

SIOC Community Development Trust partners with The National Empowerment Fund on a R16.1 million Fund

Developing local SMMEs is at the heart of SIOC-CDT and as such the Trust has partnered with The National Empowerment Fund (NEF), an agency of the **dtic** whose mandate is to grow black economic participation, to provide financial and non-financial support to SMMEs in Limpopo and the Northern Cape that have been affected by the COVID-19 pandemic. The partnership amounts to R16.1 million and is for the benefit of SMMEs owned and managed by black South African citizens.

This joint fund aims to support black-owned SMMEs that were operational at least 6 months before the COVID-19 pandemic began in March 2020. The partnership will see the NEF co-managing the two funds that have been established as a result of the partnership.



SIOC-CDT/NEF COVID-19 Relief Fund



SIOC-CDT/NEF COVID-19 Grant Fund

R3.5 million of the total fund will go towards grant funding targeted at formal and informal SMMEs residing within the qualifying areas of Thabazimbi in the Limpopo Province and Tsantsabane, Gamagara, Gasegonyana and Joe Morolong in the Northern Cape, to benefit businesses that have been severely affected by the COVID-19 pandemic. The grant amount is standard at R10 000 (ten thousand Rand) for informal traders and R10 000 (ten thousand Rand) to R100 000 (one hundred thousand Rand) to formal businesses per transaction.

Grant funding will be approved by the Regional Project Regional Steering Committee selected by both institutions, while the hybrid fund will be administered by the NEF's Investment Committees. Furthermore, the NEF will be responsible for the disbursement of both funds.

SIOC-CDT/NEF COVID-19 Hybrid Grant Fund

R12.625 million of the total fund will be set aside for the Hybrid Fund where the applicant will be supported through a mixture of loan and grant funding, to the extent that the loan will represent 60% of the funding required and 40% will be the grant portion. This fund will also be targeted strictly at the qualifying areas within Thabazimbi in the Limpopo Province and Tsantsabane, Gamagara, Gasegonyana and Joe Morolong in the Northern Cape area. Transactions with a minimum funding requirement of R250 000 will be considered. The NEF Investment Committee will be responsible for all investment decisions aligned with SIOC-CDT standards, and in accordance with existing NEF Corporate Governance structures.

Applicants to the Grant Fund must adhere to the following criteria:

1. This Funding model focuses on existing Formal and Informal SMMEs residing within the Qualifying Areas with preference given to enterprises owned by women, youth, and persons living with disabilities;

2. The fund is intended to assist SMMEs that have been severely affected by the COVID-19 NATIONAL LOCKDOWN;

3. They must be South African citizens who are Black Persons within the Qualifying Areas;

4. If an applicant operates an informal business, they must possess either
a) a permit to operate, or
b) Letter from the municipality confirming application submitted prior to the NATIONAL LOCKDOWN;

5. Must have completed an application form;

6. Operate either informally or formally; generally recognized as micro enterprises (e.g. street traders, vendors, emerging enterprises);

7. Preference will be given to women, youth (18-35) and people with disabilities;

8. Enterprise must have traded at least 6 months before the NATIONAL LOCKDOWN;

9. Enterprises must demonstrate proof of loss of revenue from the NATIONAL LOCKDOWN;
10. Proof of revenue if formal – if informal provide a short proposal;

11. Enterprise Tax clearance required for formal businesses (if sole proprietor individual tax clearance) and not required if informal;

12. Must be at least 51% black-owned small business owned by South African citizens;

13. The applicant must be a full-time employee of the business;

14. Must agree to enter into a business management training programmes or related programmes as per recommendation from SIOC-CDT's assessment;

15. Must have a business mentor and/or a coach approved by SIOC-CDT or BDS Partners or must be allocated a business mentor post application approval;

16. Must have relevant qualifications or business and/or technical experience in the sector operating in including proven entrepreneurship business experience where applicable;

17. Previous business loans must be paid up to be eligible to access grant funding;

18. Require the funding for a business that is commercially viable and has a sustainable plan; and

19. Must accept that funding application approvals will be at the discretion of the Regional Steering Committee.

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