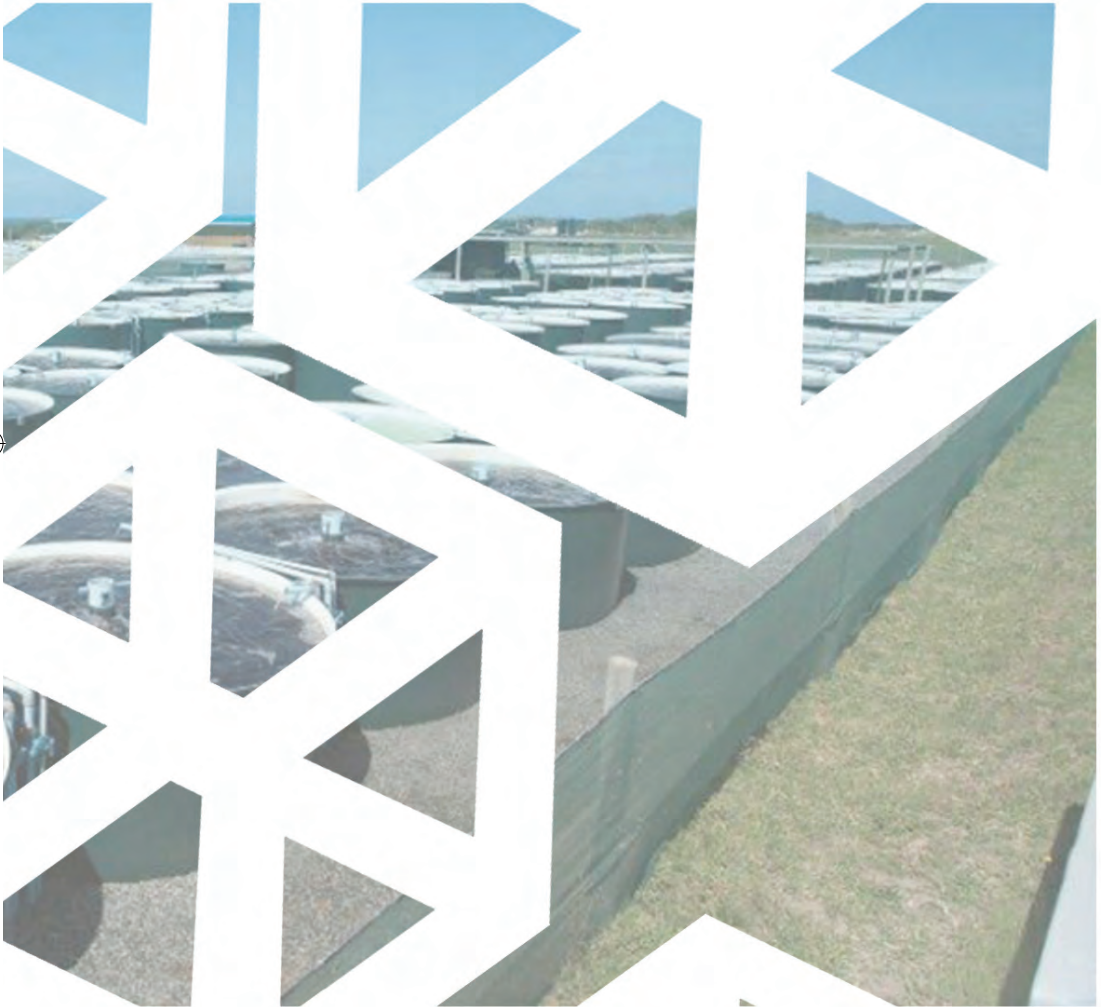




# A DIRECTORY OF DEVELOPMENT FINANCE

and Grant Funding Organizations for Aquaculture Operations in South Africa

VOLUME II, 2017



agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA





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## Acronyms and Abbreviations

<b>ADEP:</b>	Aquaculture Development and Enhancement Programme
<b>BEE:</b>	Black Economic Empowerment
<b>BBBEE:</b>	Broad Based Black Economic Empowerment
<b>BBSDP:</b>	Black Business Supplier Development Programme
<b>CASP:</b>	Comprehensive Agriculture Support Programme
<b>CIP:</b>	Corporative Incentives Programme
<b>DAFF:</b>	Department of Agriculture, Forestry and Fisheries
<b>DFI:</b>	Development Finance Institutions
<b>DRDLR:</b>	Department of Rural Development and Land Reform
<b>DSBD:</b>	Department of Small Business Development
<b>EBF:</b>	Emerging Black Farmers
<b>EMIA:</b>	Export Market and Investment Assistance
<b>EIP:</b>	Enterprise Incubation Programme
<b>HDI:</b>	Historically Disadvantage Individual
<b>IDC:</b>	Industrial Development Corporation
<b>ISP:</b>	Incubation Support Programme
<b>MAFISA:</b>	Micro Agricultural Financial Institutions of South Africa
<b>NEF:</b>	National Empowerment Fund
<b>NT:</b>	National Treasury
<b>SEFA:</b>	Small Enterprise Financial Agency
<b>SEIF:</b>	Shared Economic Infrastructure Facilities





## Definition of Terms

### **Loan Funding**

Loan or Debt financing means borrowing money and not giving up ownership. Debt financing often comes with strict conditions or agreements. In addition interest and prime must be paid at specified dates. Failure to meet the debt requirements will result in severe consequences.

### **Equity Funding**

It means issuing additional shares of common stock to an investor. With more shares of common stock issued and outstanding, the previous stockholders' percentage of ownership decreases.

### **Government grants**

A financial award given by the national, state or local government to an eligible applicant. Government grants are not expected to be repaid by the recipient. Grants do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, interest rate subsidy, direct appropriation or revenue sharing. There is typically a lengthy application process to qualify and be approved for a government grant. Most recipients are required to provide periodic reports on their grant project's progress.

### **Government Incentives**

A financial reward that serves as a motivational tool for a desired investment.

### **Development finance institution (DFI's)**

Is an alternative financial institution which includes microfinance institutions, community development financial institution and revolving loan funds. These institutions provide a crucial role in providing credit in the form of higher risk loans, equity positions and risk guarantee instruments to private sector investments in developing countries.



## Introduction

Aquaculture has become an important growth sector and priority for the South African government under the leadership of the Department of Agriculture, Forestry and Fisheries (DAFF). It has been noted that in South Africa is at its infancy and potential for growth has been identified. Records since the year 2000 demonstrated continuous growth in terms of production, investment, jobs and sales.

To ensure that sector continues to grow, the DAFF partnered with the Department of Trade and Industry (the dti) and industry to develop the National Aquaculture Strategic Framework (NASF) which assisted in identifying challenges and solutions towards aquaculture sector development. The NASF was completed by an Implementation Plan.

In 2014, prioritisation of the aquaculture sector was elevated by the Operation Phakisa – Oceans Economy which is an initiative of the South African government which aims to implement priority economic and social programmes better, faster and more effective. In terms of Aquaculture, the programme focused on growth production and investment in order to ensure continuous supply of fish.

Both the NASF and the Operation Phakisa- Oceans Economy identified access to funding as a major challenge hampering the growth of the sector. It was noted that there are several funding agencies that could support the sector with the private and public sector. A need to coordinate access for funding was identified and DAFF was tasked in establishing an Aquaculture Development Fund (ADF). It was also noted that the form of the fund needed to be outlined and relevant processes need to be follow. Parallel to



the establishment of the ADF, the DAFF continues to coordinate access to funding.

It is against this background that “A Directory of Development Finance and Grant Funding Organizations for Aquaculture Operations in South Africa” was developed. The document provide a list of funding programmes and funding entities that can be approached by the aquaculture stakeholders for financial support. It further outlines the objectives of each programme, the criteria to qualify, the requirements and the funding structure.

### **The broad objective of this document is:**

- To provide information and guidance on financial assistance available for the aquaculture sector,
- To coordinate access to funding,
- To develop a funding directory for emerging and well established aquaculture enterprises and
- To create awareness and stimulate investment in the sector.



# 1. Funding Categories

There are various funding mechanisms that exist in South Africa. Those funding mechanisms come in the form of Loans, Equity, grants and incentives.

## 1.1. DEBT OR LOAN FUNDING

Debt financing means borrowing money and not giving up ownership. Debt financing often comes with strict conditions or agreements. In addition interest and prime must be paid at specified dates. Failure to meet the debt requirements will result in severe consequences.

## 1.2. EQUITY FUNDING

It means issuing additional shares of common stock to an investor. With more shares of common stock issued and outstanding, the previous stockholders' percentage of ownership decreases.

## 1.3. GOVERNMENTS GRANTS

A government grant is a financial award given by the national, state or local government to an eligible applicant. Government grants are not expected to be repaid by the recipient. Grants do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, interest rate subsidy, direct appropriation or revenue sharing. There is typically a lengthy application process to qualify and be approved for a government grant. Most recipients are required to provide periodic reports on their grant project's progress.

## 1.4. GOVERNMENT INCENTIVES

It is a financial reward that serves as a motivational tool for a desired investment.





## 2. Development Funding Institutions (DFI's)

A development finance institution (DFI) is an alternative financial institution which includes microfinance institutions, community development financial institution and revolving loan funds. These institutions provide a crucial role in providing credit in the form of higher risk loans, equity positions and risk guarantee instruments to private sector investments in developing countries.

### 2.1. INDUSTRIAL DEVELOPMENT CORPORATION (IDC)

IDC is a national development finance institution which was established in 1940 to promote economic growth and industrial development in South Africa. It is owned by the South African government under the supervision of the Department of Economic Development.

#### 2.1.1. Agro-processing and Agriculture Strategic Business Unit

##### Funding Mandate

The Industrial Development Corporation facilitates South Africa's industrial capacity by financing viable businesses within key sectors to promote the country's economic growth. Through the Agro-processing and Agriculture SBU, IDC's objective is to invest in the development of projects and businesses that will create new or expand local manufacturing capacities by replacing imports and enhancing competitiveness.

Through its funding and project activities, the IDC envisage the following impact on the South Africa economy:

- Promote, expand and extend new/existing industries in order to create and/or preserve jobs and drive sustainable economic



- growth.
- Enable local industry to ensure better utilisation of resources and infrastructure.
- Enable local industry to improve operating margins and enhance/maintain competitiveness.

### Qualifying Projects

New or existing operations within the agro-processing and agriculture industries that plan to create new or expand industrial capacity within the economy. The business unit provides support to a wide range of economically viable businesses in agricultural sector such as:

- Horticulture and high value field crops
- Wheat and sugar
- Livestock value chain such as cattle, poultry and pigs
- Fishing and aquaculture
- Beverages
- Forestry
- Horticulture including fruit, vegetables, nuts, tea and coffee.

### Funding Requirements

The company must facilitate job creation and new industry capacity

Risk-sharing from operating private sector investments partners and the shareholders should guarantee the funding of shortfalls

### Equity Funding:

- Mainly applicable to larger investments
- Applicable when a project is perceived of strategic importance
- Only minority interests

### Funding Structure

- For Start-up businesses maximum funding equates to 60% of the total funding requirement





- For expansion projects, IDC can fund a full expansion if the equity structure at peak is a minimum of 35%
- Preferred equity structure for start-up projects of at least 50% at peak.
- BBBEE conditionality: Business partners are expected to have at least a level 5 or 4 accredited BBBEE rating or that they provide the IDC with an undertaking to achieve such rating within a specific time period. BEE empowered, women and youth-owned businesses are encouraged to apply.
- Value-chain base projects are preferable

### How to apply for funding?

Application for funding should be in writing and should include an executive summary and a business plan. Please refer to IDC website, [www.idc.co.za](http://www.idc.co.za) for a comprehensive business plan guideline and further information. Applications can also be done online.

SUMMARY		
Funding Entity		Industrial Development Corporation (IDC)
	SBU	Agro-processing and Agriculture
Funding Treshold	Minimum Funding	R5 m
	Maximum Funding	Not Applicable
Contact Details	Key Contact Person	Jeanneter le Roux
	Tel	011 269 3567
	Email	jeanneter@idc.co.za
	Address	19 Fredman Drive, Sandton
	Website	<a href="http://www.idc.co.za">www.idc.co.za</a>





## 2.2. NATIONAL EMPOWERMENT FUND (NEF)

The NEF is an agency of The Department of Trade and Industry mandated to grow black economic participation. It was established by the National Empowerment Fund Act No 105 of 1998, the NEF is a driver and a thought-leader in promoting and facilitating black economic participation through the provision of financial and non-financial support to black-empowered businesses, as well as by promoting a culture of savings and investment among black people.

Accordingly, its funding mandate is directed by the Codes of Good Practice on Broad-Based Black Economic Empowerment, as well as by the Industrial Policy Action Plan. The NEF provide different funds or product:

### 2.2.1. Rural and Community Development Fund

#### Funding Mandate

The Rural and Community Development Fund was designed to promote sustainable change in social and economic relations and supporting the goals of growth and development in the rural economy, through financing of sustainable enterprises. This would be achieved through the mobilisation of rural communities in legal entities or cooperatives, in order to participate in the broader economic activities and realise the economic transformation goals in rural South Africa. The fund has four products: Project Finance, Business Acquisition, Expansion Capital and Start-up/Greenfields.

The funding threshold ranges from a minimum of R1 million to R50 million.

#### Qualifying Projects





Product/ Fund	Description	Funding amounts
Entrepreneurship Finance	For starting a new business	R250 000 - R10 m
Acquisition Finance	For black investors to acquire a stake in medium to large companies	R2 m - R75 m
Expansion Capital	For growing an existing business	R250 000 - R75 m
Liquidity and Warehousing	The NEF has BEE Facilitator status**, which can help black shareholders and companies wishing to sell a stake while keeping the shareholding black	R2 m - R75 m

- 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.
- The NEF will invest using debt, equity and quasi-equity instruments.
- 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.

### Funding Requirements

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





- minimum percentage of black ownership or interest,
- black women empowerment,
- black managerial and operational involvement,
- Commercial viability of the business, product criteria,
  - job creation,
  - geographic location of the business (rural/urban/disadvantaged areas)
- community involvement,
- compliance with all the relevant laws and regulations,
- return on investment, and,
- the possibility of co-funding with another public or private sector institution.

### Funding Structure

The NEF provides business loans from R250 000 to R75 million across a range of sectors, for start-up, expansion and equity acquisition purposes. On average, the NEF's business loans are repayable over 4 to 7 years.

SUMMARY		
Funding Entity		National Empowerment Fund
	FUND	Rural and Community Development Fund
Funding Treshold	Minimum Funding	R1 m
	Maximum Funding	R50 m
Contact Details	Key Contact Person	Annah Kganyago
	Tel	(011) 305 8190 (011) 305 8001 087 357 0995





	Email	kganyagoa@nefcorp.co.za
	Address	West Block, 187 Rivonia Road, Morningside 2051, Po Box 31, Melrose Arch North 2076
	Website	www.nefcorp.co.za

## 2.3. LAND BANK

The Land and Agricultural Development Bank of South Africa has been the leading agricultural financier in South Africa since its inception in 1912. Land Bank offers tailor made financial services to established and emerging farmers.

### Funding Mandate

Land Bank is an agricultural finance institution that promotes the enhancement of productivity, profitability, investment and innovation in the agricultural and rural financial systems. It offers a wide range of products and services specifically developed for agricultural sector. The products are tailor made to meet the needs of the client.

### Qualifying Projects

- Must be in primary or secondary agriculture or both
- Must be viable, sustainable and be able to repay the loan
- Funding Requirements
- Financial statements for the last 3 years. Please note where the latest audited financial statements are older than 6 months, management accounts must be provided and should not be that is not older than 6 months. Supply complete details/ explanations regarding losses, decline in profit, negative cash flow, deterioration of ratios, decrease in turnover and any negative variances since previous financial year end.



- A Projected cash flow statement for the next twenty-four months. Cash flow statements must be done in detail reflecting all income and expenditure. (Land Bank instalment should reflect on cashflow)
- Balance sheet and income statement of all sureties.
- Quotations for any capital improvements.
- Quotations for implements to be purchased (if you intend to purchase implements).
- You need to furnish the Bank with proof that you are legally entitled to utilize the amount of water on your farm that you are currently using. This means a Listing certificate from your irrigation board or scheme (where applicable) or proof of registration of your water sources at the Dept of Water Affairs.
- Copy of duly signed offer to purchase.

NB: For a list of other requirements, please contact the bank.  
Funding Products

## 2.4. SMALL ENTERPRISE FINANCE AGENCY (SEFA)

SEFA offers financial assistance to Small, Micro and Medium

Products	Description	Term
Fixed Term Loan	Loans are utilized for agricultural related capital expenditure, permanent working capital and mezzanine type debt tranches	Term is negotiable - usually between 3 and 25 years with due consideration of both economic and deemed useful life of assets financed or permanent working capital requirement.

Products	Description	Term
Revolving Loan Facilities	The Revolving facilities include the Working Capital Overdraft, Cash Credit Facility, Inventory finance and Production Credit.	For new clients the initial term must be in line with the business cycle of the applicant and can be either 12 or 18 months for most businesses.  Revolving loans granted specifically on a wholesale basis finance instalment sale facilities are granted in line with the average maturity of the underlying financial assets.
Short Term Loan: Production Loan	This type of product provides finance to clients to cover their short-term finance requirements for crops and livestock (working capital). It is repayable and reviewed yearly, at the end of the each production season. A production loan may be used for all production inputs set out in the applicant's business plan.	The maximum term is 5 years repaid and reviewed yearly.
Medium-term Loans	Medium-term finance is provided by Land Bank for periods up to 15 years to cover the Client's medium-term agricultural finance requirements. The term of the loan will however depend on the purpose of the loan which is comprehensively set out under the various categories of medium-term loans	Periods up to 15 years Repayment is either in annual, bi-annual or monthly instalments depending on business income streams



Products	Description	Term
Long term loan (Mortgage Loan)	A long term loan (Mortgage Loan) is a loan advanced against the security of a first covering or surety bond (or subsequent covering or surety bonds if the Bank is the holder of the first bond) repayable in instalments either in annual, bi-annual or monthly instalments depending on the business income streams over a fixed period of time	10-25 years
Special Mortgage Loans	<p>a) Special Mortgage Loans are granted to first time buyers of agricultural land by HDI's, who are South African citizens.</p> <p>b) A special mortgage loan is a loan secured by a first mortgage bond over the farm property repayable in instalments over a fixed period.</p> <p>c) The purpose is to finance the purchase of agricultural land and for the repayment of debt incurred for the purchase of land within two years.</p> <p>d) Repayment is either in annual, bi-annual or monthly instalments depending on business income streams</p>	Up to 25 years





Products	Description	Term
Charge loan	A charge loan is a loan advance for improvements to a fixed property. The loan is secured by a charge against the property which binds the client and the future owner of the fixed property.	Charge loans may be repaid over a maximum period of 20 years.  Repayment is either in annual, bi-annual or monthly instalments depending on business income streams. Have access to draw funds paid over and above your normal instalments, advance payments.

## SUMMARY

Funding Entity		Land and Agricultural Development Bank of South Africa
Funding Type		Loan Funding
Funding Treshold	Minimum Funding	None as long as business is viable, sustainable and can repay the loan
	Maximum Funding	25% of capital, In excess requires Board approval
Contact Details	Key Contact Person	Mahendra Kara
	Tel	012 686 0924
	Email	mkara@landbank.co.za
	Address	Block D, Eco Glades 2, 420 Witch Hazel Avenue, Eco park, Centurion P.O.BOX 375, Tshwane, 0001
	Website	www.landbank.co.za





sized enterprises (SMMEs).The agency focuses on SMMEs that are unable to attract commercial credit due to, including credit bureau listing, initial cash flow constraints and not having collateral.

### Funding mandate

SEFAs mandate is to develop sustainable SMMEs by making financial assistance readily available.

### Qualifying Projects/Enterprises

SEFA offers financial assistance to SMMES through various industry sectors such as:

- Agriculture (cash crop contract farming and agro-processing).
- Mining and quarrying.
- Manufacturing.
- Construction.
- Green industries.
- Retail and wholesale trade, and
- Services such as tourism, information technology, engineering, transport and logistics, finance and business services).

### Funding Structure and Products

SEFA has six funding products that are tailored to meet the contrasting needs of small businesses. The products that are offered for businesses requiring financial assistance range between R50 000 and R5 million.

### Start-up loans

Purpose: It is money that is required when establishing a new business. The start-up loan repayment duration is up to 60 months. The money can be used to purchase or rent office space; permits; licences; inventory; manufacturing; marketing or any operational expenses.





## Working Capital Facilities

Purpose: This money is used for the daily operations of the business. A maximum of 12 months repayment for a working capital facility. The money is used for purchasing products/ goods and services and financing of operating overheads.

## Asset Finance

Purpose: Asset finance helps to finance a variety of new and/or used moveable assets. The benefits for this type of funding are that it allows for the purchasing or lease without impacting the owners bank balance. Moreover assets acquired through this type of funding can be used by SEFA as security for the loan. The repayment duration for the Asset Finance is up to a maximum of 60 months or for the economic life asset whichever comes first. Asset Finance proceeds are used to purchase business moveable assets.

## Term Loans

Purpose: This money is used to purchase other forms of moveable assets. In contrast to asset finance, term loans are used to buy moveable assets that are unidentifiable by means of serial numbers. Term loans are beneficial because fixed assets can be purchased which are used in its production process. Also assets acquired through term loan finance can be used as security for the loan. The repayment period for term loans is between 12 and 60 months.

## Revolving Loans

Purpose: This type of loan allows the borrower to use the funds when they are needed. It usually is used for clients who have contracts with a predetermined lifespan and monetary value. It is mainly used for operating purposes and the loan amount varies from month to month depending on the clients cash flow



needs. The loan is advantageous in such that repayments are structure in relation to the business cash flow projections. The repayment period for the revolving loan is a maximum of 12 months (or dependent on the duration of the contract).

### Bridging Loans

Purpose: This type of a short term loan is provided to an enterprise to finance its working capital. This includes stock and/or operating overheads. It is tailored for business to business transactions and is suitable for businesses that have secured firm contracts with other businesses (i.e. businesses that offer services and or products to other businesses). This loan lets the business to meet short term financial obligations by providing immediate cash flow. The repayment duration for this type of loan is linked to the specific term of a contract up to 12 months.

### Funding Requirements

- The applicant must be a South African citizen or a permanent resident.
- The entity must be registered with a fixed physical address.
- Must be within the required contractual capacity.
- Must be registered within South Africa.
- Compliance regarding the generally accepted corporate governance practises that are suitable to the client's legal status must be adhered to.
- Must have a written proposal or a business plan that satisfy the requirements of SEFAs loan application criteria.
- Ought to show the character and ability to repay the loan.
- Personal and /or credit references have to be provided (if available).
- Be the majority shareholder and the owner manager of the business.
- Provide securities/collateral that is applicable (where available).
- Should have a valid Tax Clearance certificate.

### How to apply?







- Contact SEFAs client liaison centre or write to them for more information
- Alternatively, visit any of SEFAs regional offices or
- Log into their website and download the fillable application form or the standard application form where you print it and complete by hand and attach the required documents.
- Submit the application form to SEFAs offices.

### Contact details

## 2.5. TECHNOLOGY INNOVATION AGENCY (TIA)

The Innovation Agency (TIA) is a national public entity that serves as the key institutional intervention to bridge the innovation chasm

Head office /Regional office	Tel	Email
Head office	(012) 748 9600	helpline@sefa.org.za
Gauteng North Eastern	(012) 441 0480	sefagpnorth@sefa.org.za
Gauteng South Western	(011) 403 176	sefagpsouth@sefa.org.za
Gauteng East	(010) 492 3655	sefagpeast@sefa.org.za
KwaZulu Natal	(031) 368 3485	sefakzn@sefa.org.za
Mpumalanga	(013) 755 3923	sefamp@sefa.org.za
Eastern Cape(East London)	(043) 721 1510	sefael@sefa.org.za
Eastern Cape (Port Elizabeth)	(041) 373 4153	sefape@sefa.org.za
Eastern Cape ( Mthatha)	(043) 721 1510	sefael@sefa.org.za





Head office /Regional office	Tel	Email
Free State(Bloemfontein)	(051) 436 0150	sefafs@sefa.org.za
Free State(QwaQwa)	(051) 436 0150	sefafs@sefa.org.za
Limpopo	(015) 294 0900	sefalp@sefa.org.za
Northern Cape	(053) 832 2275	sefanc@sefa.org.za
North West	(014) 592 6391	sefanw@sefa.org.za
Western Cape (Cape Town)	021) 418 0126	sefawc@sefa.org.za
Western Cape (Saldahna)	(022) 714 1731	sefawc@sefa.org.za
Western Cape( George)	(044) 874 4770	sefawc@sefa.org.za

between Research and Development (R&D) and commercialisation. Financial and non-financial support is provided to Higher Education Institutions (HEIs), Science Councils (SCs), public entities and the private sector.

### Mandate

The mandate of TIA is derived from the provisions of the Technology Innovation Act (Act 26 of 2008). It establishes TIA to promote the development and exploitation of discoveries, inventions, innovations and improvements in the public interest. TIA's objective is to support the State in stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans.

### TIA Funding Products





TIA provides financial and non-financial support for the development of technologies along various technology readiness levels (TRLs) starting at the proof of concept phase (TRL3) through the technology development phase (TRL4-7) and, ultimately, to support the pre-commercialisation phase (TRL8). TIA provides financial support through three funding instruments, namely:

### Seed Fund

The Seed Fund Programme assists innovators at HEIs, SCs and Small and Medium-Sized Enterprises (SMEs) in bridging financing requirements to evaluate research outputs and demonstrate value proposition and commercial potential.

The Seed Fund Programme has two sub-programme models, namely:

The Higher Education Institution Seed Fund Programme that is implemented in partnership with Technology Transfer Offices (TTOs) based at various universities and science councils where they forward the research outputs developed at the institutions, to TIA, and;

The SME Seed Fund Programme in partnership with incubators and the Regional Development Agencies (RDAs) where innovators, entrepreneurs and SMEs submit qualifying projects for funding.

### Fundable Activities Include:

- Initial proof of concept
- Prototype development
- Sourcing of Intellectual Property (IP) opinions
- Production of market samples
- Refining and implementing designs
- Conducting field studies
- Support of certification activities
- Piloting and scale-up evaluation





- Techno-economic evaluation
- Business Plan development

### Technology Development Fund

The Fund assists innovators to advance technologies along the innovation value chain, from proof of concept to technology demonstration. The Fund is managed to increase the Technology Readiness Level, focus of research and development activities at Universities and Science Councils, towards technology development. As a result of the opportunity to progress through the technology development stages SMEs pose less risk to the market as well as funding projects in partnership with large companies. It supports projects that are between Technology Readiness Level (TRL) 4 and 7 and/or projects that demonstrate a competitive IP position.

#### Fundable Activities Include:

- Prototype development,
- Demonstration and pilot plants,
- Support for certification activities,
- Piloting and techno-economic evaluation,
- Sourcing of Intellectual Property (IP) opinions,
- Provision of analytical services,
- Acquisition of technical, scientific infrastructure and skills
- Technology demonstrations
- Plant Breeders Rights trials
- Field testing, performance trials for veterinary, crop health and nutrition technologies.

### Commercialisation Support Fund

This Fund assists existing or potential individual entrepreneurs and SMEs to obtain limited follow-on funding for market testing and validation. TIA plays a connector and facilitator role where technology innovators are linked to further business and investment opportunities. It is a limited resource made available to





commercially attractive and viable projects. Assistance is provided for an agreed set of focused activities with clear deliverables.

### Fundable Activities Include:

- Production of market samples
- Support of certification activities
- Market testing and validation
- Regulatory approval
- Certification activities
- Plant Breeders Rights registration
- Business Plan development

### TIA Provides Non-Financial Support Through Five Innovation Support Programmes, Namely:

#### Technology Innovation Programmes (TIPs)

The Unit was set up to facilitate the establishment of Technology Innovation Programmes (TIPs) from conception through to efficient and effective TIPs operations. A TIP is aimed at facilitating greater collaboration between partners within a particular industry or value chain and HEIs and/or SCs with the over-arching aim of improving or sustaining industry competitiveness. TIPs leverage the strengths and capabilities of collaborating partners to develop market-ready solutions that address a social and/or economic need.

#### Technology Stations and Platforms (TSP)

The Technology Stations & Platforms portfolio is housed at the different Institutes of Higher Education (HEIs) or at separate facilities close to tertiary institutions and are key in delivering assistance to technology innovators. They are equipped with state of the art equipment and are resourced with highly competent individuals in specialised fields to develop new products and processes for industry and R&D-led entrepreneurs through serving as technology nurseries.



### Innovation Skills Development (ISD)

The essence of the Innovation Skills Development (ISD) unit is to provide a platform to increase the capacity and skills within the National System of Innovation (NSI). This is accomplished by offering specialised technology innovation focused training to the youth.

### Youth Technology Innovation Programme (YTIP)

The purpose of the Programme is to promote and stimulate a culture of technology innovation and entrepreneurship among young South Africans. It seeks to support the development of new technologies by the youth, which can be taken to the market to solve various social and technological challenges. In addition, it contributes to delivering on a pipeline of innovative technologies for various other TIA programmes. Youngsters between the ages of 18 and 30 can benefit from the Programme

### Global Cleantech Innovation Programme (GCIP)

TIA has partnered with the United Nations Industrial Development Organization (UNIDO) and the Global Environment Facility (GEF) to implement the "Global Cleantech Innovation Programme for SMEs in South Africa" (GCIP-SA). In its second year running, GCIP aims to find and foster SMEs with technology solutions that can tackle the most pressing energy, environmental and economic challenges in South Africa such as Energy Efficiency, Renewable Energy, Water Efficiency, etc. UNIDO, together with its partners, have launched five additional Cleantech accelerator programmes in Armenia, India, Malaysia, Pakistan and Turkey. The respective national winners from each country will be brought together in Silicon Valley, USA where they will get the opportunity to connect with potential partners, customers and investors from around the world.



## Qualifying Projects

- Science Councils and Higher Education Institutions;
- Start-up companies;
- Small and medium-sized enterprises; and
- Large companies participating within the Innovation Support Programmes.

## Funding Structure

The funding is provided as a grant with a minimum investment of R50, 000 and up to a maximum of R500, 000 per innovation.

## How to Apply for Funding?

### Minimum requirements

Applicants other than SCs and HEIs applying for financial assistance from TIA must fulfil the following requirements:

- Applicants must be South African citizens with valid South African identity documents or legal entities registered with the Companies and Intellectual Property Commission (CIPC);
- Applicants must have the necessary contractual capacity to engage with TIA;
- All primary business operations, including but not limited to projects; programmes; enterprises, must be operated within South Africa and be registered with the CIPC;
- Applicants must meet the Department of Trade and Industry's (dti) Localisation Framework requirements of a minimum of 20% equity ownership by a South African entity and B-BBEE requirements as per the B-BBEE Act.
- The enterprise must be compliant with generally accepted corporate governance practices appropriate to the client's legal status; and
- For foreign owned IP, the IP should be licensed or assigned to a South African institution such as a university, science council or a legal entity registered with CIPC.





Province	Organization	Contact Details
Eastern Cape	Eastern Cape Development Agency (ECDC)	Contact person: George Phakamisa Designation: Specialist: Risk Capital E-mail: pgeorge@ecdc.co.za Tel: 043 704 5709
Free-State	Free State Development Corporation (FDC)	Contact person: Molukanelo Peterson Designation: District Manager E-mail: petersonm@fdc.co.za Tel: 051 713 0342
Gauteng	Innovation Hub	Contact person: Mpho Mbonani Designation: SF Project Coordinator E-mail: mmbonani@theinnovationhub.com Tel: 012 844 0040
KwaZulu Natal	Invotech	Contact person: Miranda Naidoo Designation: Business Support Officer E-mail: Mirandan@dut.ac.za Tel: 031 825 4915
	Smartexchange	Contact person: Jonathan Naidoo Designation: CEO E-mail: jonathan@smartxchange.co.za Tel: 031 307 1988
Limpopo	Limpopo Development Corporation (LIEDA)	Contact person: Sewela Monyai Designation: Executive Assistant E-mail: sewela.monyai@lieda.co.za Tel: 015 287 3000/9
Western Cape	Cape Craft Design Institute (CCDI)	Contact person: Winston Richards Designation: Business Support Programme Manager E-mail: winston.richards@ccdi.org.za Tel: 021 461 1488





## SUMMARY

Funding Programme		Seed Funding
Funding Type		Grant Funding
Funding Treshhold	Minimum Funding	R50,000.00
	Maximum Funding	R500,000.00
Contact Details	Head Offices	Mahendra Kara
	Address	P.O. Box 172 Menlyn Pretoria 0063 Physical Address: TIA House 83 Lois Avenue Menlyn Pretoria 0181
	Website	<a href="http://www.tia.org.za">www.tia.org.za</a>

## 3. GOVERNMENT FUNDING PROGRAMMES

### 3.1. DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES (DAFF)

#### 3.1.1. AgriBEE Fund

The AgriBEE Fund is a support programme initiated by the Department of Agriculture, Forestry and Fisheries. It was conceptualized primarily as an intervention to support black farmers, previously excluded to participate in the mainstream economic activities with a view of enhancing the transformation agenda in the sector.

#### Funding Mandate

The purpose of the fund is to support SMME's within the agricultural sector who wishes to acquire shareholding in existing commercially viable and sustainable enterprises and advance enterprise development through agro-processing and value adding activities to those who were previously marginalised to participate in the sector value chain. The fund has the following objectives:

- To promote the entry and participation of black people in the entire agricultural, forestry and fisheries value chains, through provision of funding for:
- Acquisition of equity deals (shares) in viable and sustainable enterprises, including vertically integrated enterprises (agro-processing) in the agriculture forestry and fisheries sectors; and
- Promotion of enterprise development initiatives through value add and agro-processing.
- To ensure that there is an increased number of black people who own, manage and control sustainable enterprises in the agriculture, forestry and fisheries sectors and that there is improved participation by designated groups as stated in the

respective sector codes, namely, black women, black youth, black farm workers and black people living with disabilities, throughout the respective sectors' value chains.

## Qualifying Projects

The applicant must either be able to be Exempted Micro Enterprise (EME) or a Qualifying Small Enterprise (QSE) in line with the applicable sector codes.

## Funding Structure

- A minimum own contribution of ten percent (10%) from applicants is required. The applicant's "own contribution" shall be paid to the Land Bank. This will demonstrate the level of commitment from applicants;
- As a general rule, the maximum grant that each applicant can apply for is R5 000 000.00 (Five million Rand), provided that the DAFF and/or the Land Bank may exercise their discretion and consider and approve applications of more than R5 000 000.00 (Five million Rand), twenty percent (20%) own contribution would be required for such cases.

## Funding Requirements

- The applicant must be black and the project 100% black.
- Preference will be given to the applicant whose membership consist mostly of black women, black youth, black people living with disabilities and black farm workers and whose proposal is linked to a commodity strategy of a specific commodity group;
- Business plan with a clear indication of long-term sustainability is required (viability assessments will be conducted by the Land Bank and the applicant is to furnish DAFF and the Land Bank with the necessary documents);
- The applicant must be black (as defined by Codes of Good Practice under section 9 (1) of the Broad Based Black Economic Empowerment Act No 53 of 2003) and the project 100% black owned;
- The applicant must be South African citizen with valid identity



- document;
- The applicant must be a legal entity (certificate for registration/incorporation);
- The applicant must be directly involved in the commodity in which they wish to invest.

### Funding Exclusions

- Purchasing of farms and farming / fishing / forestry infrastructure at primary level (the Fund supports post production activities such as agro processing/value-addition);
- 100% acquisition of a business at initial investment by the applicant
- Investment in farms under land claim
- Applicants who are not directly involved in the sector in terms of farming, fishing and forestry activities will be excluded (passive or speculative investors);
- Government employees, Land Bank employees and politicians will not be eligible for the fund.

### How to apply?

Enquiries may be directed to the Department of Agriculture, Forestry and Fisheries for the attention of Ms. Viwe Sibelegwana, email address: [ViweS@daff.gov.za](mailto:ViweS@daff.gov.za) . Technical enquiries, support with formulation of proposals and request for application forms should be directed to the Directorate: Aquaculture Technical Support within the Department of Agriculture, Forestry and Fisheries. Guidelines for funding and application forms are also available on DAFF website, [www.daff.gov.za](http://www.daff.gov.za) >>>Resource Centre>>>AgriBEE Fund. Fully completed application forms accompanied by all supporting documents should be hand delivered to the Directorate: Aquaculture Technical Support.

### 3.1.2. Comprehensive Agriculture Support Programme (CASP)

The aim of this programme is to provide post settlement





SUMMARY		
Funding Entity		The Department of Agriculture, Forestry and Fisheries
Funding Program		AgriBEE Fund
Funding Type		Grant Funding
Funding Treshhold	Minimum Funding	
	Maximum Funding	R5 million
Contact Details	Key Contact Person	Ms. Viwe Sibelekwana
	Email	ViweS@daff.gov.za
	Website	www.daff.gov.za

support to the targeted beneficiaries of land reform and to other producers who have acquired land through private means and are, for example, engaged in value-adding enterprises domestically or involved in export.

### Funding Mandate

It is a programme aimed at expanding the provision of agricultural support services and promoting and facilitating agricultural development by targeting subsistence, smallholding and black commercial farmers from a previously disadvantaged background.

### Qualifying Projects

- Smallholder farmers;
- Agrarian reform beneficiaries;





- Farm workers;
- Self-help groups (SHGs)/co-operatives;
- Small agribusinesses;
- Farmers on communal land in a transition stage from subsistence to smallholder;
- Women and youth

### Funding Requirements

- Must be a South African citizen;
- Must be from a historically disadvantaged group;
- Should be black South African applicants (Indian, Coloured and Chinese included);
- Must be 18 years or older;
- Proof of tenure;
- Access to services (water, electricity etc.);
- Status of Farm Governance Systems—hence, the application form should indicate whether the owners are in conflict or not;
- Managerial and technical skills—applicants should indicate their educational levels, qualifications, experience in running the enterprises and skills levels of the different labour categories.

### How to Apply?

Contact the CASP or Ilima/Letsema Coordinator in your province for further details.

Province	CASP Coordinator	Contact Details	E-mail
Eastern Cape	Mr S Tshunungwa	082 043 4263 /084 524 1806	Siya.tshunungwa@agr.ecprov.gov.za
	Mr F Hobson	040 609 3563	hobson.felix@gmail.com
Free-State	Dr TJ Masiteng	051 861 8424 /082 568 2447 /078 803 8537	masiteng@fs.agric.za



Province	CASP Coordinator	Contact Details	E-mail
Gauteng	Mr M Tlape	011 240 2500	Mpho.Tlape@gauteng.gov.za
	Mr M Mosifane	011 240 2500	Michael.mosifane@gauteng.gov.za
	Ms T Ngambu	011 240 2500	tumeka.ngambu@gauteng.gov.za
KwaZulu Natal	Mr H Gwala	082 454 7237	michack.gwala@kzndae.gov.za
Limpopo	Mr H Maboa	015 294 3232	maboah@agric.limpopo.gov.za
Mpumalanga	Ms N Mafu	071 485 8461	mafun@mpg.gov.za
Northern Cape	Mr T Kadinda	053 839 7811/ 082 559 0838	tkadinda@ncpg.gov.za
North West	Ms E Mnguni	071 860 5374	kmnguni@nwpg.gov.za
	Ms C Kgotane	018 389 5698	ckgotane@nwpg.gov.za
Western Cape	Mr J Aries	021 808 5199	jerrya@elsenburg.com/ DebbieB@elsenburg.com



SUMMARY		
Funding Entity		The Department of Agriculture, Forestry and Fisheries
Funding Program		AgriBEE Fund
Funding Type		Grant Funding
Funding Treshhold	Minimum Funding	
	Maximum Funding	R5 million
Contact Details	Key Contact Person	Ms. Viwe Sibelekwana
	Email	ViweS@daff.gov.za
	Website	www.daff.gov.za

### 3.1.3. Micro Agriculture Financial Institutions South Africa (MAFISA)

Micro Agricultural Financial Institutions of South Africa (MAFISA) is a financial scheme to address financial services needs of the smallholder farmers and agribusinesses. Mafisa provides capital (loans) to enhance agricultural activities.

#### Funding Mandate

The loan is solely for use in agriculture, forestry or fisheries enterprises. MAFISA loans are for purposes of covering production input, small equipment, livestock purchase, harvesting (in the case of fruit, forestry, aquaculture and artisanal fisheries) and agro-processing.

The essence of the MAFISA scheme is to provide financial services to facilitate the development of micro and small businesses and





to enable producers and entrepreneurs to develop into larger businesses.

### Qualifying Projects

- Smallholder farmers
- Land and agrarian reform beneficiaries
- Farm workers
- Self help groups (SHGs) / Co-operatives
- Small agribusinesses

### Funding Structure

The maximum loan size offered by MAFISA is R500 000.00 per client with special provision for up to R 1 000 000 for special projects, however the funding for those special projects will be at discretion of the Intermediary. The DAFF will not be liable for any defaults in this regard. The maximum loan size offered without collateral is R50 000.00 per client. MAFISA clients shall be charged 7% interest rate per annum for the loans granted.

### Types of loans applicable to Aquaculture

#### Aquaculture operational Loan

Purpose: Finance for the purchase of fingerlings, feeds and maintenance and transporting costs, etc.

AQUACULTURE LOAN SPECIFICATIONS		
Maximum Limit		Up to R500 000.00 (five hundred thousand rand) per client.
Term		In line with the income cycle of the enterprise.
Security		Required security for loans amounts above R50 000.00.



Repayment		The repayment will be in line with the income cycle of the enterprise.
Loan Disbursement Conditions		Payment will be effected upon presentation of invoices or sales agreements after compliance with loan conditions and with the clients' signature. The signature confirms / indicates that the client received the goods / service in good order.
Application form		Application form to be submitted to RLE.
<p>Purpose of the Loan – acquire inputs needed by the enterprise.</p> <ul style="list-style-type: none"> <li>• Purchase of juveniles/fingerlings.</li> <li>• Purchase of feeds and medicines.</li> <li>• Leasing for dam or pond space.</li> <li>• Aquaculture rights.</li> <li>• Transport costs.</li> <li>• Production cages.</li> <li>• Equipment – oyster long lines.</li> <li>• Repair and maintenance of boats, machinery and production systems.</li> </ul>		

### Equipment Loan

**Purpose:** Finance for the purchase of loose tools, plant and machinery and other small farming equipment within the band of the maximum loan amount. To acquire Equipment's and tools such as the below listed items:

- Production equipment – pipes, fittings, etc.
- Repair and maintenance of equipments.
- Any other necessary cost that fall within the maximum loan amount.

### Livestock Loan

**Purpose:** Finance for the purchase of livestock, breeding stock, livestock feed and other inputs such as medicines, Transport costs, etc. To acquire livestock production inputs.





## Artisanal fisheries operational Loan.

**Purpose:** Finance for the purchase of loose tools, boat repairs and maintenance, and payment of salaries and wages, Leasing of sea space, etc.

### Funding Requirements

- The applicant must be a South African citizen.
- Must be from historically disadvantaged (designated) group.
- Must be in possession of a valid South African identity document.
- The enterprise pursued must indicate ability to repay the loan (i.e. must be viable).
- Be of the age of 21 and above (if between 18 and 21 there is a need for parental/guardian consent).
- Household gross monthly non-farm income must not be more than R20 000.
- Total enterprise turn over must not be more than R1000 000.
- Can apply as an individual, group or an entity.
- Enterprise must be in respect of either farming or agribusiness.

### How to Apply?

- Contact local Agricultural Extension Office for information
- Application form can be obtained from the participating institutions in the area / province.
- Complete the application forms and attach required documents
- Submit the application form to local Agricultural Extension Office or participating institution.

Name of the Institution	Province	Contact Person	Tel	Fax	Email
National Emergent Red Meat Producers Organisation (NERPO)	For All Provinces	Ms Angel Nyathela or Mr. Manish Nish	(012) 472 0005 (012) 348 8566	(012) 365 1647	Finance@nerpo.org.za or gmd@nerpo.org.za





Name of the Institution	Province	Contact Person	Tel	Fax	Email
Peulwana Agricultural Financial Service		Dr. Romanus Monji	(011) 341 2833	(011) 341 1173	noirconsult@iafrica.com
South African Sugar Association (SASA)	KwaZulu Natal	Mr. Busani Gumede	(031 508 7000)	(031) 508 7195	Busani.Gumede@sasa.org.za
Mpumalanga Economic Growth Agency (MEGA)	Mpumalanga	Mr Jeff Velelo or Mr. Lloyd Mabunda	(013) 755 6328	(013) 755 3249	jeff@madc.co.za Lloyd.Mabunda@mega.gov.za
Eastern Cape Development Corporation (ECDC)	Eastern Cape	Mr. Dumisani Makubalo or Mr. Jan Delpert	(043) 604 7000	(043) 643 5824	makubalod@ecrc.co.za or jandelpert@ecrc.co.za

## SUMMARY

Funding Entity		The Department of Agriculture, Forestry and Fisheries
Funding Program		MAFISA
Funding Type		Loan Funding
Funding Treshhold	Minimum Funding	
	Maximum Funding	R500,000
	Website	www.daff.gov.za





## 3.2. NATIONAL TREASURY

### 3.2.1. Jobs Fund

The Jobs Fund aims to be a facilitator of innovative approaches to job creation, and is dedicated to funding new, scalable and market driven models of job creation that have the potential to trigger systemic change in the South African labour market. The Jobs Fund requires that innovations are backed by clear evidence that there is potential market demand for what is being proposed.

#### Funding Mandate

The Jobs Fund wishes to support innovative initiatives that explicitly address two main issues: unemployment and the barriers to job creation that exist in the economy.

Innovative approaches to direct job creation: The Jobs Fund will catalyse innovation by sharing risks with initiatives that develop new, scalable models with high potential for direct job creation in the short to medium term.

Innovation that overcomes the barriers to job creation: South Africa faces a number of structural barriers to job creation including a mismatch of skills offered by the workforce and skills required by employers; the often significant geographical distance to job opportunities and a regulated labour market.

#### Qualifying Projects

The different forms of innovation that the Jobs Fund looks for can include the following:

##### A product or service:

- a new product; or
- A product improvement or change in what the product offers.

### A process:

- developing a new way of doing things; or
- A change in the way in which products or services are created or delivered.

### A paradigm (mental model) shift:

- by changing the participants or direction of that which is presently a dominant paradigm within a system – e.g. community-based, local ownership vs. commercially driven ownership;

### A market:

- adding new participants to the market;
- implementing new or different structures of resource allocation;

### An organisation (either private or public):

- implementing a new or different organisational structure; i.e. franchising the operating model/replicating or scaling operations different to mere business expansions;
- Introducing new or different participants within an existing organisational structure/value chain.

## Funding Structure

- **Grant size and duration**

Grant sizes will range from a minimum of R10 million to a maximum of R100 million. Projects should be implemented over a maximum of four years (48 months). This includes the period of Jobs Fund funding (grant disbursement period) for implementation of the project and the period in which applicants must demonstrate job creation.

- **Matched funding**

It is intended that this theme area will enable the Jobs Fund to partner with a range of stakeholders. The Jobs Fund is thus looking to leverage matched funding from its partners' existing

interest and financing of this area. The amount of matched funding provided will therefore be a key assessment criterion. A minimum matched funding ratio of 1:1 is required. These contributions are required to be cash contributions and may be from a variety of funding sources and types (e.g. loans, grants, own cash). Matched funding does not include sunk costs, projected revenue from the initiative or in the case of an on-lending project, loans repaid by borrowers or beneficiaries and recycled as new loans.

### Funding Requirements

- The funding request must be for at least the minimum grant size of R10m;
- Applicants must demonstrate the ability to secure matched funding in the form of direct cash contributions at a minimum level of 1:1, (in kind contributions can be included in the project but does not form part of matched funding)
- Applicants must be in full compliance with administrative requirements (including tax clearance certificates);
- Applicants must be solvent, have been operating for more than two years, and have complete annual financial statements for the previous two financial years (these criteria apply specifically to the lead applicant);
- Applicants or partners to have a track record of more than three years of technical experience in the area of interest;
- Initiative must clearly meet the Jobs Fund definition of innovation i.e. the product, service, business or funding model does not have to be new in absolute terms, but must be new to a given society – in other words new to the world, new to South Africa or new to a specific target group. This definition therefore includes developments of adaptations of existing products, processes and business models for use in new applications or contexts;
- Applicants or must have piloted (stage 3 of innovation phase) the innovative product, service or business model (independently of Jobs Fund funding), and be able to produce evidence of this. The Jobs Fund will not fund greenfield projects;
- Clear evidence how the innovative aspect of the initiative will lead to unlocking the barriers to job creation or create long term job



creation. i.e. The applicant needs to clearly indicate:

- Whether this initiative involves a product, service, business model, business process or finance model;
- If there is an existing similar initiative;
- How this existing initiative currently works;
- How the proposed initiative is expected to work;
- How is this proposed initiative different from the existing initiative , including demonstrable cost-effectiveness;
- How it creates new permanent jobs (not displaces); and
- Whether the innovation is incremental or novel or radical
- Applicants need to acknowledge that while the intellectual property (IP) will reside with the grantee, any successful applicants must permit the Jobs Fund to use the concept for learning and dissemination purposes. The learning material will be developed in conjunction with the owner of the IP and will not be used for commercial dissemination; and
- The initiative should take a maximum of 4 years (48 months) to complete.

SUMMARY		
Funding Entity		The National Treasury
Funding Program		Jobs Fund
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	R10 million
	Maximum Funding	R100 million
Contact details	Key Contact Person	Sonja Loggenberg
	Tel	(012) 315 5349
	Email	Sonja.Loggenberg@treasury.gov.za





	Address	240 Madiba Street, Pretoria, 0001
	Website	<a href="http://www.jobsfund.org.za">www.jobsfund.org.za</a>

### 3.3. DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

#### 3.3.1. Black Business Supplier Development Programme (BBSDP)

The Black Business Supplier Development Programme (BBSDP) is a cost-sharing grant offered to black-owned small enterprises to assist them to improve their competitiveness and sustainability to become part of the mainstream economy and create employment.

##### Funding Mandate

- To fast-track existing Small, Medium and Micro Enterprises (SMMEs) that exhibit good potential for growth into the mainstream economy;
- To grow black-owned enterprises by fostering linkages between black SMMEs and corporate and public sector enterprises;
- To complement current affirmative procurement and outsourcing initiatives of corporate and public sector enterprises; and
- To enhance the capacity of grant recipient enterprises to successfully compete for corporate and public sector tenders and outsourcing opportunities

##### Qualifying Projects / Interventions

- Upgrading the capability of enterprise management, through generic management training programme
- Improving the effectiveness of the management systems of an enterprise; assisting enterprises with entry into target or new markets; increasing competitiveness of enterprise or any similar business development intervention including:



- Business Plan to raise finance
- Patenting and intellectual property rights
- Production and productivity improvements
- BEE rating Certification
- Merger (majority shareholding) and acquisitions etc.
- For acquisition of tools, machinery and equipment.

## Funding Requirements

- Fifty-one per cent black majority shareholding;
- R250 000 to R35 million turnover per year;
- One year in operation and trading as a business;
- Fifty per cent management positions held by black people (historically disadvantaged individuals);
- Enterprises formally registered
- Eligible to obtain funding to a maximum of R1 million:
  - R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis; and
  - R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity and use of modern technology on a 80:20 cost-sharing basis; and
- Be operating and trading for at least one financial year – at the sole discretion of DSBD, 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.

## Funding Structure

### **THE PROGRAMME PROVIDES GRANTS TO A MAXIMUM OF R1 MILLION:**

- R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis; and
- R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity and use of modern technology on an 80:20 cost-sharing basis.



## SUMMARY

Funding Entity		Department of Small Business Development
Funding Program		Black Business Supplier Development Programme (BBDP)
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	R1 million
	Maximum Funding	R5 million
Contact Details	Key Contact Person	Goabi Moiloa
	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.dsbd.co.za">www.dsbd.co.za</a>

### 3.3.2. CO-OPERATIVE INCENTIVE SCHEME (CIS)

The Co-operative Incentive Scheme (CIS) is a 100% grant for registered primary co-operatives (a primary Co-operative consists of five or more members). The objective of the CIS is to improve the viability and competitiveness of co-operative enterprises by lowering their cost of doing business through an incentive that supports Broad-Based Black Economic Empowerment.

#### Funding Mandate

The incentive was designed to address the following market failures encountered by co-operatives enterprises:



- Lack of working capital to allow effective market entry;
- Lack of access to finance.
- Lack of participation in the formal economy by Co-operatives, in particular those owned by black persons.
- Low or non-participation by Co-operatives enterprises on current incentives programmes.

### Qualifying Projects

- The intended projects activities must aim to enhance the viability of co-operative through:
- Business development services (e.g. Feasibility Studies, business, manufacturing and production systems and production efficiency and improvement, etc.) all must be linked to the activities applied for and not exceed more than 20% of the value applied for (i.e. total cost of all activities applied for).
- Technology improvements
- Machinery, equipment and tools
- Commercial vehicles
- Infrastructure linked to the project
- Working Capital
- Existing Co-operatives: not more than R140 000
- Start-ups: Up to 40% of the actual activities applied

### Funding Requirements

- Be incorporated and registered in South Africa in terms of the Co-operatives Act of 2005.
- Emerging co-operatives with a majority black ownership
- Have projects in any of the different economic sectors
- Adhere to co-operatives principles.
- Be owned by historically disadvantage individuals (HDIs)
- Be biased towards women, youth and people with disabilities.

### Funding Structure

CIS is a grant scheme that support broadening economic participation by historically disadvantage communities to enter the main stream economy where CIS contributes 100% of the





approved costs of project activities to the maximum of R350 000. The maximum grant can be offered to one Co-operative entity under the CIS is R350 000. A cooperative enterprise can apply for multiple activities provided that the cumulative grant award to enterprise does not exceed the maximum grant offered. The R350 000 may be accessed in one application, or in a number of applications depending on what suits the individual Co-operative.

### How to Apply?

To apply for CIS grant, the applicant must submit the following documents:

- Official DSBD application form
- Proof of registration of co-operative
- Motivation to apply for CIS funding
- Co-operative Business Plan
- Three quotations per activity applied for
- Valid tax clearance certificate
- Financial Statement
  - Existing co-operatives: current and three years projections
  - Start-ups: three year projections
- Constitution (signed by all founder members)
- Directors (members) copies of CVs and certified copies of IDs
- Bank Statement (current month)

SUMMARY		
Funding Entity		Department of Small Business Development (DSBD)
Funding Program		Cooperative Incentive Scheme
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	





	Maximum Funding	R350 000
Contact Details	Key Contact Person	Goabi Moiloa
	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.dsbd.co.za">www.dsbd.co.za</a>

### 3.3.3. Enterprise Incubation Programme (EIP)

#### Funding Mandate

The objective of the programme is to support the establishment of new incubators and for the growth and expansion of existing incubators. Both new and expanding incubator applicants will be evaluated in line with the sector/field related experience of the applicant accompanied by confirmed past performance and portfolio of evidence.

#### Qualifying Interventions

- Business Development Support;
- Market development (research, pricing techniques and packaging);
- Machinery and equipment, tools and specialised tools;
- Infrastructure linked to incubator activities;
- Product and service development;
- Information and Communication Technology (ICT) linked to incubator activities;
- Operational costs;
- Feasibility studies will be capped at one and a half million rand (R1, 5 million);
- The EIP Adjudication Committee may consider for support, any other costs related to the activities of the incubator.

#### Qualifying Projects





- A registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended), Non-Profit Organisation (NPO) and Trust.
- The programme is available to applicants that want to establish new incubators as a separate registered legal entity or wish to grow and expand existing ones. Legal entities applying for expansion should not be affiliated to entities previously supported through incubation programmes of the Department of Trade and Industry (the dti) and Seda.
- The applicant must have extensive related experience in the relevant field/sector with credible portfolio of evidence;
  - Market access guarantee/offtake agreement;
  - Incubation plan/model;
  - Agreements with selected small enterprises and cooperatives;
  - Accelerated mentorship programme and
  - Exit strategy
- The supported incubator must offer physical incubation support services.
- The applicant must submit proof of selected incubatees as part of the applicant's EIP application, in the arrangement of a Memorandum of Understanding (MoU) between applicant and incubatee.
- The incubation model/plan
- The selection criteria of incubates must include: Ownership of assets (tools and machinery) mandatory for activities required from the incubator

### Funding Structure

- The programme offers a hundred percent (100%) incentive from a minimum of five million rand (R5 000 000) to a maximum of ten million rand (R10 000 000) to eligible applicants for the duration of the pilot.
- Thereafter cost sharing at a ratio of 90:10 between DSBD and eligible applicants will be introduced for the programme rollout. The applicant's contribution towards the ten percent (10%) will be accepted either in monetary value and/or assets linked to the





incubator and its activities. DSBD will appoint qualified assessors to conduct asset valuations.

- The maximum amount approved for EIP will be at the discretion of the Adjudication Committee.
- An eligible applicant is not permitted to apply for funding for the same project/activity more than once, at the same level on condition that is for expansion purposes.
- An eligible applicant can apply for multiple projects provided that the cumulative incentives do not exceed the maximum incentive of ten million rand (R 10 000 000) for the life spend of the incentive scheme.

### How to Apply?

- The proposal should be submitted in the form of an application form obtainable from the DSBD website and will cover key aspects:
- The proposal must demonstrate how the incubator would function and be sustainable overtime.
- The incubator management should have business experience, and skills and experience in nurturing and growing businesses.
- The incubator must demonstrate capacity to create business networks and market access opportunities for incubatees.

SUMMARY		
Funding Entity		Department of Small Business Development
Funding Program		Enterprise Incubation Programme
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	R5 million
	Maximum Funding	R10 million





Contact Details	Key Contact Person	Goabi Moiloa
	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	www.dsbd.co.za

### 3.3.4. SHARED ECONOMIC INFRASTRUCTURE FACILITY (SEIF)

The SEIF intends to leverage public sector investment that would provide necessary infrastructure by creating an enabling environment for businesses to crowd in investment, mostly in townships, rural areas and the inner city where there is clear business activity taking place.

#### Funding Mandate

The objective of the programme is to encourage public sector partnerships for the establishment and improvement of the SEIF to support businesses with an intention to improve access, create local economic benefits and optimise the performance of businesses operating in those facilities.

#### Qualifying Projects and Infrastructure Costs

- Shared facility infrastructure refers to the structural foundations, upgrading and maintenance of a multi-purpose facility to be shared by the number of enterprises.
- Qualifying shared infrastructure costs refer directly to the design; installation, construction and erection of the infrastructure and includes the following:
  - Warehouse/storage facilities
  - Lighting, water (including irrigation for farming) and ablution (including plumbing works)
  - Parking, paving (entry and internal roads) and fencing (including walls)



- Cold storage for common use
- Common use tools, equipment and machinery
- Administration and information centre
- Exhibition spaces
- Business infrastructure (e.g. industrial facilities)

## Funding Requirements

- The applicant should:
  - Receive prior approval from the Executive Authority upon the submission of the application e.g. council resolutions, board resolutions, etc.
  - demonstrate the need for infrastructure through outcomes of consultations with the intended beneficiaries
  - demonstrate infrastructure maintenance plan post construction or upgrading phase
  - Declare any other partners and/or funders for the project and the value of investment thereof.
- The envisaged project should:
  - Be for a shared facility infrastructure that pools resources in a single structure and spreads them among independent businesses within the same area/space.
  - Conform to the principle of creating an enabling environment for entrepreneurs to maximize business benefits.
- The applicant where applicable must comply with all the following relevant statutory regulations:
  - Environmental permits from the relevant authorities
  - Permits or authorisation regarding land use
  - Other permit that may be applicable to the specific project
  - Technical drawings and designs (or at least preliminary designs), including details of capacity and technical specifications of the infrastructure, if required
  - If in the process of acquiring the necessary permits, a proof of consideration by relevant authorities must be submitted.

## Qualifying Enterprises

- A municipality of the Republic of South Africa;
- A municipal entity as defined in section one of the Local





- Government Municipal Systems Act, 2000; or
- A provincial government entity.
  - The provincial government can contribute towards the shared economic infrastructure project, but cannot be an applicant under this programme.
  - The qualifying applicant can be a private sector participant with clear partnership with a municipality.
  - An applicant can have more than one application.
  - A single application can have more than one project – an application can have a portfolio of projects and each project under the portfolio will be considered on its own merits.

### Funding Structure

- SEIF is a 50:50 cost-sharing grant made available on a reimbursable basis, where the DSBD contributes 50% towards qualifying infrastructure projects upon the completion of agreed project milestones.
- The DSBD contribution is capped at a maximum grant of R5 million (vat inclusive) per qualifying applicant.

### How to Apply?

- A completed application form
- Latest audited financial statements and management accounts
- A valid Tax Clearance Certificate
- Permits from relevant authorities where applicable e.g. land use, environmental permits, etc.
- Technical drawings and designs (or at least preliminary designs) including details of capacity and technical specifications of the infrastructure, if required
- Council Resolution in support of the initiative
- Project Plan(s) for the infrastructure project
- Timeframes and infrastructure items associated with each main project activity
- Description of each main project activity and sub-activity associated with infrastructure project
- Financial cost and budget associated with each project activity.





SUMMARY		
Funding Entity		Department of Small Business Development
Funding Program		Shared Economic Infrastructure Facilities
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	
	Maximum Funding	R5 million
Contact Details	Key Contact Person	Goabi Moiloa
	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.dsbd.co.za">www.dsbd.co.za</a>

### 3.4. DEPARTMENT OF TRADE AND INDUSTRY

#### 3.4.1 Aquaculture Development and Enhancement Programme (ADEP)

ADEP is an incentive programme that is offered by the Department of Trade and Industry (dti). It is a sub-programme of the Enterprise Investment Programme (EIP). The incentive is accessible to South African registered concerns involved in primary, secondary and ancillary aquaculture activities in both marine and freshwater. The grant is provided to new, upgrading or expanding projects.





## Funding Mandate

The objective of ADEP is to broaden participation and encourage investment in the aquaculture sector with the intention to develop emerging aquaculture farmers, increase production, sustain and create jobs and encourage geographical spread.

## Qualifying Projects

The following types of marine and freshwater projects will be considered:

### Primary aquaculture operations

- Broodstock operations,
- Seed production operations,
- Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities,
- Aquaponics
- On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds.

### Secondary aquaculture operations

- Primary processing for aquaculture (post-harvest handling, eviscerating, packing, quick freezing),
- Secondary processing for aquaculture (filleting, portioning, packaging),
- Tertiary processing for aquaculture,
- Waste stream handling for aquaculture.

### Ancillary aquaculture operations

- Aquaculture feed manufacturing operations
- Research and development projects related to aquaculture
- Privately owned aquaculture veterinary services

## Funding Requirements

- The applicant must be a registered legal entity in South Africa.





- Be compliant with applicable aquaculture legislative requirements. In this regard, applicants will be required to submit proof of compliance from either a national or provincial government department responsible for aquaculture.
- Be a taxpayer in good standing and must provide a valid tax clearance certificate before disbursement of the incentive.
- In cases where entities within a group of companies are registered separately and paying their own taxes (i.e. can produce their own tax clearance certificates), the holding company and each of its subsidiaries may in their own right apply.

### Funding Structure

A reimbursable cost-sharing maximum amount of R30 million is offered by ADEP towards qualifying costs such as machinery and equipment, bulk infrastructure, owned land and/or buildings, leasehold improvements, aquaculture feed, commercial vehicles and workboats, competitive improvements activities, research and development, environmental impact assessments and mentorship.

The investment incentive is offered as follows:

	Minimum score-4: Economic benefit criteria	Minimum score-8 Economic benefit criteria	Maximum grant
Enterprise size: Qualifying assets determined As follows:	Incentive Percentage	Incentive percentage	Cap
<R5m	40%	45%	R2,25 million
≥R5m<R30m	30%	35%	R9 million
≥R30m-R200m	20%	25%	R30 million
For emerging black farmers the incentive is offered as follows:			
<R5m	60%	80%	R4 million



	Minimum score-4: Economic benefit criteria	Minimum score-8 Economic benefit criteria	Maximum grant
≥R5m<R30m	40%	50%	R12 million
≥R30m-R200m	30%	40%	R30 million

## 5. Emerging Black Farmers

5.1 For the purpose of ADEP, the definition of the emerging Black farmer will take into consideration the following characteristics:

- High levels of Black ownership (>51%);
- Exercises control over the business; and
- Makes a long-term commitment to the business and is a medium- to long-term investor.

5.2 Black people refer to African, Coloured and Indian persons who are natural persons and:

- Are citizens of the Republic of South Africa by birth or descent; or
- Are citizens of the Republic of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa Act of 1993.

SUMMARY		
Funding Entity		Department of Trade and Industry (The DTI)
Funding Program		Aquaculture Development and Enhancement Programme (ADEP)
Funding Type		Grant Funding



Funding Treshold	Minimum Funding	
	Maximum Funding	R30 m
Contact Details	Key Contact Person	Morateng Tyhali
	Tel	012 394 1200
	Email	MTyhali@thedti.gov.za
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	www.thedti.gov.za

### 3.4.2. BLACK INDUSTRIALIST PROGRAMME (BIP)

#### Funding Mandate

- To accelerate the quantitative and qualitative increase and participation of black industrialists in the national economy, selected manufacturing sectors and value chains; as reflected by their contribution to growth, investment, exports and employment; and
- Create multiple and diverse pathways and instruments for black industrialists to enter strategic and targeted manufacturing sectors and value chains.

#### Qualifying Projects

The key focus areas of the programme will be on the following productive sectors:

- Blue/ocean economy, including vessel building and repair
- Clean technology and energy
- Industrial Infrastructure
- Agro-processing
- Designated sectors for localisation and etc.







## Qualifying Costs

- Capital Investment
- Investment Support
  - Feasibility Studies
  - Post-Investment Support
- Business Development Services

## Funding Requirements

- Be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).
- Be a taxpayer in good standing and must provide a valid tax clearance certificate at assessment and before the grant is disbursed.
- Be involved in starting a new operation or in expanding or upgrading an existing operation or the acquisition of an existing business/operation.
- Be aligned to the productive sectors of the economy within the identified sectors as outlined
- Have more than 50% shareholding and management control.
- Have a valid B-BBEE certificate of compliance.
- Be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
- Have a project with a minimum investment of R30 million.
- Undertake a project that should result in securing or increasing direct employment.

## Funding Structure

- The BIP offers a cost-sharing grant ranging from 30% to 50% to approved entities to a maximum of R50 million. The quantum of the grant will depend on the level of black ownership and management control, the economic benefit of the project and the project value.
- The BIP offers support on a cost-sharing basis towards:
  - capital investment costs;
  - feasibility studies towards a bankable business plan (to the maximum of 3% of projected investment project cost);





- post-investment support (to the maximum of R500 000); and
- Business development services (to the maximum of R2 million).
- The maximum grant of R50 million may be fully utilised on capital investments or can be split between capital investment and other support measures (i.e. investment support, business development services and working capital).

### How to apply for funding?

- Black industrialist entities wishing to apply for funding should contact the dti for guidance on completing the assessment form and supporting documents. Fully completed assessment forms must be submitted to the dti for pre-assessment and consideration for approval before commencement of the investment project.
- Should there be no financial closure for the black industrialist project within 90 days after grant approval, the grant approval will be cancelled or withdrawn.

SUMMARY		
Funding Entity		Trade and Industry
Funding Program		Black Industrialist Programme
Funding Type		Grant Funding
Funding Treshhold	Minimum Funding	
	Maximum Funding	R50 m
Contact Details	Key Contact Person	Contact Centre
	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.thedti.gov.za">www.thedti.gov.za</a>





### 3.4.3. Export Market and Investment Assistance (EMIA)

#### Funding Mandate

- The purpose of assistance under the EMIA scheme is to partially compensate exporters for costs incurred in respect of activities aimed at developing export markets for South African products & services and to recruit new foreign direct investment into South Africa.
- The programme comprises the following Individual Participation Incentive Schemes:
  - Individual Exhibition (IE) and In-Store Promotions (IP)
  - Primary Market Research (PMR) and Foreign Direct Investment (FDI)
  - Individual Inward Mission (IIM)
- The programme comprises the following Group Participation Incentive Schemes
  - Group Inward Buying Missions (IBM) Group Inward Investment mission (IIM)
  - National Pavilions (NP)
  - Outward Selling Mission Assistance (OSM) and Outward Investment Mission Assistance (OIM)

#### Qualifying Entities

- South African manufacturers of products.
- South African export trading houses representing at least three SMME's or HDI's owned enterprises.
- South African commission agents representing at least three SMME's or HDI owned enterprises.
- South African Export Councils, Industry Associations and Joint Action Groups.
- Entities that outsource their manufacturing process.

#### Funding Requirements

- Export/ Production performance of the applicant
- Export/ market competency of the person visiting the foreign country
- Available/ potentially accessible production/ export capacity
- Type of product for export and local sales performance





- Level of labor absorption, location and technological requirements
- Industry in which the venture operates/ planned and
- Submission of general and specific qualifying documentation and adherence to general and specific criteria, as stipulated in each EMIA offering.

## EMIA Products

Product	Description	Qualifying Costs	Funding Structure
Market Development Assistance	It provide support for business facilitation fees to cover the following benefits	<ul style="list-style-type: none"> <li>• Market Research</li> <li>• International Market visits</li> <li>• Promotional material</li> <li>• Product development fees</li> <li>• Product testing</li> <li>• Packaging design</li> <li>• Product efficiency</li> <li>• Quality management improvements</li> </ul>	<ul style="list-style-type: none"> <li>• The funding is capped at R600, 000.00 for the duration of the period.</li> <li>• Service fees and expenses are capped at R150, 000.00 per activity.</li> <li>• Only HDI/ SMMEs (80/20) qualify for assistance</li> </ul>





Product	Description	Qualifying Costs	Funding Structure
Emerging Exporters Assistance	Provides support to companies, close corporations, partnerships and sole proprietors that are 51% black owned, involved in no exports, have traded locally for more than one year, have an EMIA qualifying product or services and have an annual turnover of less than R5 million		Economy class return fairs, EMIA pays 100% of the total cost of airfares. Subsistence allowance, 100% of the total cost for hotel accommodation Exhibition cost, 100% of the total costs Freight Forwarding, pays 100% to a maximum weight of 2000 kg's Marketing Material, 80% of the total cost
Exporter Training	Provide support to Historically Disadvantage Individuals to improve their effectiveness in participating in National Pavilions by allowing easier access to EMIA offerings,		EMIA pays a maximum amount of R100 000 to qualifying organisations such as Export Council, Business Chamber, Sector Desk, Provincial Investment Promotion Agencies, Industry Associations and etc. who will provide export training to emerging exporters. The training focus on exports, sales, marketing and exhibitions to ensure that companies feel confident.



Product	Description	Qualifying Costs	Funding Structure
Business to Business Facilitation Assistance	To ensure that a correct or suitable prospective buyers/ investors are met during the Group missions and National Pavilions, EMIA offerings are expanded to include a benefit for the payment of business facilitation fees to facilitate a match-making process with appropriate business to business meetings for EMIA approved participant.		EMIA will pay a maximum amount of R200 000 to the appointed specialist, at least three quotations must be submitted.

## SUMMARY

Funding Entity		Trade and Industry
	SBU	Export Marketing and Investment Assistance Scheme
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	
	Maximum Funding	R50 m
Contact Details	Key Contact Person	Contact Centre



	Tel	0861 843 384
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.thedti.gov.za">www.thedti.gov.za</a>

### 3.4.4. INCUBATION SUPPORT PROGRAMME

#### Funding Mandate

The objective of the Incubation Support Programme (ISP), a sub-programme of the Enterprise Investment Programme (EIP) is to encourage private sector partnerships with government to support incubators in order to develop SMME's and nurture them into sustainable enterprises that can provide employment and contribute to economic growth. The intention of the programme is to provide funding for incubators that over time can generate revenue through the provision of its services and initiatives can be self-sustainable

#### Qualifying Projects and Costs

The incubation support will be available on a cost sharing basis between the government and private sector partner(s). It is available for infrastructure and business development services necessary to mentor and grow enterprises to ensure that within 2 to 3 years<sup>1</sup>, the enterprises will graduate to a level of self-sustainability by providing products and services to the market.

The following costs are eligible for support:

- Business development services (e.g. business advisory services, coaching and mentoring, training, facilitation of funding, production efficiency and improvement, quality and standards acquisition)
- Market access
- Machinery, equipment and tools
- Infrastructure linked to incubator (buildings, furniture)
- Product or service development



- Information and Communication Technology (ICT)
- Operational costs
- Feasibility studies costs for establishing new incubators and expanding existing incubators may qualify for support to a maximum cost sharing grant of R1 million.
- The ISP Adjudication Committee may consider for support, any other costs related to the activities of the incubator.

### Funding Requirements

- A registered legal entity in South Africa or
- Be a registered higher or further education institution; or be a licensed and/or registered science council.
- The programme is available to applicants that want to establish new incubators as a separate registered legal entity or wish to grow and expand existing ones.
- The supported incubator may either offer physical and/or virtual incubation support services.
- The incubator to be supported may be a corporate incubator; a private investor's incubator; an academic or research institution incubator in partnership with a private enterprise, and must be focused on establishing and/or growing enterprises that will graduate to sustainable enterprises.

### Funding Structure

The grant approval will be based on projections for the first year at application stage whereas the approval for subsequent year(s) be accepted in principle and be reviewed annually subject to actual performance in the preceding year(s) against agreed milestones. The grant approval is capped at a maximum of R10 million (VAT inclusive) per financial year over a three (3) year period and is subject to the availability of funds.

The ISP offers a cost-sharing support of 50:50 for large businesses and a cost-sharing of 40:60 for SMMEs. (Private sector: Government) After the three year period, applicants may apply for assistance for an additional three years and must comply with these guidelines.





## SUMMARY

Funding Entity		Department of Trade and Industry (The DTI)
Funding Program		Incubation Support Programme (ISP)
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	
	Maximum Funding	R30 m
Contact Details	Key Contact Person	Ambani Ramaru
	Tel	012 394 1119
	Email	aramaru@thedti.gov.za
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	<a href="http://www.thedti.gov.za">www.thedti.gov.za</a>





## 4. PRIVATE FUNDERS

### 4.1 FUTURE GROWTH ASSET MANAGEMENT

#### Funding Mandate

Futuregrowth Asset Management is a specialist investment company that manages approximately R170 billion of assets on behalf of third party clients. Futuregrowth provides a range of debt and equity finance facilities to organisations looking to raise funds in the capital markets.

#### Creating partnerships that matter

Futuregrowth believes in creating long-term partnerships, based on trust, with counterparties, arrangers and co-creditors, as well as with the companies we invest in. They actively engage with other industry participants to achieve what is best for both investee companies and investors. We believe that our large, skilled team can add significant value through:

- Strong relationships in the marketplace
- The negotiation of mutually beneficial transactions
- Flexibility and agility in structuring transactions
- A willingness to work with investee companies over the long term as their business evolves
- An ability to invest in significant size where appropriate

#### Funding Structure

Futuregrowth provides a range of financing solutions for investees, from senior to mezzanine debt, secured and unsecured, listed and unlisted debt and unlisted equity, with transactions ranging in size from R50m to R1bn in debt and smaller investments starting from R10m in unlisted equity, this covers a broad scope of sectors. Their transactions cover a wide spectrum of sectors including



agriculture, renewable energy, housing, infrastructure and commercial property, all with the aim of making a positive impact and contributing to the economic, social and financial development of South Africa.

## Funding Requirements

### Exclusions

Due to the nature of the institution, Futuregrowth will only consider funding requests from investee companies for commercially profitable operations, able to demonstrate stable cash flows and able to generate risk adjusted sustainable returns for their clients.

### How to Apply?

Please contact Angelique at Futuregrowth Asset Management on [angeliquek@futuregrowth.co.za](mailto:angeliquek@futuregrowth.co.za) to request further details which should be included in a business funding proposal.

SUMMARY		
Funding Entity		Department of Trade and Industry (The DTI)
Funding Program		Incubation Support Programme (ISP)
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	
	Maximum Funding	R30 m
Contact Details	Key Contact Person	Ambani Ramaru
	Tel	012 394 1119



	Email	aramaru@thedti.gov.za
	Address	77 Meintjies Street, Sunnyside. Pretoria
	Website	www.thedti.gov.za

## 4.2. OLD MUTUAL: MASISIZANE FUND

The Masisizane Fund (MPC) is an initiative of Old Mutual South Africa, established in 2007 following the closure of the Unclaimed Shares Trust. Masisizane operates nationally with its head office in Gauteng and regional offices in KwaZulu-Natal, Limpopo, Eastern Cape and Western Cape.

### Funding Mandate

The mandate of the Fund is to contribute meaningfully to employment creation, poverty eradication and reduction of inequality, economic growth and the attraction of investment. This is achieved through the promotion of entrepreneurship, enterprise finance and support to small, micro and medium enterprises.

### Qualifying Projects

The fund's focus is on enterprises that are 51% or more owned by previously disadvantaged individual(s) giving priority to rural and peri-urban/township areas. Masisizane gives preference to businesses that are owned by youths, people with disabilities or are owned by (51% or more) women and targets productive and labour absorbing sectors.

The Fund's success is driven by a focused approach on high impact industry sectors, coupled with a comprehensive SMME finance solution that includes business support. The Fund provides loan finance in the following sectors:





- Agribusiness
- Franchising
- Supply Chain

### Funding Structure

The fund provides loan finance. It also supplies non-financial value adding post investment services including capacity development, business management and technical support, financial education, market development and product/service quality standards and compliance. A Business Accelerator Program has been established where potential clients receive targeted skills training and support to grow into a business eligible to receive financial support.

### How to Apply?

The following documents must be submitted for an initial screening by the relevant provincial office:

- Comprehensive business plan with market analysis and projections;
- For established businesses – past financials (preferably 3 years) and latest management accounts;
- For start-up businesses – financial projections;
- Tax clearance certificate;
- Off take agreements and/or letters of intent;
- Signed consent for a credit check.

Province	Contact Details
Gauteng, North West and Free State	011 217 1746
Western Cape and Northern Cape	021 509 5074
KwaZulu Natal	031 335 0400
Eastern Cape	043 704 0116
Limpopo and Mpumalanga	015 287 4279





## SUMMARY

Funding Entity		Old Mutual
Funding Program		Masisizane Fund
Funding Type		Debt and Equity Funding
Funding Treshhold	Minimum Funding	
	Maximum Funding	R30 m
Contact Details	Key Contact Person	Matsila Nkhangweni
	Tel	011 217 1383
	Email	NMatsila@oldmutual.com
	Address	93 Grayston Drive, Sandton. Gauteng
	Website	<a href="http://www.masisizane.co.za">www.masisizane.co.za</a>





## 5. PROVINCIAL FUNDERS

### 5.1. EASTERN CAPE

#### 5.1.1. EASTERN CAPE DEVELOPMENT CORPORATION

##### Funding Mandate

ECDC mandate is to plan, finance, coordinate, market, promote and implement development of the Eastern Cape Province and its people in the fields of industry, commerce, agriculture, transport and finance. The ECDCs strategic objectives include optimising organisational financial performance and sustainability, implement and manage sustainable and financially viable strategic property investments, ensure efficient alignment of organisational resources and systems, establish integrated partnerships with stakeholders to ensure maximum leverage of resources and development outcomes, provide loans and devices to qualifying beneficiaries, effectively administer and implement desired developmental strategies of administered funds and support socio economic transformation.

##### Qualifying projects

- Agriculture
- Renewable energy
- General manufacturing
- Tourism
- Aquaculture and fisheries
- Business Process Outsourcing and Offshoring

##### Financial Products

ECDC products are offered across two main categories i.e. short term and long term finance.





### Short term Finance:

ECDC Access is a short term business financing solution where it is aimed to enhance the cash flow to allow efficient contract delivery. The fund achieves this through short term, purpose driven debt finance product packages. The types of loans offered under ECDC Access include:

#### Nexus trade loan

The Nexus trade loan serves the short term finance needs of clients servicing contracts in the government and private sectors- placing them on the road to sustainable success. The loans life span is 1 to 6 months and there is no interest charged. The loan starts from 10 000 to 500 000 but can go beyond if so required at the discretion of the ECDC. The applicant must pay a cash management fee of 5%.

#### Workflow contractor loan

This loan provides those contractors that are still developing with both financial and technical support. Workflow is a product designed to the efficient flow of cash for clients servicing construction contracts in the public and private sectors. The lifespan of the loan is 3 to 36 months and the interest rate is prime - 2% to Prime +3%. The fees and charges for the loan is 1% structuring fee of loan value cash management fee of 2.5%.

#### Imbewu micro loan

The Imbewu loan is a micro loan that aims to facilitate sustainability for small business enterprises in the province. ECDC works hand in hand with small and micro enterprises to develop sustainable small businesses in the Eastern Cape. Life span of the loan is a maximum of 6 months and the interest charged is in line with the National Credit Act. The fees and charges are in line with the National Credit Act.







### Power plus small loan

The Power plus loan is a small loan that is aimed at SMMEs it empowers them to reach their objective by adding financial power. The life span of the loan is 12 to 36 month and the interest rate is linked to the prime rate. The loan size is R20 000 to R500 000.

### Long-term Finance

**Purpose:** Long term finance provides capital to businesses for sustained projects to facilitate the long term viability of their operations. Type of loans offered under the long term finance includes:

#### Termcap loan

**Purpose:** Termcap is a means by which capital is channelled to a business to allow for financial viability and sustainability through term. 100% security is not necessarily required by ECDC although available security is attached. The life span of the loan is between 5 to 7 years but with ECDCs discretion on property applications it may run to 10 year term. The interest rate is linked to the prime rate. A structuring fee of between 1% and 2% of value transaction valuation fees where

#### How to apply?

- Contact the ECDC offices for enquiries, completion of the application forms, advice on the business of the cooperative, compiling required documents and initial screening.
- Alternatively, visit any of ECDC offices or
- Log into their website and download the application form.
- Submit the application form.

#### Funding Requirements

- The finance products are suited to finance applications that facilitate job creation and /or retention, economic empowerment, value addition to the economy, rural /township development and increased





- export income.
- Any project that is a new Greenfield initiative, where expansion and rehabilitation will be the resultant benefit.
- An applicant should have a clean credit record, or provide ECDC with written proof of arrangements made to clear any bad debt attributable to them.
- The applicant must be actively involved the activities in the business enterprise by all or some of the applicants at any given point in time.

### Contact Details

Head office	Tel	Email
Head office ( The business Funding Unit Manager)	(043) 704 5600	mramtsui@ecdc.co.za

## ECDC: Invaba Cooperative Fund

### Funding Mandate

Invaba cooperative fund aims to promote the viability of the cooperative enterprise in the Eastern Cape Province. The fund functions as a revolving fund for the support of primary cooperatives involved in manufacturing and services sectors. To improve the competitiveness of the cooperatives in the Eastern Cape province Invaba fund has been structured as part loan finance and part developmental (start-up capital).

### Qualifying projects

The targeted Economic Sectors include:

- Agri- business (agro-processing),
- Tourism,
- ICT,
- Business Processing Out-Sourcing and etc.

### Funding structure





### Funding for equipment and material (incentive)

To finance the start-up equipment and material needs of cooperatives, in accord with the business requirements of the cooperative. The fund objective is to provide start up and expansion equipment and material. The terms of this type of funding is that it is non repayable and is paid directly to suppliers on behalf of the cooperatives. The maximum fund is R500 000.00.

### Funding for technical skills training

Furnish cooperatives with technical skills support in line with the type of business activities they are involved in. It is non repayable, provided by contracted service providers of the Eastern Cape Development Corporation ECDC. The objective of the funding is to develop the skills and product quality for better market access and retention.

### Funding for co-operative governance training

As a means to improve compliance with their constitution and the cooperatives Act of 2005 the fund provides the required governance training support. It is a non-repayable type of funding and provided by the independent service providers of the ECDC. The payment is made directly to the service providers.

### Funding for health and safety interventions

Assist cooperatives in order to comply with the Occupational Health and Safety Act and also create safe working environments. This includes first aid training and the provision of personal protective equipment for members of the cooperative. The terms of the funding is that it is non repayable and provided by the independent service providers of the ECDC. Furthermore it is paid directly to contracted service providers.

### Funding Requirements





- The cooperative must be registered at Companies Intellectual Property Commission.
- Must have an up to date business plan.
- The cooperative must have a resolution signed by all the members that they wish to apply to the Imvaba Cooperative Fund.
- Must have in place a constitution in line with the provisions of the cooperatives Act No 14 of 2005 and Cooperatives Amendment Act No 6 of 2013.
- An application form should be completed in full and signed by the designated members of the cooperative.
- The cooperative should have secured a market for their product or service.
- It should have secured quotations from different suppliers in relation to the equipment and material it requires.
- Its establishment must comply with the requirements of the Cooperative Act in terms of the minimum number of members.
- Members of the cooperatives must be willing to make themselves available to workshops and training to be provided through the Technical Skills Training of the ECDC.
- The cooperative must operate and reside within the boundaries of the Eastern Cape Province.

### How to apply?

- Contact the ECDC offices for enquiries, completion of the application forms, advice on the business of the cooperative, compiling required documents and initial screening.
- Alternatively, visit any of ECDC offices or
- Log into their website and download the application form.
- Submit the application form.

### Contact details

District	City/Town	Address	Tel/Fax
Joe Gqabi	Aliwal North	Dedea Offices,27 Queens Terrace	(051) 633 3007
Amathole	Butterworth	24 High Street	T: (047) 401 2700 F: (047) 491 0443



District	City/Town	Address	Tel/Fax
	East London(head Office)	Ocean Terrace Park, Moore Street, Quigney	T: (043) 704 5600 F: (043) 704 5700
OR Tambo	Mthatha	Sissons street, Fort Gale	T: (047) 501 2200 F: (047) 532 3548
Sarah Baartman	Port Elizabeth	68 Cape Road ,Mill Park	T: (041) 373 8260 F: (041)374 4447
Chris Hani	Queenstown	02 Corner Griffiths and Owen Street	T: (045) 838 1910 F: (045) 838 2176

### 5.1.2. Eastern Cape Rural Development Agency (ECRDA)

The Eastern Cape Rural Development Agency (ECRDA) resulted from amalgamation of the Eastern Cape Rural Finance Corporation (ECRFC) and the Accelerated Shared Growth Initiative of South Africa Eastern Cape (AsgiSA-EC), with the mandate to create a holistic approach to rural development in the province.

#### Funding Mandate

- ECRDA aims to promote, support and facilitate rural development in the Eastern Cape Province by:
- Mobilising financial resources and providing financial supportive services to individual's domiciled, ordinarily resident or carrying on business within the province;
- Promoting and encouraging private sector investment in the province and the participation of the private sector in contributing to economic growth;
- Promoting, assisting and encouraging the development of the provinces human resources and financial infrastructure in association with other institutions which have similar or related objectives;



## Funding Structure

ECRDA's Rural Finance provides loan finance to qualifying agricultural, entrepreneurial and business enterprises in the Eastern Cape Province. The agency primarily assists historically disadvantage individuals but also extends its support to joint ventures that seek to promote the empowerment of the historically disadvantage individuals.

### ECRDA Loan Products

#### Agricultural Loan

- Short Term Loans
  - Which provide loans for subsistence farmers and emerging farmers
  - Starter Business Entrepreneurial Development Program
- Agricultural Loans
- Short term loans/product
- Subsistence Farmer

This is a seasonal input loan targeted at a maximum of 10 beneficiaries per group. This loan product is capped at R30, 000 per group with repayment terms linked to the production cycle of the farming operation. No collateral is required; however members are jointly liable for the loan advanced to the group.

SUMMARY		
Funding Entity		Eastern Cape Rural Development Agency (ECRDA)
Funding Program		
Funding Type		Loan Funding





Funding Treshold	Minimum Funding	
	Maximum Funding	R30 m
Contact Details	Key Contact Person	Siyabulela Morris
	Tel	+27 43 703 6300
	Email	morriss@ecrda.co.za
	Address	Beacon Bay East London, 5201
	Website	www.ecrda.co.za

## 5.2. GAUTENG

### 5.2.1. GAUTENG ENTREPRENEUR PROPELLER

GEP is a provincial government agency established under the umbrella of the Department of Economic Development to provide support to small, medium and micro- sized enterprises (SMMEs) and co-operatives in Gauteng.

#### Funding Mandate

The aims and objective of Gauteng Enterprise propeller is to provide services that assist SMMEs and Co-ops to become active participants in Gauteng’s mainstream economy and to contribute to the growth and development of the fundamental sectors

#### Eligibility Criteria for loan

- Applicant must be a South African Citizen.
- Entities with more than one share-holder, the majority of the shares (51%) must be held by South African citizens.
- Guidance required for due diligence on non-South African citizens.





- E.g. ITC checks, assets, investments, personal surety ship, etc.
- Minimum black ownership of 51% is required.
  - The business should have 18 year old and above representative
  - All applicants above the age of 18 must be legally solvent and have the necessary contractual capacity as required by relevant laws and insurance requirements.
  - The business must be registered in Gauteng, have its Head Office located in Gauteng and the economic benefits of the business must be realised in Gauteng.
  - Funding will be considered for business related ventures such as acquisition of productive business assets, working capital and buildings.
  - Incorporated bodies must comply with all the relevant legislation.
  - Co-operatives to be funded in line with the objectives of the Co-operatives strategy of Gauteng Government.
  - Applicants to be limited to one application per financial year, except if the funding is for contract finance and cessions of progress payments are in place.

### Exclusions for loan funding

- On-lending (money lenders).
- Settlement of loans and other forms of borrowing
- Speculative transactions: business proposals with difficult to quantify markets/customers
- Illegal businesses
- Enterprises that are fully or partially owned by any unit of government.
- Funding to Trusts
- Applicants who have been previously found to have defrauded and/or were involved in fraudulent activities or chronic defaulting with respect to loans granted.
- Pilot projects, feasibility studies; Research & Development; and other early stage requirements.
- State employees with no proof of permission (from their respective institutions' principals) to do remunerative work outside of their employment.

### How to apply for funding?





To be considered for financial support, business should submit a detailed business plan, Tax clearance certificate, FICA requirements and CIPC registration. Please refer to GEP website, [www.GEP.co.za](http://www.GEP.co.za) for a comprehensive business plan guideline and further information.

FOR MORE INFORMATION CONTACT GEP:	
Address	HEAD OFFICE 6th floor, 124 Main St, Johannesburg
Tel	011 085 2001
Ekurhuleni regional Office	Ground Floor, 188 Victoria street, Cnr Victoria & Spilsbury, Germiston.
Tel	011 821 2870
Tshwane regional office	Block G , 333 Grosvenor Street, Hatfield Gardens, Hatfield
Tel	011 821 2870
West Rand Regional office	23 Eloff street , Krugersdorp
Tel	011 950 9870
Sedibeng regional office	1st floor , GEP House, 22 Hertz Boulevard, Vanderbijlpark
Tel	016 910 1200
Satellite offices	Lazarus building , 43 Ianham street, Bronkhorstspuit
Tel	013 923 3828
Address	Maponya Mall, Thusong Centre, 2127 Chris Hani Road , Soweto
Tel	011 938 4257
Address	52 Voortrekker Road, PG Glass, Heidelberg
Tel	016 349 2658





## 5.3. KWAZULU NATAL

### 5.3.1. KWAZULU NATAL GROWTH FUND

#### Funding Mandate

The KZN Growth Fund Trust is the financing institution that finances both medium and large scale enterprises in various industries. Primarily the fund focused in KwaZulu – Natal province, currently the fund has expanded its horizon and now invest some of its funding in viable projects in the rest of the country.

#### Products and Services offered for Enterprise Development

The product offering includes debt as well as equity finance. The amount of the fund ranges from R30million to R200million for debt and R20million to R100 million for equity.

#### Qualifying criteria

- Projects must have a sustainable economic impact.
- Projects require a minimum of 30% BBBEE ownership or BBBEE score of at least 65 points (level 4)
- Funding for capital expenditure projects (CAPEX)
- BEE shareholders need to be operationally involved in the business.
- Projects must stimulate sustainable job creation and equitable distribution of wealth within the economy.
- Equity contribution of the promoter subject to cash flows and capital structure (minimum 10%).
- Projects must be at an advanced stage of implementation (disbursement within 6 months of application)

It should be noted that the fund does not finance acquisitions or working capital.



## SUMMARY

Funding Entity		KZN Growth Fund
Funding Type		Loan and Equity Funding
Contact Details	Tel	031 304 1611
	Address	303 Anton Lembede St, Durban, 4001
	Website	<a href="http://www.kzngrowthfund.co.za">www.kzngrowthfund.co.za</a>

## 5.4. MPUMALANGA

### 5.4.1. MPUMALANGA ECONOMIC GROWTH AGENCY (MEGA)

The Mpumalanga Economic Growth Agency (MEGA) is an authorised development finance institution and the trade and investment promotion arm of the Provincial Government of Mpumalanga. The main objective of MEGA is to leverage trade and investment and provide funding for SMMEs and cooperatives so as to foster economic growth and development.

#### Products and Services offered for Enterprise Development

MEGA offers the following products and services to enterprises:

- Loan funding, through term loans
- Bridging finance, linked to an existing contract
- Facilitation of mentorship to funded enterprises
- Development of co-operatives

#### Qualifying criteria

- Enterprising individuals who are 18 years and older, preferably from a historical disadvantaged background, are considered.
- The business must be registered as a close corporation or (Pty) Ltd co-operative.



- Applicants should fall within the priority sectors.
- The applicant must operate the business on a full-time basis.
- Where the business is owned by more than one shareholder, one member must be involved in the business in a full-time capacity.
- The business must have a BEE shareholding of at least 26, 1%.

## Loan funding requirements

### MEGA loan application form

- Business plan
- Original Tax clearance Certificate
- Certified ID Documents of all directors
- Company registration documents (Pty, Co-op, CC etc.)
- Minutes to meetings (If Applicable)
- 6 Months personal bank Statements of all directors
- Detail break down of the use of funds
- Curriculum vitae of all directors
- 12 Months Business bank statements
- Lease agreement or Title deed
- Off-take agreements/contracts in place
- Quotations for the goods to be purchased at least two
- Past 2 years Annual financial statements
- Management accounts (Interim financial statements for the current financial year)
- Proof of own contribution.
- Marriage or divorce certificate of all the directors
- All relevant industry related certificates (compliance).
- BEE Certificate.
- Copy of proof of residential address.

## SUMMARY

Funding Entity		Mpumalanga Economic Growth Agency
Funding Type		Loan and Equity Funding
Contact Details	Tel	013 752 2440
	Email	info@mega.gov.za
	Address	ABSA Square Building, 20 Paul Kruger Street, Mbombela, 1200, Mpumalanga, South Africa
	Website	www.mega.gov.za



## 6. COMMERCIAL BANKS

### 6.1 ABSA BANK

#### Funding Structure

##### Marine finance

The loan offer juristic and non-juristic entities asset-based credit facilities to buy commercial boats registered within South Africa. Only vessels registered in the National Vessel Register can be bonded with Absa's Marine Bond.

##### Agribusiness mortgage loan

To buy or improve fixed agricultural property, ABSA offer an agricultural mortgage loan against the security of a mortgage bond on the property, in favour of the bank.

Negotiable repayment terms of up to 10-15 years. The choice of either flexible repayment intervals or structured monthly, quarterly or annual instalments, with an option to negotiate postponed or reduced instalments

##### Flexi Reserve facility on an Agribusiness mortgage loan

With this facility you can deposit extra money into your mortgage loan account and withdraw it when needed.

#### Benefits

- Tax-free savings at the prevailing bond rate
- Access to repaid capital 24 hours a day
- The ability to finance assets at the prevailing bond rate

##### Commercial asset finance

ABSA offer flexible finance solutions that allow you the freedom to

structure repayments to suit business needs.

### Instalment sale agreement

- ABSA sells the moveable asset to you over a negotiated time frame.
- The asset is registered in your name, but the bank is the title holder until it is paid up
- Ownership passes to you once the agreement has been fully repaid
- The asset is fully repaid over the period of the agreement, or alternatively, you can have a residual value payable at the end of the contract
- Term: minimum 6 months to a maximum of 120 months, subject to credit approval

### Lease (financial lease)

- ABSA buys the moveable asset and they can be leased from ABSA
- This agreement does not provide for maintenance or insurance
- Financial leases are fully repaid at the end of the repayment term
- At the end of the repayment term you can choose to take ownership of the asset, return it to the bank or, if your contract included a balloon payment, you can enter into a new lease agreement
- Competitive interest rates

### Operating lease

- Also known as a rental agreement, an operating lease gives you uninterrupted use of the asset rather than ownership
- The bank owns the asset and you do not have the option to take ownership at the end of the term
- There is normally a residual value payable at the end of the contract, subject to conditions of the individual contract
- You make regular rental payments in advance, normally equal to the serviceable lifetime of the asset

### Credit line

Credit lines are offered to qualifying clients with a strong capital base. If you often replace your assets this may be a good option for you.



### Sale and leaseback agreement

Similar to purchase and repurchase agreements, you sell the asset to the bank, and then buy it back from the bank by way of an operating lease or instalment sale agreement.

SUMMARY		
Funding Entity		ABSA BANK
Funding Type		Loan Funding
Contact Details	Tel	0 860 040 302
	Email	agribusiness@absa.co.za
	Website	www.absa.co.za

## 6.2. FIRST NATIONAL BANK

### Funding Mandate

First National Bank aims to be the banker of choice in the agricultural market segment, providing products and services which farmers accept as excellent value for money via an efficient delivery channel (i.e. FNB Branches) achieved by a committed team dedicated to serving the farming community. FNB provides banking services to all farmers and farming businesses operating in non-urban and peri-urban areas in South Africa.

### Products and Services

The First Rand group and its subsidiaries offer a comprehensive range of financial products and services for all farmer's banking requirement. These include agricultural loans (short, medium and long term finance). Savings and investments, transmission of funds, insurance and many other banking services. FNB offers financial



support through following:

Short – term production finance	Available in the form of fluctuating overdraft, this facility is aimed at farmers or farming businesses operating as proprietors, partnership, close corporations, companies, trusts and co-operatives. It provides working capital for day to day expenses and to purchase production inputs.
Agricultural medium – term or project loan	This is a medium term loan that can be used for establishment of production capacity such as the purchase of livestock, establishing of Orchards, farm buildings and other projects that take time to generate an income. The type of farming enterprise and its economic lifespan will determine the repayment term, up to a maximum of ten years.
Agriculture long term loan	This is a mortgage loan used to finance the purchase of farmland and finance capital improvements (i.e. Buildings, dams, fencing). The loan is usually limited to a maximum of 15 year.

### Funding Requirements

To make it easier when applying for one of our solutions, please ensure that you have the following information to accompany your application:

- A valid SA Identity Document.
- Proof of your residential address.
- Your income tax reference number.
- Your passport (if you are not an SA resident).



## How to Apply?

- Visit your nearest FNB branch or

SUMMARY		
Funding Entity		First National Bank
Funding Type		Debt or Loan Funding
Contact Details	Key Contact Person	Dawie Maree
	Tel	087 328 0401
	Email	Dawie.maree@fnb.co.za
	Address	FNB Business Agriculture Wesbank Building, 1 Enterprise Road, Fairland, JHB, 2195. Ground Floor
	Website	www.fnb.co.za

## 6.3. NEDBANK

### NEDBANK AGRIBUSINESS

#### Funding Mandate

Nedbank AgriBusiness devises and delivers tailored solutions for the agricultural industry. Empowered regional teams include agricultural specialists. They provide guidance and support on all agriculture-related requests, and ensure continuity, accessibility and quick decisionmaking.

#### Qualifying Projects

Specialist industry knowledge is aligned with the needs of three





primary market sectors, namely:

- Agronomy grain, oil seeds, nuts, sugar and wheat
- Horticulture fruit, wine, vegetables and forestry
- Animal production dairy, beef, sheep, poultry, aquaculture and game farming

The bank also focus on the market, providing a suite of banking and financial solutions relevant to businesses such as agricultural cooperatives as well as other secondary agricultural businesses such as processors, service providers, input suppliers and manufacturers. These solutions span across the range of readily marketable and exchange-traded agricultural commodities and aim to integrate into the commodity cycle through an understanding of collateral value along the supply chain.

### Funding Structure

Nedbank agricultural lending solutions include:

Overdraft facilities/ Debtor finance	A current account with an overdraft facility or a short-term loan caters for seasonal cashflow fluctuations, which are highly prevalent in the agriculture market. It also offer a comprehensive debtor management service to help you maintain a constant cashflow, keep your administration costs down and reduce the risks associated with your debtor's book.
Agri instalment sale agreement	The loan provide financing on all types of agricultural equipment and machinery (eg tractors and farming implements) with flexible repayment Options, such as annual payments and extended repayment periods of up to 10 years, depending on life expectancy and depreciation.
Agri medium-term loan (AMTL)	The AMTL can be used for financing productive assets (eg broodstock) or enhancing existing assets, and includes an option to withdraw surplus funds arising from excess payments.



Agri production loan	This loan finances production inputs such as fertiliser, seed and diesel. The product takes into account seasonality, the need to hedge prices, as well as the procurement of crop insurance.
Agri NedBond	Nedbank AgriBusiness specialises in financing fixed property or capital improvements to fixed property. It offers flexible finance to buy or enhance fixed property, incorporating interest-only periods and repayment options of up to 15 years.
Agri trade finance	<p>The creative approach to trade finance and interlinking risk control means you can optimise the risk-return relationship. Key components of our offering include:</p> <ul style="list-style-type: none"> <li>• postimport financing;</li> <li>• preexport financing; and</li> <li>• discounting of bills.</li> </ul>
Nedbank's renewable-energy and efficiency finance	<p>Nedbank's renewable-energy and efficiency finance is tailored for clients who wish to mitigate the impact of load shedding and rising energy costs and who want to generate sufficient energy for their agricultural operation and potentially be able to set off the surplus electricity to the grid while greening their operations. They therefore offer you the following:</p> <ul style="list-style-type: none"> <li>• financing of renewable-energy solutions;</li> <li>• extended repayment periods (up to 10 years) on business loans; and</li> <li>• Utilisation of savings on energy costs to enhance debt repayment affordability and to offer competitive pricing.</li> </ul>
Specialised finance	Nedbank AgriBusiness provides debt structuring for acquisitions, management buyouts and leveraged buy-ins.

### How to Apply?

To find out more about how Nedbank AgriBusiness can help you please contact your local Agri Business Manager or send an email to [agriculture@nedbank.co.za](mailto:agriculture@nedbank.co.za).





## SUMMARY

Funding Entity		Nedbank
Funding Type		Debt/ loan Funding

### 6.4. STANDARD BANK

#### Standard Bank Agribusiness

Standard Bank has provided financial services to the agricultural sector for over 150 years. It offers a range of specialised products and services, supported by the advice and expertise of a team of agricultural advisors and business managers.

#### Funding Structure

Standard Bank offers structured advances and loans, which take the effects of these cycles into account. Finance can be provided to acquire new property, finance equipment or fund operating expenses, Standard Bank offers solution to meet this requirements, such as overdrafts, asset finance, medium--term loans or the business revolving credit plan.

#### Standard Bank loan products

##### Overdraft

An overdraft is the ideal way to manage your cash flow. It is linked to your business account and you can use as much as you need, up to your limit

##### Business Revolving Credit

A business revolving credit plan is a loan where repayments are made in equal monthly instalments. You only pay interest on the amount you use. Once you have paid back 25% of the loan, you



can withdraw the funds up to the original limit.

### Medium Term Loan

This loan is paid off in monthly instalments over two to seven years, sometimes longer. This type of loan is suitable for capital expenses. The benefits of the loan are:

- Interest is linked to prime.
- The amount of the loan, the interest rate and your repayment plan depend on how much collateral you have, and the value of the assets you want to buy.
- You can agree to a repayment plan that suits your business and cash flow

### Agricultural Production loan

Agricultural production loan is short-term credit that enables to pay for agricultural inputs. Around the country, farmers are using this type of loan for annual inputs for cash crops (grain and vegetables), annual and perennial crops, livestock and feedlot farming. The loan is provided to individual farmers, groups and legal entities in the agricultural sector including commercial farmers and agri-businesses.

### Vehicle and Asset finance

	Overdraft	Business revolving Credit Plan (BRCP)	Business Term Loan	Medium Term Loan	Agricultural Production Loan	Vehicle and asset finance
Working Capital	Yes	Yes	No	No	No	No
Input costs, crops, livestock	Yes	Yes	No	No	Yes	No
Implements, machinery and other capital equipment	No	Yes	Yes	Yes	No	Yes





	Overdraft	Business revolving Credit Plan (BRCP)	Business Term Loan	Medium Term Loan	Agricultural Production Loan	Vehicle and asset finance
Property	No	No	Yes	Yes	No	Yes
Office equipment	No	Yes	Yes	Yes	No	Yes
Vehicles	No	No	No	No	No	No

## SUMMARY

Funding Entity		Standard Bank
Funding Type		Loan Funding
Contact Details	Key Contact Person	General Enquiries
	Tel	011 344 5143
	Email	SBSA.Agricultural@standardbank.co.za
	Address	Standard Bank Building 30 Baker Street Rosebank, 2196
	Website	<a href="http://www.standardbank.co.za">www.standardbank.co.za</a>





## 7. SUMMARY TABLE

	Pre-Production Costs (e.g. Feasibility studies)	Infrastructure	Operational Costs	Post Production
Development Finance Institutions				
Industrial Development Corporation (IDC)		√		√
National Empowerment Fund (NEF)		√		√
Land Bank		√	√	
Small Enterprise Finance Agency (SEFA)		√		
Government Funding Programmes				
DAFF				
AGRIBEE Fund				√
Comprehensive Agriculture Support Programme (CASP)		√		
MAFISA			√	
The National Treasury				
Jobs Fund		√		





	Pre-Production Costs (e.g. Feasibility studies)	Infrastructure	Operational Costs	Post Production
DSBD				
Black Business Supplier Development Programme (BBDSP)		√		
Co-operative Incentive Scheme (CIS)		√		
Enterprise Incubation Programme (EIP)		√		
Shared Economic Infrastructure Facilities (SEIF)		√		
DTI				
Aquaculture Development and Enhancement Programme (ADEP)	√ (Applicable to EBF only)	√		
Black Industrialist Programme (BIP)	√	√		
Export Market and Investments Assistance (EMIA)				√
Incubation Support Programme (ISP) Private Funders				



	Pre-Production Costs (e.g. Feasibility studies)	Infrastructure	Operational Costs	Post Production
Future Growth		√		
Old Mutual: Masisizane Fund		√		
<b>Provincial Funders</b>				
Eastern Cape Development Corporation		√	√	
Eastern Cape Rural Development Agency		√	√	
Gauteng Enterprise Propeller		√	√	
KwaZulu Natal Growth Fund		√		
Mpumalanga Economic Growth Agency		√		
<b>Commercial Banks</b>				
ABSA Agribusiness		√	√	
First National Bank		√	√	
Nedbank		√	√	
Standard Bank		√	√	





## 8. REFERENCE

8.1. <http://www.accountingcoach.com/blog/equity-financing-debt-financing>

8.2. The State of World Fisheries and Aquaculture (SOFIA) (2016), Food and Agricultural Organization.



