

Small Business Development

Adjusted budget summary

R thousand	2022/23			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
Amount to be appropriated	2 563 109	(35 000)	–	2 528 109
<i>of which:</i>				
Current payments	253 054	(5 082)	–	247 972
Transfers and subsidies	2 305 319	(29 918)	–	2 275 401
Payments for capital assets	4 736	–	–	4 736
Executive authority	Minister of Small Business Development			
Accounting officer	Director-General of Small Business Development			
Website	www.dsb.gov.za			

Vote purpose

Lead and coordinate an integrated approach to the promotion and development of entrepreneurship among small, medium and micro enterprises and cooperatives; and ensure an enabling legislative and policy environment to support their growth and sustainability.

Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2022/23	Achieved in the first half of 2022/23	Changed target for 2022/23
Number of women-owned businesses supported to register on international platforms per year	Sector and Market Development	Priority 2: Economic transformation and job creation	2 000	1 044 ¹	2 500
Number of SMMEs and cooperatives linked to global market opportunities per year	Sector and Market Development		250	19	–
Number of SMMEs and cooperatives' business infrastructure refurbished or built per year	Sector and Market Development		6	1	–
Value of support provided to township and rural enterprises per year ²	Development finance		R700m	–	–
Number of township and rural enterprises supported financially and/or non-financially per year ³	Development Finance		–	4 341	20 000
Number of crafters supported through the craft customised programme per year	Development Finance		900	213	–
Value of support provided to cooperatives per year ²	Development Finance		R76.9m	–	–
Number of cooperatives supported financially and/or non-financially per year ³	Development Finance		–	239	200

1. Only data for the first five months of 2022/23 was available at the time of publication.

2. Indicator discontinued.

3. Indicator revised in line with the department's 2022/23 annual performance plan.

Changes to indicators and targets published in the 2022 ENE

The indicator measuring the value of support provided to township and rural enterprises per year was revised to measure the number of the township and rural enterprises supported financially and/or non-financially per year. The indicator measuring the value of support provided to cooperatives was revised to

measure the number of cooperatives supported financially and/or non-financially. These changes were made to ensure better monitoring and evaluation, and are in line with the department's 2022/23 annual performance plan and the minister's performance agreement.

Progress

During the first five months of 2022/23, the department supported the participation of 1 044 women-owned enterprises on the SheTradesZA platform against an annual target of 2 500, and linked 19 small, medium and micro enterprises and cooperatives to international market opportunities against an annual target of 250. To ensure that these targets are met by the end of the financial year, the department is conducting SheTradesZA workshops across the country to encourage women-owned enterprises to register on the platform.

The department supported 4 341 township and rural enterprises in the first half of the financial year against the annual target of 20 000, and supported 239 cooperatives non-financially against the annual target of 200 as the turnout for training was higher than anticipated. To ensure that it meets these targets by end of the financial year, the department is embarking on countrywide workshops to market the programme and help potential beneficiaries with business and technical skills training.

By mid-year, the department supported 213 crafters against an annual target of 900, and built or refurbished the infrastructure of 2 small, medium and micro enterprises or cooperatives against an annual target of 6. The department is ahead in achieving these targets as they were set to be achieved only in the second half of the financial year.

Adjusted estimates

Programme	2022/23								
	R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		
Administration	126 837	–	–	–	–	(1 500)	–	(1 500)	125 337
Sector and Market Development	131 434	–	–	–	–	(12 950)	–	(12 950)	118 484
Development Finance	1 370 654	–	–	(53 511)	–	–	–	(53 511)	1 317 143
Enterprise Development	934 184	–	–	53 511	–	(20 550)	–	32 961	967 145
Total	2 563 109	–	–	–	–	(35 000)	–	(35 000)	2 528 109
Economic classification									
Current payments	253 054	–	–	29 918	–	(35 000)	–	(5 082)	247 972
Compensation of employees	190 031	–	–	–	–	(35 000)	–	(35 000)	155 031
Goods and services	63 023	–	–	29 918	–	–	–	29 918	92 941
Transfers and subsidies	2 305 319	–	–	(29 918)	–	–	–	(29 918)	2 275 401
Departmental agencies and accounts	884 215	–	–	30 152	–	–	–	30 152	914 367
Public corporations and private enterprises	1 421 104	–	–	(60 152)	–	–	–	(60 152)	1 360 952
Households	–	–	–	82	–	–	–	82	82
Payments for capital assets	4 736	–	–	–	–	–	–	–	4 736
Machinery and equipment	4 736	–	–	–	–	–	–	–	4 736
Total	2 563 109	–	–	–	–	(35 000)	–	(35 000)	2 528 109

1. Other adjustments include funds shifted within a vote following a function shift, funds shifted between votes, adjustments due to significant and unforeseeable economic and financial events, self-financing expenditure, and the use of funds in terms of section 16 of the Public Finance Management Act (1999).

Programme 1: Administration

Subprogramme		2022/23							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation		
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds				
Ministry	28 680	–	–	9 046	–	–	–	9 046	37 726	
Departmental Management	31 688	–	–	456	–	–	–	456	32 144	
Corporate Services	40 712	–	–	(7 502)	–	(1 500)	–	(9 002)	31 710	
Financial Management	25 757	–	–	(2 000)	–	–	–	(2 000)	23 757	
Total	126 837	–	–	–	–	(1 500)	–	(1 500)	125 337	
Economic classification										
Current payments	124 026	–	–	(82)	–	(1 500)	–	(1 582)	122 444	
Compensation of employees	83 852	–	–	–	–	(1 500)	–	(1 500)	82 352	
Goods and services	40 174	–	–	(82)	–	–	–	(82)	40 092	
Transfers and subsidies	–	–	–	82	–	–	–	82	82	
Households	–	–	–	82	–	–	–	82	82	
Payments for capital assets	2 811	–	–	–	–	–	–	–	2 811	
Machinery and equipment	2 811	–	–	–	–	–	–	–	2 811	
Total	126 837	–	–	–	–	(1 500)	–	(1 500)	125 337	

Programme 2: Sector and Market Development

Subprogramme		2022/23							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation		
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds				
Sector and Market Development	2 189	–	–	(203)	–	(1 500)	–	(1 703)	486	
Management										
Business Intelligence and Knowledge Management	21 073	–	–	(2 755)	–	(4 300)	–	(7 055)	14 018	
Ease of Doing Business	5 318	–	–	3 873	–	–	–	3 873	9 191	
Access to Market Support	102 854	–	–	(915)	–	(7 150)	–	(8 065)	94 789	
Total	131 434	–	–	–	–	(12 950)	–	(12 950)	118 484	
Economic classification										
Current payments	46 873	–	–	5 000	–	(12 950)	–	(7 950)	38 923	
Compensation of employees	32 175	–	–	–	–	(12 950)	–	(12 950)	19 225	
Goods and services	14 698	–	–	5 000	–	–	–	5 000	19 698	
Transfers and subsidies	83 254	–	–	(5 000)	–	–	–	(5 000)	78 254	
Public corporations and private enterprises	83 254	–	–	(5 000)	–	–	–	(5 000)	78 254	
Payments for capital assets	1 307	–	–	–	–	–	–	–	1 307	
Machinery and equipment	1 307	–	–	–	–	–	–	–	1 307	
Total	131 434	–	–	–	–	(12 950)	–	(12 950)	118 484	

Programme 3: Development Finance

Subprogramme		2022/23							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation		
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		Other adjustments	
Development Finance Management	2 337	–	–	(1 901)	–	–	–	(1 901)	436
Model Funding Collaboration	4 251	–	–	5 998	–	–	–	5 998	10 249
Blended Finance	1 345 702	–	–	(51 997)	–	–	–	(51 997)	1 293 705
Business Viability	18 364	–	–	(5 611)	–	–	–	(5 611)	12 753
Total	1 370 654	–	–	(53 511)	–	–	–	(53 511)	1 317 143
Economic classification									
Current payments	32 377	–	–	1 641	–	–	–	1 641	34 018
Compensation of employees	26 647	–	–	4 020	–	–	–	4 020	30 667
Goods and services	5 730	–	–	(2 379)	–	–	–	(2 379)	3 351
Transfers and subsidies	1 337 850	–	–	(55 152)	–	–	–	(55 152)	1 282 698
Public corporations and private enterprises	1 337 850	–	–	(55 152)	–	–	–	(55 152)	1 282 698
Payments for capital assets	427	–	–	–	–	–	–	–	427
Machinery and equipment	427	–	–	–	–	–	–	–	427
Total	1 370 654	–	–	(53 511)	–	–	–	(53 511)	1 317 143

Programme 4: Enterprise Development

Subprogramme		2022/23							Adjusted appropriation	
		Adjustments appropriation					Total adjustments appropriation			
R thousand	Appropriation	Special appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget		Declared unspent funds		Other adjustments
Enterprise Development Management	2 308	–	–	–	(2 145)	–	–	–	(2 145)	163
Enterprise and Supplier Development	900 466	–	–	–	28 940	–	(2 550)	–	26 390	926 856
SMME Competitiveness	31 410	–	–	–	26 716	–	(18 000)	–	8 716	40 126
Total	934 184	–	–	–	53 511	–	(20 550)	–	32 961	967 145
Economic classification										
Current payments	49 778	–	–	–	23 359	–	(20 550)	–	2 809	52 587
Compensation of employees	47 357	–	–	–	(4 020)	–	(20 550)	–	(24 570)	22 787
Goods and services	2 421	–	–	–	27 379	–	–	–	27 379	29 800
Transfers and subsidies	884 215	–	–	–	30 152	–	–	–	30 152	914 367
Departmental agencies and accounts	884 215	–	–	–	30 152	–	–	–	30 152	914 367
Payments for capital assets	191	–	–	–	–	–	–	–	–	191
Machinery and equipment	191	–	–	–	–	–	–	–	–	191
Total	934 184	–	–	–	53 511	–	(20 550)	–	32 961	967 145

Details of adjustments to the 2022 Estimates of National Expenditure

Virements and shifts within the vote

Programmes					
1. Administration					
2. Sector and Market Development					
3. Development Finance					
4. Enterprise Development					
From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(82)	Programme 1		82
Goods and services	Leave gratuities	(82)	Households	Leave gratuities	82
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(5 000)	Programme 2		5 000
Public corporations and private enterprises	Product markets ¹	(5 000)	Goods and services	Travel and subsistence ¹	5 000
Shifts within the programme as a percentage of the programme budget		3.8%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(87 379)	Programme 4		87 379
Goods and services	Administrative fees, catering, communications, legal fees, travel and subsistence	(2 379)	Goods and services	Catering, fleet services, travel and subsistence	2 379
Public corporations and private enterprises	Township and Rural Entrepreneurship Fund ¹	(60 000)	Departmental agencies and accounts	Flood relief ¹	60 000
	Blended finance ¹	(25 000)	Goods and services	Informal micro enterprise development programme ¹	25 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		6.4%			
Programme 4		(33 868)	Programme 3		33 868
Compensation of employees	Salaries and wages, social contributions	(4 020)	Compensation of employees	Salaries and wages	4 020
Departmental agencies and accounts	National gazelles programme ¹	(29 848)	Public corporations and private enterprises	Youth Challenge Fund ¹	29 848
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		3.6%			
Total		(126 329)			126 329

1. National Treasury approval has been obtained.

Declared unspent funds – R35 million

Programme 1: Administration

R1.5 million in unspent funds is declared on compensation of employees as a result of vacant posts that could not be filled due to delays in the organisational structure being approved.

Programme 2: Sector and Market Development

R12.9 million in unspent funds is declared on compensation of employees as a result of vacant posts that could not be filled due to delays in the organisational structure being approved.

Programme 4: Enterprise Development

R20.6 million in unspent funds is declared on compensation of employees as a result of vacant posts that could not be filled due to delays in the organisational structure being approved.

Expenditure outcome for 2021/22 and mid-year expenditure for 2022/23

Programme	2021/22					2022/23			
	Adjusted appropriation	Outcome			Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure		
Apr 21 - Sep 21		Apr 21 - Sep 21 % of adjusted appropriation	Apr 21 - Mar 22	Apr 21 - Mar 22 % of adjusted appropriation			Apr 22 - Sep 22	Apr 22 - Sep 22 % of adjusted appropriation	
R thousand									
Administration Sector and Market Development	103 300	46 604	45.1	99 194	96.0	125 337	5.0	54 164	43.2
Development Finance Enterprise Development	138 746	17 808	12.8	90 431	65.2	118 484	4.7	31 196	26.3
Total	2 637 063	1 514 762	57.4	2 613 218	99.1	2 528 109	100.0	1 299 787	51.4
Economic classification									
Current payments	223 364	90 296	40.4	212 377	95.1	247 972	9.8	117 437	47.4
Compensation of employees	155 197	67 834	43.7	138 425	89.2	155 031	6.1	69 537	44.9
Goods and services	68 163	22 459	32.9	73 949	108.5	92 941	3.7	47 897	51.5
Interest and rent on land	4	3	75.0	3	75.0	–	–	3	–
Transfers and subsidies	2 409 217	1 423 606	59.1	2 397 586	99.5	2 275 401	90.0	1 181 760	51.9
Departmental agencies and accounts	838 490	532 700	63.5	841 961	100.4	914 367	36.2	600 935	65.7
Public corporations and private enterprises	1 570 280	890 502	56.7	1 549 014	98.6	1 360 952	53.8	575 699	42.3
Non-profit institutions	–	–	–	5 414	–	–	–	5 049	–
Households	447	404	90.4	1 197	267.8	82	0.0	77	93.9
Payments for capital assets	4 476	855	19.1	3 250	72.6	4 736	0.2	590	12.5
Machinery and equipment	4 121	843	20.5	3 238	78.6	4 736	0.2	590	12.5
Software and other intangible assets	355	12	3.4	12	3.4	–	–	–	–
Payments for financial assets	6	5	83.3	5	83.3	–	–	–	–
Total	2 637 063	1 514 762	57.4	2 613 218	99.1	2 528 109	100.0	1 299 787	51.4

Expenditure trends

Total expenditure in 2021/22 was R2.6 billion, 99.1 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2021/22 was R1.5 billion, 57.4 per cent of the adjusted appropriation, whereas expenditure in the first half of 2022/23 was R1.3 billion, 51.4 per cent of the adjusted appropriation of R2.5 billion. Compared to the first half of 2021/22, expenditure over the same period in 2022/23 decreased by R215 million, 14.2 per cent. This was mainly due to a decrease in the disbursement of transfers to public entities.

Departmental receipts

R thousand	2021/22					2022/23				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts	
		Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted estimate	Apr 21 - Mar 22	Apr 21 - Mar 22 % of adjusted estimate				Apr 22 - Sep 22	Apr 22 - Sep 22 % of adjusted estimate
Departmental receipts	87	44	50.6	144	165.5	100	129	100.0	32	24.8
Sales of goods and services produced by department	56	28	50.0	56	100.0	100	121	93.8	28	23.1
Interest, dividends and rent on land	5	2	40.0	3	60.0	–	8	6.2	4	50.0
Transactions in financial assets and liabilities	26	14	53.8	85	326.9	–	–	–	–	–
Total	87	44	50.6	144	165.5	100	129	100.0	32	24.8

Revenue trends

Mid-year revenue in 2021/22 was R44 000, 50.6 per cent of the adjusted estimate, whereas revenue for the first half of 2022/23 was R32 000, 24.8 per cent of the adjusted estimate of R129 000. Compared to the first half of 2021/22, revenue over the same period in 2022/23 decreased by R12 000, 27.3 per cent. This was mainly due to a decrease in the collection of debt.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2022/23							Adjusted appropriation
		Adjustments appropriation							
		Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Administration									
Households									
Social benefits									
Current	–	–	–	82	–	–	–	82	82
Households	–	–	–	82	–	–	–	82	82
Sector and Market Development									
Public corporations and private enterprises									
Private enterprises									
Other transfers									
Current	83 254	–	–	(5 000)	–	–	–	(5 000)	78 254
Various institutions: Product markets	83 254	–	–	(5 000)	–	–	–	(5 000)	78 254
Development Finance									
Public corporations and private enterprises									
Public corporations									
Other transfers									
Current	1 249 319	–	–	16 507	–	–	–	16 507	1 265 826
Small Enterprise Finance Agency: Blended finance	295 994	–	–	66 507	–	–	–	66 507	362 501
Small Enterprise Finance Agency: Township and Rural Entrepreneurship Fund	953 325	–	–	(50 000)	–	–	–	(50 000)	903 325

Summary of changes to transfers and subsidies per programme (continued)

		2022/23							
		Adjustments appropriation							
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	Public corporations and private enterprises								
	Private enterprises								
	Other transfers								
	Current	76 909	-	-	(71 659)	-	-	(71 659)	5 250
	Various institutions:	76 909	-	-	(71 659)	-	-	(71 659)	5 250
	Cooperatives development support programme								
	Enterprise Development								
	Departmental agencies and accounts								
	Departmental agencies (non-business entities)								
	Current	708 599	-	-	30 152	-	-	30 152	738 751
	Small Enterprise Development Agency	678 751	-	-	60 000	-	-	60 000	738 751
	Small Enterprise Development Agency: National gazelles programme	29 848	-	-	(29 848)	-	-	(29 848)	-