

MSME FUNDING HANDBOOK

VOL 1: National Development Finance Institutions



PREPARED BY:
Zevoli Growth Partners
in partnership with:



**ASPEN NETWORK
OF DEVELOPMENT
ENTREPRENEURS**

aspen institute





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This handbook is the first in a series of funding guides which aim to equip entrepreneurs and MSMEs with comprehensive information as they embark on sourcing various types of funding for their business, gauge funding readiness, steer them to make the right funding decisions for their business, and to find the most appropriate funding solution

- Mpopi Khupe

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Welcome

This MSME Funding Handbook has been prepared by Zevoli Growth Partners in partnership with ANDE.

Globally, Micro, Small and Medium Enterprises (MSMEs) are the bloodline of any economy, as they contribute towards economic growth, create decent jobs and provide various goods and services. MSME funding is a critical component of this growth. It is important a conducive environment is created which allow MSMEs to be catalysts for economic growth, and to reduce high unemployment and alleviate poverty and inequality. Access to finance is cited as one of the primary challenges for MSMEs and one that needs urgent attention.

- Nonceba Qabazi, Sekai Chiwandamira

The barriers to growth and challenges to access to finance for MSMEs remain persistent in South Africa. Thus collaborative efforts within the entrepreneurial ecosystem are still crucial. With MSMEs contributing approximately 34% to the country's Gross Domestic Product (GDP) and employing between 50-60% of the country's workforce,¹ it is through these collaborative efforts that decrease the barriers that we move one step closer to growing the market size of the 5,78 million MSMEs in South Africa. Over the years, the **Aspen Network of Development Entrepreneurs (ANDE)** has witnessed the growing challenges of access to finance by a range of Small and Growing Businesses (SGBs) in many emerging countries, with South Africa and other Africa economies being no exception.

The disconnect between the right information and MSMEs continues to highlight the long-standing challenge of access to finance in South Africa. This gap has since been widened because of the COVID-19 pandemic. Study by McKinsey & Company² found that even with the multiple finance and relief options presented to small businesses, many are still not matching the pipeline requirements to access the funds presently available from both private and public sector financiers. The Boston Consulting Group³ also highlights the importance of increased innovative approaches as well as informed collaborative solutions between the private and public sector. They aim to better support not only the 14% of formalised MSMEs, but to create an inclusive environment for the 36% informal businesses that make up majority of our MSME market size.⁴



“ **MSMEs contribute to approximately 34% to SA's Gross Domestic Product (GDP) and employ between 50-60% of SA's workforce¹** ”

Some businesses, particularly those in townships, do not necessarily have access to tools or resources that could potentially assist in navigating the funding ecosystem or even help them in receiving funding or enabling access to markets.⁵ For example, some businesses or business owners lack financial understanding which could hinder the growth of the business and in turn cause barriers to potential financial assistance. To realise the promise of inclusive SGB (small and growing businesses) ecosystems within developing economies across the continent, it is crucial to enhance financial inclusion through increased access to information.

Research by the World Bank found that financial inclusion is significantly important in enabling seven of the 17 UN Sustainable Development Goals.⁶ There

are numerous challenges faced with the growing pace of financial inclusion within the country. Structural inequality and compliance standards limit MSMEs' chances of accessing funding from government, finance institutions or banks. There is an uneven distribution of funds mainly focusing on larger organisations. MSMEs are unsure about the kind of products or services they need from banks, as they are unable to articulate the products and services that banks are not providing to them.⁷

With many informal businesses being survivalist, informal and unbanked, the gap remains prevalent with the growing need for increased guidance and support to ensure that funding opportunities are not only aligned with the more formal businesses in South Africa.

FOREWORD FROM ANDE

This critical gap has led the government to creating a variety of solutions through its Small Business Development Ministry.⁸ Through this we have been encouraged in seeing that that “government and microfinance institutions account for the bulk of finance extended to the informal sector.”⁹ Efforts such as these, as well as those by private sector institutions, have further highlighted the disconnect and gaps between the capital market and the small businesses seeking capital to succeed further.¹⁰ The large market portion of informal businesses has led to many funding institutions realising the need to review their funding requirements and better understand the MSME landscape for suitable funding solutions. The ANDE Township Economy Ecosystem Snapshot¹¹ further highlights the need to pursue multiple methods of educating individuals on the opportunities available to them, while simplifying the different processes.

We understand that the MSME market is largely fragmented in relation to the support available, and while previous interventions have not yielded our optimal outcomes, these efforts have proven the increased motivation in supporting our informal MSME sector.¹²

With the majority of South African businesses being fairly young (startups/early stage)¹³, they often do not meet the criteria to qualify for funding. This presents a large market opportunity to build the skills and entrepreneurial understanding of many MSMEs in South Africa, while also leveraging on the potential human capital of MSMEs within the townships.¹⁴ With growing interest in supporting the MSME sector in breaking the barrier to access to finance, there are multiple resources, support solutions and innovative funding mechanisms available to explore.

We hope that that this handbook will assist MSMEs in sourcing information which will be handy for them to access finance. Thank you to Zevoli Growth Partners for the excellent partnership and important role which they are playing to share knowledge in the ecosystem. Through this handbook, ANDE hopes that MSMEs will contribute to Goal 8 of the Sustainable Development Goals by:

- Creating jobs in emerging markets;
- Driving economic growth in emerging markets; and
- Changing the nature of work.

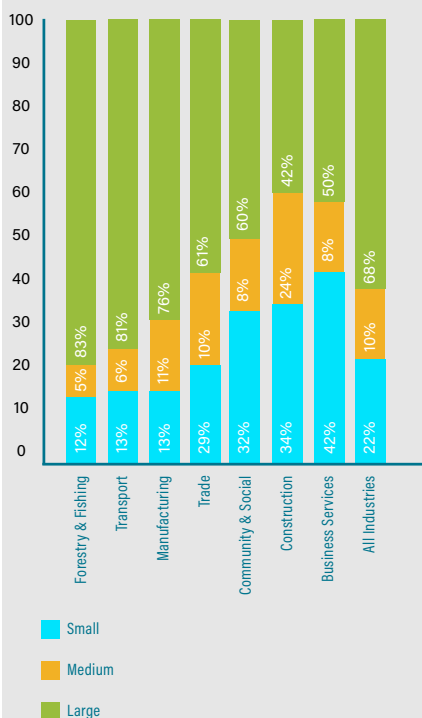
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THE MSME LANDSCAPE IN SA

Where are small businesses making a contribution?

All Industries



Source: International Finance Corporation's Unseen Sector Report, 2020

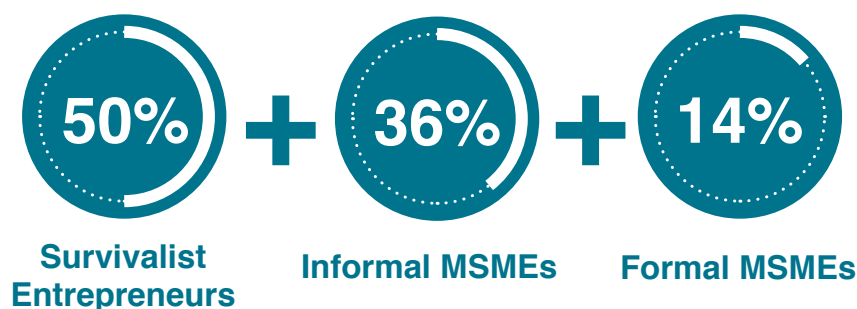
What exactly qualifies as a small business?

An enterprise having fewer than 50 employees



Rate of Established Entrepreneurship, with 6th worst entrepreneurial ecosystem globally

There are 5,78 million MSMEs:



61% of the working population works in a small business

MSMEs' contribution to GDP



R220 billion MSME funding gap deficit

Total funding required by MSME sector

R450 billion

Total funding available to MSME sector

R230 billion

REASONS FOR INFORMALITY



Low Rate of
Established
Entrepreneurship



Ownership
Inequality



Limited
Finance



Not
Urbanized



Survivalist
Driven

CHALLENGES FACED BY SMALL BUSINESSES IN SOUTH AFRICA

1. Business Skills and Knowledge



Financial Record keeping



Effective Business
Management and Planning

2. Access To Markets



Large Business
Dominance



Structural Inequality

3. Infrastructure



Physical
infrastructure



Commercial
and professional
infrastructure

4. Business Environment and Regulatory Barriers



Government
intervention and
assistance



Compliance standards
for government
procurement

HOW TO ATTRACT FUNDING FOR YOUR BUSINESS

Typical Barriers To Funding



Lack of collateral



Unclear business strategy



Cost of Funding

Potential Solutions to Improve Access to Funding



Business Management and Accounting Systems Training

Practical Funding Guides Specifically Developed for MSMEs

Access to Fintech Solutions that Automate MSME Funding Matches

Why Your Funding Application is being declined: Lenders' Perspectives



MSMEs not funding ready



Insufficient understanding of MSME landscape



High failure rates, higher risks

How to encourage the formality of your business and make it fundable



Re-establish good credit score



Operate for a certain period of time



Demonstrate repayment ability



Valuable assets as collateral





The South African Government offers various types of funding for small businesses:

Grants: Grants are awarded in percentages. A 100% grant means no repayment, whereas a lower percentage grant requires the remaining balance to be repaid by the grant recipient.

Incentives: To encourage economic growth, incentives such as tax advantages can be made use of after profit has been generated.

Equity funding: The government acts as an investor and provides funding in return for a shareholding percentage in your business.



South Africa's Development Finance Institutions

The South African government has a myriad of different funding sources geared directly towards small businesses, and whose mandate is the promotion of grassroots entrepreneurship.



Core Mandate

DFI

Industrial Development	 <p>the dti Department: Trade and Industry REPUBLIC OF SOUTH AFRICA</p>  <p>Industrial Development Corporation Your partner in development finance</p>  <p>PUBLIC INVESTMENT CORPORATION Est. 1971</p>  <p>technology innovation A G E N C Y</p>
Infrastructure Development	 <p>DBSA DEVELOPMENT BANK OF SOUTHERN AFRICA</p>
Agriculture, Land Reform and Rural Development	 <p>LAND BANK</p>
Housing Development	 <p>NCF NATIONAL CREDIT FUND</p>
Black Economic Empowerment	 <p>NATIONAL EMPOWERMENT FUND Growing Black Economic Participation</p>
MSME Development	 <p>small business development Department: Small Business Development REPUBLIC OF SOUTH AFRICA</p>  <p>seda SMALL ENTERPRISE DEVELOPMENT AGENCY an agency of the state</p>  <p>sefa Small Enterprise Finance Agency</p>
Youth Development	 <p>nyda NATIONAL YOUTH DEVELOPMENT AGENCY</p>

Industrial Development Corporation (IDC):

www.idc.co.za | contactus@idc.co.za

19 Fredman Drive, Sandown | PO Box 784055, Sandton, 2146



The IDC's primary objective is to contribute to the generation of balanced, sustainable economic growth in Africa, and to the economic empowerment of the South African population.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> 1. Compliance with international environmental standards. 2. Shareholders/owners are expected to make a financial contribution: The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution. 3. The project/business must exhibit economic merit in terms of profitability and sustainability. 4. The IDC does not re-finance fixed assets as their aim is to expand the industrial base. 	Expansions by Existing Businesses: <ol style="list-style-type: none"> 1. Latest audited and actual financials (signed by the finance director, MD, or CEO). 2. Updated business plan focusing on the proposed project/expansion. 3. A detailed description of the nature of expansion, its related costs, and revenues. 4. A comprehensive business plan. 	Small, Medium and Start-Up Businesses: <ol style="list-style-type: none"> 1. A comprehensive business plan. 2. Latest management accounts and financial projections. 3. A covering letter with details of the finance required from the IDC.
<ol style="list-style-type: none"> 1. Agro-Processing & Agriculture Strategic Business Unit (SBU) promotes value-adding expansionary agro-processing activities in a manner that fosters economic inclusivity. It reduces production costs by introducing new technologies, increasing efficiencies, and promoting a value chain approach. 	Funded Industries: <ul style="list-style-type: none"> • New or existing companies within the agro-processing and agriculture sector. • Expansionary Broad-Based Black Economic Empowerment (B-BBEE) acquisitions. 	Funding amount/range: <ul style="list-style-type: none"> • Start-ups: 60% of the total funding requirements • Expansion projects: IDC can fund a full expansion if the equity structure at peak is a minimum of 35%
<ol style="list-style-type: none"> 2. Automotive & Transport Equipment SBU focuses on ensuring both domestic and global competitiveness in the downstream manufacturing of automotive, transport equipment and related components. 	Funded Industries: <p>Automotive and transport equipment manufacturing entities in SA</p>	Funding amount/range: <p>Between R1 million and R15 million</p>
<ol style="list-style-type: none"> 3. Chemical Products & Pharmaceuticals SBU supports entrepreneurship, promotes industrial development and strategic partnerships by building competitive industries and enterprises in SA and the rest of Africa. 	Funded Industries: <p>New and existing businesses in the chemical, medical and industrial minerals industries</p>	Funding amount/range: <p>Loan- and equity-based financial assistance between R1 million and R15 million</p>
<ol style="list-style-type: none"> 4. Energy SBU focuses the previous Green Energy mandate of the Industrial Infrastructure Unit in facilitating the energy transition and ensuring sustainable energy security in SA and the rest of the continent in support of growing economies. 	Funded Industries: <ul style="list-style-type: none"> • For own use by companies in the Commercial & Industrial (C&I) space • Independent Power Producers (IPPs) for sale under long term off-take agreements, such as Power Purchase Agreements (PPAs) to: <ul style="list-style-type: none"> » Energy Intensive Users, such as mines, chemical processing companies, smelters, etc. » Other C&I companies » Eskom under any of the Government's Independent Power Producers Procurement Programmes, e.g., RMIPPPP, REIPPP bid windows, etc. 	Funding amount/range: <p>Between R1 million and R15 million</p>
<ol style="list-style-type: none"> 5. Industrial Infrastructure SBU enables infrastructural enterprises to pursue growth opportunities in water and sanitation, telecommunications, logistics, and transport. 	Funded Industries: <ul style="list-style-type: none"> • Water and sanitation • Logistics & transport 	Funding amount/range: <p>Between R1 million and R15 million</p>
<ol style="list-style-type: none"> 6. Machinery, Equipment & Electronics SBU is a cost-sharing grant that contributes to the cost of feasibility studies into projects outside SA that are likely to increase local exports for South African capital goods and services. 	Funded Industries: <ul style="list-style-type: none"> • Electricity generation, transmission, and distribution • Mining, quarrying, and construction • Pump valves and instrumentation • Logistics, lifting and handling equipment • Electronics in the technology and digital equipment space • Manufacture of household appliances 	Funding amount/range: <p>Between R1 million and R15 million</p>

7.	Media & Audio-Visual SBU places a primary focus on producing locally relevant and internationally palatable content, with an emphasis on feature films, animation, and TV series. The SBU also aims to close the financing gap, as well as cash-flow – the film rebate incentive.	Funded Industries: <ul style="list-style-type: none"> Media (Studios, Equipment, Broadcast, Digital media, Gaming, Other Media Projects) Content Production (feature film, television series) 	Funding Amount/Range: Between R1 million and R15 million
8.	Mining & Metals SBU supports the development of a globally competitive mining and beneficiation industry and the metals value chain (steel, aluminium value chains) in SA.	Funded Industries: <ul style="list-style-type: none"> Base Metals Precious Metals Coal Industrial Minerals 	Funding Amount/Range: Between R1 million and R15 million
9.	Textiles & Wood Products SBU focuses on the beneficiation of wood from the sawmilling process to the manufacturing of paper and packaging. It works closely with the Clothing Textiles Competitiveness Programme, a grant scheme managed on behalf of the dtic.	Funded Industries: <ul style="list-style-type: none"> Textiles Wood 	Funding Amount/Range: Between R1 million and R15 million
10.	Tourism & Services SBU primarily invests in the accommodation sub-sector, focusing on business hotels in fast growing areas. The investments focus on high impact, sustainable tourist attractions that provide niche product offerings.	Funded Industries: <ul style="list-style-type: none"> Tourism Healthcare Information and Communications Technology (ICT) industries 	Funding Amount/Range: <ul style="list-style-type: none"> Between R1 million and R15 million
11.	AFD Green Energy Fund provides finance to renewable energy and energy efficiency projects of smaller scale and manufacturing of green products in SA.	Funded Industries: <ul style="list-style-type: none"> Renewable Energy Solar and biomass Energy Efficiency Greenfield operations and other technologies are considered on a case-by-case basis. 	Funding Amount/Range: Total investment cost not higher than 25% of the facility (~R250 million per project)
12.	The Agri-Industrial Fund aims to develop competitive, economically viable activities in agro-processing (food and non-food) sectors by developing local and regional resources to supply domestic demand and increase international trade.	Funded Industries: <ul style="list-style-type: none"> Agricultural sector value chain operating entities (agri-businesses) Existing operations for expansion in production on privately owned or land reform farms (Brownfield and Greenfield operations). 	Funding Amount/Range: Working capital and/or production loan, which must be used for purchasing capital equipment and infrastructure ("CAPEX")
13.	Downstream Steel Industry Competitiveness Fund (DSCIF) helps the struggling steel industry with an interest subsidy that offers discounts to qualifying clients.	Funded Industries: <ul style="list-style-type: none"> Foundry industries Fabrication sectors – pressure vessels, pipes, and pipe fittings sub-sectors; steel intensive designated sectors/products Parts and component manufacturers of steel-intensive products Valve and pump manufacturers Machining plants Capital equipment industries particularly steel intensive rail and rolling stock components Any other steel-intensive business 	Funding Amount/Range: Quasi-equity and -loans with a maximum of R75 million per transaction
14.	MSMEs and MIDCAP companies fund assists with access to loan financing for CAPEX, medium- and long-term working capital.	Funded Industries: MSMEs and MIDCAP companies (companies that have up to 3000 full time employees)	Funding Amount/Range: Loans of a minimum of R1 million and a maximum of R120 million per transaction. Total cost of a project must not exceed R450 million
15.	Gro-E Youth Scheme encourages youth entrepreneurship and employment creation, thereby growing SA's economy.	Funded Industries: South Africans and permanent residents up to and inclusive of the age of 35 years at the time of final approval, operating start-up, or expansion within SA with youth operational involvement and shareholding of at least 26%.	Funding Amount/Range: Equity, quasi-equity, and loans of a minimum of R1 million and a maximum of R50 million per transaction

16. Youth Pipeline Development Programme improves the readiness of potential applicants and thereby increases their probability for IDC consideration.	Funded Industries: Youth-owned businesses (irrespective of whether they qualify for Gro-E Youth or not. They can be start-up or expansion).	Funding Amount/Range: <ul style="list-style-type: none"> • Pre and post Business Development provided at a maximum of R2 million per applicant. • Loans and grants (50:50) and prime; repayable after IDC's normal debt, subordinated in terms of cash-flow and security.
17. Manufacturing Competitiveness Enhancement Programme (MCEP) assist manufacturing companies with working capital and provide finance to Black Industrialists for the acquisition of plant and equipment.	Funded Industries: <ul style="list-style-type: none"> • Manufacturers under Standard Industrial Classification Code 3 (start-ups only considered for Black Industrialists' businesses) • Plant and equipment requirements and applicable to start-up businesses, expansions, and expansionary acquisitions 	Funding Amount/Range: <ul style="list-style-type: none"> • Limited to R50 million • Pre and post Business Development provided at a maximum of R3 million per applicant.
18. Technology Venture Capital Fund (TVC) provides business support and seed capital for the commercialisation of innovative products, processes, and technologies.	Funded Industries: South African MSMEs	Funding Amount/Range: Financial assistance to qualifying companies that wish to commercialise innovative products
19. UIF II contributes towards sustainable job creation and retention by supporting job creating transactions while providing concessionary funding.	Funded Industries: Start-ups and existing businesses whose applications are geared to saving and/or creating jobs	Funding Amount/Range: Loans limited to R120 – R150 million per transaction, where minimum or cost per job criterion applies.
20. Covid-19 Distressed Fund aims to assist companies that are in distress resulting from the Covid-19 pandemic.	Funded Industries: <ul style="list-style-type: none"> • Agro-processing and Agriculture • Machinery, Equipment & Electronics • Chemicals, Medical & Industrial Mineral Products • Textiles and Wood Products • Mining and Metals • Energy • Media & Audio Visual • Infrastructure • Tourism and Services • Automotive Transport and Equipment 	Funding Amount/Range: The company's financial needs must be in excess of the assistance received from the Unemployment Insurance Fund, the Compensation Fund, the IDC's funding, and any other support schemes.



The Department of Trade Industry and Competition (dtic)

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The dtic's mandate is to promote the establishment and success of competitive businesses, and to broaden participation to achieve inclusive economic growth for the whole of South Africa's population.

FUNDING CRITERIA:		REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> Majority black-owned business with minimum of one year in trading Significant representation of black managers (if applicable) The minimum and maximum turnovers vary from grant to grant CIPC registered entity with a tax clearance certificate, VAT number, etc. All owners and major shareholders need a clear credit history. 		<ol style="list-style-type: none"> A completed and signed application form Original and valid SARS Tax Clearance Certificate A detailed business plan A co-operative resolution (if applicable) A list of directors, shareholders etc. complete with certified copies of IDs and CVs A copy of the business registration certificate A motivational letter Bank statements Projected financial statements for start-up and/or expansion 	
1.	Section 12I Tax Allowance Incentive (12I TAI) A tax incentive that offers support for both capital investment (manufacturing assets) and training of personnel.	Funded Industries: <ul style="list-style-type: none"> Greenfield investments (i.e., new industrial projects that utilise only new and unused manufacturing assets) Brownfield investments (i.e., expansions or upgrades of existing industrial projects) 	Funding Amount/Range: R50 million for a Greenfield project and an additional investment of R30 million for a Brownfield project
2.	Agro-Processing Support Scheme (APSS) This programme aims to stimulate investment by the South African agro-processing / beneficiation.	Funded Industries: Agri-business enterprises	Funding Amount/Range: R1 – R20 million
3.	Aquaculture Development and Enhancement Programme (ADEP) This programme offers a reimbursable cost-sharing cash grant on investment costs in marine and freshwater cultivation and processing.	Funded Industries: Primary, secondary, and ancillary aquaculture operations, i.e., fish hatcheries and fish farms, and the production, processing, and preservation of aquaculture fish	Funding Amount/Range: Maximum R30 million
4.	Automotive Incentive Scheme (AIS) A cost-sharing cash grants to support the growth and development of the automotive sector through investment in new and/or replacement models and components.	Funded Industries: <ul style="list-style-type: none"> Light motor vehicle manufacturers Component or deemed component manufacturers 	Funding Amount/Range: R2 – R50 million
5.	Black Industrialists Scheme (BIS) A cost-sharing grant that promotes industrialisation, sustainable economic growth, and transformation through the support of black-owned entities in the manufacturing sector.	Funded Industries: A black industrialist refers to a juristic person, which includes co-operatives incorporated in terms of the Companies Act, 2008 (as amended) that are owned by black South Africans as defined by the Broad-Based Black Economic Empowerment (B-BBEE) Act, that creates and owns value-adding industrial capacity and provides long-term strategic and operational leadership to a business. A black industrialist can be a natural person.	Funding Amount/Range: 30% to 50% cost-sharing to a maximum of R50 million
6.	Business Process Services Incentive (BPS) A cost-sharing grant whose primary objective is to create employment in the youth through servicing offshore activities.	Funded Industries: Local and foreign investors that aim to service offshore clients. Companies offering business process services internationally should have at least 80% of its youth workforce involved in the project to qualify.	Funding Amount/Range: R124 000 per job created
7.	Capital Projects Feasibility Programme (CPFP) A cost-sharing grant that contributes to the cost of feasibility studies into projects outside SA that are likely to increase local exports for South African capital goods and services.	Funded Industries: South African registered companies conducting feasibility studies on projects outside SA, whether new, expansions or rehabilitation of existing projects, which can be situated anywhere in the world (excluding SA).	Funding Amount/Range: Capped at R8 million to a maximum of 50% of the total costs of the feasibility study for projects outside Africa and 55% of the total costs of the feasibility study for projects in Africa.

8.	Clothing and Textile Competitiveness Improvement Programme (CTCIP) The CTCIP makes targeted grants to grow and develop the clothing, textiles, footwear, leather, and leather goods manufacturing sectors.	Funded Industries: Manufacturers in the South African clothing, textiles, footwear, leather, and leather goods sectors	Funding Amount/Range: Grants for Ordinary clusters are offered at 75%, with a maximum cumulative amount of R25 million. Grants for national clusters start at 100% in year one, then taper down to 70% in year 5, with no set maximum amount.
9.	Critical Infrastructure Programme (CIP) A cost-sharing incentive that supports the construction of infrastructure that enables the establishment or continuing operation of industrial projects.	Funded Industries: • Manufacturers • IPAP priority sectors • Mineral beneficiation, agriculture, and construction • Mining and other labour absorbing sectors	Funding Amount/Range: This tax-free grant covers between 10 – 30% of infrastructure development costs
10.	Eport Marketing & Investment Assistance (EMIA) This scheme develops export markets for South African products and services and aims to recruit new foreign direct investment into the country.	Funded Industries: • South African manufactures and exporters • South African export trading houses • South African commission agents • South African exports councils, industry associations and Joint Action Groups	Funding Amount/Range: • Exhibition fees up to a maximum of R50 000 • Registration of a patent in a foreign market: 50% of the additional costs capped at R100 000 p.a.
11.	Film and Television Production Incentives (FTP) This programme aims to develop the film industry and attract filmmakers to SA.	Funded Industries: • Locational Film Production – aimed at foreign film producers making films in SA • SA film production and co-production – aimed at local film producers • SA Emerging Black Filmmakers	Funding Amount/Range: • Foreign-owned production companies with Qualifying South African Production Expenditure (QSAPE) of R12m+. • South African productions and co-productions with QSAPE of R2.5m+
12.	Isivande Women's Fund (IWF) Isivande Women's Fund is an exclusive women's fund established by the dtic to provide more affordable, usable, and responsive finance to enterprises and thus accelerate the economic empowerment of women.	Funded Industries: • Formally registered enterprises that are 50% + 1 share owned and/or managed by women • The fund supports start-up enterprises and expansions.	Funding Amount/Range: User-friendly, customised loans within a range of R30 000 to R2 million
13.	Manufacturing Competitiveness Enhancement Programme (MCEP) This programme encourages manufacturing companies to raise their competitiveness and retain jobs.	Funded Industries: Small scale manufacturing, market entry or launch and market development	Funding Amount/Range: Maximum of R30 million for a period of up to four years, at a preferential fixed interest rate of 6%
14.	Sector Specific Assistance Scheme (SSAS) A reimbursable cost-sharing incentive scheme whereby financial support is granted to organisations supporting the development of industry sectors and those contributing to the growth of South African exports.	Funded Industries: • Export Councils • Joint Action Groups • Industry Associations • Organisations aimed at the development of emerging exporters	Funding Amount/Range: Maximum of R1.5 million
15.	Support Programme for Industrial Innovation (SPII) To provide financial assistance for the development of commercially viable, innovative products and/or processes and to facilitate commercialisation of such technologies.	Funded Industries: • Technology Development • Technology and Market • Validation • Product or Process Development	Funding Amount/Range: Grants of 50% are offered to a maximum of R2 million. Black ownership can enhance the grant to as high as 85%.
16.	Strategic Partnership Programme (SPP) This programme/intervention is aimed at enhancing the manufacturing and services supply capacity of suppliers with linkages to strategic partner's supply chains, industries, or sectors.	Funded Industries: South African registered entities	Funding Amount/Range: Capped at a maximum of R15 million (vat inclusive) per financial year over a three (3) year period.
17.	Technology and Human Resources for Industry Programme (THRIP) Managed by the National Research Foundation (NRF), this programme supports science, engineering and technology research collaborations focused on addressing the technological needs of participating firms and encouraging the development and mobility of research personnel and students among participating organisations.	Funded Industries: Science, engineering, and technology	Funding Amount/Range: 50:50 cost-sharing grant, to a maximum of R8 million per annum.

Land and Agricultural Development Bank (Land Bank)

www.landbank.co.za | ceo@landbank.co.za | 012 686 0500

272 Lenchen Avenue Lakefield Office Park Building A, First Floor Die Hoewes, Centurion



The Land Bank's objective is to serve South African commercial and emerging agriculture by bringing specially designed financial services within the reach of farmers across the nation. These services enable farmers to finance land, equipment, improve assets, and obtain production credit. Today, the Bank is a true South African development finance institution that strives to serve all farmers equally.

FUNDING CRITERIA:		REQUIRED DOCUMENTS:	
1.	Be a South African citizen or a permanent resident holder	1.	A detailed, comprehensive business plan
2.	Have a clean credit record		
3.	Have enough security equivalent to the amount being borrowed		
4.	Be able to afford the repayments on a loan		
1.	Agricultural Youth Fund is an innovative funding initiative developed in partnership by Land Bank and the NYDA whose aim is to provide qualifying youth-led farming enterprises with funding to assist them further grow their business.	Funded Industries: Youth-led farming enterprises	Funding Amount/Range: Grant is capped at R250 000 No further information available
2.	Mortgage Finance a property finance loan advanced against the security of a first covering or surety bond repayable in equal installments over a fixed period of time.	Purpose: Agricultural-related capital expenditure (land/property, machinery and equipment, fixed assets)	Required Security: First bond over fixed property or additional security arranged in agreement with the bank No further information available
3.	Medium-Term Loan is a loan repayable in equal installments over a fixed period of time for medium-term agricultural financing requirements.	Purpose: Purchase and installation of irrigation equipment, structural improvements, and general infrastructure improvements	Required Security: First bond over fixed property or additional security arranged in agreement with the bank No further information available
4.	Establishment Loan is a medium-term credit facility used for the establishment of perennial crops repayable in installments over a given period of time.	Purpose: Establishment of perennial crops – sugar-cane; orchards (deciduous fruit; citrus and sub-tropical fruit) and tree nuts	Required Security: Annual/Quarterly/Monthly installments including capital and interest linked to seasonality of business income / cash flow cycle No further information available
5.	Production Loan is a short-term credit facility that is used to finance the purchase of direct input costs or farming necessities for crops and livestock enterprises.	Purpose: Seeds; Fertiliser; Feed for livestock Veterinary expenses; Irrigation costs; Transport costs; Contractor's cost; Cost of broilers and layers and feedlot animals; Packaging costs; Marketing costs; Farm wages and salaries; Crop insurance; Livestock insurance; and any other short term direct costs; VAT on production inputs & annual prepaid lease costs	Required Security: First bond over fixed property or additional security arranged in agreement with the bank No further information available
6.	Revolving Credit Facility is a short-term loan that allows clients to obtain funds at their disposal, which can be utilized as needed.	Purpose: Short-term working capital and general financing needs	Required Security: First bond over fixed property or additional security arranged in agreement with the bank No further information available

SA DEVELOPMENT FINANCE INSTITUTIONS SUMMARISED

7.	Installment Sale Finance is a product used for the purchase of new and used movable assets.	Purpose: Purchase of new or used movable assets that are in-line with the extent of the farming enterprise.	Required Security: Titleholder, specific and general notarial bonds over the asset or through additional security arranged in agreement with the bank. No further information available
8.	Forced Stock Sales Deposits is a programme that grants farmers in disaster declared areas exemption from income tax for livestock sold as a result of drought disasters. The exemption is limited to the proceeds of Stock Sales.	Purpose: Assists farmers who have to sell their livestock due to drought with a facility where they can deposit the proceeds from the sale for a minimum of six months.	Required Security: Minimum period for the deposit is six months to six years. No further information available
9.	Value Chain Finance allows the Land Bank to provide production finance to a farmer against a written agreement between the farmer and the buyer for cultivation and sale of specific quality, quantity, grade, and variety of a commodity based on a specific price-setting mechanism that allows the value of the contract to be determined over the loan term.	Purpose: N/A	Required Security: Required Security: Cession of: <ul style="list-style-type: none"> » Proceeds from sale of crop financed by the bank » Proceeds from sale of livestock financed by the bank » Comprehensive insurance and off-take agreement or delivery contract » Additional security arranged in agreement with the bank No further information available



National Empowerment Fund (NEF)

www.nefcorp.co.za | Applications: applications@nefcorp.co.za | Enquiries: info@nefcorp.co.za-
West Block, 187 Rivonia Road, Morningside 2057 | PO Box 31, Melrose Arch, Melrose North 2076



The NEF supports the pillars of enterprise by providing finance and financial solutions across a range of sectors. It also provides project finance to allow early-stage entrepreneurs to participate in high impact projects without paying a premium for funding.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> Commercial viability of the business case being presented The business must comply with all relevant laws and regulations. There must be operational involvement at the managerial and board levels by black people. Minimum percentage of black ownership or interest of 50.1% is a requirement. The business must be able to repay NEF funding. The business must create a reasonable number of jobs. Geographic location of the business is also important with the focus on rural or economically depressed areas encouraged. Meaningful black women participation is viewed more favourably. Rural and Community Development Projects must have meaningful participation by communities. Possibility of co-funding with private or public sector institutions is encouraged in larger projects. 	<ol style="list-style-type: none"> Application form and Business plan Affidavit from members or directors that they are aware of the contents of the application form Three (3) year audited financials (Income Statement, Balance Sheet, Cash Flow Statement) Five (5) year financial projections (Income Statement, Balance Sheet, and monthly Cash Flow Statement) with first year prepared monthly Recent management accounts (Income Statement and Balance Sheet) Personal Statements of Assets and Liabilities of all the members or directors including those of spouses if person is married in Community of Property. Business bank statements for the past twelve (12) months Certified ID copies of all members or directors Registration Documents and all the relevant legal documents relevant to the entity. Detailed profile of the Franchisor Details of why the business is for sale. Sale Agreement Franchise Agreement Historical financials of other franchises that are similar in size and in similar locations Indication from the Franchisor of how much a new Franchise in a similar location would cost Indication of whether the lease agreement will be ceded to the new company after the sale or a new lease agreement will be signed. If lease is ceded, how long will it still run for before renewal? New lease if it is a new franchise The prospective buyer must have been approved by the franchisor. FICA compliance - Proof of residence Detailed CV of principle Applicant. 	
<ol style="list-style-type: none"> Women Empowerment Fund (WEF) is designed to provide funding to female-owned or co-owned businesses. The WEF funds businesses at various stages including start-ups, expansions, or acquisitions, which pretty much qualifies every business stage. 	Funded Industries: <ul style="list-style-type: none"> Pure acquisitions Construction Import and export Retail Primary agriculture Property development and consulting services such as recruitment and engineering 	Funding Amount/Range: R250 000 to R75 million
<ol style="list-style-type: none"> Mbewu fund is designed to support black entrepreneurs wishing to start new businesses as well support existing black-owned enterprises with expansion capital. 	Purpose: <ul style="list-style-type: none"> Entrepreneurship Finance: New and early-stage businesses Procurement Finance: Black-owned MSMEs that have been awarded tenders or contracts by public and private sector entities Franchise Finance: Black entrepreneurs who wish to acquire a franchise license 	Required Security: R250 000 to R15 million
<ol style="list-style-type: none"> uMnotho Fund is available to black entrepreneurs who manage or own businesses, new ventures, expanding existing business. It is also available to black entrepreneurs who want to buy a share of equity in black and white owned businesses. 	Purpose: <ul style="list-style-type: none"> Acquisition Finance: medium to large companies Project Finance: Medium-sized Green fields projects Expansion Finance: Black-owned businesses Capital Markets Fund: Black-owned businesses, particularly those owned by black women, that are or wish to be listed on the JSE or its junior AltX market Liquidity and Warehousing: medium to large companies 	Required Security: R2 million to R75 million

4.	Rural and Community Development Fund provides funding to aspiring rural entrepreneurs and to facilitate skills transfer and operational involvement by community groups thereby promoting social and economic upliftment in pursuant to the NEF Mandate.	Funded Industries: <ul style="list-style-type: none"> • Agro-Processing and Manufacturing • Eco-Tourism • Forestry and Fisheries • Commercial Property • Aqua and Marine Culture • Non – Farm Activities (rural based) 	Funding Amount/Range: <ul style="list-style-type: none"> • R1 million to R50 million • The fund has three products: <ol style="list-style-type: none"> 1. Acquisition Finance: Rural entrepreneurs, cooperatives, and communities 2. New Venture Capital: Rural entrepreneurs, cooperatives, and communities 3. Expansion Capital: Projects promoting social upliftment of rural and community projects
5.	Strategic Projects Fund is a unit of the NEF established with a mandate to increase the participation of black people in early-stage projects.	Funded Industries: <ul style="list-style-type: none"> • Agriculture • Business Process Outsourcing (Call centres, data storage centres and termination centres) • Textiles • Mining, Mineral Processing and Mineral Beneficiation • Automobiles • Renewable Energy and Biofuels (solar, biomass, hydro, co-gen, and wind) • Plastics • Pharmaceuticals and Chemicals • Forestry, Pulp and Paper • Infrastructure (telecoms, healthcare, roads, rail, airports, dams, and water) • Manufacturing • Tourism (hotels, resorts, tourism attractions and leisure) 	Funding Amount/Range: Funding up to R75 million
6.	Tourism Transformation Fund is a dedicated capital investment funding mechanism established by the Department of Tourism in collaboration with the NEF and focuses specifically on financial support for black entrepreneurs for projects in the tourism sector.	Funded Industries: Tourism sector	Funding Amount/Range: Grant limited to 50% of the total funding approved, capped at a maximum of R5 million
7.	Arts and Culture Venture Capital Fund is designed to promote and develop the arts and culture sector by providing affordable loans to start and/or expand small businesses.	Funded Industries: Start-up entities	Funding Amount/Range: R250 000 and not more than R5 million No further information available
8.	Covid-19 Business Funding is geared at supporting the manufacture of various medical supplies and the production of food.	Funded Industries: <ul style="list-style-type: none"> • Agriculture • Be a CIPC registered taxpayer that requires working capital or funds to purchase machinery and equipment 	Required Security: Minimum R500 000 No further information available



Department: Small Business Development (DSBD)

www.dsbd.gov.za | info@dsbd.gov.za

77 Meintjies Street, Sunnyside, Pretoria | Private Bag X84, Pretoria, Gauteng, 0001

small business
developmentDepartment:
Small Business Development
REPUBLIC OF SOUTH AFRICA

The DSBD's mandate is to lead and coordinate an integrated approach to the promotion and development of entrepreneurship, Micro, Small, and Medium Enterprises (MSMEs) and Co-operatives, and to ensure an enabling legislative and policy environment to support their growth and sustainability.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> Be a registered legal entity in South Africa (Registered with CIPC and UIF) The company must be 100% owned by South African citizens. Employees in the company should consist of a minimum of 70% South African citizens. Have been in operation for at least 12 months Be registered and compliant with the South African Revenue Service 	<ol style="list-style-type: none"> Business expansion plan or turnaround plan FICA documents (e.g., Municipal accounts, Letter from Traditional Authority) Certified ID copies of Directors or members 6 months bank statements Latest annual financial statements Management accounts not older than three months from date of application Cash flow projections (with clear assumptions) Proof of product market - include contract(s) or purchase order(s) – where applicable Copy of lease agreement or proof of ownership Relevant industry certification – where applicable Facility statements of other funders - where applicable Quotations for applied funding Detailed break-down on application of funds including salaries, rent etc.. 	
<ol style="list-style-type: none"> Black Business Supplier Development Programme (BBSDP) is a cost-sharing grant offered to small black-owned enterprises to assist them to improve their competitiveness and sustainability and helps them to become part of the mainstream economy and to create employment. 	Funded Industries: <ul style="list-style-type: none"> Majority black-owned Micro, Small, and Medium Enterprises with predominantly black management teams, focusing on Township and Rural Entities, and enterprises owned and operated by: <ul style="list-style-type: none"> » Women » Youth » People with Disabilities 	Funding Amount/Range: <ul style="list-style-type: none"> Maximum of R1 million
<ol style="list-style-type: none"> Co-operative Incentive Scheme promotes co-operatives through the provision of a matching grant and assisting them to improve the viability and competitiveness of their enterprises by lowering the cost of doing business. 	Funded Industries: <p>Emerging co-operatives with a majority black ownership</p>	Funding Amount/Range: <p>Maximum R30 million</p>
<ol style="list-style-type: none"> Informal And Micro Enterprise Development Programme's objective is to provide developmental support to informal and micro businesses that are operating under depressed areas and owned by historically disadvantaged individuals. It aims to develop and strengthen their capacity to be sustainable through the provision of access to information, business development support services (including skills and mentorship), business infrastructure and working capital. The programme facilitates the formalisation of Informal enterprises as means of entering the economic mainstream. 	Funded Industries: <p>100% black owned Informal business with a turnover of between R12 000 to R200 000 per annum that have been operating or trading for more than one year.</p> <p>What it funds: Tools, machinery equipment and business development and training interventions, working capital</p>	Funding amount/range: <p>Eligible Informal Enterprises can receive an incentive grant value up to R80 000</p>
<ol style="list-style-type: none"> Co-operatives Development Support Programme supports co-operative enterprises financially and non-financially in partnership with other key strategic stakeholders (DFIs, Municipalities and the Private Sector, etc.). 	Funded Industries: <p>Co-operative enterprises owned by black persons targeting especially those in rural, township, and peri-urban areas and prioritizing majority participation of women, youth, and persons living with disabilities</p>	Funding Amount/Range: <p>Capped at R2.5 million</p>
<ol style="list-style-type: none"> Business Viability Programme targets MSMEs experiencing business challenges with a view to assist them to achieve operational efficiencies, restore profit margins and contribute meaningfully to economic transformation as well as job creation. 	Funded Industries: <p>All eligible small enterprises that meet the DSBD's qualifying criteria.</p>	Funding Amount/Range: <p>Blended finance with maximum funding accessible per entity is R15 million.</p>

6.	Youth Challenge Fund (YCF) is a youth start-up support programme intended to stimulate the establishment and growth of youth-owned businesses, promote digital skills, grow the economy and foster job creation, with sefa.	Funded Industries: Youth (18 to 35 years) start-up businesses/enterprises	Funding amount/range: Maximum R2 million
7.	Small Enterprise Manufacturing Support Programme's purpose is to build a manufacturing sector for an improved industrial base (productive economy) for both the domestic market and external market (in particular, the African Union market), with sefa.	Funded Industries: <ul style="list-style-type: none"> • Light Consumer Goods (agro-processing; Clothing, leather, and textiles; Petroleum and chemical products; and Furniture and other manufacturing) • Hi-Tech Manufacturing (Electrical machinery; Green technology/ Digital Technology- 3D; printing, etc.) • Industrial Production (Basic Iron and Steel) 	Funding amount/range: Maximum of R15 million
8.	Township and Rural Entrepreneurship Programme (TREP) is a dedicated programme to transform and integrate opportunities in townships and rural areas into productive business ventures, with sefa.	Funded Industries and amount/range: Township and rural-based enterprises: <ul style="list-style-type: none"> • Small-Scale Bakeries and confectioneries (blended finance to a maximum of R350 000; maximum grant amount of R50 000) • Automotive Aftermarkets (blended finance at maximum of R500 000; maximum grant amount of R100 000) • Butcheries (blended finance to a maximum of R350 000; maximum grant amount of R50 000) • Clothing, leather, and textiles (blended finance at maximum of R350 000; maximum grant amount of R50 000) • Personal care (blended finance to a maximum of R50 000; maximum grant amount of R25 000) • Spaza-shop • Tshisanyama and cooked food (blended finance to a maximum of R350 000; maximum grant amount of R50 000) 	



Technology Innovation Agency (TIA)

www.tia.org.za | Contact details: +27 (0) 12 472 2700
TIA House, 83 Lois Avenue, Menlyn, Pretoria, 0181



Funding criteria:

- The current stage in the innovation chain and the planned path for innovation must be evident;
- The sustainable competitiveness of the product or service in the industry for targeted markets must be evident;
- There must be alignment with TIA focus sectors, national policy objectives and national transformation objectives including geographical presence;
- The potential intensity of social and economic impact including GDP growth and increased taxation, revenue, meaningful job creation, increased and value added exports, increased competitiveness of industrial sectors, increase in highly skilled capacity and knowledge base, lowered intellectual property cost, increased capabilities for technology innovation, solutions to national needs and improvement in quality of life and responsiveness to social and developmental needs including poverty alleviation.
- The technical and commercial viability of the plan;
- The ability of the team to implement the plan, including the commercial strength of management and the existence of sound management systems;
- The extent of partnership providing funding and other resources;
- The potential for BBBEE;
- The investment risk and expected outcomes relative to the TIA portfolio; and
- The potential financial return.

Funded Industries:

Advanced Manufacturing, Agriculture, Industrial Biotechnology, Health, Mining, Energy and ICT.

1. Pre-Approval Process is a focused programme aimed at supporting potential applicants with funding application writing to minimise on value-added administration once an application has been received. The funding application writing seeks to eliminate unnecessary rework and needless document chasing from applicants.	Target Market: <ul style="list-style-type: none">• Potential Applicants	
2. Seed Fund assists High Education Institutions and Small Micro Medium Enterprises in bridging financing requirements to translate research outputs into fundable ideas for commercialisation.	Target Market: <ul style="list-style-type: none">• High Education Institutions• Science Councils• Small Micro Medium Enterprises• Start-up companies	Qualifying Criteria: <p>All projects beyond basic research</p>
3. Technology Development Fund supports the development of technologies from proof concept leading to product prototype and ultimately a demonstration thereof in an operating environment.	Target Market: <ul style="list-style-type: none">• High Education Institutions• Science Councils• Small Micro Medium Enterprises• Start-up companies	Funding Amount/Range: <p>Proof of concept established</p>
4. Pre-Commercialisation Fund assists existing or potential individual entrepreneurs and MSMEs to obtain funding to support pre-commercialisation activities including the development of production/service capacity to levels that will support operational sustainability.	Target Market: <ul style="list-style-type: none">• High Education Institutions• Science Councils• Small Micro Medium Enterprises• Start-up companies	Qualifying Criteria: <p>Endeavour to have an off-take agreement or third-party follow-on funding commitment</p>
5. Youth Technology Innovation Programme was created in order to accommodate young innovators who may not necessarily be directly linked to any Science Council, High Education Institution, and MSMEs. Grant funding up to R1million per transaction.	Target Market: <p>Youth between the ages of 18 and 30</p>	Qualifying Criteria: <ul style="list-style-type: none">• Be a South African or have permanent residency• Be between the ages of 18 to 30• Should not have received funding from TIA before• Technology innovativeness• Socio-economic impact
6. Global Cleantech Innovation Programme is part of a global initiative aimed at promoting clean technology innovation and supporting entrepreneurs in growing their MSMEs and start-ups into viable, investment-ready businesses.	Target Market: <ul style="list-style-type: none">• High Education Institutions• Science Councils• Small Micro Medium Enterprises• Start-up companies	Qualifying Criteria: <ul style="list-style-type: none">• Be a South African or have permanent residency• Be between the ages of 18 to 30• Should not have received funding from TIA before• Technology innovativeness• Socio-economic impact

National Housing Finance Corporation (NHFC)

National Housing Finance Corporation (NHFC) tel number: +27 11 644 9855
 Isle of Houghton, Old Trafford 3, 1st Floor, 11 Boundary Rd, Houghton Estate, Johannesburg



NHFC provides wholesale funding in the affordable housing market mainly to social housing institutions, non-banking retail intermediaries, privately owned property developers, construction companies, and investors.

WHAT IS FUNDED:

1. Social Housing Institutions (SHI)
2. Other Delivery Agents (ODA)
3. Developers
4. Contractors
5. Micro Finance Institutions (MFIs)
6. Co-operative Finance Institutions (CFIs)
7. Community Based Organizations (CBO)
8. Housing Co-operatives

1. **Social Housing Finance** provides top-up funding up to 30% as secured debt and the balance of which is provided for by the Social Housing Regulatory Authority (SHRA) to accredited SHI's and ODA's that qualify for Consolidated Capital Grants (CCG) to complete the project.

Qualifying Criteria:

- The borrowing entity must be a registered legal entity or a Non-Profit Company (NPC) and accredited SHI or ODA.
- The SHI or ODA must be allocated a CCG.
- The project feasibility must be financially viable per NHFC criteria.

2. **Private Rental Housing Finance** is a project/development finance programme which enables properties owned by landlords to be developed or refurbished for purposes of leasing to tenants.

Qualifying Criteria:

- The borrowing entity must be a registered legal entity.
- Equity contribution is required and is determined on a case-by-case basis to enable acceptable gearing levels.
- The proposed development must address core NHFC mandate.
- The project feasibility must be financially viable per NHFC criteria.

3. **Affordable Housing Bridging Finance** is short-term development finance for the purpose of servicing of sites, construction of top structures either free standing and/or sectional titles.

Qualifying Criteria:

- The borrowing entity must be a registered legal entity.
- Equity contribution is required and is determined on a case-by-case basis to enable acceptable gearing levels.
- The proposed development must address core NHFC mandate.
- The project feasibility must be financially viable per NHFC criteria.

4. **Incremental Housing Finance** is facilitated to empower both rural and urban low-income earners to improve their living conditions.

Qualifying Criteria:

- The borrowing entity, whether a commercial Micro-Finance Intermediary or Community Based Organization such as Co-operative Financial Institution or Co-operative, must be a registered legal entity.
- Registered as a credit provider with the National Credit Regulator and willing to supplementary register as a developmental credit provider
- The MFI must be willing and able to operate in line with the core NHFC mandate.
- Cashflow projections must be financially viable per NHFC criteria.
- Equity contribution is required and is determined on a case-by-case basis to enable acceptable gearing levels.

5. **Contractor Bridging Finance** provides bridging finance to contractors who have been appointed for the construction of subsidised houses either by an organ of Government or the private sector.

Qualifying Criteria:

- The borrowing entity must be a registered legal entity.
- The contractor must be awarded a construction contract from a Governmental Department (National, Provincial or Local) or the private sector.
- Must be registered with the National Home Builders Registration Council (NHBC) and have a CIDB grading.
- The project feasibility must be financially viable per NHFC criteria.
- Equity contribution is required and is determined on a case-by-case basis to enable acceptable gearing levels.

6. **Equity Finance:** the primary instrument of investing by the NHFC remains debt funding with risk-based loan pricing.

Qualifying Criteria:

- The applicant must be a registered legal entity and preference will be on supporting BEE rated companies led by youth and women (BEE Level 4 score or better).
- There must be a demonstrable market opportunity aligned with the NHFC mandate.
- A financial co-partnership arrangement must be demonstrated through the project sponsor contributing material risk capital to the project/venture.
- The project feasibility must be financially viable as per NHFC criteria.

No further information available



Small Enterprise Finance Agency (sefa)

www.sefa.org.za | Contact: helpline@sefa.org.za | Byls Bridge Office Park,
Building 14, Block D, 11 Byls Bridge Blvd., Highveld Ex. 73, Centurion, 0157



sefa's mandate is to help micro, small, and medium enterprises (MSMEs) survive and thrive in the market. MSMEs are expected to contribute to society in alleviating poverty through job creation.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> The majority shareholder(s) must be involved in the day to day running of the business on a full-time basis (owner - manager). The business must be registered in SA. The major shareholder must be a SA citizen. The business must be conducted with a profit motive and be economically viable. The forecasted cash flow must show the ability to repay the facility (affordability). The owner must display sufficient entrepreneurship, skills and experience directly related to the nature of the business. Compliance with all relevant laws and regulations Demonstrate job creation (potential to create new jobs or sustain existing ones). Loan range R50 000 to R5 million 	<ol style="list-style-type: none"> Application Form Surety Form (where applicable) Certified copy of ID and that of Spouse (if married In Community of Property) Marriage certificate (where applicable) Short CV of the members/directors/ shareholders/ trustees, etc. Proof of residence – utility bill / affidavit (not older than 3 months) Valid Tax Clearance Certificate Company Registration Documents e.g., CK2, Company Profile Proof of CIPC/CIPRO annual fees Six months latest bank statement (personal and business) Loan Breakdown Supporting quotations (with contact person and banking details of supplier) Personal Income and Expenditure Schedule and Assets & Liability Statement Proof of own contribution and source (if applicable) Member's resolution to apply (if applicable) If a judgment, notice, default is issued against the applicant, a letter or document to prove that arrangements are made to settle the account or proof that the account is settled must be provided. Historical Financial statements (not less than 3 years – if applicable). Up to date Management Accounts (if applicable) Debtors Age Analysis (if applicable) Creditors Age Analysis (if applicable) 	
<ol style="list-style-type: none"> Direct Lending Products: sefa provides loans directly to small and medium-sized enterprises, and co-operatives operating in all sectors of the economy. 	Funded Industries: <ul style="list-style-type: none"> Inyamazane Funding Scheme: MSMEs and cooperatives with at least 50+ 1% ownership by entrepreneurs with verified military veteran status Amavulandlela Funding Scheme: South African persons with disabilities 	Funding Amount/Range: R50 000 – R15 million
<ol style="list-style-type: none"> Wholesale Lending Products: provide facilities (debt/equity) to intermediaries, joint ventures, partnerships (Specialized Funds) and other collaborative relationships to extend sefa's reach of making funding available to small businesses across SA 	Funded Industries: <ul style="list-style-type: none"> Co-operative Financial Institution and Enterprising co-operatives Micro-Finance Intermediaries Retail Financial Intermediaries Specialised Funds 	Funding Amount/Range: <ul style="list-style-type: none"> Loans to intermediaries up to R150 million Loans through intermediaries to end-users up to R5 million
<ol style="list-style-type: none"> Tourism Equity Fund (TEF) is a collaborative initiative between the Department of Tourism and sefa. As part of South Africa's Economic Reconstruction and Recovery Plan, this fund aims to drive transformation through advancing equitable opportunities in the sector to ensure inclusive economic growth in the Tourism sector. 	Funded Industries: Majority Black-owned (minimum 51%) tourism enterprises (Accommodation, Hospitality and related services, Travel and related services) including enterprises in rural areas and townships	Funding Amount/Range: R10 – R20 million

Small Enterprise Development Agency (seda)

www.seda.org.za | Contact: info@seda.org.za | The Fields, Office Block A,
1066 Burnett Street Hatfield, Pretoria 0833 P.O Box 56714, Arcadia, 0007



seda helps aspiring entrepreneurs with an idea to start and grow their businesses.
They also help existing businesses to improve their operations and become more profitable.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:	
<ol style="list-style-type: none"> 1. Be a registered legal entity in South Africa (Registered with CIPC and UIF) 2. The company must be 100% owned by South African citizens. 3. Employees in the company should consist of a minimum of 70% South African citizens. 4. Have been in operation for at least 12 months 5. Be registered and compliant with the South African Revenue Service 	<ol style="list-style-type: none"> 1. Business expansion plan or turnaround plan 2. FICA documents (e.g., Municipal accounts, Letter from Traditional Authority) 3. Certified ID copies of Directors or members 4. 6 months bank statements 5. Latest annual financial statements 6. Management accounts not older than three months from date of application 7. Cash flow projections (with clear assumptions) 8. Proof of product market - include contract(s) or purchase order(s) – where applicable 9. Copy of lease agreement or proof of ownership 10. Relevant industry certification – where applicable 11. Facility statements of other funders - where applicable 12. Quotations for applied funding 13. Detailed break-down on application of funds including salaries, rent etc. 	
<ol style="list-style-type: none"> 1. seda Technology Programme (STP) provides a range of services that promote entrepreneurship in industry, particularly in enabling small enterprises to access appropriate technology to become more competitive and grow their businesses. 	Funded Industries: Registered, small South African companies	Funding Amount/Range: 50% grant for the cost of approved tools, machinery, and equipment to a maximum of R800 000; and 80% grant for approved training and business development services to a maximum of R200 000.



Development Bank of South Africa (DBSA)

www.dbsa.org.za | Contact: webmaster@dbsa.org.za
1258 Lever Road, Headway Hill, Midrand, PO Box 1234, Halfway House, 1685



DBSA's mandate is to advance the development impact in the region by expanding access to development finance, and to effectively integrate and implement sustainable development solutions.

FUNDING CRITERIA:	FUNDED INDUSTRIES:
<p>1. Project Preparation and Development Facility (PPDF) utilises funding from strategic partners and/or 3rd party funds it manages for the riskier, early-stage preparation activities and its own funding for late-stage projects. The purpose of PPDF funding is to enhance sustainable economic growth and the delivery of key services affecting development in the SADC Region, and is expected, together with other partners in the region, to address the constraints of infrastructure development in the SADC Region.</p>	<ol style="list-style-type: none"> 1. Water and sanitation 2. Information and Communications Technology 3. Energy 4. Transport logistics 5. Health 6. Education (student housing) 7. Housing. <p>Dependent on a project-to-project basis, depending on available funding as well as the risk and returns of the project. All SADC Member States are eligible to apply for PPDF financing. The funds are only eligible to activities intended to support regional infrastructure development in the energy, transport, water resources and ICT sectors.</p>
<p>2. Climate Finance Facility is a lending facility intended to increase climate-related investment in Southern Africa by addressing market constraints and playing a catalytic role with a blended finance approach.</p>	<p>Funded Industries:</p> <p>This facility uses its capital to fill market gaps and crowd-in private investment targeting infrastructure projects that mitigate or adapt to climate change.</p>
<p>3. Green Climate Fund was created to support and provide funding for green initiatives to assist South Africa's transition to a low-carbon, resource efficient and climate-resilient development path.</p>	<p>Funded Industries:</p> <ul style="list-style-type: none"> • Green initiatives
<p>4. Infrastructure Investment Fund addresses the need for blended finance to enable the efficient execution of socio-economic infrastructure programmes and projects in SA, as well as contributing to enhancing regional economic integration in SADC Region. Financial leverage is a key principle of IIPSA. The programme will provide innovative financing involving the co-funding of EU grants together with loans from participating Development Finance Institutions.</p>	<p>Funded Industries:</p> <ul style="list-style-type: none"> • IIPSA will support the development of both national and regional (SADC) infrastructure projects
<p>5. The Pan African Capacity Building Programme (PACBP) is a partnership with the Agence Française de Développement (AFD), a French development finance institution. The main objective of the PACBP is to build African capacity for infrastructure development.</p>	<p>Funded Industries:</p> <ul style="list-style-type: none"> • The programme focuses on the critical infrastructure development areas of water and sanitation, energy, roads, and transportation.

Public Investment Corporation (PIC)



www.pic.gov.za | Contact : info@pic.gov.za

Menlyn Maine Central Square, Waterkloof Glen Extension 2, Pretoria, 0181, Private Bag X 187, Pretoria, 0001

The PIC is an asset management firm wholly owned by the government of the Republic of South Africa, represented by the Minister of Finance. PIC's clients are mostly public sector entities, which focus on provision of social security.

FUNDING CRITERIA:	FUNDED INDUSTRIES:
<ol style="list-style-type: none"> 1. Mandate fit 2. Financial viability test 3. Development impact test including ESG assessment 4. Potential to provide a return which meets minimum benchmarks prescribed by the client 5. Funding will be commercially priced 6. Projects should preferably be in sectors that largely absorb unskilled and semi-skilled labour 7. Security will include company or project assets and/or security by sponsors 8. In addition to adequate security, project or company cash flows must be robust 9. The project must endeavor to promote BBBEE through employment equity and preferential procurement 10. BEE transactions should improve the productive capacity of the enterprise, create new productive capacity, or redistribute economic benefits to a broad base of beneficiaries. 	<p>Isibaya Fund invests in commercially viable African projects that have a strong, positive developmental impact and transformation. Isibaya aims to provide finance for projects that support and promote long-term economic, social, and environmental growth objectives and practices, whilst delivering positive returns for PIC clients.</p> <p>MSMEs across all sectors</p> <p>Funding Amount/Range To apply for funding, register on PIC's platform</p>



National Youth Development Agency (NYDA)

www.nyda.gov.za | Contact: info@nyda.gov.za
54 Maxwell Drive, Woodmead North Office Park, Woodmead, 2191



The NYDA's objective is to afford young entrepreneurs access to financial and non-financial support to thrive in their survivalist business.

FUNDING CRITERIA:	REQUIRED DOCUMENTS:
<ol style="list-style-type: none"> 1. Be between 18 and 35 years old 2. Have experience or skills appropriate for the enterprise to conduct or intend to conduct 3. Be a South African citizen 4. Be a resident in South Africa 5. Have completed life skills training and business management training programmes or related programmes as per recommendation from client(s) assessment 6. Have a business mentor and/or a coach approved by NYDA or must be allocated a business mentor by NYDA post application approval 7. Have relevant qualifications or business and/or technical experience including proven entrepreneurship business experience where applicable. A 10-minute business pitch which can be conducted telephonically or in person. 	<ol style="list-style-type: none"> 1. Due diligence report will be conducted by a NYDA official 2. Certified Identity Document Copy (stamp not older than 3 months) 3. Proof of Residence 4. Registered company 5. Company Profile 6. Detailed list of the current employees 7. Personal Bank Statement or Business Bank Statement 8. Business Plan if looking for a Grant greater than R50 000 9. Quotations if looking for a Grant

Funded Industries:

Youth between 18 and 35 years old

Funding amount/range:

R1 000 and a maximum of R250 000









South Africa's Development Finance Institutions Expanded

Industrial Development Corporation



The IDC is a partner for development finance. It is owned by the South African Government and was established in 1940 to finance economic growth and industrial development. Two mandates of the IDC are particularly beneficial for small businesses:

- **Leading the creation of viable new industries**
- **Taking up higher-risk funding projects.**

Small businesses are high risk, and with good planning can be a viable new industry, the IDC has several funding, grant and incentive schemes, some of which will feature on this list. Small business funding with the IDC takes the shape of:

- Debt
- Equity and quasi-equity
- Guarantees
- Trade finance
- Venture capital

Their requirements broadly match those of traditional financing institutions. An important distinction is they tend to be significantly lowered, making funding accessible to small businesses and disadvantaged individuals. The industries they prioritise are as follows:

- Agro-Processing & Agriculture
- Automotive & Transport Equipment
- Chemical Products & Pharmaceuticals
- Energy
- Industrial Infrastructure
- Machinery & Equipment
- Media & Audio Visuals
- Mining & Metals
- Basic & Speciality Chemicals
- Textiles & Wood Products
- Tourism & Services

Minimum Requirements:

1. Compliance with international environmental standards
2. Shareholders/owners are expected to make a financial contribution: The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution.
3. The project/business must exhibit economic merit in terms of profitability and sustainability.
4. The IDC does not re-finance fixed assets since their aim is to expand the industrial base.

Expansions by Existing Businesses:

1. Latest audited and actual financials (signed by the finance director, MD, or CEO)
2. An updated comprehensive business plan focusing on the proposed project/expansion
3. A detailed description of the nature of expansion, its related costs, and revenues.

Small, Medium and Start-Up Businesses:

- A comprehensive business plan
- Latest management accounts and financial projections
- A covering letter with details of the finance required from the IDC



1. Agro-Processing & Agriculture Strategic Business Unit (SBU)

Agro-Processing & Agriculture Strategic Business Unit (SBU) invests in the creation of new or expansion of local manufacturing capacity and promotes value-adding expansionary agro-processing activities in a manner that fosters economic inclusivity. It reduces production costs by introducing new technologies, increasing efficiencies, and promoting a value chain approach.

Who It Funds:

New or existing companies within the agro-processing and agriculture sector that plan to create new or expand industrial capacity within the economy are encouraged to apply. The funding of expansionary B-BBEE acquisitions in the sector where most of the acquisition funds remain within the target company for expansionary purposes (usually through an issue of shares) may also be considered).

What It Funds:

Funds are processed in the following sub-sectors of the agriculture value chain:

- Horticulture including fruit, vegetables, nuts, tea, and coffee
- Field Crops Processing
- Animal Protein, including red/white meat, aquaculture, poultry etc.
- Forestry

How It Funds:

The funding application should preferably facilitate the creation of new industrial capacity, save and/or create new jobs. Risk-sharing from operating private-sector investment partners is non-negotiable and the shareholders will often have to guarantee the funding of shortfalls.



Who It Funds:

It prioritises funding and support to automotive and transport equipment manufacturing entities that manufacture or assemble a significant portion of automotive and transport equipment in South Africa for both the domestic and export markets.

What It Funds:

- Manufacture of motor vehicles, trailers and semi-trailers
- Manufacture of aircraft and spacecraft
- Manufacture of parts and accessories for motor vehicles and their engines
- Manufacture of motorcycles and bicycles
- Manufacture of rail locomotives and rolling stock
- Building and repairing of boats and ships

How It Funds:

Financing fixed assets and the fixed portion of growth in working capital requirements; and new or existing projects or businesses that have a significant developmental impact, for example, black industrialists, job creation, women owned businesses, youth owned businesses, localisation, and increased foreign currency earnings.

2. Automotive & Transport Equipment SBU

Automotive & Transport Equipment SBU focuses on ensuring both domestic and global competitiveness in the downstream manufacturing of automotive, transport equipment and related components.

3. Chemical Products & Pharmaceuticals SBU

Supports entrepreneurship, promotes industrial development and strategic partnerships by building competitive industries and enterprises in South Africa and the rest of Africa.

Who It Funds:

- Financing fixed assets and the fixed portion of growth in working capital requirements
- BEE acquisition funding, which is considered on a case-by-case basis with preference given to the funding of expansionary acquisitions (where most of the acquisition funds remain within the target company for expansionary purposes) and further subject to the IDC's Black Economic Empowerment Funding Policy.
- Project preparation funding, where such projects are aligned to the Chemicals, Medical & Industrial Minerals SBU's strategies. This funding process is managed by the Industrial Planning and Project Development Department.

What It Funds:

- Upstream and downstream chemicals
- Pharmaceuticals, medicinal chemicals, and botanical products
- Plastic products, including plastics recycling
- Glass, ceramics, concrete, and stone products
- Medical devices
- Man-made fibres
- Recycling
- Rubber products

How It Funds:

Loan- and equity-based financial assistance to new and existing businesses. For the chemicals, medical and industrial minerals industries, a minimum loan size of R15 million at a prime linked interest rate. Smaller funding requirements (between R1 million and R15 million) are handled by the IDC's Small Business Finance Department. For investments in the rest of Africa: The Chemicals, Medical and Industrial Mineral Products SBU is mandated to fund transactions within the geographical limits of the African continent and is further subjected to internal country and other limits.

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4. Energy SBU

Formed in 2020 to consolidate and focus the previous Green Energy mandate of the Industrial Infrastructure Unit in facilitating the energy transition and ensuring sustainable energy security in South Africa and the rest of the continent in support of growing economies.

What It funds:

Projects that focus on the reduction or avoidance of carbon emissions, e.g., Renewable Energy (e.g., Solar PV, Wind, Biomass and Hydropower), Energy Storage Technologies, Green Hydrogen, Distributed Generation, Mini and Micro Grids, Energy Efficiency and Management.

Who It funds:

The SBU provides funding in the following sub-sectors of the value chain:

- For own use by companies in the Commercial & Industrial (C&I) space, by Independent Power Producers (IPPs) for sale under long term off-take agreements, such as Power Purchase Agreements (PPAs) to:
 - » Energy Intensive Users, such as mines, chemicals processing companies, smelters, etc.
 - » Other C&I companies
 - » Eskom under any of the Government's Independent Power Producers Procurement Programmes, e.g., RMIPPPP, REIPPPP bid windows, etc.

5. Industrial Infrastructure SBU

Industrial Infrastructure SBU aims to support value chains such as Mining, Agro-processing, Chemicals, and other industries that contribute to the South African economy's industrial development. It enables infrastructure enterprises to pursue growth opportunities in water and sanitation, telecommunications, logistics, and transport.

Who It Funds:

- Water and Sanitation: Supporting sustainable investments in the water sector to ensure the security of water supply, effective water



management and conservation initiatives. For example:

- » Storage: reservoirs, dams
- » Transportation: pipeline.
- » Bulk Services: Irrigation systems, pump stations
- Logistics & Transport: Supporting transport networks such as road, rail, and ports. To ensure a good logistics network that will allow local industries to be competitive and access new markets/suppliers in the rest of Africa. For example:
 - » Land: road, rail, ropeways, shared storage (e.g., cold storage, silos), terminals, industrial hubs
 - » Marine: ports/terminals, shipping/cargo, waterways, offshore facilities, port facilities, marine storage
 - » Air: ports/terminals, cargo (freight)
 - » Logistics and transport networks for oil and gas fall within the Chemicals SBU mandate.
- Supporting projects that increase and extend broadband coverage to lower the cost of business and boost trade and business. This includes investments in fibre, wireless, transmission equipment, open access/shared infrastructure.

What It Funds:

- New or existing companies with projects in their focus areas > R15 million
- Projects between R1 – 15 million are funded
- New projects, expansions, and rehabilitations

(fixed assets and working capital)

- Acquisitions are funded on a case-by-case basis; however, they must demonstrate an expansionary element with at least 50% being used for expansionary purposes
- Projects that exhibit sustainable economic merit and meet IDC funding parameters

How It funds:

The SBU provides funding in the form of debt, equity, and guarantees tailored to clients' businesses and project-specific needs, whose structuring and the funding terms are dependent on the business plans, to the following sub-sectors of the value chain.

6. Machinery, Equipment and Electronics SBU

Machinery, Equipment and Electronics SBU
Industrial activities in the manufacturing of machinery and capital equipment are supported, combined with innovations in electronics and robotics.

Who and What It funds:

The following sub-sectors of the value chain are funded:

- Electricity Generation, Transmission and Distribution:
 - » Transformers, generators, electricity supply



components, inverters, switchgear, related measuring devices/ apparatus, and plant balance

- Manufacture of Accumulators, Primary Cells, and Primary Batteries.
- Mining, Quarrying and Construction:
 - » Self-propelled, off-road machinery and equipment for mining and construction sectors
- Equipment for sorting, screening, separating or washing, crushing & grinding for stones/ores and other minerals
- Yellow metal or component manufacturers and suppliers into these final products
- Pump Valves and Instrumentation:
 - » Valves
 - » Pumps
 - » Measuring Equipment
 - » Distribution components such as ducts, vessels, heat exchangers, pumps, valves actuators, compressors and measuring equipment
- Logistics, Lifting and Handling Equipment:
 - » Cranes, lifts, elevators, conveyors, and weight measuring equipment
 - » Specialised parts for lifting and handling including buckets, shovels, grabs
- Electronics In the Technology and Digital Equipment Space:
 - » Professional and scientific equipment, television, radio, and communication equipment are attractive sectors in which the SBU could intervene
 - » Manufacture of television and radio transmitters
 - » Measuring, checking, testing and navigation appliances
- Manufacture of Households Appliances:
 - » Agricultural and forestry machinery
 - » Tractors, harvesters, and farming implements
 - » Processing equipment (food, chemicals, and pharmaceuticals)
 - » Bottling plants, packaging lines, filling equipment
 - » Textiles and apparel equipment
 - » Weaving, knotting, dying, printing machines, looms
 - » Ovens, Furnaces, and Burners
 - » Manufacture of Machine Tools

7. Media & Audio-Visual SBU

Media & Audio-Visual SBU places a primary focus on producing locally relevant and internationally palatable content, with an emphasis on feature films, animation, and TV series. The SBU also aims to close the financing gap, as well as cash-flow – the film rebate incentive.

Who It Funds:

- Production, post-production, and broadcast studios
- The creation and acquisition of platforms across TV, radio, and digital media
- The development of new or alternative distribution systems for content
- The funding of gaming and interactive media
- Projects or initiatives that support the more significant media industry along the value chain, such as equipment rental

What It Funds:

- Media (Studios, Equipment, Broadcast, Digital media, Gaming, Other Media Projects)
- Content Production (feature film, television series).

How It Funds:

Between R1 million and R15 million

8. Mining & Metals SBU

Mining & Metals SBU supports the development of a globally competitive mining and beneficiation industry and the metals value chain (steel, aluminium value chains) in SA.

What It Funds:

The IDC Mining and Metals Strategic Business Unit (SBU) funds processing in the following sub-sectors of the value chain:

- Base Metals
- Precious Metals
- Coal
- Industrial Minerals (limestone, aggregates)

In the metals value chain, the SBU funds the establishment of new metal processing and fabrication facilities and/or expansion of existing

facilities including:

- Primary Steel Mills
- Mini-Mills
- Semi-Fabricators
- Foundries
- Metal Fabrication Factories

It also funds strategic acquisitions of existing enterprises by Black Industrialists in the mining and metals sector.

Who It Funds:

The objective is to support entrepreneurs who seek to invest in industrial capacity development and job creation within the mining and metals sector. Hence the following funding applications are welcomed:

- Companies that seek to implement new mining and beneficiation projects and/or expand existing mining and beneficiation operations
- Companies that seek to establish new production facilities and/or expand existing production facilities in the metals sector
 - Black Industrialists who seek to make strategic acquisitions of existing enterprises in the sector may also apply for acquisition funding

How It Funds:

It provides long-term debt, short-term working capital, guarantees and/or equity-type finance instruments, on commercial terms and on risk-adjusted interest rates with commensurate security. It provides debt funding from a minimum of R16 million. Smaller funding applications are referred to their Small Business Finance Unit. Shareholders are expected to make a financial contribution. Financial contribution of historically disadvantaged South Africans may be lowered. The projects and/or businesses must exhibit economic merit in terms of profitability and sustainability. It does not re-finance existing financing facilities.

9. Textiles & Wood Products SBU

The textiles and wood sector focus ranges from home decor to leather goods producers to manufacturers of natural or synthetic fabrics. The wood sector focuses on the beneficiation of wood from the sawmilling process to the manufacturing of paper and packaging.

It works closely with the Clothing Textiles Competitiveness Programme, a grant scheme managed on behalf of the dtic.

What It Funds:

- Textiles:
 - » Clothing manufacturing
 - » Natural fibre production, including wool and mohair beneficiation
 - » Synthetic fibre production
 - » Leather tanning and leather product manufacturing
 - » Footwear manufacturing
 - » Spinning of yarns, knitting and weaving of products
 - » Non-woven textile production
 - » Dyeing, printing and finishing of fabrics
 - » Household textile production
- Wood:
 - » Saw milling activities
 - » Paper and pulp manufacturing (all forms.
 - » Paper based packaging production
 - » Furniture production

Who It Funds:

Existing manufacturers who wish to expand or modernise their production capacity; manufacturers in distress due to global economic trading conditions; and entrepreneurs looking to start up small to medium manufacturing facilities.

They do not refinance assets.

Every business proposal is considered on its own merits, but preference is given to:

- Financing fixed assets and the fixed portion of growth in working capital requirements
- Supporting ventures/projects that have a significant socio-economic impact in terms of job creation, value addition, empowerment, rural development, and/or township development
- Supplying distress funding for troubled companies that have a clear turnaround plan

How It Funds:

The minimum investment requirements are:

- Security of a type related to the business's specific circumstances
- Compliance with international environmental standards; and relevant bargaining council compliance

- In addition, shareholders/owners are expected to make a material contribution to the project, generally 35% of total assets for going concerns and 45-50% for start-ups, depending on the industry norms and risks involved.

The SBU prefers their exposure not to exceed that of the owners of the business.

10. Tourism & Services SBU

Tourism & Services SBU primarily invests in the accommodation sub-sector, focusing on business hotels in fast growing areas, and focus on high impact, sustainable tourist attractions that provide niche product offerings.

Who It Funds:

Funding for Greenfield and start-up projects; expansions and/or refurbishments; expansionary acquisitions and acquisitions by Black Industrialists) In Tourism, Healthcare and Information and Communications Technology (ICT industries).

Inclusions:

- Hotels
- Apartment hotels (must be operated similarly to hotels, with rooms serviced)
- Lodges and Guest houses
- Game Lodges
- Mobile Tourism (accommodation: i.e., luxury coach trains)
- Tourism attractions (funding to be applied to capital expenses for businesses whose activities are targeted at tourists)
- Tourism destination management companies (existing medium to large scale companies)

Exclusions:

- Casino and gambling facilities
- Property developments consisting of timeshare and fractional ownership schemes (Unless supported by confirmed customer uptake)
- Acquisition of game (if not part of a game lodge)
- Residential and/or commercial property
- Student accommodation
- Tour operators and travel agents
- Arts and Crafts (stand-alone)
- Golf courses

- Standalone restaurants (not part of a tourism destination)
- Other recreational facilities not linked to a substantial tourism/accommodation element
- Land

What It Funds:

In general, the Tourism and Services SBU may consider funding for start-ups and expansions, as well as refurbishments and acquisitions of existing establishments.

What It Funds: (in the Healthcare Industry)

Inclusions:

- Private sector hospitals that are well aligned to the auspices of the National Health Insurance (NHI)
- Public sector hospitals (with a clear revenue model) directly collaborating (through private-public partnerships or other forms of formal collaboration) with the private sector hospital operators
- Innovative business models/approaches that directly address coverage and cost objectives of the NHI
- Micro-hospitals and specialised healthcare facilities (Oncology, Radiology, Dialysis, Paediatricians, Diabetes facilities, etc)

Exclusions:

- Old age homes/ retirement villages

How It Funds:

Applications for funding for a minimum of R1 million. Applications for commercial merit-based funding of up to R15 million will be considered by IDC's Small Business Finance Unit. During the current Covid-19 pandemic, any business that was profitable before March 2020, may apply to the IDC's Covid-19 Distressed Fund for business continuity/relief funding, in order to ensure sustainability during this challenging period.

All applications for new build, expansion, refurbishment, or acquisitions will receive consideration. However, the transaction is conditional on submission of a return to market strategy and sustainability approach (i.e., reliable economic merit assumptions, which forms a part of the feasibility study) being supplied.

How It Funds: (Businesses in The Healthcare Industry)

Applications for funding for a minimum of R1m (applications with commercial merit and requiring funding of up to R15 million will be considered by IDC's Small Business Finance Unit). Funding above R15 million would be considered within the Tourism & Services Business Unit.

Applications for new builds, expansions, refurbishments, and acquisitions will receive consideration, however viability needs to be demonstrated as part of the detailed feasibility study which should accompany the application.

11. AFD Green Energy Fund

AFD Green Energy Fund provides finance to renewable energy and energy efficiency projects of smaller scale and manufacturing of green products in SA.

Who It Funds:

- Renewable Energy
- Solar and biomass
- Energy Efficiency
- Greenfield operations and other technologies are considered on a case-by-case basis

What It Funds:

Total investment cost not higher than 25% of the Facility (~R250 million per project)

How It Funds:

AFD funds are blended at a leverage level of at most 50% funding from IDC, and no refinancing is granted.

12. The Agri-Industrial Fund

The Agri-Industrial Fund aims to develop competitive, economically viable activities in agro-processing (food and non-food) sectors by developing local and regional resources to supply domestic demand and increase international trade.

Who It Funds:

- Clients and other businesses operating in: Agriculture and Agro - processing sub-sectors within the IDC's mandate.

What It Funds:

- High-value export-oriented crops: citrus, avocado, table grapes, blueberries, and tree nuts (macadamia, etc.)
- Poultry: contract growers minimum 200 000 per cycle, independent vertically integrated operations, layers minimum 50 000
- Livestock: piggeries, cattle, sheep etc in vertically integrated operations
- Expansionary acquisitions in all the above sub-sectors

How It Funds:

- Debt and grant to qualifying applicants only (quasi equity/equity on a case-by-case basis). The grant cannot be used on its own but in conjunction with IDC funding

13. Downstream Steel Industry Competitiveness Fund

Downstream Steel Industry Competitiveness Fund (DSCIF) helps the struggling steel industry with an interest subsidy that offers discounts to qualifying clients.

Who It Funds:

- Foundry industries
- Fabrication sectors – pressure vessels, pipes, and pipe fittings sub-sectors; steel intensive designated sectors/products
- Parts and component manufacturers of steel-intensive products
- Valve and pump manufacturers
- Machining plants
- Capital equipment industries particularly steel intensive rail and rolling stock components
- Any other steel-intensive business

What It Funds:

- Modernisation of plant machinery and equipment
- Upgrade of plant machinery and equipment to meet quality assurance requirements
- Capacity expansion of existing plant

- Process improvements for cost efficiencies and productivity and assist with plant optimization
- Working capital requirements or revolving facility
- Assist firms to achieve appropriate industry quality certification and standards including environmental standards
- Development and testing of prototypes, as well as the testing and certification of new products

How It Funds:

Quasi-equity and loans of maximum R75 million per transaction

14. MSMEs & MIDCAP companies Fund

MSMEs and MIDCAP companies Fund assists with access loan financing for CAPEX, medium- and long-term working capital.

Who It Funds:

- MSMEs and MIDCAP companies (companies that have up to 3000 full time employees)
- Only eligible to Autonomous Enterprises, where the enterprise does not hold 25% or more of the capital or voting rights in one or more other enterprises, and no enterprise has a stake of 25% or more of its capital or voting rights

What It Funds:

Funding provided for CAPEX and medium to long-term working capital

How It Funds:

Loans of minimum R1 million and maximum R120 million per transaction. Total cost of a project must not exceed R450 million

15. Gro-E Youth Scheme

Gro-E Youth Scheme encourages youth entrepreneurship and employment creation, thereby growing SA's economy.

Who It Funds:

South Africans and permanent residents up to and inclusive of the age of 35 years at the time of final approval, operating a start-up, or expansion

within SA with youth operational involvement and shareholding of at least 26%.

How It Funds:

Equity, quasi-equity, and loans of minimum R1 million and maximum R50 million per transaction

16. Youth Pipeline Development Programme

Youth Pipeline Development Programme improves the readiness of potential applicants and thereby increase their probability for IDC consideration.

Who It Funds:

Youth-owned businesses (irrespective of whether they qualify for Gro-E Youth or not; can be start-up or expansion)

What It Funds:

- Pre-investment support: Up to a 6% of the potential investment amount up to a maximum of R500 000
- Post approval assistance: Up to 40% of the investment amount or a maximum of R1.5 million

How It Funds:

Loans and grants (50:50) and prime; repayable after IDC's normal debt, subordinated in terms of cash-flow and security.

17. Manufacturing Competitiveness Enhancement Programme (MCEP)

Manufacturing Competitiveness Enhancement Programme (MCEP) assist manufacturing companies with working capital and provides finance to Black Industrialists for the acquisition of plant and equipment.

Who It Funds:

- Manufacturers under Standard Industrial Classification Code 3 (start-ups only considered for Black Industrialists' businesses).
- Plant and equipment requirements and applicable to start-up businesses, expansions,

and expansionary acquisitions

What It Funds:

Working capital

How It Funds:

- Limited to R50 million
- Pre and post Business Development provided at a maximum of R3 million per applicant

18. Technology Venture Capital Fund (TVC)

Technology Venture Capital Fund (TVC) provides business support and seed capital for the commercialisation of innovative products, processes, and technologies.

Who It Funds:

South African MSMEs registered on CIPC

What It Funds:

Product testing and demonstration, process/product development, small scale manufacturing, market ready and market development

How It Funds:

Financial assistance to qualifying companies that wish to commercialise innovative products

19. UIF II

UIF II contributes towards sustainable job creation and retention by supporting job creating transactions while providing concessionary funding.

Who It Funds:

Start-ups and existing businesses whose applications are geared to saving and/or creating jobs

What It Funds:

Job creation

How It Funds:

Loans limited to R120 – R150 million per transaction, where minimum or cost per job criterion applies

20. Covid-19 Distressed Fund

Covid-19 Distressed Fund aims to assist companies that are in distress resulting from the Covid-19 pandemic.

The company's financial needs must be in excess of the assistance received from the Unemployment Insurance Fund, the Compensation Fund, the IDC's funding and any other support schemes.

Who It Funds:

- Agro-processing and Agriculture
- Machinery, Equipment & Electronics
- Chemicals, Medical & Industrial Mineral Products
- Textiles & Wood Products
- Mining & Metals
- Energy
- Media & Audio Visual
- Infrastructure
- Tourism & Services
- Automotive Transport & Equipment

What It Funds:

- Relief is for MSMEs in distress due to Covid-19 and other prevailing economic conditions with a sustainable business plan.
- Companies in distress because of the Covid-19 pandemic and other prevailing economic conditions, not because of mismanagement

How It Funds:

- Debt and guarantees only (equity on a case-by-case basis)
- Scheme-related concessionary pricing

The Dept. of Trade Industry and Competition



The dtic is a government agency whose mandate is to promote the establishment and success of competitive business in South Africa. One of the core themes of the dtic is broadening participation to achieve inclusive economic growth for the whole of South Africa. As a result, the dtic funds are accessible to any business that qualifies for the grants, regardless of the sectors in which they operate.

It is aimed at increasing the economic footprint of small enterprises through various empowerment schemes. In line with this theme, the dtic is one of the biggest stakeholders in small business funding, and empowerment as a whole. The dtic is responsible for a great deal of funding, grant and incentive schemes for small businesses in the South African economy.

Micro to medium-sized enterprises can benefit from

cost-sharing and loans to incentives and mentorship programme that dtic offers.

Requirements:

- Fifty-one percent Black majority shareholding
- The minimum and maximum turnovers vary from grant to grant
- One year in operation and trading as a business
- Fifty per cent management positions held by Black people (historically disadvantaged individuals)
- Enterprises formally registered for VAT
- An enterprise that has been operational/registered for less than a year may be considered for this incentive, provided that the enterprise can supply sufficient evidence to service a tender/contract.
- All owners and major shareholders need a clear credit history.



Some examples of business funding which can be provided to MSMEs:

1. Section 12I Tax Allowance Incentive (12I TAI)

The 12I Tax Incentive is designed to support Greenfield investments, as well as Brownfield investments. The incentive offers support for both capital investment and training.

Who It Funds:

- Greenfield investments (i.e., new industrial projects that utilise only new and unused manufacturing assets)
- Brownfield investments (i.e., expansions or upgrades of existing industrial projects)

What It Funds:

- Investment in manufacturing assets, to improve the productivity of the South African manufacturing sector
- Training of personnel, to improve labour productivity and the skills profile of the labour force

How It Funds:

R50 million for a Greenfield project and an additional investment of R30 million for a Brownfield project

2. Agro-Processing Support Scheme (APSS)

This programme aims to stimulate investment by the South African agro-processing / beneficiation.

Who It Funds:

Agri-business enterprises

What It Funds:

The scheme offers a 20% to a 30% cost-sharing grant to a maximum of R20 million over a two-year investment period, with a last claim to be submitted within six months after the final approved milestone.

The dtic may consider an additional 10% grant for projects that meet all economic benefit criteria such

as employment, transformation, geographic spread, and local procurement.

The maximum approved grant may be utilised on a combination of investment costs provided the applicant illustrates a sound business case for the proposed investment activities.

How It Funds:

R1 – R20 million

3. Aquaculture Development and Enhancement Programme (ADEP)

Revised during June 2016, this programme offers a cash grant on investment cost in marine and freshwater classified under Standard Industrial Classification (SIC) Codes 132 (fish hatcheries and fish farms) and SIC 301 and 3012 (production, processing and preserving of aquaculture fish). Qualifying activities include cultivation, processing, and ancillary activities such as feed manufacturing, research and development and veterinary services.

About:

The ADEP is designed to stimulate investment by commercially viable enterprises in the aquaculture sector.

The secondary objectives are to:

- Create and/or sustain jobs
- Broaden participation
- Increase production
- Geographical spread

Who It Funds:

- Primary, secondary, and ancillary aquaculture operations under the following Standard Industrial Classification (SIC) Codes: SIC 132: Fish hatcheries and fish farms.
- SIC 301 and 3012: Production, processing and preserving of aqua culture fish

What It Funds:

A cost-sharing grant of up to a maximum of R40 million for investment in:

- Machinery and equipment (owned or capitalised financial lease)



- Bulk infrastructure (water & electrical)
- Owned land and/or buildings
- Leasehold improvements
- Competitiveness improvement activities
- Commercial vehicles and work boats (owned or capitalised financial lease)
- Aquaculture feed
- Rental costs capped at R20 000 per month
- Environmental impact assessments
- Permit costs
- Mentorship

How It Funds:

The grant is calculated as a percentage of the investment in fixed assets, infrastructure and in competitiveness improvement activities, to a maximum amount of R30 million. The percentage varies between 20% and 45%, with smaller projects receiving the highest percentage. In addition, in the case of emerging black farmers (more than 51%), the incentive is enhanced and varies between 40% and 80%. The programme caters for new projects as well as for expansions and upgrading of existing projects.

4. Automotive Investment Scheme

To improve those in the automotive industry, the government offers grants to light vehicle manufacturers and component manufacturers. Launched in 2014, the Automotive Investment Scheme now also covers people carriers and medium to heavy duty commercial vehicles. The programs include original equipment component manufacturers.

About:

The AIS makes targeted grants to support the growth and development of the automotive sector. It rewards investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain, and increase plant production volumes.

Who It Funds:

- Light motor vehicle or component manufacturers that are investing in their productive capacity. Contributions to the tooling industry and to own R&D activity enhance the benefit.

- Light motor vehicle manufacturers that have achieved, or can demonstrate that they will achieve, a minimum of 50 000 annual units of production per plant, within a period of three (3) years; or
- Component or deemed component manufacturers that are part of the Original Equipment Manufacturer (OEM) supply chain; or
- Will achieve at least 25% of total entity turnover or R10 million by the end of the first full year of commercial production as part of a light motor vehicle manufacturer supply chain, locally and / or internationally.

What It Funds:

The AIS makes targeted grants to support the growth and development of the automotive sector. It rewards investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain.

How It Funds:

The AIS provides for a cash grant of twenty percent (20%) of the value of qualifying investment in productive assets in the case of vehicle manufacturers and twenty five percent (25%) of the value of qualifying investment in productive assets by component manufactures and tooling companies. These percentages are enhanced by up to 10% if certain requirements can be reached. The programme has no maximum grant level.

5. Black Industrialists Scheme (BIS)

The purpose of the Black Industrialists (BI) policy is to leverage the State's capacity to unlock the industrial potential that exists within black-owned and managed businesses that operate within the South African economy through deliberate, targeted and well-defined financial and non-financial interventions as described in the Industrial Policy Action Plan (IPAP) and other government policies.

About:

A cost-sharing grant that promotes industrialisation, sustainable economic growth, and transformation through the support of black-owned entities in the

manufacturing sector.

Who It Funds:

A black industrialist refers to a juristic person, which includes co-operatives incorporated in terms of the Companies Act, 2008 (as amended) that are owned by black South Africans as defined by the Broad-Based Black Economic Empowerment (B-BBEE) Act, that creates and owns value-adding industrial capacity and provides long-term strategic and operational leadership to a business. A black industrialist can be a natural person.

What and How It Funds:

30% to 50% cost-sharing to a maximum of R50 million



6. Business Process Services (BPS)

Launched during 2011, the programme was revised during 2015 and now runs until 2023. The primary objective is to create jobs and secondary, to enhance the country's export earnings through offshoring services. A 5-year base incentive on a reducing sliding scale is offered in respect of new jobs created, plus a bonus payment at the end.

About:

The BPS programme is part of a holistic value proposition to position South Africa as a preferred location of Business Process Outsourcing (BPO) operations and thus create employment opportunities.

Who It Funds:

Local and foreign investors that aim to service offshore clients. Companies offering business process services internationally may qualify.

What It Funds:

The purpose of this programme is to attract investors in employing young talents for offshore activities. Companies involved in offshore BPS should have at least 80% of its youth workforce involved in the project to be eligible to apply for the grant.

How It Funds:

The BPS will pay a grant calculated at up to R124 000 per job created by a BPO operation located in South Africa.

Who It Funds:

South African registered companies conducting feasibility studies on projects outside SA, whether new, expansions or rehabilitation of existing projects. Funding up to R8 million can be given to projects that can create jobs, develop skills, and give a better market opportunity to micro, small, and medium enterprises.

What It Funds:

Studies that fulfil the following non-financial criteria will be eligible to apply for a grant through the programme:

- New projects, expansion of existing projects and the rehabilitation of existing projects
- The programme that is anticipated to emerge from the feasibility study must fulfil the objectives of the programme.
- The minimum local content should be 50% for goods and 70% for professional services which remains at the discretion of the adjudication committee.
- Projects can be situated anywhere in the world (excluding SA).
- The project must have an adequate chance of being declared a success.

How It Funds:

A grant of between R100 000 and R5 million offered to a maximum of 50% of the total costs of the feasibility study for projects outside Africa and 55% of the total costs of the feasibility study for projects in Africa.

7. Capital Projects Feasibility Programme

The Capital Projects Feasibility programme makes targeted grants that contribute to the cost of feasibility studies into projects outside South Africa that are likely to increase local exports for South African capital goods and services. The primary objective of the programme is to facilitate feasibility studies that are likely to lead to high-impact projects which will stimulate value-adding economic activities in South Africa as this will have greater impact on the country's industrial policy objectives.

About:

The Capital Projects Feasibility programme is a cost-sharing grant that contributes to the cost of feasibility studies likely to lead to projects that will increase local exports and stimulate the market for South African capital goods and services. CPFIP funds projects that have the potential to stimulate local exports and boost the market of capital goods and services in South Africa.

8. Clothing and Textile Competitiveness Improvement Programme

Businesses involved in the manufacture of leather goods, textile, and footwear can benefit from this business funding scheme in SA. Interested entrepreneurs must belong to a recognized regional cluster to qualify for this programme. The CTCIP is based on the belief that competitiveness improvement is best achieved through value chain networking and partnerships. The CTCIP is thus based on cluster formation of either similar manufacturing entities or a value chain cluster, comprising e.g., manufacturers, suppliers, and retailers in order to engage in collective improvement activities

which are more cost effective. This could include benchmarking, supply chain interventions and value chain integration where competitive advantages are identified. Two types of clusters are proposed: ordinary and national clusters.

About:

The CTCIP makes targeted grants to grow and develop the clothing, textiles, footwear, leather, and leather goods manufacturing sectors. It is divided into the Improvement Programme (CTCIP) and the Production Incentive (PI).

Who It Funds:

Manufacturers in the South African clothing, textiles, footwear, leather, and leather goods sectors.

How It Funds:

The CTCIP makes 65% grants to individual companies and 75% grants to company clusters. The PI makes grants pegged at 7.5% of individual company manufacturing value addition. Grants may be used for interventions that improve competitiveness, including upgrades and expansion of capital equipment, increasing productivity, enhancing employee skills, improving products and processes, reducing costs, and subsidising interest payments on debt.

What It Funds:

Qualifying expenditure is categorised into people; product; process; market development and technological innovation. Grants for Ordinary clusters are offered at 75%, with a maximum cumulative amount of R25 million. Grants for national clusters start at 100% in year one, then taper down to 70% in year five, with no set maximum amount.

9. Critical Infrastructure Programme

Critical Infrastructure Programme (CIP) supports the construction of infrastructure that enables the establishment or continuing operation of industrial projects. Its key objectives are to improve competitiveness by lowering costs and risks, leveraging strategic investments, and

stimulating linkages.

About:

The CIP offers a grant at rates that vary between 15% and 50%. When one needs to invest in infrastructure in order to make further productive investment possible, one is eligible for a grant in respect of that infrastructure cost. Infrastructure in this case refers to those installations without which the new project cannot be undertaken, such as paved roads and bulk water. Also, when an investment is required in order to sustain an existing operation, e.g., invest in Solar and Green Energy, one will be eligible for support in respect of such investment cost. Note that production equipment, vehicles and buildings do not qualify. It is a requirement that the public must benefit from the infrastructure in question.

Who It Funds:

Projects designed for improving critical structure can be awarded up to R30 million under this program. Business Grants to private investors, companies, and even government municipalities can qualify in the following industries are eligible for support:

- Manufacturers
- IPAP priority sectors
- Mineral beneficiation, agriculture, and construction
- Mining and other labour absorbing sectors

What and How It Funds:

- The grant covers between 10 - 30% of infrastructure development costs. It is tax-free.
- Agro-processing applicants and state-owned Aerospace and Defence National Strategic Testing facilities. The CIP will offer a grant of 10% to 50% of the total infrastructural development costs, up to a maximum of R50 million.
- Projects that alleviate water and/or electricity dependency on the national grid: The CIP will offer a grant of 10% to 50%, up to a maximum of R50 million.
- Distressed municipalities and state-owned industrial parks: The CIP offers a maximum grant of up to 100%, capped at R50 million for infrastructural developmental. Applicants are encouraged to make a contribution according to their affordability.

10. Export Marketing & Investment Assistance (EMIA)

Assistance is granted to individual exporters to exhibit products at recognised exhibitions abroad where Trade Investment South Africa does not provide for a national pavilion.

About:

This scheme develops export markets for South African products and services and aims to recruit new foreign direct investment into the country.

Who It Funds:

- South African manufactures and exporters
- South African export trading houses
- South African commission agents
- South African exports councils, industry associations and Joint Action Groups

What It Funds:

- Provides marketing assistance to develop new export markets and grow existing export markets
- Assists with the identification of new export markets through market research
- Assists companies to increase their competitive by supporting patent registrations, quality marks and product marks
- Assists with facilitation to grow FDI through missions and FDI research

How It Funds:

Exhibition fees up to a maximum of R50 000

Registration of a patent in a foreign market: 50% of the additional costs capped at R100 000 p.a.

11. Film and Television Production Incentives (FTP)

To improve the film industry, the government encourages local film producers to continue producing new local content using financial help from this SA business funding scheme. This program aims to develop the film industry and attract filmmakers to the country.

About:

This incentive attracts foreign-based film productions to shoot films and TV productions in SA

and assists local film producers in the production of local content.

Who It Funds:

- Foreign-owned production companies with Qualifying South African Production Expenditure (QSAPE) of R12m+
- At least 50% of principal photography must be in South Africa, for a minimum of 4 weeks.
- South African productions and co-productions with QSAPE of R2.5m+

What It Funds:

The following program are offered:

- Locational Film Production – This is aimed at foreign film producers making films in SA.
- SA film production and co-production – This is aimed at South African film producers.
- SA Emerging Black Filmmakers – A grant of up to 50% Film Production Incentive.

How It Funds:

The grant is calculated as a percentage of the local production expenses and varies between 25% and 35%. Applications must be submitted before the start of primary shooting.

12. Isivande Women's Fund

The Fund is managed by the Industrial Development Corporation (IDC) on behalf of the dtic through a development fund manager, Identity Development Fund Managers, which is an MSME financier aimed at supporting the creation of self-sustaining black and women owned businesses in South Africa by providing primarily financial and non-financial support to investee companies.

About:

Isivande Women's Fund (IWF) is an exclusive women's fund established by the dtic to provide more affordable, usable, and responsive finance to enterprises and thus accelerate the economic empowerment of women.

Who It Funds:

Business Grants for the women enterprises must meet the following criteria:

- At least 6 months in operation
- Requires early stage, expansions and growth capital
- 50% plus one share owned and managed by women
- Have potential for growth and commercial sustainability
- Improved social impact in the form of job creation

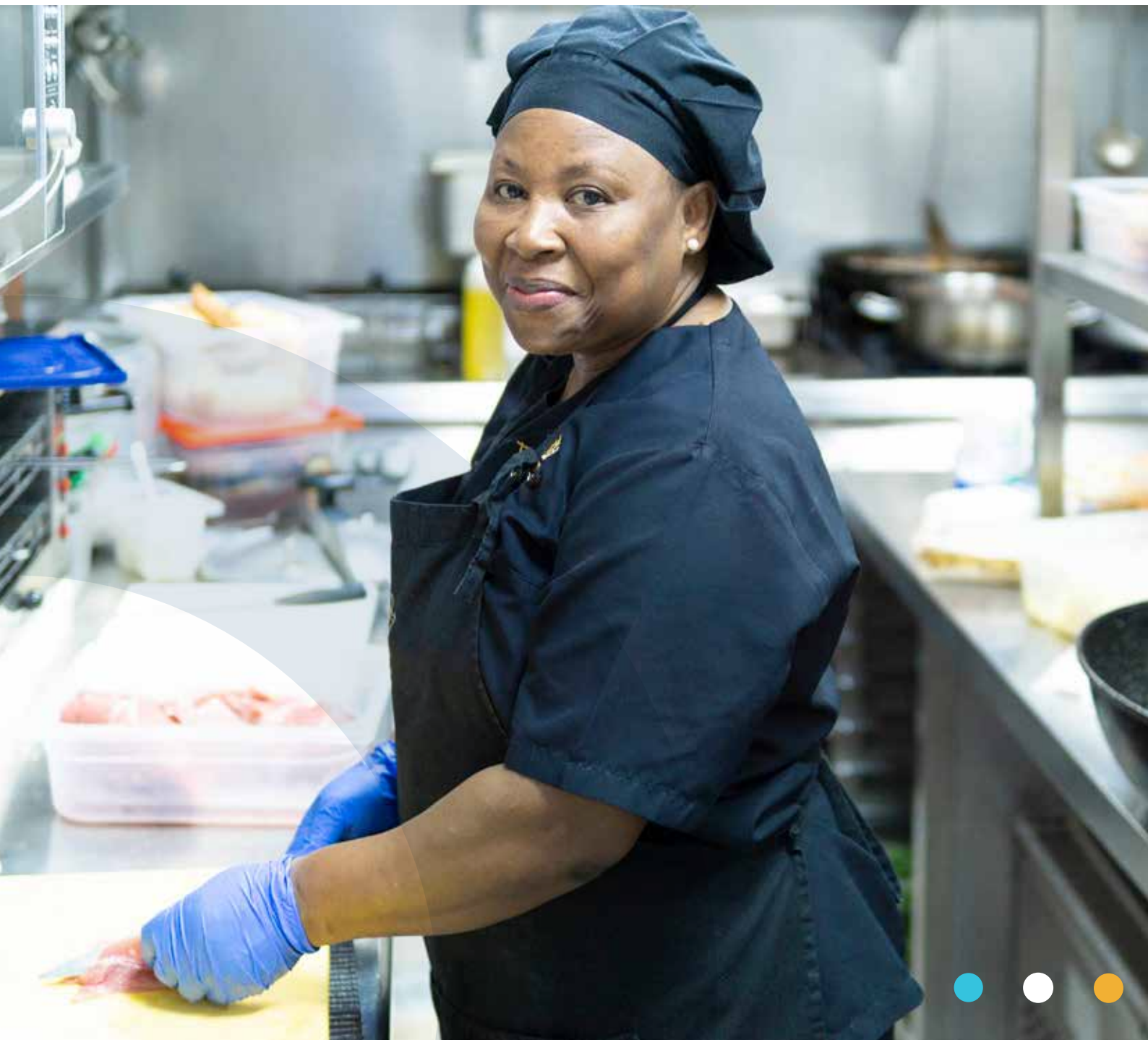
Businesses requiring funding of R30,000 to R2 million should contact the fund.

What It Funds:

Formally registered enterprises that are 50% + 1 share owned and/or managed by women. The fund supports start-up enterprises and expansions.

How It Funds:

User-friendly, customised loans within a range of R30 000 to R2 million.



13. Manufacturing Competitiveness Enhancement Programme (MCEP)

The Industrial Financing and Loan facilities comprises two components i.e., pre- and post-dispatch Working Capital Facility and the Industrial Policy Niche Projects Fund.

About:

This programme encourages manufacturing companies to raise their competitiveness and retain jobs.

Who It Funds:

Small scale manufacturing, market entry or launch and market development.

What It Funds:

Projects identified by the dtic sector desks and IDC's Strategic Business Units that focus on new areas with the potential for job creation, diversification of manufacturing output and contribution to exports, that would otherwise not be candidates for commercial or IDC funding, may be eligible for an MCEP grant that may be structured as part of the borrower's equity contribution.

How It Funds:

Maximum of R30 million for a period of up to four years, at a preferential fixed interest rate of 6%.



Who It Funds:

- Export Councils
- Joint Action Groups
- Industry Associations
- Organisations aimed at the development of emerging exporters

What It Funds:

Project focused on improving sector export, performance and / or emerging exporter capabilities and be developmental and / or promotional in nature and should benefit the sector as a whole or specific value chains within sectors, in terms of the SSAS objectives.

How It Funds:

Maximum of R1.5 million

14. Sector Specific Assistance Scheme (SSAS)

The Sector Specific Assistance Scheme compensates for costs in respect of the approved activities aimed at the development of South African emerging exporters through events. This incentive provides financial support for physical and digital events participation by qualifying emerging exporters.

About:

A reimbursable cost-sharing incentive scheme whereby financial support is granted to organisations supporting the development of industry sectors and those contributing to the growth of South African

15. Support Program for Industrial Innovation (SPII)

Transferred from IDC to dtic administration during 2015, the Support Program for Industrial Innovation is designed to promote technology development in South Africa's industry, through the provision of financial assistance for the development of innovative products and/or processes. SPII is focused specifically on the development phase, which begins at the conclusion of basic research and ends at the point when a pre-production prototype has been

produced.

About:

This incentive was designed to provide financial assistance for the development of commercially viable, innovative products and/or processes and facilitate commercialization of such technologies.

Who It Funds:

- South African private-sector enterprises. Specific provisions apply under the different schemes.
- Development should represent significant advance in technology.
- Development and subsequent production must take place within South Africa.
- Intellectual Property to reside in a South African registered company.
- Participating businesses must be South African registered enterprises.
- Government funded institutions (e.g., CSIR) do not directly qualify for support but may participate as subcontractors.
- No simultaneous applications from the same company.

What It Funds:

The SPII offers two schemes namely:

- SPII Product Process Development (PPD) Scheme. Grants of 50% are offered to a maximum of R2 million. However, black ownership can enhance the grant to as high as 85%.
- SPII Matching Scheme. Grants of 50% are offered, but this can be enhanced through black shareholding to as high as 75%. Grant limit is R5 million.

How It Funds:

- Product Process Development Scheme: Maximum of R2 million grant
- Matching Scheme: Maximum of R5 million grant



16. Strategic Partnership Programme (SPP)

The objective of the Strategic Partnership Programme (SPP) is to encourage large private sector enterprises in partnership with Government to support, nurture and develop MSMEs within the partner's supply chain or sector to be manufacturers of goods and suppliers of services in a sustainable manner.

About:

This programme/intervention is aimed at enhancing the manufacturing and services supply capacity of suppliers with linkages to strategic partner's supply chains, industries, or sectors.

Who It Funds:

South African registered entities.

What It Funds:

Infrastructure and business development services necessary to mentor and grow enterprises.

How It Funds:

Capped at a maximum of R15 million (vat inclusive) per financial year over a three (3) year period.

17. Technology and Human Resources for Industry Programme (THRIP)

Managed by the National Research Foundation (NRF), THRIP supports science, engineering and technology research collaborations focused on addressing the technology needs of participating firms and encouraging the development and mobility of research personnel and students among participating organisations.

Who It Funds:

Science, engineering, and technology.

What It Funds:

Applied research, design and engineering and technology development.

How It Funds:

50:50 cost-sharing grant, to a maximum of R8 million per annum.

Land and Agricultural Development Bank



The Land Bank's objective is to serve South African commercial and emerging agriculture by bringing specially designed financial services within the reach of farmers across the nation. These services enable farmers to finance land, equipment, improve assets and obtain production credit. Today, Land Bank is a true South African development finance institution that strives to serve all farmers equally.

1. Agricultural Youth Fund

Agricultural Youth Fund is an innovative funding initiative developed in partnership by Land Bank and the NYDA whose aim is to provide qualifying youth-led farming enterprises with funding to assist them further grow their business.

Who It Funds:

- Previously disadvantaged South African youth-led farming enterprises seeking to expand and diversify
- Prior exposure to agricultural operations/ training; at least 2 years farming experience
- Registered South African company in good credit and tax standing
- Secured tenure of land for agricultural use
- Water-use license (already submitted applications also accepted for following year's production)
- Located in the province where the partner/off taker has a preference
- Willingness to complete Preliminary Screening assessment by Land Bank and NYDA
- Willingness to receive technical support from anchor farmer/ implementing partner
- Application in line with production planning timelines

- Funding on a three-year basis should be within the R250 000 per applicant grant threshold.
- Demonstrate significant means of own contribution to the project
- No application will be considered if there is a gazetted land claim.

What It Funds:

A few specific commodities have been prioritised due to their sector growth potential, high value of production, labour intensity to support employment creation, as well as the Land Bank's credit appetite. More commodities will be added as the program progresses. The initial group of identified commodities are:

- High value vegetables (baby marrow, patty pans, chillies, baby spinach)
- Piquant peppers
- Paprika

Other commodities will be considered provided there is an off-take agreement and technical assistance.

How It Funds:

Candidates will be financed with both debt and grant funding. The grant will be capped at R250 000 per applicant over three years.



The National Empowerment Fund



The National Empowerment Fund (NEF) was specifically created to fund and develop small businesses. The fund creates innovative National Empowerment Fund transformation solutions to advance sustainable small business participation in the economy. The NEF supports the pillars of enterprise by providing finance and financial solutions across a range of sectors. It also provides project finance to allow early-stage entrepreneurs to participate in high impact projects without paying a premium for funding.

The NEF has several funding, grant and incentive schemes. Their funding criteria are for businesses in line with Broad-Based BEE in terms of government legislation. They observe principles that promote real economic empowerment while observing sound investment principles. They therefore provide small business funding for those business owners with viable businesses.

The NEF's purpose is to empower the black community by involving them in economic transactions. Both financial and non-financial aid are offered to teach them how to save and invest their money.

Each application for funding is assessed in terms of the following criteria:

- Commercial viability of the business case being presented
- The business must comply with all relevant laws and regulations.
- There must be operational involvement at the managerial and board levels by black people.
- Minimum percentage of black ownership or interest of 50.1% is a requirement.
- The business must be able to repay NEF funding.

- The business must create a reasonable number of jobs.
- Geographic location of the business is also important with the focus on rural or economically depressed areas encouraged.
- Meaningful black women participation is viewed more favourably.
- Rural and community development projects must have meaningful participation by communities.
- Possibility of co-funding with private or public sector institutions is encouraged in larger projects.

How To Apply for NEF Funding:

NEF funding is available for start-up and existing businesses. It will conduct the following processes when evaluating a business:

- It will conduct a self-needs analysis to determine how the NEF funding can assist with the needs of the businesses and which offer is best suited.
- An application form and a comprehensive proposal with evidence that supports the commercial viability and financial position of the business will need to be provided..
- After submission of the application to the NEF, it will assess the information for final approval and receiving of funds.
- The NEF website offers a checklist on their website to ensure that everything is included when applying for funding.
- All the requirements need to be met, or an application will not be successfully considered.

This process can take up to six weeks. If the application is successful, it could take up to three to four months to receive NEF funding.

1. Women Empowerment Fund (WEF)

Aimed at accelerating the provision of funding to businesses owned by black women.

Who It Funds:

The NEF Women Empowerment Fund is designed to provide funding to female-owned or co-owned businesses. The WEF funds businesses at various stages including start-ups, expansions or acquisitions

What It Funds:

Qualifying sectors for Women Empowerment Fund funding include:

- Franchising
- Pure acquisitions
- Construction
- Import and export
- Retail
- Primary agriculture
- Property development and consulting services such as recruitment and engineering

How It Funds:

The funding starts from R250,000 to R75 million across a range of sectors, for start-ups, expansions, and equity acquisition purposes. The WEF does not offer grants but rather finances through various investment vehicles. The cost of capital is not predetermined but is commensurate to the risk the investment carries. Focusing on areas in need of economic development, such as rural areas will boost chances of getting funding.

Requirements:

- Minimum of 51% Black female ownership
- Operational involvement at the managerial and board levels by Black women
- Commercial viability of the business case being presented
- Compliance with all relevant laws and regulations
- Ability of the business to repay WEF funding (Details of financial projections, planned capital expenditure and working capital needs)
- Creation of jobs
- Geographic location of the business to focus on rural or economically depressed areas.

2. iMbewu Fund

iMbewu Fund supports black entrepreneurs who are starting up a new business or expanding an existing one.

Who and What It Funds:

This fund is designed to support Black entrepreneurs wishing to start new businesses as well as support existing Black-owned enterprises with expansion capital.

How It Funds:

Funds ranging from R250 000 to R10 million are offered in the form of debt, quasi-equity, or equity finance to both black-owned start-up and existing companies.

Requirements:

- Application form
- Business plan
- Five-year financial projections (Income Statement, Balance Sheet and monthly Cash Flow Statement) with first year prepared on monthly basis
- Personal Statements of Assets and Liabilities of all company members or directors including those of spouses if person is married in Community of Property
- Certified ID copies of all members and directors
- Registration Documents and all the legal documents relevant to the entity
- FICA compliance
- Proof of residence
- Detailed CV of principal applicant

Funding is delivered through the following products:

2.1 Entrepreneurship Finance

Who and What It Funds:

Entrepreneurship Finance product is aimed at providing start-up and expansion capital to new and existing businesses respectively that are owned and managed by black people.

How It Funds:

Maximum NEF funding is R10 million. Funding instruments include term loans, quasi equity and equity finance, shares, and other structures with

ordinary share characteristics. The NEF will exit from the investment in 5 to 7 years.

The key criteria of this product are:

- BEE applicants should be actively involved in the day-to-day management of the business.
- Minimum black ownership of 50.1% is a requirement.
- Business and/or industry experience by black entrepreneurs is also considered.
- The business should be able to repay NEF's investment.
- NEF funding is charged at prime linked interest rates.
- The business must have a clear value-add with a sound business case.

2.2 Procurement Finance

What It Funds:

NEF will fund both the acquisition of assets and the working capital requirements of the business.

How It Funds:

Funding instruments include terms loans, bridging finance, asset finance and revolving facilities. The key criteria of this product are:

- NEF funding is charged at prime linked interest rates.
- The NEF reserves the right to oblige applicant to participate in the NEF mentorship programme.
- NEF will support contracts awarded by reputable entities.
- NEF does not generally support subcontracts especially those awarded by agents and entities that have a weak financial position and lacking track record.
- The contract must be commercially viable and generate sufficient profits and cash flow to repay NEF's loan.

Who It Funds:

The Procurement Finance product is aimed at assisting black-owned MSMEs that have been awarded tenders or contracts by public and private sector entities.

The key criteria of this product are:

- Minimum black ownership of 50.1% is required
- Industry knowledge by management or there must be clear transfer of skills through relevant partnerships

- The term of the loan will match the duration of the contract.
- NEF funding is generally limited to R10 million.
- There must be active participation by black individuals in the operations of the business.

2.3 Franchise Finance

Who It Funds:

The product is aimed at entrepreneurs who wish to start their own businesses by buying a franchise linked to a particular brand to reduce risks associated with start-up businesses lacking a track record. The NEF will exit from the investment in 5 to 7 years.

The key criteria of this product are:

- The NEF prefers to fund well established franchise concepts.
- Active management involvement by BEE parties is required.
- Minimum BEE shareholding of 50.1% is a requirement.
- NEF funding of franchises is through a loan instrument with the term matching the duration of the franchise license, however, up to a maximum term of 7 years.
- BEE party must have been pre-approved by the franchisor before approaching NEF.
- NEF funding generally limited to R10 million.
- NEF will fund MSMEs, using mainly debt.
- NEF funding is charged at prime linked interest rates.





3. Rural and community development fund

The aim of the Rural, Township and Community Development Fund is to provide funding to aspiring rural entrepreneurs and to facilitate skills transfer and operational involvement by community groups thereby promoting social and economic upliftment in pursuant to the NEF Mandate.

Who It Funds:

The government supports businesses who promote sustainable improvements in the rural economy:

- Agro Processing and Manufacturing
- Eco-Tourism
- Forestry and Fisheries
- Commercial Property
- Aqua and Marine Culture
- Non – Farm Activities (rural based).

How It Funds:

New ventures, acquisitions, and expansions can be funded with amounts ranging from R1 million to R50 million. The NEF will invest using debt, equity and quasi-equity instruments.

Funding Criteria:

- Projects must be financially sustainable.
- BEE applicants should be actively involved in the day-to-day operations of the business.
- Technical partners should be actively involved in the day-to-day operations of the business.
- Minimum black ownership of 25.1% is a requirement.

- Joint ventures between black and non-black partners to support skills transfer.
- The business should be able to repay NEF's investment.
- The business must have a clear value-add with a sustainable business case.
- The NEF will exit from the investment in 5 to 10 years.
- The NEF reserves the right to oblige applicants to participate in the NEF mentorship programme.

4. Strategic Projects fund (SPF)

The Strategic Projects fund is a unit of the NEF established with a mandate to increase the participation of black people in early-stage projects. It is aligned to national Government policy and seeks competitive opportunity for the South African economy and the inclusion of black participation in opportunities at the outset of projects, as opposed to doing so during equity closure.

Who It Funds:

SPF's sector focus is informed by the government's strategies on industrial development through the dtic's National Industrial Policy Framework, the corresponding Industrial Policy Action Plans [IPAP] as well as the current government economic growth strategy, the New Growth Path. The sectors are identified based on the IPAP and the New Growth Path and are listed as follows:

- Agriculture
- Business Process Outsourcing (Call centres, data storage centres and termination centres)
- Textiles
- Mining, Mineral Processing and Mineral Beneficiation
- Automobiles
- Renewable Energy and Biofuels (solar, biomass, hydro, co-gen and wind)
- Plastics
- Pharmaceuticals and Chemicals
- Forestry, Pulp and Paper
- Infrastructure (telecoms, healthcare, roads, rail airports, dams, and water)
- Manufacturing
- Tourism (hotels, resorts, tourism attractions and leisure)

How It Funds:

This SA business funding scheme provides angel investment to black-owned businesses during the early development stages. Enterprises delving in certain industrial sectors which can significantly drive economic growth are given focus under this funding programme.

5. uMnotho fund

The uMnotho Fund is available to black entrepreneurs who manage or own businesses, new ventures, or expanding existing business. It is also available to black entrepreneurs who want to buy a share of equity in black and white owned businesses.

Who It Funds:

- BEE applicants seeking to fund equity purchases of between R2 million and R75 million in existing businesses
- Focus on medium to large companies.
- Focus on partnerships with existing management teams and other equity investors.

What It Funds:

Black-owned enterprises can receive grants for acquisition, expansion, warehousing, and capital raising activities. This funding scheme can also help black-owned businesses get listed in the JSE.

How It Funds:

The uMnotho Fund has a few different products with funding ranging between R5 million to R50 million. However the product best suited for new business ventures is called the New Venture Finance product.

Details of the five products are provided below:

• Acquisition Finance

The key criteria of this product are:

- Minimum BEE ownership of 25.1% post NEF investment
- Active BEE management participation
- Active BEE involvement in investee companies
- BEE Financial contribution determined on case-by-case basis
- Investment instruments can include a combination of debt, equity, and mezzanine finance.
- The NEF reserves the right to oblige applicants to participate in the NEF mentorship programme.
- Typical investment horizon of 4 to 7 years
- Security to include personal guarantee.

• New Venture Finance

The key criteria of this product are:

- Minimum 25.1% BEE shareholding
- BEE-specific financial contribution assessed on a case-by-case basis.
- NEF exposure to the project generally not to exceed 50% of total project costs.
- Proven management experience within consortium
- Active BEE involvement in investee companies

What and How It Funds:

This product provides capital of R5 million to R25 million per project for BEE parties seeking to participate in medium-sized Greenfield projects with total funding requests of between R10 million and R200 million. Investment instruments can include a combination of debt, equity, and mezzanine finance in support of BEE.

• Expansion Capital

The NEF will provide funding of R5 million to R75 million to entities that are already black-empowered but seek expansion capital to grow the business.

The key criteria of this product are:

- Investment instruments can include a

combination of debt, equity, and mezzanine finance in support of BEE.

- BEE shareholding should be minimum of 50.1%.
- Pricing based on instrument, risk matrix, security package, etc.
- Typical investment horizon of 4 to 7 years
- Active BEE involvement in investee companies
- Security to include personal guarantee and security over business assets.

• Capital Markets

This product invests in BEE enterprises, particularly those owned by black women, that seek to list on the JSE or its junior AltX market. The Umnotho Fund will also help listed BEE companies to raise additional capital for expansion. All other key features are similar to those of the Acquisition Finance product.

• Liquidity & Warehousing

This product assists BEE shareholders who need to sell a portion or all their shares (as minority stakes in unlisted firms are hard to sell). Also acquires and temporarily warehouses these shares before on-selling them to new BEE shareholders, and refinances BEE shareholdings where existing financing structures are costly and/or inefficient. All other key features are similar to those of the Acquisition Finance Fund.

6. Tourism Transformation Fund (TTF)

Tourism Transformation Fund is administered by the NEF on behalf of the Department of Tourism, the TTF is a capital investment funding mechanism that focuses specifically on financial support for black entrepreneurs for projects in the tourism sector and aims to drive transformation in the tourism sector.

Who It Funds:

- Majority black owned tourism entities and transactions that are commercially viable and sustainable, as per the results of the due diligence processes of the NEF
- Unlocking investment support in the tourism sector for new and established (Greenfield and Brownfield) small and micro black-owned tourism enterprises that provide services to tourists as its direct clients.

- Micro black-owned tourism enterprises that provide services to tourists as its direct clients

What It Funds:

The TTF provides a combination of grant funding, debt financing, and equity contributions to facilitate capital investment in the tourism sector by black entrepreneurs. The grant funding portion provided by the Department of Tourism is used to reduce the approved loan finance and/or equity contribution by the NEF and/or other accredited Development Finance Institutions (DFI's) where commercial viability of the tourism project has been proven.

How It Funds:

The Department's grant contribution for approved applications is limited to 50% of the total funding approved and is capped at a maximum of R5 million per beneficiary.

What does an investor want to know about your business?



Growth potential



Involvement in the business



Potential dividends



Personal investment



Your exit plan

Dept. of Small Business Development



The Department of Small Business Development (DSBD) was established in 2014 by the South African government to promote the development of entrepreneurship and to place MSMEs and Co-operatives at the centre of economic growth and job creation. The ministry aims to increase MSMEs and Co-operatives' participation in local and international markets and expand the contribution of MSMEs and Co-operatives in priority sectors and offer access to financial and non-financial support.

Required Documents:

- Complete the simplified online application platform
- Company statutory documents
- FICA documents
- Certified ID copies of Directors/Members
- 6 months bank Statements
- Latest AFS and/or Management Accounts not older than 3 months from date of application (Statement of Financial Performance and Statement of Financial Position) where applicable
- Business Profile
- Project Execution Plan.
- 12 months Cash Flow Projections (with clear assumptions) – where applicable
- Copy of Lease Agreement or Proof of Ownership
- Relevant industry certification – where applicable
- Copy of Contract or Purchase Order
- Facility Statements of Other Funders - where applicable
- Quotations for applied funding

1. Black Business Supplier Development Programme

Black Business Supplier Development Program (BBSDP) provides grants to small black-owned enterprises. It aims to improve sustainability and competitiveness of majority black-owned enterprises and thereby integrate them into the mainstream economy. This Programme offers grants in a cost-sharing scheme to black-owned business for the purpose of business skills training.

About:

Black Business Supplier Development Programme (BBSDP) is a cost-sharing grant offered to small black-owned enterprises to assist them to improve their competitiveness and sustainability and helps them to become part of the mainstream economy and to create employment. It offers support to black-owned enterprises by helping to improve their core competencies and management abilities and enabling them to become more competitive.

Who It Funds:

Any majority black-owned enterprises or those with a predominantly black management team, and trading for at least one financial year, that is majority black-owned. Enterprises with a turnover of at least R1 million and not more than R35 million. If operating for less than a year but has a valid tender or contract the enterprise will be considered.

What It Funds:

The scheme helps people with promotional marketing materials, software development and other activities such as quality improvement, processes, and product improvement. BBSDP provides a grant to a maximum of R1 000 000. R800 000 is the maximum for tools, machinery, and equipment. R200 000 is the maximum for eligible enterprises for training and business development to improve their corporate governance, management, marketing, productivity, and use of modern technology.

How It Funds:

Grants can be used to acquire assets or professional services and training, and vary from 50% to 80%, with a lifetime maximum amount per business of R1 million.

2. Co-operative Incentive Scheme

The objectives of this initiative include promoting co-operatives through the provision of a matching grant and assisting them to improve the viability and competitiveness of their enterprises by lowering the cost of doing business.

About:

Co-operatives Development Support Programme supports co-operative enterprises financially and non-financially in partnership with other key strategic stakeholders (DFIs, Municipalities and the Private Sector, etc.).

Who It funds:

Co-operative enterprises owned by black persons targeting especially those in rural, township and peri-urban areas and prioritizing majority participation of women, youth and persons living with disabilities. Applicants must be the primary co-operative members (at least five people) and those who are historically disadvantaged individuals will benefit from this programme.

What It Funds:

- Business Development Services
- Feasibility Studies /Market Research
- Production Efficiency
- Technological Improvement Projects
- Plant and Machinery

- Start-up requirement (discretion of AC)
- Working Capital (Opening stock start-ups)

How It Funds:

Qualifying enterprises are eligible to receive a maximum of up to R350 000. The minimum grant that can be applied for is R10 000.

3. Informal And Micro Enterprise Development Programme

Informal And Micro Enterprise Development Programme's objective is to provide developmental support to informal and micro businesses that are operating in depressed areas and owned by historically disadvantaged individuals. It aims to develop and strengthen their capacity to be sustainable through the provision of access to information, business development support services (including skills and mentorship), business infrastructure and working Capital; and facilitates the formalisation of Informal enterprises as means of entering the economic mainstream.

Who It Funds:

100% black owned Informal business with a turnover of between R12 000 to R200 000 per annum that have been operating or trading for more than one year.

What It Funds:

Tools, machinery equipment and business development and training interventions, working capital.

How It Funds:

Eligible Informal Enterprises can receive an incentive grant value up to R80 000.

4. Business Viability Programme

Business Viability Programme targets MSMEs experiencing business challenges with a view to assist them to achieve operational efficiencies, restore profit margins and contribute meaningfully to economic transformation as well as job creation.



Who It Funds:

All eligible small enterprises that meet the DSBD's qualifying criteria.

What It Funds:

Blended finance with maximum funding accessible per entity is R15 million.

5. Youth Challenge Fund (YCF)

Youth Challenge Fund (YCF) is a youth start-up support programme intended to stimulate the establishment and growth of youth-owned businesses, promote digital skills, grow the economy and foster job creation, with sefa.

Who It Funds:

Youth (18 to 35 years) start-up businesses/enterprises.

What It Funds:

- Technology Innovation: supports product development and scaling of youth led MSMEs with an innovative digital product or service that demonstrates a competitive advantage, initial traction and has the potential to scale.
- Other products and services: supports product development and scaling of youth led MSMEs with an identified market, a clear focused value proposition, initial product traction, and a credible owner or team.

How It Funds:

Maximum R2 million

6. Small Enterprise Manufacturing Support Programme

Targeted at township and rural area-based entrepreneurs with a consideration for small-scale manufacturers located in cities, and its purpose is to build a manufacturing sector for an improved industrial base (productive economy) for both the domestic market and external market (in particular, the African Union market), with sefa.

Who It Funds:

- Light Consumer Goods (agro-processing; Clothing, leather, and textiles; Petroleum and chemical products; and Furniture and other manufacturing)
- Hi-Tech Manufacturing (Electrical machinery; Green technology/ Digital Technology, 3D printing, etc.)
- Industrial Production (Basic Iron and Steel)

What It Funds:

- Funding to purchase machinery and equipment for the various manufacturing subsectors that will be supported
- Working capital for the various manufacturing sub-sectors that will be supported
- Funding for product accreditation, certification, and testing

How It Funds:

- Funding of up to a maximum of R15 million per small enterprise, up to 20% of the amount may be given as a Grant where necessary.
- The term of the funding will be determined by the business cash flow up to a maximum repayment period up to 84 months per small enterprise with a maximum moratorium period of up to 6 months.

The loan will be repayable at prime lending rate.

7. Township and Rural Entrepreneurship Programme (TREP)

A dedicated programme to transform and integrate opportunities in townships and rural

areas into productive business ventures, with sefa.

Qualification Criteria:

- Owner-managed micro, informal (home based) and cooperatives operating in a township or village
- Registered or willing to register as a legal entity (CIPC, SARS, UIF, etc.)
- 100% South African ownership
- Have a turnover of below R250 000 per annum
- Be registered with UIF, if the entity has employees and at least 70% South African employees
- Minimum trading period (6 Months)
- The enterprise or its owner must possess or apply for a business license with the local municipality.
- Have a valid business bank account (including newly opened)
- Willing to participate in the bulk buying scheme as organized by the DSBD or any of its Agencies
- Be located in the township or village or rural/ small towns
- Registered on the SMMESA database <https://smmesa.gov.za>

How to apply:

1. Application form is available on sefa www.sefa.org.za
2. On the option <<apply for finance>>, choose TREP and get application form.
3. Applications must be submitted to trep@sefa.org.za
4. Upload the required statutory documents: CIPC documentation, SARS, proof of address, bank statements (3 months where applicable).
5. In case of application to purchase equipment and/or CAPEX, the applicants must submit quotations/pro-forma invoices for the equipment/ CAPEX required.

7.1 Small-Scale Bakeries and Confectioneries Programme

Small-Scale Bakeries and Confectioneries Programme facilitates stepped up access to market, scaled up opportunities for business growth and facilitate improved access to credit.

Who It Funds:

- Owner managed micro, informal (home based) and cooperative bakeries and confectioneries.
- Bakeries and confectioneries with turnover of less than R500k can apply for both financial and business development support.
- Bakeries and confectioneries with turnover of more than R500k only qualify for business development support.

Support Available:

- Assist with compliance with minimum bread and confectionery nutritional requirements (approved dough mix) and the related testing.
- Facilitate compliance with Environmental Health and Food Safety Regulations.
- Training on shop floor management and conformity.
- Business and financial management training and mentorship.
- Facilitate stepped up access to market through off take agreements.

What It Funds:

Blended finance at maximum of R350 000; maximum grant amount of R50 000.

Support Available:

- Facilitate trade test certification (for those not certified but must hold N3 qualification)
- Assistance through facilitating the accreditation of the small/micro automotive businesses with the relevant industry standards and bodies
- Business management support and mentorship through unemployed Graduate Scheme, or seda Business Advisors and/or services business professionals.
- Municipal business licensing support at a cost to the applicant.
- Facilitate access to market in both the private and public sectors, for vehicles to be serviced at participating service/ motor body repair/ fitment centres.

What it funds:

Blended finance up to a maximum of R500 000; maximum grant amount of R100 000.

7.2 Automotive Aftermarkets Programme

Supports motor body repairers (panel beaters) to operate accredited small/independent panel beaters (motor body repairers) centres; supports motor mechanics and other mechanics to operate authorized service centres and supports the small and independent auto spares shops to operate profitable auto spare parts centres. TREP also supports the formalisation of informal automotive entrepreneurs into formal fitment centres.

Who It Funds:

- All auto mechanics such as motor mechanics, heavy equipment mechanics, tractor and forklift mechanics, and diesel fitters
- Panel beaters
- Glaziers
- Tyre and glass fitment
- Auto spares shops



7.3 Butcheries Support Programmes

Butcheries Support Programmes objectives are to grow businesses operating in this sector; to formalize and seize new opportunities that were not present in their business models such as the use of delivery channels to their customers, especially under the consideration of harder lock down levels; provide business focused support packages (financial and non-financial) to strengthen operations during the Covid 19 lockdown; package common basket of goods to quantify stock merchandise in response to specific market demands during and beyond Covid-19 to enable alignment of financial and non-financial support; improve on their standards and quality assurance through the provision of BDS from the agency (in partnership with the DSD and sefa; resuscitate and ensure business continuity under the current challenges presented by Covid-19 and as part of economic recovery support. sefa will identify possible linkages between suppliers, vendors and their categories of customers to lock in the whole value chain within MSMEs to create synergies starting from small scale producers, followed by logistical support, operations support and trade interfaces by these players.

Who It Funds:

- An entity operating in the targeted groups above as a Butchery outlet
- The business must have been trading as a butchery for a minimum period of 6 months prior to the Covid 19 lockdown.

Support Available:

- Maximum of R10 000 blended finance
- Business management support and mentorship through unemployed Graduate Scheme, or seda Business Advisors and/or services business professionals

What It Funds:

Blended finance to a maximum of R350 000; maximum grant amount of R50 000.

7.4 Clothing, leather, and textiles Programme

Clothing, leather, and textiles Programme supports MSMEs within the sector to seize opportunities availed by the Covid-19 pandemic by participating in the PPE value chain during the pandemic and beyond; facilitates the participation of small enterprises in the rebuilding and reshaping of the clothing and textile sector (economic reset); assists MSMEs within the sector to improve the quality and competitiveness of small-scale clothing, textile and leather enterprises for both domestic and export markets.

Who It Funds:

- Seamstresses
- Sewers
- Garment makers
- Patternmakers
- Designers
- Pattern calculators
- Pattern cutters
- Art designers
- Knitters
- Machinist
- Tanneries
- Fabric manufacturers
- Shoes, belt and handbag makers

Support Available:

Blended finance to a maximum of R350 000; maximum grant amount of R50 000.



7.5 Personal Care Services Programme

Personal Care Services Programme objectives are to support micro and informal businesses within the personal care industry. The aims are to improve the quality and competitiveness of the micro and informal personal care services businesses; reposition the businesses within the sector's ecosystem for consolidated participation in the personal care industry supply value chain; promote and serve as a route to market for the locally and MSME manufactured hair and skin products and facilitates improved access to formal credit through the formalisation of informal and micro businesses.

Who It Funds:

- Hairdressers and hair salons
- Beauty therapists, makeup artists and beauty salons
- Nail technicians and salons
- Massage therapists and massage parlours/ spas including mobile spas

What It Funds:

Blended finance at maximum of R50 000; maximum grant amount of R25 000.

7.6 Spaza Shop Support Programme

Spaza Shop Support Programme formalises informal businesses to micro enterprises, facilitates the banking of the unbanked, and builds reliable databases for future government planning and support.

Support Available:

- Funding of R15 000 (70% grant and 30% loan)
- Networking or purchasing power (bulk buying)
- Business knowledge
- Health and hygiene support
- Legal compliance

Who It Funds:

- The spaza must be owner-managed and operated.
- Spaza shops must hold a license to trade, a municipal permit or if they do not they must obtain one before they can access support.

- Undertaking to comply with the Consumer and Customer Protection and National Disaster Management Regulations and Directions.
- Willing to submit monthly management statements.

7.7 Tshisanyama and Cooked Food Scheme

Tshisanyama and Cooked Food Scheme supports informal and micro restaurants for full and meaningful participation in the cooked/prepared food industry. The aims are to support tshisanyama and informal and micro-restaurants to re-enter the market and graduate to profitable enterprises; assist the informal and micro restaurants to adapt to new business models and remain profitable and competitive; enhance the participation and growth of the enterprises in the whole prepared food sector; and position the informal and micro restaurants as a route to market for butcheries, fruit and vegetable vendors, and other small scale producers or suppliers.

Who It Funds:

- An entity operating in the cooked/prepared food sub sector
- The scheme is not meant for the enterprises in catering services unless they provide such catering daily through a contract (copy of the contract must be provided).

Support Available:

- R10 000 per enterprise in blended funding model
- Business and financial management training and mentorship through the Unemployed Graduate Scheme
- Industry specific technical training, e.g menu and pricing
- Food Handling training and facilitate Certificate of Acceptability (COA)
- Facilitate training and compliance with Environmental Health and Food Safety Standards, and quality standards assurance
- Facilitate professional culinary and food service management training
- Blended finance at maximum of R350 000; maximum grant amount of R50 000

Small Enterprise Finance Agency



Small Enterprise Finance Agency (sefa) was established in 2012 with the mandate of helping micro, small, medium enterprises (MSMEs) survive and thrive in the market. MSMEs are expected to contribute to society in alleviating poverty through job creation. sefa has a broad product range, which encompasses survivalist entrepreneurs. Small business funding is provided through a hybrid of wholesale and direct lending channels:

- Direct Lending products: loans provided directly to Small and Medium-sized Enterprises as well as Co-operatives operating in all sectors of the economy. The loans range from a minimum of R50 000 to R15 million.
- Wholesale Lending products: provide facilities (debt/equity) to intermediaries, joint ventures, partnerships (Specialised Funds) and other collaborative relationships.

Because of this hybrid system, sefa can also provide small business funding by facilitating lending through traditional financial intermediaries. This partnership is meant to strengthen sustainable access to regular financing for small businesses within the following sectors:

- Services (including retail & wholesale trades and tourism)
- Manufacturing (including agro-processing)
- Agriculture (specifically land reform beneficiaries and contract-farming activities)
- Construction (small construction contractors)
- Mining (specifically small-scale miners)
- Green industries (renewable energy, waste, and recycling management)

They focus on the following target markets:

- Survivalists and microenterprises – loans between R500 and R50,000
- Small Enterprises – loans between R50,000 and R1 million

- Medium enterprises – loans between R1 million and R15 million

Application Requirements:

- Be a South African citizen or a permanent resident
- Be registered entity with a fixed physical address
- Be within the required contractual capacity
- Be registered within South Africa
- Be compliant with generally accepted corporate governance practices appropriate to the client's legal status
- Have a written proposal or business plan that meets the requirements of sefa's loan application criteria
- Demonstrate the character and ability to repay the loan
- Have provided personal and/or credit references (if available)
- Be the majority shareholder and the owner manager of the business
- Where available, provide relevant securities/collateral
- Have a valid Tax Clearance Certificate

Who and What It Funds:

Their products are for businesses requiring financial assistance ranging between R50,000 and R15 million. One can choose from the following funding solutions that have been designed to meet different needs of small businesses:

1. Asset Finance:

sefa offers Asset Finance solutions tailored to the needs of a business. sefa helps to finance a wide range of new and/or used moveable assets. The proceeds of Asset Finance are used to acquire business moveable assets (machinery and equipment). Assets purchased through this funding method must be identifiable by a means of serial numbers.



Benefits:

- Asset finance allows one to acquire or lease without impacting the bank balance.
- Assets acquired through Asset Finance can be used by sefa as security for the loan.

Repayment Duration:

The loan duration is up to a maximum of 60 months or for the economic life of the asset (whichever comes first).

Required Documents:

- Business plan
- Cash flow projections
- Lease agreement (if applicable)
- Franchise agreement (if applicable)

2. Bridging Loan

This is a short-term loan that is provided to an enterprise to finance its working capital such as stock and/or operating overheads. This credit facility is designed for business-to-business transactions and is usually suitable for businesses that have secured firm contracts (purchase orders) with other businesses (that is, businesses that offer services and or products to other businesses).

Benefits:

A Bridging Loan allows a business to meet short term financial obligations by providing immediate cashflow.

Repayment Duration:

The repayment duration of a bridging loan is linked to the specific term of a contract up to 12 months.

Required Documents:

- Project plan and projections
- Copy of contract or order
- Completion certificate for previous work done (for construction projects only)

- NHBR and CIDB (for construction projects only)
- Bills of quantities (for construction projects only)

3. Revolving Loan

This is a line of credit whereby the borrower is allowed to use the funds when they are needed. It is usually used for clients who have contracts with a predetermined lifespan and monetary value. Revolving credit facilities are mainly used for operating purposes and the loan amount varies from month to month depending on the client's current cash flow needs.

This advance is primarily available to established businesses who are mainly existing sefa clients with satisfactory credit records.

Benefits:

Repayments are structured in relation to the business' cash flow projections.

Repayment Duration:

The revolving loan repayment term is a maximum of 12 months (or dependent on the duration of the contract).

4. Term Loan

Term loans offer businesses the cash they need to purchase other forms of moveable assets. Unlike asset financing, term loans are used to acquire moveable assets that cannot be identified by means of serial numbers (e.g., office furniture, fixtures, and fittings, etc.).

Benefits:

- The cash from a term loan can be used to:
 - » Purchase fixed assets such as equipment used in its production process.
 - » Use assets acquired through term loan finance as security for the loan.

Repayment Duration:

The term loan repayment period is between 12 and 60 months.

5. Tourism Equity Fund (TEF)

Tourism Equity Fund (TEF) is a collaborative initiative between the Department of Tourism and sefa. As part of South Africa's Economic Reconstruction and Recovery Plan, this fund aims to drive transformation through advancing equitable opportunities in the sector to ensure inclusive economic growth in the Tourism sector.

Who It Funds:

Majority Black-owned (minimum 51%) tourism enterprises (accommodation, hospitality and related services, travel, and related services) including enterprises in rural areas and townships.

What It Funds:

- Funding to acquire controlling equity in entities in the Tourism sector
- Funding of the assets of existing entities in the Tourism sector for the explicit purpose of setting up a new entity operating in the sector
- Asset finance and working capital that would be required in relation to the acquisition of the Tourism entity for expansion or operational purposes
- New developments and expansion projects as applicable and in relation to the identified Tourism subsectors.

How It Funds:

The minimum project value for TEF applications is R10 million. The funding provided to a successful applicant will include a grant up to a maximum of R20 million, a concessionary loan, a sefa loan up to a maximum of R15 million and the balance to be covered by a loan from a commercial bank.

6. Amavulandlela Funding Scheme

Offers South African persons with disabilities an opportunity to enter the mainstream economy by accessing credit facilities ranging from R50 000 to a maximum of R15-million to build qualifying entrepreneurial enterprises.

Who it funds

Small and medium-sized enterprises, including close corporations and companies, and cooperatives with at least 50+ 1% ownership by entrepreneurs with verified disabilities are eligible to apply for Amavulandlela funding. The entrepreneur must be

operationally involved in the daily running of the business

What it funds

Existing businesses seeking to expand is the preferred funding candidates, but start-ups with merit may also be supported. Funding should preferably be used for the fulfillment of orders or contracts. Financing applications must have economic merit (financially sustainable and technically feasible).

Targeted assistance to bring the application to a bankable stage, including mentoring, technical assistance, sourcing and negotiating with suitable suppliers

Will be recovered from the applicant by means of a loan and it shall have a moratorium of 3 months after disbursement (if the loan application has been approved)

How it funds

The scheme will offer entrepreneurs with disabilities the standard credit facilities ranging from R50 000 up to R15-million at a preferential fixed interest rate of Prime minus 5% per annum

7. Inyamazane Funding Scheme

Offers South African military veterans an opportunity to enter the mainstream economy by accessing credit facilities ranging from R50 000 to a maximum of R15-million to build qualifying entrepreneurial enterprises.

Who it funds

Small and medium-sized enterprises, including close corporations and companies, and cooperatives with at least 50+ 1% ownership by entrepreneurs with verified military veteran status are eligible to apply for Inyamazane funding. Military veterans will be confirmed via the Department of Military Veterans database. Only applicable to small and medium-sized businesses.

What it funds

Existing businesses seeking to expand is the preferred funding candidates, but start-ups with merit may also be supported. Financing applications must have economic merit (financially sustainable and technically feasible).

How it funds

The scheme offers military veterans credit facilities ranging from R50 000 up to R15-million

Small Enterprise Development Agency



Small Enterprise Development Agency (seda) helps aspiring entrepreneurs with an idea to start and grow their businesses. They also help existing businesses to improve their operations and become more profitable.

Funding Criteria:

- Be a registered legal entity in South Africa (Registered with CIPC and UIF)
- The company must be 100% owned by South African citizens.
- Employees in the company should consist of a minimum of 70% South African citizens.
- Have been in operation for at least 12 months
- Be registered and compliant with the South African Revenue Service

Required Documents:

- Business expansion plan or turnaround plan
- FICA documents (e.g., Municipal accounts, Letter from Traditional Authority)
- Certified ID copies of Directors or members
- 6 months bank statements
- Latest annual financial statements
- Management accounts not older than three months from date of application
- Cash flow projections (with clear assumptions)
- Proof of product market - include contract(s) or purchase order(s) – where applicable
- Copy of lease agreement or proof of ownership
- Relevant industry certification – where applicable
- Facility statements of other funders - where applicable
- Quotations for applied funding
- Detailed break-down on application of funds including salaries, rent etc.

seda Technology Programme (STP) provides a range of services that promote entrepreneurship in industry, particularly in enabling small enterprises to access appropriate technology to become

more competitive and grow their businesses. The services include:

- Technology Business Incubation
- Quality Systems and Conformity Standards
- Technology Transfer and Innovation Support (promotes and facilitates the transfer of industrially relevant technologies and innovations, which are cost-effective, productive and competitive)
 - » Innovation Support: Non-financial support which aims to promote the use of innovation to enhance the local, national, and international competitive ability of MSMEs.
 - » Technology Transfer Fund: financial support to acquire innovative, production-enhancing technology, which aim to assist small and micro enterprises in the second economy to grow and propel them to start competing in the mainstream economy.

Who It Funds:

- Manufacturing and processing sectors, which are under-supplied, and where a competitive edge can be gained through productive technology
- Service-related industries that have an integrated and competitive manufacturing component
- Services sectors outside the scope of the Fund Policy:
 - » Retail trade sales
 - » Personal care
 - » Cleaning and gardening
 - » Laundry and dry-cleaning
 - » Financial and legal services, support, or training
 - » Entertainment and events management
 - » Consulting services
- Manufacturing sectors that are over-supplied:
 - » Toilet paper, diapers, and other tissue processing

What It Funds:

- Costs directly associated with the Technology Transfer process
- Designs, equipment, systems, machinery, and tooling directly related to the technology
- Process design, formulation, materials, and methods transfer, improvement and optimisation
- Expert knowledge, skills and expertise transfer, training and mentoring related to the technology
- For new start-ups only: installation and raw materials, up to 10% of the total amount approved

How It Funds:

A maximum amount of R600 000 can be requested and needs to be motivated by demonstrating return on investment. Approved applicants above the R150 000 threshold will be required to first pay the 10% contribution to their supplier (or the corresponding amount split among multiple suppliers), before seda will release any payment.

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The most common reasons businesses need access to additional working capital

- Everyday operating expenses
- Equipment upgrades
- Business growth
- Unexpected expenses

”



National Youth Development Agency (NYDA)



The NYDA focusses on grant finance for small businesses. Microfinance grants support survivalist youth entrepreneurs and support corporation of youth in the co-operatives sector. Their objective is to afford young entrepreneurs access to financial and non-financial support to thrive in their survivalist business.

NYDA business funding recently changed its youth enterprise funding model from a fixed interest loan structure to that of a micro-finance grant provision system. The agency partnered with the IDC and sefa to provide funding and support to youth-owned businesses for a five-year period.

The grant scheme is unique in that it will support MSMEs from the planning stage. The NYDA is one of the few organisations that fund ideas in the development stages. It's also unique in that it allows for applications for very low levels of funding, from R1 000 and up to R100 000.

The NYDA also offers non-financial support to young entrepreneurs through the means of mentorship, business consultancy services, market linkages, and business management training programmes. Young people interested in accessing the grant programme will have to commit to participating in the NYDA mentorship and voucher programme for a minimum of 2 years.

Qualifying criteria:

- Must be between 18-35 years old
- Must have experience or skills appropriate for the enterprise that you conduct or intend to conduct
- Must be a South African citizen
- Must be a resident in SA
- Must have completed life skills training and

business management training programmes or related programmes as per recommendation from client(s) assessment

- Must have a business mentor and/or a coach approved by NYDA or must be allocated a business mentor by NYDA post application approval
- Must have relevant qualifications or business and/or technical experience including proven entrepreneurship business experience where applicable
- A 10-minutes business pitch which can be conducted telephonically or in person

Document Requirements:

- A due diligence report will be conducted by a NYDA official.
- Certified Identity Document Copy (stamp not older than 3 months)
- Proof of Residence
- Registered company
- Company Profile
- Detailed list of the current employees
- Personal Bank Statement or Business Bank Statement
- Business Plan if looking for grant greater than R50 000
- Quotations if looking for a grant

Who It funds:

The types of businesses assisted through the grant programme are mainly artisan skilled entrepreneurs. These include, but are not limited to, motor mechanics and panel beaters, electricians, plumbers, domestic appliance repair services, beauticians, hairdressers, cleaning companies, small scale recycling companies, street vendors, car washes and others.

How It funds:

NYDA Grant Programme: The NYDA grant programme gives qualifying businesses and startups funding between R1,000 and R200,000. This programme also includes compulsory non-financial assistance in the form of business mentorship, market linkages, and training.

NYDA Voucher Programme: The NYDA Voucher Programme intends to help businesses get free business development services from companies that partner with NYDA. In the application process, you will need to specify what your business does and what your business needs. If you are approved, you will receive a “voucher” to access the services you need.

What It funds:

There are three thresholds by which businesses are measured. These are a survivalist business, start-up, and growth business:

- For a survivalist business, a grant of between R1 000 and R10 000 is given.
- Start-ups receive between R10 001 and R50 000.
- For the growth of business, a grant of between R50 001 and R100 000 is given.





ZEVO LI

GROWTH PARTNERS

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