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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY

QUESTION NO. 4955

Ms M C Mafagane (MK) to ask the Minister of Trade, Industry and Competition:

What (a) is the breakdown of the disbursed funds of the Spaza Shop Support Fund for each province, (b) what are the reasons for any underspending and (c) what measures has his department put in place to ensure that the remaining funds are disbursed? NW5311E

REPLY

I have been advised as follows:

(a)

The provincial breakdown of funds disbursed under the Spaza Shop Support Fund is as follows:

Province	Training	Infrastructure	Inventory
Northern Cape	790,000	266,675	1,570,000
Eastern Cape	1,070,000	1,801,315	3,075,000
Western Cape	180,000	433,625	360,000
North West	1,080,000	1,447,508	2,784,927
Free State	700,000	425,000	1,680,000
Mpumalanga	420,000	1,447,035	1,120,000
Gauteng	750,000	1,574,763	3,032,000
Limpopo	1,390,000	5,339,396	2,298,971
Kwazulu Natal	1,930,000	2,242,656	2,431,749
Total	R8,310,000	R 14,977,972	R18,352,647

(b) The timing of the remaining disbursements is attributable to the Fund's phased implementation and disbursement model. The remaining funds have been committed to



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approved beneficiaries and will be disbursed as implementation milestones and the applicable conditions are met.

- Infrastructure improvements are currently being implemented at beneficiary stores across the country. This component requires additional time because it involves physical works across multiple provinces, including site assessments, completion of the required improvements and verification of the work.
 - Beneficiary stores must be structurally sound and meet the required infrastructure and operational standards before inventory support can be provided. This sequencing ensures that funded inventory can be stored safely and that the businesses are adequately equipped to trade.
 - Each qualifying beneficiary may access inventory support of up to R40,000. Beneficiaries place orders according to their operational requirements, available storage capacity and normal stock-replenishment cycles.
 - Beneficiaries are discouraged from drawing down the full inventory allocation at once, particularly where orders include perishable goods. Phased ordering reduces the risk of spoilage, expiry and avoidable stock losses before the goods can be sold.
- (c) There are many Spaza Shop applications that were declined as a result of the discovery of fronting practices, especially involving foreign nationals. Measures are in place to ensure due diligence in the disbursement process and to avoid disbursing funds to non-qualifying businesses. The NEF has ensured that there is a sufficient number of staff members to undertake the verifications so that disbursements are made within the anticipated timelines.

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