Question 503

Prof B Turok (ANC) to ask the Minister of Trade and Industry:

(1) Whether the government of Finland has provided a grant for budget support to the Small Enterprise Development Agency (seda) of his department; if so,

(2) Whether all the funds have been transferred to seda; if not, why not; if so, what are the relevant details? NW1142E

Response:

(1) In December 2005, a cooperation agreement was signed between the government of South Africa and the government of Finland on institutional and implementation support of SMME development in South Africa. Through this agreement, the Finnish government has made available an amount of EUR 5 220 000 to South Africa through the National Treasury. The funding is transferred to the dti and made available to the Small Enterprise Development Agency (seda) as budget support for the implementation of programmes and institutional technical capacity support. Priority programmes that will benefit from this support are outlined in the agreement signed between seda and the dti in line with the mid-term strategic document of seda. Implementation and evaluation of these priority programmes is jointly undertaken by the dti and Finnish government.

(2) In line with the 3-year term of the agreement, which came into effect from 01 January 2006 up until 31 December 2009, the dti transfers Funds to seda based on an annual disbursement plan. The disbursement of annual payments is based on the Operational Plan of seda that is broken down into defined milestones. A monitoring team comprising of joint representation from the dti, seda, and the Finnish Government monitors the achievement of the milestones.
Funds that have not to date been disbursed to seda are claims currently being processed or funds awaiting further approval as part of the implementation of the cooperation agreement which comes to an end in 2009.