155.4	1,101.1	1,032.2	899.6
Depreciation and asset write-offs	17.3	16.5	16.5	16.1	20.0
<b>Sub-total</b>	<b>951.2</b>	<b>1,592.1</b>	<b>1,542.0</b>	<b>1,489.3</b>	<b>1,389.6</b>
Capital expenditure	3.4	18.0	15.5	16.1	14.7
<b>TOTAL EXPENDITURE</b>	<b>954.6</b>	<b>1,610.1</b>	<b>1,557.4</b>	<b>1,505.4</b>	<b>1,404.3</b>

## 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 20: Asset and liability management (R million)**

ASSETS	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Audited R'million	Budget R'million			
Carrying value of assets	44.62	62.62	72.68	83.15	92.70
Inventory	0.31	0.38	0.40	0.42	0.44
Receivables and prepayments	27.10	3.00	3.00	3.00	3.00
Cash and cash equivalents	82.94	85.00	85.00	85.00	85.00
<b>Total assets</b>	<b>154.96</b>	<b>151.01</b>	<b>161.09</b>	<b>171.57</b>	<b>181.15</b>
LIABILITIES					
Accumulated surplus/(deficit)	-7.67	10.90	10.00	10.00	10.00
Operating Lease	1.96	3.71	3.71	3.71	17.64
Trade and other payables	136.31	112.04	123.02	133.51	133.51
Provisions	24.36	24.36	24.36	24.36	20.00
<b>Total equity and liabilities</b>	<b>154.96</b>	<b>151.00</b>	<b>161.08</b>	<b>171.57</b>	<b>181.15</b>

### 6.3. CASHFLOW PROJECTIONS

The table below details the organisation's cashflow projections for the 2022/2023 to 2026/2027 period.

**Table 21: Cashflow projections (R million)**

CASH FLOW DATA	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Audited R'million	Budget R'million			
Cash flow from operating activities	-103.4	20.1	15.4	16.1	14.7
Cash flow from investing activities	-3.3	-18.0	-15.5	-16.1	-14.7
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Net increase/(decrease) in cash and cash equivalents	-106.7	2.1	-0.1	0.0	0.0
Cash and cash equivalents at the beginning of the year	189.6	82.9	85.0	85.0	85.0
Estimate of available cash	82.9	85.0	85.0	85.0	85.0



## 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 22: Capital Expenditure (R million)**

CAPITAL EXPENDITURE DETAILS	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Audited R'million	Budget R'million			
Buildings: non-residential	0.0	0.4	0.0	0.0	0.0
Vehicles	0.8	4.0	3.5	3.2	2.5
Furniture and office equipment	0.6	1.0	2.2	0.0	1.0
Computer equipment and softwares	1.9	12.6	9.8	12.9	11.2
<b>TOTAL ACQUISITIONS</b>	<b>3.4</b>	<b>18.0</b>	<b>15.5</b>	<b>16.1</b>	<b>14.7</b>

## 7. UPDATED KEY RISKS

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

**Table 23: Strategic Risk Register, 2023/24**

OUTCOMES	KEY RISK	RISK MITIGATION
<b>Integrated and coordinated ecosystem support for SMMEs and Cooperatives.</b>	<ul style="list-style-type: none"> <li>Failure to integrate technology with ecosystem partners.</li> <li>Insufficient collaboration from the public and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>Identify win-win benefits for Seda and targeted partners.</li> <li>Actively pursue stakeholder engagement.</li> </ul>
<b>Increased entrepreneurship awareness, growth, and sustainability of township and rural-based SMMEs and Cooperatives.</b>	<ul style="list-style-type: none"> <li>Inadequate customisation of Seda services to identified or profile rural areas and townships.</li> <li>Limited access to Seda services by SMMEs and Cooperatives.</li> <li>Insufficient resources to deliver on planned initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct needs analysis for rural and township-based businesses and craft interventions that are suitable to their needs.</li> <li>Expand service access points.</li> <li>Leverage funding from partners.</li> <li>Provide mentoring and coaching, including quality</li> </ul>

OUTCOMES	KEY RISK	RISK MITIGATION
	<ul style="list-style-type: none"> <li>▪ Inability of SMMEs and Cooperatives to produce a desired quality.</li> </ul>	<p>testing and certification interventions.</p>
<p><b>Increased growth and sustainability of SMMEs and Cooperatives in the priority sectors.</b></p>	<ul style="list-style-type: none"> <li>▪ Inadequate business growth.</li> <li>▪ Limited access by SMMEs and Cooperatives to opportunities, as well as barriers to participate in priority sectors.</li> <li>▪ Non-alignment of Seda offerings to the market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify SMMEs in high growth sectors and support them.</li> <li>▪ Enable support through business linkages.</li> <li>▪ Conduct SMME needs analysis and benchmark with the market.</li> </ul>
<p><b>Increased localisation and market penetration by SMMEs and Cooperatives.</b></p>	<ul style="list-style-type: none"> <li>▪ Poorly designed initiatives.</li> <li>▪ Lack of market development.</li> <li>▪ Lack of industry standards and requirements.</li> <li>▪ Limited buy-in from big Cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop industry standards through collaboration.</li> <li>▪ Identify Cooperatives that can benefit from Seda interventions.</li> </ul>
<p><b>An agile, innovative, excellent, and customer-centric organisation.</b></p>	<ul style="list-style-type: none"> <li>▪ Lack of Seda innovation strategy.</li> <li>▪ Inadequate ICT systems and infrastructure.</li> <li>▪ Incoherent performance-focused culture.</li> <li>▪ Lack of skills alignment with organisational goals.</li> <li>▪ High dependency on service providers.</li> <li>▪ Uncertainty of organisational efficiency post-merger with sefa.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop and implement an Innovation Plan.</li> <li>▪ Identify required infrastructure and consolidate resources to develop or acquire it.</li> <li>▪ Identify skills deficiencies and develop a skills plan to mitigate deficiencies.</li> <li>▪ Identify service provider replacement through capacity increases and skills development.</li> <li>▪ Engage with DSBD and Ministry on the way forward.</li> </ul>

## **8. PUBLIC ENTITIES**

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Not applicable.

## **9. INFRASTRUCTURE PROJECTS**

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Not applicable.

## **10. PUBLIC PRIVATE PARTNERSHIPS**

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Not applicable.

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### 1. PROGRAMME 1: ENTERPRISE DEVELOPMENT

Indicator Title	Number of people reached through entrepreneurship awareness sessions
<b>Definition</b>	<p>People refers to potential SMMEs and Cooperatives. People who have an interest in starting a small business, including those who have started businesses are given business related information and guidance in starting and managing their businesses. People who attended a Seda organised session/event and taken through a Seda workbook</p> <p>People who attended a Seda organised session/event whereby business-related information and guidance in starting and managing a business is provided</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of people who attended an entrepreneurship event</p> <p><b>Seda employees including stakeholders should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ List of attendees</li> </ul>
<b>Assumptions</b>	<p>SMMEs and Cooperatives who have interest in starting a business have been identified</p>
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	22 000
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of township and rural based businesses supported with business development
<b>Definition</b>	<p>Township and rural businesses supported refers to business development support offered to businesses operating in the township and rural areas</p> <p>Township and rural based businesses are supported with needs-based assessments and interventions to enable them to grow and be sustainable</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of unique business assessments reports and business development interventions offered to SMMEs and Cooperatives operating in township and rural areas</p> <p><b>Urban-based businesses should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Manager approved intervention, or</li> <li>▪ Manager approved assessment</li> </ul>
<b>Assumptions</b>	Township and rural businesses needs are identified
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	Township and rural areas
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	18 850
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs and Cooperatives supported in priority sectors with non-financial business development to scale-up their business
<b>Definition</b>	<p>Priority sectors refers to manufacturing and construction, digital and ICT, agriculture and agro-processing, automotive, mining, aquaculture, tourism and services as defined by the government</p> <p>Businesses prioritised in this indicator have high growth potential as their turnover is R 2 million and above</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives who are in the priority sector and have received interventions in their specific sectors</p> <p><b>SMMEs and Cooperatives that are not in the priority sectors and whose turnover is below R2 million should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Income statement, or</li> <li>▪ Manager approved intervention</li> </ul>
<b>Assumptions</b>	<p>There are enterprises in the priority sectors ready for support</p>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	<p>N/A</p>
<b>Calculation Type</b>	<p>Cumulative (year-end)</p>
<b>Reporting Cycle</b>	<p>Quarterly</p>
<b>Desired Performance</b>	<p>100</p>
<b>Indicator Responsibility</b>	<p>Executive Manager: EDD</p>

Indicator Title	Number of SMMEs and Cooperatives supported with business development (Urban)
<b>Definition</b>	<p>Business development supported refers to prioritising businesses based in urban areas with non-financial interventions</p> <p>Urban-based businesses are supported with needs-based assessments and interventions to enable them to grow and be sustainable</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of business assessments reports and business development interventions offered to SMMEs and Cooperatives operating in urban areas</p> <p><b>Township and rural-based businesses should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Manager approved intervention, or</li> <li>▪ Manager approved assessment</li> </ul>
<b>Assumptions</b>	<p>SMMEs and Cooperatives in urban areas are ready to receive business development interventions</p>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	<p>N/A</p>
<b>Calculation Type</b>	<p>Cumulative (year-end)</p>
<b>Reporting Cycle</b>	<p>Quarterly</p>
<b>Desired Performance</b>	<p>2 500</p>
<b>Indicator Responsibility</b>	<p>Executive Manager: EDD</p>

Indicator Title	Number of SMMEs and Cooperatives supported with training, mentorship or coaching
<b>Definition</b>	Training, mentorship or coaching refers to businesses supported with business management and technical training individual or group coaching and mentorship. Businesses are supported with training, mentorship or coaching to improve their capabilities and skills. Interventions offered are targeting both technical and business management skills
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives supported through mentorship, training or coaching</p> <p><b>SMMEs and Cooperatives who were not supported with training, mentorship or coaching should not be counted as achievement</b></p> <p><b>Exhibition, export, productivity, and quality trainings should be counted in this indicator</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ List of attendees, or</li> <li>▪ Manager approved training, mentorship or coaching interventions</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are ready to receive training, mentorship or coaching
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	21 000
<b>Indicator Responsibility</b>	Executive Manager: EDD



Indicator Title	Number of Cooperatives supported through the Cooperative Development Support Programme
<b>Definition</b>	Cooperatives that are supported through the Cooperative Development Support Programme with machinery, equipment, tools, raw materials, stock, commercial vehicles, and other related support directly linked to the core function of the business
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	A numerical count of Cooperatives assisted through the Cooperative Development Support Programme  <b>SMMEs should not be assisted or counted as achievement under this programme</b>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Cooperatives Development Support Programme Approval Letter, or</li> <li>▪ Cooperatives Development Support Programme Approval Report, or</li> <li>▪ Approved adjudication minutes</li> </ul>
<b>Assumptions</b>	Cooperatives are ready to be assisted with the Cooperative Development Support Programme
<b>Disaggregation of Beneficiaries</b>	Women: 40% Youth: 30% Persons with disabilities: 7%
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	40
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs and Cooperatives supported with local markets readiness
<b>Definition</b>	<p>Local markets readiness support refers to SMMEs and Cooperatives supported with interventions and other activities that will enable them to participate in local markets</p> <p>These may include, among others, assessments, marketing support, digital support, exhibitions, pop-up markets, and more</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives supported with readiness to access local markets</p> <p><b>SMMEs and Cooperatives assisted with international markets readiness should not be reported under this indicator</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Manager approved intervention, or</li> <li>▪ Manager approved assessment</li> </ul>
<b>Assumptions</b>	<p>SMMEs and Cooperatives are ready to receive market readiness support</p>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	<p>N/A</p>
<b>Calculation Type</b>	<p>Cumulative (year-end)</p>
<b>Reporting Cycle</b>	<p>Quarterly</p>
<b>Desired Performance</b>	<p>1 767</p>
<b>Indicator Responsibility</b>	<p>Executive Manager: EDD</p>

Indicator Title	Number of SMMEs and Cooperatives linked to local markets
<b>Definition</b>	SMMEs and Cooperatives who are supported with interventions which enables them to obtain once off and/or time-based contracts to supply goods and services to clients in the South African market
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives supported with readiness to access local markets</p> <p><b>SMMEs and Cooperatives assisted with international markets readiness or trade missions should not be reported under this indicator</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Manager approved intervention or</li> <li>▪ Manager approved assessment, or</li> <li>▪ Service level agreements with buyers/wholesalers, retailers, corporates, etc, or</li> <li>▪ Supplier contracts, or</li> <li>▪ Store listing to supply products or services</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are ready to be linked to local markets
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs and Cooperatives supported with international markets readiness interventions
<b>Definition</b>	International markets readiness refers to businesses supported with export interventions to access international markets. SMMEs and Cooperatives are supported with export assessment and export interventions to enable them to effectively participate in international markets
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives supported with interventions that will assist them to become ready to supply international markets</p> <p><b>SMMEs and Cooperatives assisted with local markets readiness should not be reported under this indicator</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Manager approved intervention, or</li> <li>▪ Manager approved assessment</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are ready to receive international market readiness support
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	300
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs and Cooperatives supported through trade missions
<b>Definition</b>	Trade missions refers to businesses supported to exhibit their products outside South Africa: <ul style="list-style-type: none"> <li>▪ Businesses are provided with opportunities to exhibit outside the country (outbound trade missions)</li> <li>▪ Businesses are provided with opportunities to exhibit inside the country (inbound trade missions)</li> </ul>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Trade mission file, or</li> <li>▪ Client file</li> </ul>
<b>Method of Calculation/ Assessment</b>	A numerical count of SMMEs and Cooperatives that have been supported to exhibit their products outside South Africa  <b>SMMEs and Cooperatives who exhibited their products in South Africa should not be counted as achievement unless it is an inbound international trade mission</b>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Exhibition Report, or</li> <li>▪ Exhibition attendee list, or</li> <li>▪ Manager approved intervention, or</li> <li>▪ Manager approved assessments</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are supported to access international markets through trade missions (both inbound and outbound)
<b>Disaggregation of Beneficiaries</b>	Women: 40% Youth: 30% Persons with disabilities: 7%
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	200
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs supported with the Asset Assist Support Programme
<b>Definition</b>	Asset Assist Support Programme refers to support provided to SMMEs who are based in rural and township areas that are assisted with assets and up to 15% raw material/stock
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs that have been approved to receive assets, raw material, or stock</p> <p><b>SMMEs who are based in urban areas should not be counted as achievement under this indicator</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Asset Assist Approval Letter, or</li> <li>▪ Signed off Asset Assist approval minutes, or</li> <li>▪ Equipment/Raw material or stock delivery note</li> </ul>
<b>Assumptions</b>	SMMEs are ready to be supported with the Asset Assist Support Programme to acquire an asset (assets) or stock
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	1 000
<b>Indicator Responsibility</b>	Executive Manager: EDD

Indicator Title	Number of SMMEs supported through the General Dealer Support Programme
<b>Definition</b>	<p>General dealer support refers to SMMEs in townships and rural areas that are supported through the General Dealer Support Programme</p> <p>The programme aims to support general dealers that were/are operating in townships and rural areas through refurbishing existing derelict buildings, partitioning, and branding them into modern general dealers, as well as providing stock and other related assistance</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs that have been approved to receive support through the General Dealer Support Programme</p> <p><b>Cooperatives who have been assisted through the Cooperative Development Support Programme should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Approved minutes, or</li> <li>▪ Approval letter, or</li> <li>▪ Site handover report</li> </ul>
<b>Assumptions</b>	<p>SMMEs are ready to be assisted through the General Dealer Support Programme</p>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	<p>N/A</p>
<b>Calculation Type</b>	<p>Cumulative (year-end)</p>
<b>Reporting Cycle</b>	<p>Quarterly</p>
<b>Desired Performance</b>	<p>150</p>
<b>Indicator Responsibility</b>	<p>Executive Manager: EDD</p>

## 2. PROGRAMME 2: TECHNOLOGY PROGRAMME

Indicator Title	Number of SMMEs and Cooperatives assisted through the Incubation Programme
<b>Definition</b>	The intention of this indicator is to support SMMEs and Cooperatives to develop their products and skills to sustain their businesses during the early stages of formation. Various business development interventions are offered, which includes technical training, business management support, mentorship and coaching, and other necessary business development support
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Incubation files, or</li> <li>▪ e-Thuse.</li> </ul>
<b>Method of Calculation/ Assessment</b>	A numerical count of SMMEs and Cooperatives that are participating in the Incubation Programme
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Incubation contract, or</li> <li>▪ Growth Wheel Assessment Report, or</li> <li>▪ Any Seda approved assessment report</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are ready to be incubated through the Incubation Programme
<b>Disaggregation of Beneficiaries</b>	Women: 40% Youth: 30% Persons with disabilities: 7%
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	2 000
<b>Indicator Responsibility</b>	Executive Manager: STP



Indicator Title	Number of SMMEs and Cooperatives assisted through the Technology Transfer Assistance Programme
<b>Definition</b>	<p>The intention of this indicator is to support SMMEs and Cooperatives with technology to improve their business productivity and efficiency</p> <p>These businesses are subsidised in the procurement of the machinery that is funded by Seda depending on the business needs</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Technology transfer assistance files, or</li> <li>▪ e-These</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives that have been approved to receive technology support.</p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Approved Technology Transfer Assistance Approval List, or</li> <li>▪ Approved Technology Transfer Assistance Adjudication Minutes, or</li> <li>▪ Approved Excerpt of the EXCO Resolution of the TTA Adjudication Submission.</li> </ul>
<b>Assumptions</b>	<p>There are enterprises ready to receive technology transfer support</p>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	<p>N/A</p>
<b>Calculation Type</b>	<p>Cumulative (year-end)</p>
<b>Reporting Cycle</b>	<p>Annually</p>
<b>Desired Performance</b>	<p>6</p>
<b>Indicator Responsibility</b>	<p>Executive Manager: STP</p>

Indicator Title	Number of Product Markets Established
<b>Definition</b>	A product market refers to the environment or arena where goods or services are bought and sold. A product market represents the commercial space where businesses come together to offer their products or services to consumers or other businesses
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Product market files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	A numerical count of product markets that have been approved for establishment
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Product market approval letter, or</li> <li>▪ Product market agreement, or</li> <li>▪ Approved product market establishment minutes.</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are ready to be assisted through the Product Market Support Programme
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	District
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	7
<b>Indicator Responsibility</b>	Executive Manager: STP

### 3. PROGRAMME 3: IMPACT AND SUSTAINABILITY PROGRAMME

Indicator Title	Number of SMMEs and Cooperatives supported with quality improvement interventions
<b>Definition</b>	<p>Quality Improvement refers to businesses supported with product quality and quality systems improvement. SMMEs and Cooperatives are supported with quality interventions to enable them to expand their markets</p> <p>Quality improvement includes, product testing and conformity assessment, QMS implementation, quality certification, continual quality improvement initiatives, including other quality related interventions and product development</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Clients reports/files (STP)</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives who have been supported with quality interventions</p> <p>SMMEs and Cooperatives that are not supported to improve their product quality and quality systems should not be reported</p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Service level agreements and completion forms (quality interventions) (STP), or</li> <li>▪ List of SMMEs approved for quality intervention and client reports/files (STP), or</li> <li>▪ Manager approved intervention</li> </ul>
<b>Assumptions</b>	Identified clients are ready to receive interventions
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	125
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

Indicator Title	Number of SMMEs and Cooperatives assisted with productivity improvement
<b>Definition</b>	<p>Productivity Improvement refers to businesses supported with productivity improvement and production efficiency. SMMEs and Cooperatives are supported with productivity interventions to enable them to become efficient</p> <p>Productivity improvement includes production analysis, production layout, ergonomics studies, work studies, production optimisation techniques, waste management, continuous improvement techniques, lean manufacturing, and other productivity related interventions</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Productivity Improvement files (STP), or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives who have been supported with productivity interventions</p> <p><b>SMMEs and Cooperatives that are not supported to improve their productivity improvement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Service level agreement and completion form (productivity interventions) (STP), or</li> <li>▪ List of SMMEs approved for productivity intervention (STP), or</li> <li>▪ List of SMMEs attending productivity workshops (STP), or</li> <li>▪ Manager approved intervention</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Identified clients are ready to receive productivity improvement interventions</li> <li>▪ SMMEs are ready for expansion</li> </ul>
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	125
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

Indicator Title	Number of SMMEs and Cooperatives whose turnover has increased by a minimum of 5%
<b>Definition</b>	Turnover of 5% and above per annum refers to businesses whose turnover has increased by 5% or more from the baseline collected data  Businesses are provided with various interventions to enable them to grow their market share
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Incubation files (STP), or</li> <li>▪ Quality and TTA files (STP)</li> </ul>
<b>Method of Calculation/ Assessment</b>	A numerical count of SMMEs and Cooperatives whose turnover increased by 5% or above after Seda’s intervention.  <b>SMMEs and Cooperatives whose turnover is below 5% should not be reported as achievement.</b>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>✓ Improvement assessment forms, or</li> <li>✓ Income statements (pre and post interventions), or</li> <li>✓ Turnover calculations reflecting Improvement by 5% and above, or</li> <li>✓ Manager approved improvement assessment</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are supported to increase their turnover by 5% and above
<b>Disaggregation of Beneficiaries</b>	Women: 40% Youth: 30% Persons with disabilities: 7%
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	800
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

Indicator Title	Number of jobs created by SMMEs and Cooperatives supported through non-financial support interventions
<b>Definition</b>	Jobs created refers to businesses who have created new jobs post Seda’s intervention. Businesses are provided with various interventions to enable them to grow and create new jobs.
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Incubation files (STP), or</li> <li>▪ Quality and TTA files (STP).</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives who have created new jobs Total number of new jobs after intervention vs jobs at pre-intervention</p> <p><b>Businesses who have not created new jobs should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Improvement assessment forms, or</li> <li>▪ Confirmation of employees (pre and post interventions), or</li> <li>▪ Jobs created calculations, or</li> <li>▪ Employment contract/proof of employment (STP), or</li> <li>▪ Manager approved improvement assessment</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are supported to create jobs
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	4 800
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

Indicator Title	Number of jobs sustained by SMMEs and Cooperatives supported through non-financial support interventions
<b>Definition</b>	Enterprises that are sustaining existing jobs after receiving business support
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ e-Thuse, or</li> <li>▪ Incubation files (STP), or</li> <li>▪ Quality and TTA files (STP)</li> </ul>
<b>Method of Calculation/ Assessment</b>	<p>A numerical count of SMMEs and Cooperatives who have sustained existing jobs</p> <p><b>Businesses who have not sustained jobs should not be counted as achievement</b></p>
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Improvement assessment forms, or</li> <li>▪ Confirmation of employees (pre and post interventions), or</li> <li>▪ Jobs sustained calculations, or</li> <li>▪ Employment contract/proof of employment (STP), or</li> <li>▪ Manager approved improvement assessment</li> </ul>
<b>Assumptions</b>	SMMEs and Cooperatives are supported to sustain jobs.
<b>Disaggregation of Beneficiaries</b>	<p>Women: 40%</p> <p>Youth: 30%</p> <p>Persons with disabilities: 7%</p>
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	9 000
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

## 4. PROGRAMME 4: ADMINISTRATION

Indicator Title	Percentage of Innovative Ideas Implemented
<b>Definition</b>	Innovative Ideas are aimed at transforming the way Seda operates to improve efficiency, services offerings, and stakeholder satisfaction (shareholder, clients, and employees). This indicator measures the practical implementation of generated innovative ideas to effect positive change
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Idea Generation Register, or</li> <li>▪ Innovative Idea Implementation Report, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of innovative ideas generated vs ideas implemented
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Idea Generation Register, or</li> <li>▪ Innovative Idea Implementation Report</li> </ul>
<b>Assumptions</b>	There is a drive to encourage innovation within the organisation
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	2 new ideas at 50% implementation
<b>Indicator Responsibility</b>	Office of the CEO



Indicator Title	Percentage of stakeholder satisfaction
<b>Definition</b>	Stakeholder satisfaction is the level of approval that organisations and targeted groups have in an organisation. Stakeholder satisfaction is important because it influences the choices those stakeholders make about their involvement in an organisation. Seda intends to collect and analysing data on how satisfied and engaged stakeholders are with the organisations programmes and performance results
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Stakeholder Index, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of Stakeholders satisfied over total number of Stakeholders surveyed
<b>Means of Verification</b>	Stakeholder satisfaction survey results or report
<b>Assumptions</b>	To ensure that the organisation continuously access stakeholders level of satisfaction
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	85%
<b>Indicator Responsibility</b>	Office of the CEO

Indicator Title	Number of priority systems digitised
<b>Definition</b>	Digitisation refers to the adaptation or converting of a system or business processes to be operated with the use of digital technologies. The organisation aims to digitise some of its processes to improve efficiency
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Digitalisation files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of systems identified for digitalisation
<b>Means of Verification</b>	Project implementation report
<b>Assumptions</b>	Seda has developed a digitalisation roadmap to be implemented
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	1
<b>Indicator Responsibility</b>	Chief Strategy and Information Officer

Indicator Title	Percentage of vacancy rate
<b>Definition</b>	The vacancy rate measures the percentage of vacant positions in an approved structure over a specific period. Seda aims to maintain the vacancy rate on acceptable levels to manage workload and to ensure that it does not contribute negatively on the organisations performance
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ HR files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of vacancies versus filled positions in the approved structure
<b>Means of Verification</b>	Consolidated vacancies
<b>Assumptions</b>	There is a drive to fill vacant positions
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	10%
<b>Indicator Responsibility</b>	Executive Manager: Corporate Services

Indicator Title	Percentage of staff who performed at 311 and above in the performance cycle
<b>Definition</b>	<p>Employee performance measures how an employee fulfils the duties of their role, completes required tasks, and behaves in the workplace. The performance includes the quality, quantity, and efficiency of work</p> <p>Seda evaluates employee’s performance using tools that determines acceptable level of performance. The organisation aims that majority of its employees should perform above 311 in the performance cycle</p>
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ HR files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of staff recognised for excellence
<b>Means of Verification</b>	Records of staff rated between 311 and above in the performance cycle
<b>Assumptions</b>	There is a drive to encourage staff members to excel
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	70%
<b>Indicator Responsibility</b>	Executive Manager: Corporate Services

Indicator Title	Percentage of Customer Satisfaction
<b>Definition</b>	Customer Satisfaction measures how well an organisation’s products or services and capabilities meets customer expectations. Seda intends to collect and analysing data on how customers are satisfied with the organisation’s programmes and service
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Branch files, or</li> <li>▪ Incubation files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of Satisfied Customers vs all Customers Surveyed
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Customer satisfaction survey form, or</li> <li>▪ Customer satisfaction survey report</li> </ul>
<b>Assumptions</b>	There is a drive to improve customer service
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	85%
<b>Indicator Responsibility</b>	Executive Manager: EDD and STP

Indicator Title	Percentage of employee satisfaction
<b>Definition</b>	Employee satisfaction is the extent to which employees are happy or content with their jobs and work environment. Seda intends to collect and analyse data on employees' happiness or contentment with their jobs and work environment
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ HR files, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Number of satisfied employees vs all employees surveyed
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Staff satisfaction survey results, or</li> <li>▪ Staff satisfaction survey report</li> </ul>
<b>Assumptions</b>	There is a drive to encourage and engage staff members for them to be acknowledged
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	60%
<b>Indicator Responsibility</b>	Executive Manager: Corporate Services

Indicator Title	Percentage implementation of the Ecosystem Development Plan
<b>Definition</b>	A system capable of supporting entrepreneurship, enterprise development, job creation, and growth in a specific environment or territory. The ecosystem is built upon cooperation between local enterprise development players, with each player finding their specific place in the network and fulfilling their role without significant overlaps, but in a close, interconnected way
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>▪ Project plan, or</li> <li>▪ Proof of implementation, or</li> <li>▪ e-Thuse</li> </ul>
<b>Method of Calculation/ Assessment</b>	Total number of initiatives identified in the Ecosystem Plan vs initiatives implemented
<b>Means of Verification</b>	<ul style="list-style-type: none"> <li>▪ Project plan</li> <li>▪ Proof of implementation</li> </ul>
<b>Assumptions</b>	Seda has developed a roadmap to be implemented
<b>Disaggregation of Beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100%
<b>Indicator Responsibility</b>	Office of the CEO

# ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

## **ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN**

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Not applicable.

## **ANNEXURE B: CONDITIONAL GRANTS**

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Not applicable.

## **ANNEXURE C: CONSOLIDATED INDICATORS**

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Not applicable.



## ANNEXURE D: DISTRICT DEVELOPMENT MODEL

AREAS OF INTERVENTION	MEDIUM TERM (THREE-YEAR MTEF)				
	Project Description	Budget Allocation	District Municipality	Location (GPS Coordinates)	Social Partners
Finfind agreement activation at 7 pilot districts	<b>Facilitating access to finance for SMMEs</b>	Zero	Sarah Baartman – EC OR Tambo – EC Amathole – EC Chris Hani – EC uMgungundlovu – KZN eThekwini – KZN John Taolo Gaetsewe - NC	<ol style="list-style-type: none"> <li>Sarah Baartman: -33.94807024935827, 25.564175486507217</li> <li>OR Tambo: -31.598952968293826, 28.783062199923222</li> <li>Amatole: -32.97921369853143, 27.901733528835738</li> <li>Chris Hani: -31.895868732547516, 26.880372684657047</li> <li>uMgungundlovu: -29.601625837062635, 30.380906257671484</li> <li>eThekwini: -29.830496008325223, 30.951722442328517</li> <li>John Taolo Gaetsewe: -27.460061432362945, 23.432307991294984</li> </ol>	To be confirmed
ESD agreements at the 7 pilot districts	<b>Facilitating access to markets for SMMEs</b>	Zero	Sarah Baartman – EC OR Tambo – EC Amathole – EC Chris Hani – EC uMgungundlovu – KZN eThekwini – KZN John Taolo Gaetsewe - NC	<ol style="list-style-type: none"> <li>Sarah Baartman: -33.94807024935827, 25.564175486507217</li> <li>OR Tambo: -31.598952968293826, 28.783062199923222</li> <li>Amatole: -32.97921369853143, 27.901733528835738</li> <li>Chris Hani: -31.895868732547516, 26.880372684657047</li> <li>uMgungundlovu: -29.601625837062635, 30.380906257671484</li> <li>eThekwini: -29.830496008325223, 30.951722442328517</li> <li>John Taolo Gaetsewe: -27.460061432362945, 23.432307991294984</li> </ol>	To be confirmed
Briefing update of incubators on the DEF Strategy implementation	<b>Incubator CEO engagement</b>	Zero	Sarah Baartman – EC OR Tambo – EC Amathole – EC Chris Hani – EC uMgungundlovu – KZN eThekwini – KZN John Taolo Gaetsewe - NC	<ol style="list-style-type: none"> <li>Sarah Baartman: -33.94807024935827, 25.564175486507217</li> <li>OR Tambo: -31.598952968293826, 28.783062199923222</li> <li>Amatole: -32.97921369853143, 27.901733528835738</li> <li>Chris Hani: -31.895868732547516, 26.880372684657047</li> <li>uMgungundlovu: -29.601625837062635, 30.380906257671484</li> <li>eThekwini: -29.830496008325223, 30.951722442328517</li> <li>John Taolo Gaetsewe: -27.460061432362945, 23.432307991294984</li> </ol>	To be confirmed

AREAS OF INTERVENTION	MEDIUM TERM (THREE-YEAR MTEF)				
	Project Description	Budget Allocation	District Municipality	Location (GPS Coordinates)	Social Partners
Physical Infrastructure Requirements Report	Access to services for SMMEs through Branches, access points, co-locations, incubators	Zero	52 districts [44 + 8]	To be confirmed	To be confirmed
Confirmation of the development of the digital infrastructure	District Information Management System [DIMS] and e-platforms [Export Development and Market Access Platform and e-Mentorship Business Advisory platform]	EDSE funds	52 districts [44 + 8]	To be confirmed	To be confirmed