DRAFT REPORT

SMME RED TAPE REDUCTION DATA DIAGNOSTIC WORKSHOP

23 JANUARY 2025: 09:00 – 14:00

CSIR, MEIRING NAUDÉ ROAD, BRUMMERIA, PRETORIA, INTERNATIONAL CONVENTION CENTRE, AMETHYST ROOM (HYBRID)

PRESENT

National Planning Commissioners: Ms Phumzile Chifunyise (chair), Ms Makhiba Mollo, Dr Tshepo Feela, Prof Tinyiko Maluleke, Dr Morne Mostert, Ms Tanya Cohen, Ms Pearl Pillay, Dr Siphamandla Zondi, Prof Mary Metcalfe, Dr Morne Mostert, Prof Phakama Ntshongwana, Dr Pulane Molokwane, Dr Guy Lamb, and Dr Sibusiso Mkwananzi.

National Planning Commission Secretariat: Ms Xoliswa Dilata, Dr Zarina Rahman, Mr Ziphezinhle Mzobe, Ms Noluthando Qwelani, Ms **Nomsa Montshioane** and Ms Matema Modiba.

Presenters: Mr Jens Dyring Christensen, Ms Janeli Kotze, Mr Ofentse Shakung, Mr Benson Mchunu, Mr Tsunduka Khosa, and Mr Ross Holder.

The list of participants is attached as Appendix A.

1.   INTRODUCTION AND OPENING REMARKS

1.1   On 23 January 2025, the National Planning Commission (NPC), in partnership with the Council for Scientific and Industrial Research (CSIR), hosted a hybrid SMME Red Tape Reduction Data Diagnostic Workshop. The event, held at the CSIR on Meiring Naudé Road, Brummeria, Pretoria, in the International Convention Centre's Amethyst Room, marked the inaugural step

towards the development of the SMME Red Tape Reduction Tracker. This online platform aims to monitor the progress of red tape reduction initiatives at the national, provincial, and local government levels, with the goal of addressing the regulatory, administrative, and systemic barriers faced by small, medium, and micro enterprises (SMMEs).

1.2   This initiative aligns with the National Development Plan (NDP), which highlights the critical role of SMMEs in achieving the target of 11 million jobs by 2030. The Tracker will serve as a vital tool for monitoring red tape reduction projects, evaluating their impact, and providing evidence-based insights to guide policy decisions, all in an effort to foster a more conducive regulatory environment for SMME growth.

1.3   Commissioner Phumzile Chifunyise officially opened the workshop, underscoring the importance of a data-driven approach to monitor government efforts in reducing red tape for SMMEs. She noted that, while various red tape reduction initiatives exist across government levels, the absence of a centralised tracking system hinders the ability to assess progress and scale successful interventions.

1.4   She further elaborated on the key indicators that the Tracker will feature, including reductions in the number of licenses and permits, improvements in processing times, and cost savings. These indicators will be crucial for assessing the impact and effectiveness of red tape reduction initiatives.

1.5   Commissioner Chifunyise concluded by emphasising that the workshop's primary objective was to establish a comprehensive diagnostic framework. This framework will assess the availability and quality of data, identify best practices, and create a standardised process for data collection and sharing across all levels of government. By ensuring systematic data gathering and sharing, the framework will enhance coordination and monitoring efforts, promoting continuous improvements in red tape reduction strategies.

1.6   For further details, please refer to the presentation on the opening remarks.

PRESENTATIONS

2.   SETTING THE SCENE

2.1. Cost of Red Tape for SMMEs presentation by Jens Dyring Christensen: International Labour Organisation (ILO)

2.1.1. In his presentation, Jens Dyring Christensen defined red tape as the excessive complexity of bureaucratic procedures that created unnecessary administrative burdens for enterprises. He explained that while regulations were necessary for governance and compliance, inefficient processes, high costs, and delays discouraged business growth and entrepreneurship. He shared insights from SMME development initiatives in the Free State (2011–2018), which aimed to establish a more supportive regulatory framework, resulting in the creation of the South Africa SMME Observatory to monitor the impact of regulations on small businesses.

2.1.2. Based on a survey of 414 businesses in the Free State, the study found that compliance costs were disproportionately high for smaller enterprises. Key cost drivers included registration fees, tax compliance, sector-specific licensing, and penalties for late submissions, with VAT submissions and tax returns being particularly burdensome. Compliance costs in the Free State were estimated at R3.819 billion, or 2.6% of the province's GDP, while in the surveyed municipalities, these costs accounted for 4.3% of their combined GDP.

2.1.3. The study identified challenges at different government levels. At the municipal level, businesses faced troublesome regulations such as water and electricity billing (35.9%), municipal by-laws (26.5%) and zoning/rezoning issues (18.4%). At the provincial level, concerns included provincial legislation (33.3%), liquor licensing difficulties (33.3%), staff incompetence/corruption (16.7%) and Free State SMME requirements (11.6%). At the national level, labour laws (18.4%) and BEE requirements (10.6%) were highlighted as significant obstacles.

2.1.4. To improve regulatory processes, the study suggested the system is effective/E-filling works well (34.8%), training for SMMEs (24.7%), reduce taxes(7.6%), and better communication from SARS(7.0%).For labour regulations, recommendations included enhancing the professionalism of officials, ensuring fairness, enabling online registration, and streamlining appeal procedures. The study also called for more transparency and fairness in government procurement, proposing electronic tender submissions to

combat corruption, nepotism, and fraud. Businesses, in turn, had adopted strategies like remaining informal, limiting staff, or refraining from expansion to avoid compliance costs.

2.1.5. The presentation concluded with a call for regulatory reform to reduce unnecessary compliance burdens while maintaining effective governance and recommended further research to quantify the impacts of regulations across different sectors and regions, ensuring that policy interventions were data-driven and effectively targeted.

3.   Case Studies: Best practises on Red Tape Reduction & Data tracking

3.1.   The session included case study presentations from key government departments and institutions, showcasing best practices in red tape reduction and data tracking. Presentations covered:

- Early Childhood Development (ECD) Centre Registration – Simplifying regulatory processes for Quintile 1 & 2 communities, presented by Ms Janeli Kotze from the Department of Basic Education.
- BizPortal -presented by Mr Ofentse Shakung from the Department of Trade, Industry, and Competition (DTIC).
- Case Management System – presented by Mr Benson Mchunu the Western Cape
- Water Use Licensing – A presentation by Mr Tsunduka Khosa from the Department of Water and Sanitation

3.2.   Early Childhood Development (ECD) Centre Registration – Simplifying regulatory processes for Quintile 1 & 2 communities presented by Ms Janeli Kotze from the Department of Basic Education

3.2.1. Ms. Kotze presented a business case on the importance of reducing red tape in the Early Childhood Development (ECD) sector. She emphasised that ECD is essential for child development and plays a crucial role in economic growth and social equity. However, many ECD centres, particularly in disadvantaged areas, face significant bureaucratic challenges that hinder formal registration and compliance. These barriers limit access to quality early learning opportunities and prevent the sector from realising its full potential.

3.2.2. She highlighted key challenges, including rigid land-use frameworks, high costs of planning approvals, lack of building plans, fire safety compliance issues, and restrictive municipal by-laws. These regulatory hurdles, she explained, make it difficult for many ECD centres to operate legally, which in turn restricts job creation and access to childcare services. To address these issues, the Department of Basic Education (DBE) launched the Bana Pele Mass Registration Drive, a fully digitised system designed to streamline the ECD registration process. As a result, over 7,000 ECD programmes registered online within six months, with more than 1,300 successfully processed and certified through the Early Childhood Administration and Reporting System (eCares). This has enabled the government to extend support to 45,000 additional children and 5,400 staff members, ensuring better oversight and service delivery.

3.2.3. She further explained that several Red Tape Reduction measures had been introduced to simplify bureaucratic processes. A municipal toolkit was developed to provide guidance on streamlining approvals, waiving unnecessary fees, expediting environmental health reports, and facilitating land-use consent. Additionally, the National Environmental Health Norms and Standards (NEHNS) were revised to align with the Children's Act, making regulatory requirements more practical and efficient. These measures have helped to remove key obstacles that previously delayed the registration and operation of ECD centres.

3.3. BizPortal -presented by Mr Ofentse Shakung from the Department of Trade, Industry, and Competition (DTIC)

3.3.1. Mr. Ofentse Shakung presented a case study on BizPortal, an integrated company registration platform developed by the Companies and Intellectual Property Commission (CIPC). He highlighted how BizPortal was designed to simplify business registration, reduce administrative burdens, and promote entrepreneurship by consolidating multiple registration services into a single, paperless application process.

3.3.2. During his presentation, he explained that BizPortal enables entrepreneurs to register a company within 24 hours. The platform integrates essential services such as company registration, tax registration (SARS), UIF and Compensation

Fund registration, BBBEE certification, and business bank account opening. By utilising ID verification with Home Affairs, the system ensures a secure, efficient, and user-friendly process, making business formalisation more accessible to all.

3.3.3. A key concern raised in the presentation was the issue of non-compliance among registered businesses. Mr. Shakung reported that as of 17 January 2025, the CIPC had begun deregistering over 800,000 companies due to failure to submit annual returns and beneficial ownership declarations.

3.3.4. He further emphasised that BizPortal not only facilitates registration but also supports business compliance. A key feature of the platform is the free online director training program, which educates directors on critical topics such as corporate governance, financial responsibilities, and conflict of interest management. This initiative helps business owners understand their legal obligations and improve corporate accountability, reducing the risk of deregistration due to non-compliance.

3.3.5. Mr. Shakung also discussed BizPortal's integration with intellectual property (IP) registration services, allowing businesses to register trademarks, patents, copyrights, and designs. The IPOnline system provides a digital platform for trademark searches and registrations, ensuring that businesses can protect their brands and innovations efficiently.

3.4. **Case Management System – presented by Mr Benson Mchunu from the Western Cape Government**

3.4.1. Mr. Benson S. Mchunu from the Red Tape Reduction Unit within the Western Cape Department of Economic Development and Tourism presented a case study on the Western Cape Case Management System. He explained that the system is a data-driven tool designed to track and resolve business-related red tape issues, making it an essential component of the province's ease of doing business strategy. The system operates under the Business Support Hotline Service, allowing businesses to log cases related to bureaucratic delays, regulatory inefficiencies, and administrative obstacles.

3.4.2. Since its inception in 2012, over 11,000 cases have been logged, with the system evolving from a basic Excel tracking sheet to a fully developed software solution by 2017/18. In 2021, the hotline was institutionalised across the

department, enabling different units to investigate and resolve cases more effectively. The system categorises issues such as delayed building plan approvals, municipal permit applications, inefficiencies at ports of entry, and access to business infrastructure. It also generates trend analysis reports, helping the government identify recurring challenges and implement systemic interventions.

3.4.3. One of the key successes highlighted was the Visa Reform initiative, which emerged from a case logged during the COVID-19 pandemic. A tourism visa agency raised concerns about South Africa's restrictive visa policies that prevented international visitors—especially digital nomads and long-term tourists—from staying in the country for extended periods. The case was investigated, and a formal submission was made to the Department of Home Affairs in 2021, advocating for changes to immigration regulations to accommodate this growing tourism category. After years of lobbying, the government amended immigration laws in 2023, allowing digital nomads to obtain visas, which is expected to boost the tourism sector and foreign investment.

3.4.4. To measure the economic impact of red tape reduction efforts, Mr. Mchunu explained that the province developed a Red Tape Costing Tool. This Monitoring and Evaluation (M&E) system quantifies the cost savings generated by improved regulatory processes. Between 2014 and 2019, the province set a target of R1 billion in economic savings, which was successfully achieved. Due to this success, the target was increased to R5 billion, with assessments still ongoing to determine the total impact of these initiatives on the provincial economy.

3.5. Water Use Licensing – A presentation by Mr Tsunduka Khosa from the Department of Water and Sanitation

3.5.1. Mr. Tsunduka Khosa, Director of Water Use Licensing, presented a case study on the Water Use Authorisation process, highlighting its role in ensuring equitable access to water while balancing economic growth and environmental sustainability. He emphasised that water use licensing is essential for managing water resources, regulating usage, and preventing over-extraction or contamination. However, inefficiencies in the authorisation process have led to

delays, impacting businesses, industries, and communities that depend on water for their operations.

3.5.2. He highlighted that previously, there were no fixed timeframes for issuing water use licenses. In 2014, the Department of Water and Sanitation (DWS) introduced a 300-day processing period, which was formalised in the Water License Regulations published in 2017. However, in response to a directive from the President to support business growth, the department further reduced the processing time to 90 days. This change is part of the DWS's broader efforts to improve efficiency and streamline the licensing process.

3.5.3. He outlined the challenges within the licensing system, noting that many applications face delays due to technical complexities, incomplete documentation, and compliance issues. As of December 2024, 115 applications remained backlogged, with some dating back to 2023. These delays have hindered economic activities and created uncertainty for applicants requiring water use licences to operate legally.

3.5.4. To address these issues, the DWS has implemented a 90-day processing timeframe, ensuring that applications are reviewed and finalised within a fixed period. Additionally, the department has introduced the Electronic Water Use Licence Application and Authorisation System (e-WULAAS), a digital platform that streamlines the submission, tracking, and processing of applications, significantly improving efficiency and transparency.

3.5.5. Mr. Khosa further explained that the department's performance in meeting the 90-day processing target has improved across several regions. While some areas have achieved a success rate above 70%, others continue to struggle due to high application volumes and complex regulatory requirements. To enhance service delivery, the department is focusing on capacity-building, stricter compliance enforcement, and technical support for applicants.

3.5.6. In conclusion, he stated that while progress has been made in improving water use authorisation, challenges remain, particularly in clearing backlogs and ensuring consistent performance across all regions. He emphasised that by leveraging digital innovations such as e-WULAAS, enforcing the 90-day processing timeframe, and providing targeted support to Historically Disadvantaged Individuals (HDIs), the department aims to establish a more efficient, transparent, and equitable water resource management system.

4. Discussion

4.1. It was noted that when the study was finalised, there was limited interest in the Free State to publish the findings. Discussions with government counterparts at the time indicated reluctance to make the report public. As a result, despite efforts over two years to have it released, the study was ultimately published under the name of the commissioning organization without direct association with the South African government.

4.2. On the question of corruption, it was highlighted that the more detailed version of the report does address issues related to corruption. The findings indicate that businesses have, at some point, engaged in informal practices to navigate regulatory challenges.

4.3. Regarding compliance costs, a comment was made on the exceptionally high costs, even when considering only two districts. This raised concerns about the broader implications if the study were to cover the entire country. Additionally, there was an inquiry about the possibility of expanding the study to provide a more comprehensive national perspective, which would support efforts to monitor the overall cost of compliance and assess the impact of red tape reduction. It was noted that the ILO, as a technical agency, provides support upon government request. Since completing the project, no further work has been undertaken in this area in South Africa. If the Presidency wishes to seek ILO's support for further research, a formal request would be required.

4.4. It was noted that data collection methods had evolved, moving away from traditional paper-based surveys to more efficient digital approaches. Concerns were raised about policy misalignment between national and municipal regulations, particularly in cases where businesses faced conflicting requirements. While this issue had not been directly examined in the study, it was mentioned that similar work was being undertaken in the Western Cape.

4.5. Compliance costs were highlighted as a significant concern, with administrative burdens—especially in tax and healthcare—posing challenges, particularly for small businesses that relied on external services. It was further indicated that business registration and licensing remained hurdles for entrepreneurs. Additionally, it was mentioned that limited digital access in rural municipalities

had previously hindered financial accessibility, though recent improvements might have alleviated some of these constraints.

4.6. A question was raised about the agricultural sector, specifically how businesses reconcile the high costs of compliance and registration with the significant number of voluntary VAT registrations. It was acknowledged that the study did not explore this aspect in depth and suggested further engagement with subject matter experts for a more informed response. However, it was noted that the VAT system is widely regarded as functional and closely monitored. Businesses operating in the formal economy often find VAT registration necessary for trade, as it impacts their ability to conduct transactions with clients and suppliers.

4.7. In response to the question about the turnaround time, it was highlighted that the ECD licensing process is structured in two phases to fast-track approvals while ensuring compliance.

- Phase 1 (Bronze Certification): ECD programs submit an online application with staff clearance via the National Child Protection Register. Once approved, programs receive a one-year certificate, allowing them to operate legally while working toward full compliance. The process is quick, with approval turnaround times of 1–2 days. Support is provided through a call center, NGOs, and a WhatsApp bot.

- Phase 2 (Silver/Gold Certification): This phase requires site visits and the submission of business and building plans. NGOs assist with these submissions. The primary challenge at this stage is infrastructure, particularly related to sanitation and water. Health & Safety Packs (valued at R11,000) are provided for quick fixes, and a public-private infrastructure fund helps with larger infrastructure needs. Achieving full compliance may take several months, and once completed, certification is valid for 3–5 years.

4.8. For non-compliant ECDs, readiness assessments help identify which norms and standards are being met and which are not. Based on this assessment, the appropriate support is provided, ranging from Health & Safety Packs for minor fixes to larger infrastructure investments. These needs can be addressed through the ECD Conditional Grant or private contributions. The main barrier to compliance is infrastructure, not bureaucratic processes. The licensing system

is streamlined with an easy online application and multiple support channels that minimise administrative burdens.

4.9. For ECDs serving children with disabilities, the challenge lies in training practitioners for inclusive practices, not in regulatory hurdles. Specialised support helps these centers meet registration requirements and provide quality care for children with disabilities.

4.10. It was noted that the CIPC has two dedicated units responsible for managing both electronic and physical communication. Their efforts cover a range of platforms, including social media, YouTube, and even TikTok, to enhance public awareness and reach a broad audience.

4.11. One of the key challenges mentioned was the effectiveness of their educational initiatives, which are most impactful when the CIPC is invited to participate in business seminars and events, particularly at universities. These invitations allow the CIPC to provide valuable information to individuals and businesses about the services they offer and the regulatory requirements they need to follow.

4.12. The CIPC's communication efforts are especially focused on reaching large businesses and SMMEs. It was emphasised that big businesses also invite the CIPC to share updates and regulatory strategies that could support their operations and help streamline their processes.

4.13. A recommendation was made to expand communication efforts, including providing regulatory materials in multiple languages and accessible formats (such as Braille) to ensure broader reach and inclusivity.

4.14. In response to the question about Company registration registers, the North West Economic Development representatives were requested to contact the CIPC's office privately to get assisted on their enquiries.

4.15. It was reported that the acceptance of the 90-day period as an instruction from the President led to operational deadlocks. The DWS noted that significant deliberation was required to determine the most effective way to implement this timeframe. Assistance was subsequently provided by Operation Vulindlela from the National Treasury, which helped outline the necessary steps to meet the 90-day objective.

4.16. In response to the question about operational constraints to deal with the deadlock, the DWS indicated that it is increasing its capacity by recruiting

additional personnel. This measure was described as critical for managing the workload and ensuring the successful implementation of the prescribed timeframe.

4.17. A question was raised about whether water use license costs are the same for SMMEs and large industries, and how often licenses are renewed. It was explained that the costs are currently the same, which places a financial burden on smaller businesses.

4.18. A question was raised about whether water use license costs differ between SMMEs and large industries and how often licenses are renewed. It was explained that the costs are currently the same, creating a financial burden for smaller businesses. Mr Khosa further clarified that license durations vary, with some lasting one to four years, while many extend up to 20 years as a precautionary measure. If a license expires prematurely, an early renewal process is required.

4.19. The licensing process was noted to involve an administrative fee of R159, which excludes costs related to specialist services. DWS clarified that these specialist costs, including fees for engineering and scientific studies, are handled directly between the applicant and the hired experts.

4.20. The Department of Water and Sanitation emphasised its efforts to reach out to applicants nationwide, particularly those with limited access to the internet. It was reported that laptops and automated systems are being utilised to streamline the process, though support for studies and technical reports is still evolving.

4.21. It was also mentioned that there is consideration for collaborating with private sector partners to assist applicants who may not be able to manage the full process independently. This initiative is currently being piloted by the Department of Forestry, Fisheries, and the Environment (DFFE) through AI-assisted technologies.

4.22. In addition, the Department noted that amendments to the National Water Act are underway in recognition of the need to support historically disadvantaged individuals. These amendments are expected to receive Cabinet approval shortly and will be presented to Parliament thereafter. Once signed off, the amendments are anticipated to place the Department in a better position to provide broader support to applicants.

4.23. The Department highlighted ongoing efforts to work with other entities such as the Department of Trade, Industry, and Competition (DTIC) Energy One-Stop Shop to ensure that all aspects of the process are effectively managed. However, it was noted that challenges remain, particularly in covering extensive geographical areas and ensuring that all interventions meet the required standards.

4.24. A question was raised about whether water use license costs are the same for SMMEs and large industries, and how often licenses are renewed. It was explained that the costs are currently the same, which places a financial burden on smaller businesses.

4.25. The Western Cape government red tape reduction unit clarified that the ownership of the software falls under the Premier's Office/the Centre for E-Innovation. However, the Red Tape Reduction Unit retains full ownership and rights to the data. It was highlighted that engagement can be done directly with the unit, and guidance will be provided on system specifications as needed.

5. SMME Red Tape Data Diagnostic Workshop Group Exercise Facilitated by Commissioner Feela and Commissioner Pillay

What Red Tape problem does your project provide a solution for?

South African Revenue Services (SARS) has addressed the complex and time-consuming tax compliance processes that small businesses face. By simplifying tax forms, implementing automated systems(e-filling), and offering targeted interventions, SARS has reduced the administrative burden on small businesses and streamlined tax administration.

Statistics South Africa (Stats SA) addresses the challenges of insufficient data on the informal sector and self-employed individuals by conducting household surveys and studies to provide crucial data that informs decision-making and identifies areas where red tape can be reduced, making it easier for these sectors to operate.

What impact has the Red Tape Reduction project had towards reducing red tape for SMMEs?

SARS has significantly reduced red tape for SMMEs by simplifying tax filing requirements, introducing automation to reduce manual processing, and providing

targeted interventions based on benchmarking data. Awareness campaigns and the deployment of SARS personnel across regions have also helped SMMEs better understand their tax obligations, leading to increased voluntary compliance and more efficient interactions with SARS.

Statistics SA has had a significant impact on reducing red tape for SMMEs by providing crucial data through Stats SA's census, household surveys, and other studies such as the informal sector study (to be released on 25 March 2025) and the self-employed study. This data empowers policymakers to make informed decisions, identify areas for regulatory improvement, and streamline processes, ultimately reducing unnecessary bureaucratic hurdles for SMMEs and facilitating easier compliance.

What indicators are used to measure the impact of the Red Tape Reduction project?

The indicators used to measure the impact of the Red Tape Reduction for CIPC include the number of businesses facing deregistration due to non-compliance, the growth rates of SMMEs, and changes in the level of compliance. Additional indicators are the reduction in compliance-related costs, improved time efficiency for submissions, and changes in company registrations. Customer satisfaction with the online system is also measured through customer surveys, while the regulation of ICT skills to equip the clientele is assessed.

For SARS, the key indicator is the submission of annual returns and problems submitted by customers.

How can the data be shared with / extracted from the project's system into a Red Tape Reduction Tracker?

The Presidency Red Tape Reduction Team explained that integrating data into a Red Tape Reduction Tracker would require an input platform, as most implementing departments have their own dashboards containing initiatives, targets, and key performance indicators. To avoid duplication, a system would need to be developed to consolidate these decentralised dashboards into a centralised view. They referenced the approach taken by CIPC, which has

integrated multiple external systems to create a single access point. Similarly, the proposed dashboard would function as a centralised platform while drawing data from various institutional dashboards, such as those within government departments.

The CIPC stated that data sharing with the Red Tape Reduction Tracker could be facilitated through APIs, which ensure accuracy, speed, and structured dissemination. It was noted that the CIPC has developed an API that enables data sharing with both the private and public sectors, allowing users to extract information from its database using customised templates. Given that much of the data is part of the public register, this approach aligns with transparency principles. However, for the Red Tape Reduction Tracker, a more performance-oriented framework could be considered, incorporating elements to assess the impact of red tape reduction initiatives. Additionally, the use of SSL certificates was mentioned as a potential mechanism to enhance security and enable performance reporting.

What are the top 3 Red Tape areas that SMMEs are faced with in your locality?
The Companies and Intellectual Property Commission (CIPC) identified key compliance challenges, including business owners' lack of awareness of ongoing obligations, leading to deregistration due to non-submission of annual returns. A major concern is the rise of non-operational companies registered solely for tenders, with some individuals creating multiple entities instead of adapting a single business.

Low compliance levels among SMMEs, often due to financial constraints, persist, while new regulations requiring beneficial ownership disclosure have added complexity. Many businesses resist this requirement, complicating transparency efforts. While red tape issues remain, the CIPC aims to balance enforcement with reducing the regulatory burden, particularly for smaller enterprises.

A representative from DIRCO raised key points regarding the challenges faced by SMMEs, particularly those trying to export. The representative highlighted the need

to recognise that the focus should not solely be on local markets but also extend to the international market. Structural issues, such as the small scale of SMMEs in the global landscape, were identified as significant challenges, and the representative emphasised the necessity for an export network and collaborative mechanisms to aid SMMEs in overcoming these obstacles.

Furthermore, she discussed the absence of a single government-backed financing platform for exporting SMMEs, suggesting the establishment of an EXIM bank to address this gap. She also mentioned trade agreements and the lack of accommodations for SMMEs within them. The need to streamline processes, reduce red tape, and ease the hurdles that SMMEs face in international trade was stressed.

The intervention called for a more inclusive approach that considers not just domestic operations but also the international challenges faced by SMMEs, and suggested exploring solutions like dedicated platforms to support their global engagement.

What process do you use to keep abreast of new/ emerging Red Tape challenges from SMMEs?

Digital Feedback Mechanisms: The CIPC allow SMMEs to log complaints and track issues directly through their apps or websites. This provides a real-time view of challenges, ensuring that SMMEs can voice concerns promptly.

Monitoring Transaction and Service Volumes: Systems are in place to track transaction volumes and monitor unusual patterns. For example, a sudden spike in queries or disruptions can signal underlying issues, allowing the team to intervene early.

Social Media and Online Engagement: Customer feedback on social media and online forums is actively monitored for signs of dissatisfaction. Issues that surface in these channels are flagged for investigation and resolution.

Proactive System Alerts: Automated triggers within platforms help detect any service disruptions or delays, such as failures in OTP delivery or delays in service response times. This system ensures that issues are identified and addressed quickly.

Engagement with Regional Initiatives: For instance, the Western Cape's approach to reducing red tape has been highlighted as an effective model. Their efforts to identify and address bureaucratic inefficiencies within different levels of government offer valuable insights for other regions.

Filtering Complaints: There is a process to differentiate between regulatory, administrative, and structural issues. This helps in addressing the root cause of challenges more efficiently, without lumping all issues together.

What steps do you take to highlight/ resolve new/ emerging Red Tape facing SMMEs in your locality?

Collaboration Between Government Departments: Collaboration across various government departments was emphasised. Understanding the process owners within each department—those who administer permits and licenses—is key. This helps identify where blockages or inefficiencies may arise, allowing for more effective coordination in addressing red tape.

Platform Creation and Maintenance: In previous DTIC initiatives, a portal was created to facilitate collaboration among different agencies. By bringing these agencies together, they were able to streamline processes and share information. A crucial aspect of this initiative was deciding who would own the platform and take responsibility for its continued innovation and maintenance. This ensures that the platform remains effective and adaptive to new challenges.

Understanding and Addressing Blockages: By understanding where the bottlenecks occur in the system, it becomes easier to target specific areas for improvement. This requires continuous dialogue and engagement with relevant stakeholders to identify and address emerging challenges.

6. Facilitated discussion on Process to map, share, and exchange data, Red Tape Reduction Project data availability & limitations, Tracker indicators and setting up a Technical Task team by Mr Ross Holder (CSIR)

6.1.   To respond to the question: "What system is used to implement/track the Red Tape Reduction project?", the following key insights were provided by the Presidency Red Tape reduction unit:

6.1.1.   Various departments across the government have initiated red tape reduction efforts, but these initiatives are tracked using different systems, leading to fragmented data storage. These systems often operate in silos, with the relevant data stored in disparate databases or systems, making it difficult to obtain a comprehensive view of the progress being made.

6.1.2.   For those initiatives that have defined targets, tracking mechanisms are in place, but the methods for monitoring progress vary. Some departments use dashboards to track their initiatives, providing visibility into their progress. However, the data captured through these dashboards is not always consistent, and it is often not visible across all departments, hindering a unified approach.

6.1.3.   A notable development aimed at addressing these challenges is the creation of a centralised dashboard. This dashboard is being piloted through a collaboration with the Department of Planning, Monitoring, and Evaluation (DPME). The goal of this centralised system is to standardise how red tape reduction initiatives are tracked across departments, providing clearer visibility and better coordination. The centralised dashboard will also facilitate the investigation of how each department tracks its Key Performance Indicators (KPIs), ensuring a more streamlined and transparent tracking process.

6.1.4.   Efforts to unify the data are ongoing, with institutions working together to understand the tracking mechanisms used by different departments. The goal is to consolidate and standardise the data to improve the effectiveness and transparency of tracking red tape reduction initiatives. Despite these efforts, challenges remain, particularly the siloing of data, which complicates the unification process. Some initiatives still lack clear targets, and for those that do have them, the tracking mechanisms differ, making it harder to achieve a consistent and unified approach.

6.2. The department of Cooperative Governance & Traditional Affairs is currently in the process of training staff on tracking and measuring municipal operations. Although the specific models or indicators for the upcoming financial year, beginning 3rd April 2025, have not yet been finalised, the department plans to implement them in alignment with the Medium-Term Development Plan (MTDP). The focus will be on several key indicators related to economic development, such as the number of applications received by municipalities, the efficiency in processing and resolving these applications, and the responsiveness to complaints.

6.3. Additionally, the department will track the time taken for municipalities to approve applications, the efficiency of the building control process, and the duration required to issue payments, as delays in payment have been identified as a significant hindrance. While the department has an ongoing project for the current financial year, it is still being refined. Final decisions regarding the indicators and data collection methods will be made, ensuring they are aligned with the broader objectives of the MTDP.

7. Presentation by CSIR on South Africa's Development Indicators dashboard

7.1. Mr Ross delivered a presentation on the South Africa's Development Indicators dashboard, outlining the following key points about the South African Development Dashboard:

7.2. The dashboard serves as a central platform for monitoring progress towards the National Development Plan (NDP) 2030. It enables the input, analysis, and sharing of data across government departments, aiming to provide real-time updates and publicly accessible information to allow for evidence-based decision making.

7.3. Each data point on the dashboard is accompanied by clear explanations regarding its meaning, timeframe, and source, ensuring that stakeholders can interpret the data accurately and consistently.

7.4. Indicators are organised into thematic groups aligned with the NDP 2030, allowing users to track progress within specific sectors such as health. This structure enhances navigation and ease of access to relevant information.

7.5.   The dashboard allows users to generate tailored reports, providing real-time insights into ongoing initiatives and up-to-date statistics. Each indicator is linked to its source, ensuring transparency in data collection and enabling verification.

7.6.   The challenges identified with the dashboard includes access to data on imports and exports, unavailability of poverty data and digital economy theme. The current work includes finalising the report generation tap on the dashboard, building a robotic system to present each graph, quality assuring the data as it is being received before projecting it on the dashboard.

7.7.   Mr. Ross highlighted the challenges related to data accessibility, stressing the importance of addressing issues surrounding data ownership, access protocols, and privacy agreements to ensure seamless sharing and utilisation.

7.8.   In linking the dashboard to the desired SMME red tape tracker dashboard he outlined that the dashboard can have both quantitative and qualitative targets to track progress. Quantitative targets could include metrics such as SMME registration rates and employment figures, while qualitative targets focus on trends and changes in specific sectors over time.

7.9.   Here is the link to the dashboard: https://development-indicators.csir.co.za/dashboard/home.

Discussion

7.10.   The discussion underscored the challenges regarding data accessibility, particularly in how data is stored and controlled. Several organisations still rely on individual departments or specific personnel for data maintenance, creating barriers to seamless access. This fragmented ownership model complicates efforts to integrate and utilise data effectively, limiting its potential for broader applications.

7.11.   It was noted that discrepancies in data collection methods across institutions pose a considerable challenge. Some institutions update data on a triennial basis, while others provide annual or real-time updates. This lack of consistency in collection schedules makes it difficult to establish a unified, up-to-date database that can be effectively used for national tracking and decision-making. The Municipal Investment Public Business Index, which is updated every three years, was cited as an example, contrasting with datasets that offer real-time updates.

7.12. The ongoing use of manual or paper-based systems for data collection was identified as a significant obstacle to efficiency. These systems contribute to high administrative costs and reduce the speed and accuracy of data handling. The transition to automated or electronic data systems was deemed critical to improving accessibility and streamlining the management process. Furthermore, it was highlighted that strategies must be developed to digitise historical data, ensuring its integration into modern, real-time systems.

7.13. One proposed solution to the challenges outlined was the standardisation of data indicators across various levels of government and institutions. Adopting a standardised methodology would align data collection efforts, simplify the process of aggregating data at the national level, and ensure consistency across departments. This approach is particularly important given the significant role of local departments in data collection. Aligning their efforts with a national framework would facilitate a more cohesive system for data sharing and monitoring.

7.14. It was agreed that addressing these challenges requires close collaboration between relevant departments, including the National Treasury and local government agencies. Aligning data collection methods across these departments would facilitate easier aggregation and utilisation of data at the national level. Additionally, it was recognised that further engagement with local governments is essential to understand their specific data needs and explore how to integrate their data into broader systems. Such collaboration is expected to refine data management practices and build more robust tracking systems.

7.15. The importance of real-time data collection was emphasised as a crucial component for improving decision-making. Real-time data would allow stakeholders to track progress, adjust strategies promptly, and make more informed decisions. The implementation of technologies, such as APIs, was highlighted as a means of enabling seamless data sharing while ensuring privacy and security. These technologies would be key to enhancing accessibility and creating a more integrated system.

8. Reflections and Closing Remarks by Commissioner Feela

8.1. Commissioner Feela provided reflections on the day's discussions and presentations. He noted that Commissioner Chifunyise had outlined the NPC's

strategic objectives, particularly the tracking of eight key indicators with support from the CSIR. The initiative was seen as a significant step forward, with optimism expressed about meeting the set goals.

8.2. He highlighted the presentation by ILO, which revealed the substantial financial cost of red tape. Administrative inefficiencies in the Free State alone were reported to cost R80.5 million annually, prompting a discussion on the urgent need for reforms to streamline business processes and eliminate bureaucratic barriers to foster economic growth.

8.3. The CIPC's presentation on leveraging technology to enhance operational efficiency was also acknowledged. Commissioner Feela emphasised that these efforts aligned with the NPC's mission of achieving 99% connectivity nationwide, supporting digital transformation and improving accessibility for businesses and citizens.

8.4. He further commended the Western Cape Government for its case management system, recognising it as a potential model for the NPC to adopt. The system's streamlined processes and improved service delivery were viewed as a promising framework to enhance efficiency within different government departments.

8.5. Commissioner Feela also noted the significant achievement by the Department of Water and Sanitation in reducing the licensing turnaround time from one year to just 90 days. This improvement was celebrated, and discussions focused on replicating such efficiencies across other departments.

8.6. In closing, Commissioner Feela expressed gratitude to all participants, both in-person and online, for their valuable contributions. He stressed the importance of collaboration, particularly on the development of the proposed red tape reduction tracker tool, which aims to address data fragmentation within government systems. He outlined that the insights shared would be carefully reviewed and analysed to guide future actions and that the minutes of the session will be shared with the participants.

Annexure A:

1.   Other participants:

Gosetseone Leketi, Moeketsi Sikhudo, Percy Rathogwa, Richard Humphries, Tovhowani Tharaga, Mosa Ke, Phuti Moloto, Anton De Kock, Niel Roux, Mahlatse's, Mosa's, Gosetseone Florence, Ntsundeni's Pearl's, Nkhensani Faith's, LEBOGANG's, Ben makhalemele, Mr Rachidi, Thabisa Tokwe, Beverly Naidu, Nomfesane Ngobese, Lindokuhle Mkhumane, Legoete SLE, Walter Matli, Chris Mtshali, Duniso Manganye, Lusunzi T M, Ranveer Persad, Tsakani Vanessa Khosa, Nokuthula Lukhele, , G.L. Phokontsi, Portia Mthembu, Thembani Masinge, Fezile Mamfengwana, Nenekazi Mkuzangwe, Doctor Phuthi, Nontuthuzelo Ntshabele, Benson S Mchunu, Marlies Piek, Michelle Ellis, Tagwi Aluwani, Carol Rasego, Melezwa Tyali, Lebogang Mojanaga, Virginia Mavasa, Ross Holder, Ntsundeni Ndou, Goodman, Sandisiwe, Carol Raseho, Olebogeng Masilo, Letta Kaseke, Godfrey Phetla, Anda Makrwede, Dashney Makgafela, Yamkela Somi, Harsha Dayal, John Peters, Ishmael Kgokong, Goodman Nxumalo, Wezile Sithole, Navlene Thavar.

2. Presentations link:

https://we.tl/t-SQwKSwxIeS