

Vote 36

Small Business Development

Budget summary

R million	2020/21				2021/22	2022/23
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	129.1	125.5	–	3.5	136.8	143.5
Sector Policy and Research	28.0	27.9	–	0.1	28.7	31.8
Integrated Cooperative Development	140.0	52.4	87.3	0.3	147.1	152.9
Enterprise Development and Entrepreneurship	2 109.7	45.5	2 063.8	0.3	2 383.6	2 432.5
Total expenditure estimates	2 406.8	251.4	2 151.1	4.3	2 696.1	2 760.7
Executive authority	Minister of Small Business Development					
Accounting officer	Director-General of Small Business Development					
Website	www.dsbd.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available at www.treasury.gov.za. These publications provide more comprehensive coverage of vote-specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

Vote purpose

Promote the development of small businesses and cooperatives that contribute to inclusive economic growth and job creation.

Mandate

The Department of Small Business Development is tasked with the responsibility of leading an integrated approach to the promotion and development of small businesses and cooperatives by focusing on economic and legislative drivers that stimulate entrepreneurship to contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

The department's mandate is guided by a legislative framework that includes:

- the National Small Business Act (1996)
- the National Small Business Amendment Act (2004)
- the Small Business Development Act (1981)
- the Cooperatives Act (2005)
- the Cooperatives Amendment Act (2013).

Selected performance indicators

Table 36.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of cooperatives supported financially through the cooperatives incentive scheme per year	Integrated Cooperative Development	Priority 1: Economic transformation and job creation	370	270	121	– ¹	– ¹	– ¹	– ¹
Number of cluster cooperatives supported through training per year	Integrated Cooperative Development		370	303	170	77	– ¹	– ¹	– ¹

Table 36.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of black-owned SMMEs assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship	Priority 1: Economic transformation and job creation	600	508	505	715	- ¹	- ¹	- ¹
Number of informal business infrastructure funded through the shared economic infrastructure facility per year	Enterprise Development and Entrepreneurship		- ²	6	7	10	- ¹	- ¹	- ¹
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	Enterprise Development and Entrepreneurship		1 666	570	1 922	1 500	- ¹	- ¹	- ¹
Number of competitive SMMEs and cooperatives supported through the blended finance model per year	Enterprise Development and Entrepreneurship, and Integrated Cooperative Development		- ²	- ²	- ²	- ²	130	150	170
Number of incubation centres/digital hubs in townships and rural areas established per year	Enterprise Development and Entrepreneurship		- ²	- ²	- ²	4	5	7	9

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

Key elements of the National Development Plan emphasise the importance of the contribution of small, medium and micro enterprises (SMMEs) and cooperatives to inclusive economic growth and employment. This is given expression by priority 1 (economic transformation and job creation) of government's 2019-2024 medium-term strategic framework, with which the work of the Department of Small Business Development is directly aligned. Accordingly, over the medium term the department plans to focus on increasing support for small enterprises and developing cooperatives.

Expenditure is expected to increase at an average annual rate of 6.8 per cent, from R2.3 billion in 2019/20 to R2.8 billion by 2022/23. The bulk of the department's spending over the medium term is on transfers to the Small Enterprise Development Agency, amounting to R2.8 billion, and to Small Enterprise Finance Agency for implementation of the Township Entrepreneurship Fund, amounting to R2.8 billion, as well as for internally administered incentives amounting to R1.5 billion.

Increasing support for small businesses and developing cooperatives

The department provides direct and indirect support to small businesses through the Small Enterprise Development Agency, and support programmes such as the black business supplier development programme and the national informal business upliftment scheme. Accordingly, over the medium term, the department will focus on establishing a one-stop SMME platform for businesses to access financial and non-financial support; and improving access to finance by implementing the blended finance model in the Township Entrepreneurship Fund, and extending blended finance to SMMEs and cooperatives. Applying the model entails the mixture of grants and loans that ultimately lower the cost of capital for borrowers, and ensuring access to finance for SMMEs and cooperatives. In terms of developing cooperatives, over the medium term the department will oversee the implementation and monitoring of the integrated cooperatives strategy, which is intended to ensure the successful establishment of sustainable cooperatives through funding, training and providing access to markets. These activities are carried out in the *Enterprise Development and Entrepreneurship* programme, which receives allocations amounting to R6.9 billion over the MTEF period.

Developing the Small Enterprise Development Masterplan

To ensure the development of an enabling policy, legal and regulatory environment for small enterprises the department will develop the Small Enterprise Development Masterplan which will enable small enterprises to realise their full potential. The Masterplan will ensure the delivery of an integrated, targeted and effected support interventions aimed at promoting entrepreneurship as well as providing financial and non-financial support to qualifying small enterprises, using the life cycle approach.

Expenditure trends and estimates

Table 36.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. Sector Policy and Research											
3. Integrated Cooperative Development											
4. Enterprise Development and Entrepreneurship											
Programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23		
R million											
Programme 1	98.9	117.0	125.5	124.4	7.9%	7.3%	129.1	136.8	143.5	4.9%	5.3%
Programme 2	13.8	16.7	17.0	32.3	32.6%	1.3%	28.0	28.7	31.8	-0.5%	1.2%
Programme 3	78.6	99.2	75.3	129.0	18.0%	6.0%	140.0	147.1	152.9	5.8%	5.6%
Programme 4	1 005.7	1 226.5	1 201.8	1 982.8	25.4%	85.4%	2 109.7	2 383.6	2 432.5	7.1%	87.9%
Total	1 197.0	1 459.5	1 419.5	2 268.6	23.8%	100.0%	2 406.8	2 696.1	2 760.7	6.8%	100.0%
Change to 2019				(300.0)			(306.5)	(167.2)	(209.3)		
Budget estimate											
Economic classification											
Current payments	178.7	207.1	206.6	237.4	9.9%	13.1%	251.4	266.9	278.0	5.4%	10.2%
Compensation of employees	114.0	129.0	133.0	151.5	9.9%	8.3%	162.3	172.9	180.4	6.0%	6.6%
Goods and services ¹	64.6	78.1	73.6	85.8	9.9%	4.8%	89.1	94.1	97.6	4.4%	3.6%
<i>of which:</i>											
<i>Audit costs: External</i>	3.2	3.3	5.3	5.7	21.1%	0.3%	5.1	5.3	5.5	-1.1%	0.2%
<i>Computer services</i>	2.9	5.0	7.0	9.4	47.3%	0.4%	9.3	9.2	8.8	-2.4%	0.4%
<i>Consultants: Business and advisory services</i>	5.1	13.5	5.5	9.3	22.3%	0.5%	9.1	9.9	10.5	4.2%	0.4%
<i>Operating leases</i>	16.0	18.9	20.4	21.7	10.7%	1.2%	24.3	26.3	27.4	8.0%	1.0%
<i>Travel and subsistence</i>	18.2	20.7	20.8	20.8	4.5%	1.3%	21.3	21.9	23.3	3.9%	0.9%
<i>Venues and facilities</i>	4.9	0.4	1.4	4.6	-2.2%	0.2%	6.1	6.6	6.5	12.1%	0.2%
Transfers and subsidies¹	1 015.4	1 245.9	1 206.4	2 026.6	25.9%	86.6%	2 151.1	2 424.7	2 478.0	6.9%	89.6%
Departmental agencies and accounts	652.9	811.3	840.1	882.8	10.6%	50.2%	889.1	937.4	972.5	3.3%	36.3%
Public corporations and private enterprises	362.3	434.5	365.7	1 143.6	46.7%	36.3%	1 262.0	1 487.4	1 505.5	9.6%	53.3%
Non-profit institutions	0.1	-	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Households	0.1	0.2	0.7	0.3	45.7%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	3.0	6.5	6.5	4.6	15.5%	0.3%	4.3	4.5	4.7	1.3%	0.2%
Machinery and equipment	3.0	5.0	5.0	4.6	15.5%	0.3%	4.3	4.5	4.7	1.3%	0.2%
Software and other intangible assets	-	1.5	1.5	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Payments for financial assets	0.0	-	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Total	1 197.0	1 459.5	1 419.5	2 268.6	23.8%	100.0%	2 406.8	2 696.1	2 760.7	6.8%	100.0%

1. Tables that detail expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 36.3 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	652 914	811 301	840 089	882 763	10.6%	58.0%	889 140	937 368	972 475	3.3%	40.5%
Small Enterprise Development Agency	496 495	619 766	580 241	680 076	11.1%	43.3%	682 626	719 496	746 502	3.2%	31.2%
Small Enterprise Development Agency: Technology programme	139 187	146 146	199 359	152 281	3.0%	11.6%	160 261	169 075	175 361	4.8%	7.2%
Small Enterprise Development Agency: Capacity-building programme	17 232	30 389	30 489	15 406	-3.7%	1.7%	16 253	17 147	17 785	4.9%	0.7%
Small Enterprise Development Agency: National gazelles programme	–	15 000	30 000	35 000	–	1.5%	30 000	31 650	32 827	-2.1%	1.4%
Households											
Social benefits											
Current	94	158	454	291	45.7%	–	–	–	–	-100.0%	–
Households	25	50	243	277	122.9%	–	–	–	–	-100.0%	–
Employee social benefits	69	108	211	14	-41.2%	–	–	–	–	-100.0%	–
Households											
Other transfers to households											
Current	–	–	200	–	–	–	–	–	–	–	–
Employee social benefits	–	–	100	–	–	–	–	–	–	–	–
Social Benefits	–	–	100	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	–	–	700 000	–	12.7%	800 000	1 000 000	1 000 000	12.6%	38.5%
Small Enterprise Finance Agency: Township Entrepreneurship Fund	–	–	–	700 000	–	12.7%	800 000	1 000 000	1 000 000	12.6%	38.5%
Non-profit institutions											
Current	100	–	–	–	-100.0%	–	–	–	–	–	–
Primesters Marketing	100	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	362 288	434 460	365 703	443 584	7.0%	29.2%	461 956	487 363	505 480	4.5%	20.9%
Various institutions: Cooperatives incentive scheme	63 879	70 695	41 222	87 984	11.3%	4.8%	87 254	92 052	95 473	2.8%	4.0%
Various institutions: Black business supplier development programme	268 009	256 743	257 739	286 126	2.2%	19.4%	283 751	299 357	310 486	2.8%	13.0%
Various institutions: Craft customised sector programme	10 000	10 000	10 000	10 560	1.8%	0.7%	11 141	11 754	12 191	4.9%	0.5%
Various institutions: National informal business upliftment scheme	–	26 422	56 742	58 914	–	2.6%	79 810	84 200	87 330	14.0%	3.4%
Various institutions: Enterprise incubation programme	20 400	70 600	–	–	-100.0%	1.7%	–	–	–	–	–
Total	1 015 396	1 245 919	1 206 446	2 026 638	25.9%	100.0%	2 151 096	2 424 731	2 477 955	6.9%	100.0%

Personnel information

Table 36.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																	
1. Administration																	
2. Sector Policy and Research																	
3. Integrated Cooperative Development																	
4. Enterprise Development and Entrepreneurship																	
Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)		
		2018/19	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23										
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Small Business Development																	
Salary level	241	27	200	133.0	0.7	237	151.5	0.6	239	162.3	0.7	234	172.9	0.7	214	180.4	0.8
1 – 6	45	12	36	9.7	0.3	51	13.8	0.3	40	10.6	0.3	45	13.1	0.3	41	12.1	0.3
7 – 10	85	–	77	35.9	0.5	73	39.0	0.5	78	44.5	0.6	77	46.5	0.6	75	48.4	0.6
11 – 12	47	–	46	37.0	0.8	49	43.1	0.9	50	46.9	0.9	48	47.7	1.0	48	50.6	1.1
13 – 16	43	1	39	50.4	1.3	43	53.5	1.2	43	57.2	1.3	45	63.4	1.4	46	69.0	1.5
Other	21	14	2	–	–	21	2.1	0.1	28	3.1	0.1	19	2.1	0.1	4	0.3	0.1
Programme	241	27	200	133.0	0.7	237	151.5	0.6	239	162.3	0.7	234	172.9	0.7	214	180.4	0.8
Programme 1	114	14	95	65.4	0.7	108	63.9	0.6	102	65.5	0.6	96	69.0	0.7	94	72.5	0.8
Programme 2	28	–	16	10.9	0.7	28	19.8	0.7	26	18.3	0.7	23	18.0	0.8	21	20.3	1.0
Programme 3	43	3	43	28.4	0.7	45	33.2	0.7	57	42.1	0.7	57	44.3	0.8	49	45.8	0.9
Programme 4	56	10	46	28.4	0.6	56	34.5	0.6	54	36.4	0.7	58	41.6	0.7	50	41.8	0.8

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 36.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2016/17	2017/18	2018/19					2019/20	2020/21	2021/22		
Departmental receipts	88	551	1 329	23 234	23 234	541.5%	100.0%	80	90	100	-83.7%	100.0%
Sales of goods and services produced by department	88	52	57	56	56	-14.0%	1.0%	80	90	100	21.3%	1.4%
Sales by market establishments of which:												
Parking	88	52	57	24	24	-35.2%	0.9%	80	90	100	60.9%	1.3%
Other sales	-	-	-	32	32	-	0.1%	-	-	-	-100.0%	0.1%
List item	-	-	-	32	32	-	0.1%	-	-	-	-100.0%	0.1%
Transfers received	-	-	-	23 000	23 000	-	91.3%	-	-	-	-100.0%	97.9%
Interest, dividends and rent on land	-	2	1	14	14	-	0.1%	-	-	-	-100.0%	0.1%
Interest	-	2	1	14	14	-	0.1%	-	-	-	-100.0%	0.1%
Sales of capital assets	-	-	175	145	145	-	1.3%	-	-	-	-100.0%	0.6%
Transactions in financial assets and liabilities	-	497	1 096	19	19	-	6.4%	-	-	-	-100.0%	0.1%
Total	88	551	1 329	23 234	23 234	541.5%	100.0%	80	90	100	-83.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Ministry	29.7	30.9	32.7	27.8	-2.2%	26.0%	25.8	27.3	28.7	1.1%	20.5%
Departmental Management	14.5	16.9	16.3	18.1	7.7%	14.1%	17.9	18.9	20.0	3.2%	14.0%
Corporate Services	33.5	45.2	50.6	53.2	16.7%	39.2%	58.2	62.0	65.0	6.9%	44.7%
Financial Management	14.9	16.3	19.4	20.3	10.8%	15.2%	19.9	20.9	21.8	2.4%	15.5%
Communications	6.3	7.8	6.5	5.0	-7.8%	5.5%	7.3	7.7	8.0	17.4%	5.2%
Total	98.9	117.0	125.5	124.4	7.9%	100.0%	129.1	136.8	143.5	4.9%	100.0%
Change to 2019				-			(2.4)	(2.8)	(2.1)		
Budget estimate											
Economic classification											
Current payments	96.0	110.8	119.5	120.3	7.8%	95.9%	125.5	133.1	139.6	5.1%	97.1%
Compensation of employees	52.2	62.5	65.4	63.9	7.0%	52.4%	65.5	69.0	72.5	4.3%	50.8%
Goods and services ¹	43.8	48.3	54.2	56.4	8.8%	43.5%	60.0	64.1	67.1	6.0%	46.4%
of which:											
Advertising	2.1	1.4	0.4	0.5	-38.0%	0.9%	2.1	2.2	2.3	67.5%	1.3%
Audit costs: External	3.2	3.3	5.3	5.7	21.1%	3.7%	5.1	5.3	5.5	-1.1%	4.0%
Computer services	2.9	5.0	7.0	7.5	36.7%	4.8%	7.9	8.3	8.8	5.2%	6.1%
Legal services	-	0.1	0.3	1.4	-	0.4%	1.9	2.1	2.2	17.7%	1.4%
Operating leases	16.0	18.9	20.4	21.7	10.9%	16.5%	24.3	26.3	27.4	8.0%	18.7%
Travel and subsistence	10.1	10.8	11.6	10.3	0.7%	9.2%	9.7	10.3	10.9	1.9%	7.7%
Transfers and subsidies ¹	0.0	0.1	0.2	0.3	122.9%	0.1%	-	-	-	-100.0%	0.1%
Households	0.0	0.1	0.2	0.3	122.9%	0.1%	-	-	-	-100.0%	0.1%
Payments for capital assets	2.9	6.2	5.7	3.8	10.3%	4.0%	3.5	3.7	3.9	0.7%	2.8%
Machinery and equipment	2.9	4.7	4.2	3.8	10.3%	3.3%	3.5	3.7	3.9	0.7%	2.8%
Software and other intangible assets	-	1.5	1.5	-	-	0.6%	-	-	-	-	-
Payments for financial assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	98.9	117.0	125.5	124.4	7.9%	100.0%	129.1	136.8	143.5	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	8.0%	8.8%	5.5%	-	-	5.4%	5.1%	5.2%	-	-

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Programme 2: Sector Policy and Research

Programme purpose

Develop and review policies and legislation; conduct research; promote sound intergovernmental relations; and monitor and evaluate programmes to ensure the development and growth of sustainable small, medium and micro enterprises and cooperatives that contribute to the creation of employment and economic growth.

Objectives

- Create or promote an environment conducive for the establishment, development and growth of SMMEs and cooperatives on an ongoing basis by:
 - developing relevant legislative and policy frameworks, and enforcing their implementation
 - conducting comprehensive research on key areas of support for SMMEs and cooperatives
 - aligning and coordinating intergovernmental policy on SMMEs and cooperatives
 - negotiating and lobbying at regional and international SMME and cooperative forums
 - monitoring and reviewing programmes for SMMEs and cooperatives.

Subprogrammes

- *Research* provides knowledge management services to direct sector thought leadership, and guides evidence-based policy making and programme design.
- *Policy and Legislation* develops and reviews policies and legislation to create and promote sustainable growth for small businesses and cooperatives, and advances coordination and cooperation among the spheres of government.
- *International Relations* promotes sector interests in the global marketplace through negotiations and lobbying at different regional and international forums, and the development of strategies and position papers.
- *Monitoring and Evaluation* provides monitoring and evaluation services to evaluate performance and identify factors that improve service delivery outcomes.

Expenditure trends and estimates

Table 36.7 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million					2016/17 - 2019/20					2019/20 - 2022/23	
Research	13.6	10.8	6.7	17.3	8.3%	60.7%	19.8	19.4	21.9	8.2%	65.0%
Policy and Legislation	–	–	4.8	5.7	–	13.2%	4.2	4.8	5.1	-3.7%	16.4%
International Relations	–	3.8	3.3	6.0	–	16.4%	–	–	–	-100.0%	5.0%
Monitoring and Evaluation	0.2	2.1	2.2	3.3	151.7%	9.7%	4.0	4.4	4.8	13.7%	13.7%
Total	13.8	16.7	17.0	32.3	32.6%	100.0%	28.0	28.7	31.8	-0.5%	100.0%
Change to 2019				(3.3)			(11.4)	(13.6)	–		
Budget estimate											
Economic classification											
Current payments	13.8	16.7	16.8	32.2	32.6%	99.5%	27.9	28.6	31.7	-0.5%	99.6%
Compensation of employees	10.3	10.2	10.9	19.8	24.6%	64.1%	18.3	18.0	20.3	0.7%	63.2%
Goods and services ¹	3.6	6.5	5.9	12.4	51.5%	35.4%	9.7	10.6	11.4	-2.6%	36.5%
<i>of which:</i>											
<i>Administrative fees</i>	0.1	0.1	0.1	0.1	4.1%	0.4%	0.1	0.1	0.1	-6.6%	0.3%
<i>Catering: Departmental activities</i>	0.2	0.2	0.1	0.3	11.5%	0.9%	0.2	0.2	0.2	-9.2%	0.8%
<i>Communication</i>	0.0	0.0	0.1	0.1	33.2%	0.3%	0.1	0.1	0.1	-14.2%	0.3%
<i>Consultants: Business and advisory services</i>	1.7	4.8	3.1	7.4	63.5%	21.2%	7.5	8.2	8.7	5.7%	26.3%
<i>Travel and subsistence</i>	1.1	1.4	1.9	3.3	43.2%	9.6%	1.8	2.0	2.3	-11.5%	7.7%
<i>Venues and facilities</i>	0.2	–	–	0.1	-26.3%	0.4%	0.0	0.0	0.0	-18.1%	0.2%

Table 36.7 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classifications	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23
R million											
Transfers and subsidies ¹	–	–	0.1	–	–	0.2%	–	–	–	–	–
Households	–	–	0.1	–	–	0.2%	–	–	–	–	–
Payments for capital assets	0.0	0.0	0.1	0.1	46.5%	0.4%	0.1	0.1	0.1	2.9%	0.4%
Machinery and equipment	0.0	0.0	0.1	0.1	46.5%	0.4%	0.1	0.1	0.1	2.9%	0.4%
Total	13.8	16.7	17.0	32.3	32.6%	100.0%	28.0	28.7	31.8	-0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.1%	1.2%	1.4%	–	–	1.2%	1.1%	1.2%	–	–

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Programme 3: Integrated Cooperative Development

Programme purpose

Create and maintain a sound ecosystem that enhances the establishment, growth and sustainability of cooperatives that create jobs and contribute to economic growth.

Objectives

- Establish an environment that promotes the establishment, growth and sustainability of cooperatives on an ongoing basis by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the cooperatives sector to inform policy decision-making
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes for new and existing cooperatives
 - facilitating partnerships with the private sector, state-owned entities and the public sector to support cooperatives.
- Expand access to finance through innovative service offerings by providing blended finance support to 45 000 cooperatives over the medium term.

Subprogrammes

- Cooperatives Development* manages and facilitates the creation of new cooperatives and the growth of existing cooperatives to improve their competitiveness.
- Cooperatives Programme Design and Support* reviews existing programmes and designs new programmes based on review outcomes, and changes in the cooperatives development landscape and economic conditions.
- Supplier Development and Market Access Support* manages strategic partnerships with the private sector, state-owned entities and the public sector with the aim of developing cooperatives to become suppliers of goods and services, and facilitating their readiness to access market opportunities.

Expenditure trends and estimates

Table 36.8 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23
R million											
Cooperatives Development	5.4	9.8	6.1	9.0	18.3%	7.9%	12.6	13.8	14.3	16.7%	8.7%
Cooperatives Programme Design and Support	72.6	82.7	54.2	105.5	13.3%	82.4%	108.1	112.8	116.9	3.5%	77.9%
Supplier Development and Market Access Support	0.5	6.7	15.0	14.5	199.4%	9.6%	19.3	20.5	21.6	14.3%	13.3%
Total	78.6	99.2	75.3	129.0	18.0%	100.0%	140.0	147.1	152.9	5.8%	100.0%
Change to 2019 Budget estimate				1.4			4.9	4.8	(6.1)		

Table 36.8 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million					2016/17 - 2019/20					2019/20 - 2022/23	
Current payments	14.7	28.4	33.7	40.6	40.5%	30.7%	52.4	54.7	57.0	12.0%	36.0%
Compensation of employees	10.7	20.2	28.4	33.2	45.9%	24.2%	42.1	44.3	45.8	11.3%	29.1%
Goods and services ¹	4.0	8.2	5.3	7.4	23.2%	6.5%	10.3	10.4	11.2	14.8%	6.9%
<i>of which:</i>											
Administrative fees	0.1	0.2	0.2	0.2	13.4%	0.2%	0.2	0.2	0.3	6.6%	0.2%
Catering: Departmental activities	1.0	1.8	0.2	0.4	-27.0%	0.9%	0.2	0.3	0.3	-7.5%	0.2%
Communication	0.0	0.0	0.1	0.1	54.8%	0.1%	0.1	0.1	0.2	3.0%	0.1%
Consultants: Business and advisory services	0.1	0.1	–	0.5	83.1%	0.2%	0.6	0.7	0.7	11.4%	0.4%
Travel and subsistence	2.3	3.5	4.2	4.1	20.7%	3.7%	6.5	6.2	6.6	17.5%	4.1%
Venues and facilities	0.0	–	0.3	1.9	392.6%	0.6%	2.5	2.8	3.1	17.5%	1.8%
Transfers and subsidies¹	63.9	70.7	41.2	88.0	11.3%	69.0%	87.3	92.1	95.5	2.8%	63.8%
Public corporations and private enterprises	63.9	70.7	41.2	88.0	11.3%	69.0%	87.3	92.1	95.5	2.8%	63.8%
Households	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.0	0.1	0.3	0.4	308.2%	0.2%	0.3	0.3	0.4	-4.7%	0.2%
Machinery and equipment	0.0	0.1	0.3	0.4	308.2%	0.2%	0.3	0.3	0.4	-4.7%	0.2%
Total	78.6	99.2	75.3	129.0	18.0%	100.0%	140.0	147.1	152.9	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	6.6%	6.8%	5.3%	5.7%	–	–	5.8%	5.5%	5.5%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	63.9	70.7	41.2	88.0	11.3%	69.0%	87.3	92.1	95.5	2.8%	63.8%
Various institutions:	63.9	70.7	41.2	88.0	11.3%	69.0%	87.3	92.1	95.5	2.8%	63.8%
Cooperatives incentive scheme											

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Programme 4: Enterprise Development and Entrepreneurship

Programme purpose

Create an enabling ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small, medium and micro enterprises.

Objectives

- Create an environment that promotes the establishment, growth and sustainability of SMMEs on an ongoing basis by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the SMME development sector to inform policy decision-making
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes to support new and existing SMMEs
 - coordinating and facilitating sustainable partnerships with the private sector, state-owned entities and the public sector to support SMME development
 - implementing institutional governance systems and overseeing entities in the department's portfolio.
- Scale up and coordinate support for SMMEs, cooperatives, and village and township economies by establishing 150 incubation centres/digital hubs in townships and rural areas over the medium term.
- Expand access to finance through innovative service offerings by providing blended finance support to 75 000 SMMEs over the medium term.

Subprogrammes

- *Enterprise and Supplier Development* manages and facilitates the establishment of new and productive enterprises, and the sustainability and growth of existing enterprises.

- *SMMEs Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the SMME development environment.
- *SMME Competitiveness* manages and facilitates strategic partnerships that seek to enhance the work of the department in the provision of market access for SMMEs in the supply value chains of corporations, state-owned enterprises and government departments. This subprogramme also works with municipalities to develop, enhance and implement enterprise development programmes towards improved local economic development.
- *Entrepreneurship* provides leadership and oversight on the conceptualisation, design and implementation of the entrepreneurship development framework, and instruments and programmes in support of enterprise development.

Expenditure trends and estimates

Table 36.9 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Enterprise and Supplier Development	689.9	845.0	861.1	1 605.9	32.5%	73.9%	1 713.0	1 962.8	1 998.0	7.6%	81.7%
SMMEs Programme Design and Support	283.4	270.7	281.4	369.9	9.3%	22.3%	390.0	413.7	427.7	5.0%	18.0%
SMME Competitiveness	12.0	40.2	56.7	–	-100.0%	2.0%	–	–	–	–	–
Entrepreneurship	20.4	70.6	2.6	7.0	-29.9%	1.9%	6.7	7.1	6.8	-0.9%	0.3%
Total	1 005.7	1 226.5	1 201.8	1 982.8	25.4%	100.0%	2 109.7	2 383.6	2 432.5	7.1%	100.0%
Change to 2019 Budget estimate				(298.1)			(297.6)	(155.5)	(201.1)		
Economic classification											
Current payments	54.2	51.2	36.6	44.2	-6.5%	3.4%	45.5	50.6	49.7	3.9%	2.1%
Compensation of employees	40.8	36.0	28.4	34.5	-5.4%	2.6%	36.4	41.6	41.8	6.5%	1.7%
Goods and services ¹	13.3	15.2	8.2	9.7	-10.1%	0.9%	9.1	8.9	7.9	-6.6%	0.4%
of which:											
Administrative fees	0.3	0.4	0.2	0.3	3.1%	–	0.2	0.2	0.2	-5.3%	–
Catering: Departmental activities	1.1	0.6	1.5	0.8	-9.6%	0.1%	0.5	0.5	0.6	-10.1%	–
Communication	0.1	0.1	0.1	0.1	-14.3%	–	0.1	0.1	0.1	17.0%	–
Computer services	–	–	0.0	1.9	–	–	1.4	0.9	–	-100.0%	–
Travel and subsistence	4.7	5.0	3.1	3.1	-12.6%	0.3%	3.3	3.3	3.5	4.0%	0.1%
Venues and facilities	4.6	0.4	1.0	2.3	-20.3%	0.2%	3.5	3.7	3.2	12.0%	0.1%
Transfers and subsidies¹	951.5	1 175.2	1 164.8	1 938.4	26.8%	96.5%	2 063.8	2 332.7	2 382.5	7.1%	97.9%
Departmental agencies and accounts	652.9	811.3	840.1	882.8	10.6%	58.8%	889.1	937.4	972.5	3.3%	41.3%
Public corporations and private enterprises	298.4	363.8	324.5	1 055.6	52.4%	37.7%	1 174.7	1 395.3	1 410.0	10.1%	56.5%
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	0.1	0.3	0.0	-41.0%	–	–	–	–	-100.0%	–
Payments for capital assets	0.1	0.2	0.3	0.2	48.9%	–	0.3	0.3	0.4	17.8%	–
Machinery and equipment	0.1	0.2	0.3	0.2	48.9%	–	0.3	0.3	0.4	17.8%	–
Total	1 005.7	1 226.5	1 201.8	1 982.8	25.4%	100.0%	2 109.7	2 383.6	2 432.5	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	84.0%	84.0%	84.7%	87.4%	–	–	87.7%	88.4%	88.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	652.9	811.3	840.1	882.8	10.6%	58.8%	889.1	937.4	972.5	3.3%	41.3%
Small Enterprise Development Agency	496.5	619.8	580.2	680.1	11.1%	43.9%	682.6	719.5	746.5	3.2%	31.8%
Small Enterprise Development Agency: Technology programme	139.2	146.1	199.4	152.3	3.0%	11.8%	160.3	169.1	175.4	4.8%	7.4%
Small Enterprise Development Agency: Capacity-building programme	17.2	30.4	30.5	15.4	-3.7%	1.7%	16.3	17.1	17.8	4.9%	0.7%
Small Enterprise Development Agency: National gazelles programme	–	15.0	30.0	35.0	–	1.5%	30.0	31.7	32.8	-2.1%	1.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	–	700.0	–	12.9%	800.0	1 000.0	1 000.0	12.6%	39.3%
Small Enterprise Finance Agency:	–	–	–	700.0	–	12.9%	800.0	1 000.0	1 000.0	12.6%	39.3%
Township Entrepreneurship Fund											

Table 36.9 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	298.4	363.8	324.5	355.6	6.0%	24.8%	374.7	395.3	410.0	4.9%	17.2%
Various institutions: Black business supplier development programme	268.0	256.7	257.7	286.1	2.2%	19.7%	283.8	299.4	310.5	2.8%	13.2%
Various institutions: Craft customised sector programme	10.0	10.0	10.0	10.6	1.8%	0.7%	11.1	11.8	12.2	4.9%	0.5%
Various institutions: National informal business upliftment scheme	–	26.4	56.7	58.9	–	2.6%	79.8	84.2	87.3	14.0%	3.5%
Various institutions: Enterprise incubation programme	20.4	70.6	–	–	-100.0%	1.7%	–	–	–	–	–

1. Estimates of National Expenditure data tables can be downloaded from www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Entity

Comprehensive coverage of the following public entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Small Enterprise Development Agency** was established in 2004 in terms of the National Small Business Amendment Act (2004). It is mandated to implement government’s small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government-funded small enterprise support agencies across all spheres of government. The agency’s total budget for 2020/21 is R906.1 million.