

**National Integrated Small Enterprise Development (NISED) Strategic Framework (Masterplan) – Presentation by Deputy Minister Dlamini - 13<sup>th</sup> -15<sup>th</sup> November 2022 SMME and Cooperatives Summit**

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- 1. Minister Stella Ndabeni Abrams**
- 2. Members of Parliament**
- 3. Director General**
- 4. Ambassadors of different embassies**
- 5. Leadership of Provinces**
- 6. Representatives of SEDA and SEFA**

The mandate of our government is to respond to the legacy and imbalances created in the past; to deracialize the South Africa economy through a radical socio-economic transformation process. Our mandate as this department specifically is to address these challenges by enabling an environment whereby SMMEs will create 9 million of the target 11 million jobs by 2030 as enshrined in the NDP.

Small enterprise promotion in South Africa has come a long way since the promulgation of the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa in 1995. Following the 1995 White Paper, Cabinet approved the second iteration of small enterprise development policy and strategy with the introduction of the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises

(ISPESE) in 2005. This is the journey we travelled until the NISED Master Plan.

On 02 November, Cabinet approved NISED Strategic Framework to be assented to as the 3<sup>rd</sup> iteration of the National Small Business Support Strategy, which is the national policy in respect of small business support as published by the Minister as per definition of the National Small Enterprise Act, 1996 (No. 102 of 1996) as amended.

## **2. Who is the NISED Master Plan Targeting?**

2.1. It is targeting Cooperatives and Micro ,Small and Medium Enterprises . A special emphasis of the NISED is directed towards firms that employ below 50 employees embracing the township and rural enterprises, suppliers in key value chains, innovative start-ups, and those with the highest propensity to create jobs.

## **3. What is the objective of the NISED Master Plan?**

- Develop SMMEs across sectors of the economy and all spheres of government
- Expand the labour market by developing an inclusive economy through MSMEs and cooperatives
- It provides measurable targets. It is an outcomes-based strategic support framework for all actors to coordinate, measure, track and monitor their efforts.

- 3.1. Coordinate Public-Private Partnerships towards the achievement of achieving the goals of a prosperous and transformed South Africa
- 3.2. Enabling the process of formalizing SMMEs to support the transition of informal enterprises to formal businesses in line with the ILO Recommendation 204.
- 3.3. Key impacts of the NISED are indicated by:
  - a) More small enterprises productively contributing to GDP.
  - b) Significant increase of formal employment by MSMEs.
  - c) Intensifying formalisation and sustainability of MSMEs to support transformation
  - d) Raising the productivity and competitiveness of MSMEs

#### **4. The Key Principles Underpinning the NISED**

- 4.1. Advancing an Integrated Approach
- 4.2. Advancing Synergy and Coordination
- 4.3. Advancing inclusivity
- 4.4. Applying an Evidence-Based Approach
- 4.5. Applying the Think Small Business First principle
- 4.6. Acknowledging that MSMEs progress within a Lifecycle,
- 4.7. Facilitating enduring, pragmatic and Measurable Commitments
- 4.8. Adaptability

4.9. Reporting on Achievements made, and impact measured.

## **5. The Pillars of the NISED Master Plan**

5.1. The NISED is based on four key pillars with measurable outcomes and outputs to achieve recognisable impact.

5.1.1. **Pillar/Outcome 1** outlines the work to facilitate *well-informed MSMEs including cooperatives with continuous monitoring, evaluation and learning.*

5.1.2. **Pillar/Outcome 2** outlines the focus on facilitating *policy, laws and regulatory reform to enable MSME and cooperatives growth and efficient governance.*

5.1.3. **Pillar/Outcome 3** details the steps to be taken to ensure that *effective support and services are delivered for MSME and cooperatives growth, both financial and non-financial.*

5.1.4. **Pillar/Outcome 4** bring together a *coordinated government with strengthened private sector partnerships for MSME and cooperatives growth.*

## **6. Partnership -Driven Game Changer Initiatives**

6.1. It is clear that on their own, the measures within the strategic framework to create an enabling environment are insufficient without a major boost in the form of targeted and partnership-driven game-changer initiatives. These will need to be co-created,

designed and implemented with key role-players from both inside and outside the state with strengthened and open partnerships.

**6.2. The Partnership-driven Game-Changer Programme to revitalise the MSME sector focuses on the following:**

- a) A recapitalised Khula Credit-Guarantee (KCG) Mechanism with pre and post investment support (market access and business development support)
- b) An enhanced TREP - Township and Rural Partnership Programme
- c) A major Supplier Development Partnership Programme (linked to private sector and public sector markets) and supported through incubators
- d) An Upscaled Youth Challenge Fund that incentivizes youth innovation
- e) A Digital One-Stop Shop Platform with AI capabilities
- f) A reconfigured and effective agency for the delivery of financial and non-financial support

From these and through the NISED Strategic Framework, policy priorities included the **Localization Policy Framework, Incubation and Business Development Services Policy, Infrastructure Policy, Entrepreneurship Strategy, SMME and Co-operatives Funding**

**Policy, update on the Legislative Review process, the Informal Economy, Township and Rural Enterprise Development, Women, Youth and People with Disabilities and the Red Tape Reduction programme.**

A series of Departmental events (Policy Dialogues, Symposiums and various engagements) have taken place during the current financial year, and they all culminated to this National Summit. Key such critical engagements that were facilitated, is the Small Enterprise and Co-operatives Policy Dialogue in Mpumalanga, Mbombela, 3-4 August 2022, Informal Economy Symposium on the 13-14 October in the Eastern Cape and the Youth dialogue with ecosystem players on 10 November.

Let me ask you all to have a good time in the engagements to ensure we implement our agenda as articulated in the Act.

## **Conclusion**

The success of the NISED lies in the development of an effective monitoring system which is fundamental to tracking, monitoring and reporting on progress.

It also lies in establishing sincere partnerships with the private sector, academia, civil society and labour; as its fundamental thrust.

A central and key component to this partnership alignment is effective use of the biannual summits nationally and the provincial conferences for coordination, building partnerships and creating synergy for the development and growth of the MSME sector. Bringing government

together with business to focus on both national imperatives as well as localised opportunities.

Its success also lies on supporting sector plans for MSME growth and works in association with all other government planning and programming relevant to building an enabling environment for MSMEs and economic growth.

More importantly in lies on working together with commitment to get things done and to change the situation of our Micro, Small and Medium Enterprises including Cooperatives