



**VOLUME IV  
2021**

**A DIRECTORY OF DEVELOPMENT FINANCE  
AND GRANT FUNDING ORGANIZATIONS FOR  
AQUACULTURE OPERATIONS IN  
SOUTH AFRICA.**



**forestry, fisheries  
& the environment**

Department:  
Forestry, Fisheries and the Environment  
REPUBLIC OF SOUTH AFRICA

SOUTH AFRICA, 2021

## COMPILED BY

The Department of Forestry, Fisheries and the Environment

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## PREFACE

Financial support remains a critical tool towards the development of a sustainable aquaculture sector in South Africa. To ensure availability of information regarding funding opportunities, the DFFE through the Chief Directorate: Aquaculture and Economic Development as the lead Department for the development of the aquaculture sector, on a regular basis publishes "A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa" with the aim of identifying and providing information concerning potential funders for aquaculture operations. This document provides practical information about available funding streams that can be accessed from different funding entities within South Africa; information on application procedures, eligibility criteria, the criteria for funding and contact details of relevant funding entities.

A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa, has been distributed and shared with the aquaculture sector and other stakeholders since its launch in 2013. Owing to new developments and changes in the financial sector, the document has been updated and published regularly with Volume II and Volume III published in 2017 and 2019 respectively. Since 2013 about three volumes have been published and this is Volume IV to be published by the Department.

**Disclaimer:** This Directory should be used as a guide to funding. Listed funding agencies and Departments should be contacted directly for more information and application for funding.

## ACKNOWLEDGEMENTS

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## ACRONYMS AND ABBREVIATIONS

AC	: Adjudication Committee
ABIPP	: Agriculture Bio-economy Innovation Partnership Programme
ADEP	: Aquaculture Development and Enhancement Programme
ADF	: Aquaculture Development Fund
AMTL	: Agri Medium- Term Loan
APSS	: Agro-Processing Support Scheme
AsgiSA-EC	: Accelerated Shared Growth Initiative of South Africa Eastern Cape
BIS	: Black Industrialist Scheme
BEE	: Black Economic Empowerment
BBBEE	: Broad Based Black Economic Empowerment
CASP	: Comprehensive Agriculture Support Programme
CC	: Close Corporation
CIP	: Critical Infrastructure Programme
CIPC	: Companies and Intellectual Property Commission
DFFE	: Department of Forestry, Fisheries and the Environment
DFI	: Development Finance Institutions
DALRRD	: Department of Agriculture, Land Reform and Rural Development
DSBD	: Department of Small Business Development
EBF	: Emerging Black Farmers
EBC	: Economic Benefit Criteria
ECDC	: Eastern Cape Development Corporation
ECRDA	: Eastern Cape Rural Development Agency
ECRFC	: Eastern Cape Rural Finance Corporation
EE	: Equity Equivalent
EME	: Exempted Micro Enterprise
EMIA	: Export Market and Investment Assistance
EIP	: Enterprise Incubation Programme
FDI	: Foreign Direct Investment
FICA	: Financial Intelligence Centre Act
FNB	: First National Bank
GCIP	: Global Cleantech Innovation Programme
GDP	: Gross Domestic Product
GEF	: Global Environment Facility
GEP	: Gauteng Entrepreneur Propeller
HDI	: Historically Disadvantage Individual
HEIs	: Higher Education Institutions
ICT	: Information and Communication Technology
ID	: Identity Document
IDC	: Industrial Development Corporation
IE	: Individual Exhibition
IIM	: Individual Inward Mission



IPAP	: Industrial Policy Action Plan
IP	: Intellectual Property
ISD	: Innovation Skills Development
KZNADA	: KwaZulu Natal Agribusiness Development Agency
KGf	: KwaZulu Natal Growth Fund
MoU	: Memorandum of Understanding
MAFISA	: Micro Agricultural Financial Institutions of South Africa
MEGA	: Mpumalanga Economic Growth Agency
NASF	: National Aquaculture Strategic Framework (2012)
NIPF	: National Industrial Policy Framework
NDP	: National Development Plan
NEF	: National Empowerment Fund
NPO	: Non-Profit Organisation
NSI	: National System of Innovation
NT	: National Treasury
PMR	: Primary Market Research
QSE	: Qualifying Small Enterprise
RDAs	: Regional Development Agencies
R&D	: Research and Development
REIPPPP	: Renewable Independent Power Producer Procurement Programme
SAB	: South African Breweries
SARS	: South African Revenue Services
SBU	: Strategic Business Unit
SCs	: Science Councils
SEDA	: Small Enterprise Development Agency
SEDP	: Start Up Enterprise Program
SEFA	: Small Enterprise Financial Agency
SHG's	: Self Help Groups
SMME's	: Small Medium and Micro-Sized Enterprises
TAF	: Technical Assistance Fund
TC	: Technical Committee
TIA	: Technology Innovation Agency
TIKZN	: Trade and Investment KwaZulu Natal
TIPs	: Technology Innovation Programmes
TRLs	: Technology Readiness Levels
TSP	: Technology Stations and Platforms
TTOs	: Technology Transfer Offices
UNIDO	: United Nations Industrial Development Organization
YTIP	: Youth Technology Innovation Programme

## INTRODUCTION

In South Africa, aquaculture has been identified as a potential contributor to nutrition and food security but also a key economic sector and employment cluster. Various policies, programmes and initiatives have been developed and implemented to assist with the development of the aquaculture sector. The primary goal of these policies, programmes and initiatives is to accelerate the growth of aquaculture in order to assume a critical role of supplying fish products both locally and internationally, improving job creation, and contributing to the national economy, among other things. The sector has also been identified as a key industry that can impact the development and reindustrialisation of rural communities and townships in South Africa.

Government plays a vital role in the development of a sustainable aquaculture in South Africa. To ensure that the sector continues to grow, the lead Department (DFFE) ie: The Department of Forestry, Fisheries and the Environment partnered with several government departments to develop strategies and programmes that will ensure support towards aquaculture development. Access to finance has been identified as one of the major challenges towards aquaculture development. To address this challenge, several initiatives were put in place, including ensuring availability of information on funding programmes. This was done through compilation and publication of '**A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa**'. The first publication of the document was in 2013, the second and third publications in 2017 and 2019 respectively.

Since 2013 to 2019, aquaculture has grown by 48,31%. The production has increase from 4777,60 tons in 2013 to 7085,65 tons in 2019, jobs from 2831 in 2013 to 3872 in 2019. The investments in the sector also increase from R322 million in 2013 to R512,6 million in 2019. This is a demonstration that some of government interventions are having a positive impact. Access to reliable information being one of those.

**A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa**, was developed to list potential funding programmes and/or products that can be accessed by the aquaculture stakeholders for financial support. The document outlines the mandate and objectives of each funding product/ programme, the eligibility criteria, the funding structure and the application procedures.

The main objectives of this document is to:

- \* Be a user friendly funding guide for potential and existing aquaculturists who want to venture or expand into the sector;
- \* Provide information and guidance on financial assistance available for the aquaculture sector;
- \* Coordinate access to funding; and
- \* Create awareness and stimulate investment in the sector.

## 1. DEVELOPMENT FINANCE INSTITUTIONS (DFI's)

Development finance institutions (DFIs) are specialised development banks or subsidiaries established to provide capital and support for economic development projects. The DFI's are commonly set up by the government or they are majority-owned by national governments (OECD.org). DFI's provide funds mainly in the form of loans or equity to projects that would otherwise not be able to access funds from commercial lenders. Aquaculture stakeholders can access funding from the following DFI's:

**1.1. Industrial Development Corporation (IDC)**

**1.2. Land Bank**

**1.3. National Empowerment Fund (NEF)**

**1.4. Small Enterprise Finance Agency (SEFA)**

**1.5. SEFA Blended Finance Programme**

**1.6. Technology Innovation Agency (TIA)**





## 1.1. Industrial Development Corporation (IDC)

Industrial Development Corporation (IDC) is a national development finance institution 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 Trade, Industry and Competition (the dtic). The following products can be accessed by the aquaculture sector:

### **Agro-processing and Agriculture Strategic Business Unit (SBU) 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 objective is to invest in the development of projects and businesses that will create new or expand local manufacturing capacities by growing exports, replacing imports and enhancing competitiveness.

Through its funding and project activities, the IDC envisages 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; and
- \* Transformation of the sector.

### **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 various sector value chains such as the animal based protein which also includes aquaculture.

### **Funding Requirements**

- \* The company must facilitate job creation and establish new industry capacity, either new or expansion of existing operations.
- \* Risk-sharing from operating private sector investment partners is a pre-requisite with shareholders co-funding, providing security and undertaking to fund any shortfalls.
- \* Suitable security will be required for debt facilities.

## Equity Funding:

- \* Applicable to larger investments;
- \* Applicable when a project is considered of strategic importance; and
- \* Only minority interests will be considered.

## IDC Funding Structure

- \* For Start-up businesses maximum funding equates to 60% of the total funding requirement including start-up losses and working capital;
- \* For expansion projects, IDC can fund a full expansion if the equity structure at peak is a minimum of 40% and acceptable cash flow ratios are achievable;
- \* Equity structure for start-up projects of at least 50% at peak;
- \* Acceptable cash flow ratios will be applicable;
- \* Broad Based Black Economic Empowerment conditionality: We expect all business partners to have at least a level 4 accredited BBBEE rating or to provide an undertaking to achieve such rating within a specific time. BEE empowered, women and youth-owned businesses are encouraged to apply.

## 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. Online application is also available.

SUMMARY		
Funding Entity		Industrial Development Corporation (IDC)
Product	SBU	Agro-processing and Agriculture
Funding Threshold	Minimum Funding Maximum Funding	N/A N/A
Contact Details	Key Contact Person Tel Email Address Website	Jeannette le Roux 011 269 3567 <a href="mailto:jeannetter@idc.co.za">jeannetter@idc.co.za</a> 19 Fredman Drive, Sandton <a href="http://www.idc.co.za">www.idc.co.za</a>

## 1.2. LAND BANK

The Land and Agricultural Development Bank of South Africa is a specialist agricultural bank that offers tailor made financial solutions for clients to enable farmers to finance land, equipment, asset acquisition and improvements including short term and production credit facilities. The Land Bank's added services include insurance, business development and support services.

As a development finance institution, they leverage funding from public and private sector partnerships to offer enabling funding solutions geared towards ensuring inclusivity, sustainability and growth in the agricultural sector.

Land Bank has the expertise to understand business needs and offer a wide variety of products and services to meet your short, medium and long term financing needs.

### Funding Products

Products	Description	Term
<b>Revolving Credit Facility (RCF)</b>	A short term loan used to finance short term capital requirements, general and operational needs of the business. The product is offered for various agricultural commodities and/or sub-sectors which also include farming and agro-processing.	<b>Term of loan</b> Maximum term: up to 5 years (reviewed annually). <b>Required security</b> Security can be in the form of a first bond over fixed property or through additional security arranged in agreement with the bank (such as debtors, stock and credit guarantees). <b>Repayment Terms</b> Facility is repayable in line with the income stream/s of the business and structured based on cash flow cycles of the business. It is managed through pre-approved limits by the bank.
<b>Short Term Loan: Production Loan</b>	<b>Purpose</b> • A short term credit facility used to finance agricultural inputs and working capital for farming enterprises.	<b>Term of loan</b> • Maximum term: 5 years (reviewed annually). • Loan will be renewed at the end of the term. <b>Required security</b> Security can be in the form of a first bond over fixed property or through additional security arranged in agreement with the bank. <b>Repayment Terms</b> Loan is repayable in full annually or when proceeds of the crop are received.



<b>Medium-Term Loans</b>	<p>To finance medium term agricultural funding needs such as:</p> <ul style="list-style-type: none"> <li>• Purchase and installation of agricultural equipment.</li> <li>• Structural and general infrastructure improvements.</li> <li>• Purchase of moveable assets.</li> <li>• Purchase of livestock.</li> </ul>	<p><b>Term is dependent on the purpose of the loan:</b></p> <ul style="list-style-type: none"> <li>• Up to 15 years.</li> </ul> <p><b>Required security</b> Security can be in the form of a first bond over fixed property, item financed or through additional security arranged in agreement with the bank.</p> <p><b>Repayment Terms</b> <b>Linked to cash flow cycles of the business:</b></p> <ul style="list-style-type: none"> <li>• Monthly • Quarterly</li> <li>• Half yearly • Yearly.</li> </ul>
<b>Long term Loan (Mortgage Loan)</b>	<p>Long term loan used to finance agricultural related capital expenditure such as:</p> <ul style="list-style-type: none"> <li>• Purchase of land/property.</li> <li>• Repayment of debt incurred for the purchase of property.</li> <li>• Purchase and installation of machinery &amp; equipment.</li> <li>• Fixed asset improvements.</li> <li>• Other agriculture related capital expenditure.</li> </ul>	<p><b>Term of loan Term is dependent on the purpose of the loan:</b> Term is up to 25 years.</p> <p><b>Required security</b> Security can be in the form of a first bond over fixed property or through additional security arranged in agreement with the bank.</p> <p><b>Repayment Terms</b> <b>Linked to cash flow cycles of the business:</b></p> <ul style="list-style-type: none"> <li>• Monthly • Quarterly</li> <li>• Half yearly • Yearly.</li> </ul>
<b>Instalment Sale Finance</b>	<p>To finance medium term agricultural funding needs such as:</p> <ul style="list-style-type: none"> <li>• Vehicles</li> <li>• Tractors</li> <li>• Agricultural equipment (assets not covered under the medium term loan).</li> <li>• Other moveable assets that are agriculturally justified.</li> </ul>	<p><b>Term of loan Term is dependent on the purpose of the loan:</b></p> <ul style="list-style-type: none"> <li>• Term is up to 12 years.</li> </ul> <p><b>Required security</b> Titleholder, specific and general notarial bonds over the asset or through additional security arranged in agreement with the bank.</p> <p><b>Repayment Terms</b> <b>Linked to cash flow cycles of the business:</b></p> <ul style="list-style-type: none"> <li>• Monthly • Quarterly</li> <li>• Half yearly • Yearly.</li> </ul>
<b>Value Chain Finance</b>	<ul style="list-style-type: none"> <li>• Value chain finance allows Land Bank to provide production finance to a farmer against a written agreement between the farmer and the buyer for cultivation and sale of specific quality, quantity, grade and variety of a commodity based on a specific price setting mechanism that allows the value of the contract to be determined over the loan term.</li> <li>• Both the farmer and buyer must meet the eligibility conditions set by Land Bank's credit process.</li> </ul>	<p><b>The term of loan is seasonal renewable annually upon review with the client or at the end of production cycle.</b></p> <p><b>Required security</b></p> <ul style="list-style-type: none"> <li>• Cession of proceeds from sale of crop financed by the Bank.</li> <li>• Cession of proceeds from sale of livestock financed by the Bank.</li> <li>• Cession of comprehensive insurance and cession of off-taker agreement or delivery contract at a specified price.</li> <li>• Other additional security arranged in agreement with the Bank.</li> </ul>

<b>Forced Stock Deposits</b>	<p>This product assists farmers who are forced to sell their livestock due to drought with a facility where they can deposit the proceeds from the sale for a minimum of six months.</p> <ul style="list-style-type: none"> <li>• The farmers in disaster declared areas are granted exemption from income tax for livestock sold as a result of the drought disasters.</li> </ul>	<p><b>Term of loan</b></p> <ul style="list-style-type: none"> <li>• Minimum deposit period: 6 months – 6 years</li> <li>• To qualify for a tax exemption, no funds can be withdrawn before the expiration period of six months.</li> </ul> <p><b>Facility Terms</b></p> <ul style="list-style-type: none"> <li>• Interest rate: Prime-linked.</li> <li>• Only funds that have been obtained from stock sales as a result of drought disasters can be deposited under this facility.</li> <li>• Deposits from the sale of stock must be deposited at the Land Bank within 3 months from date of disposal of the livestock.</li> </ul>
<b>Insurance Products</b>	<p><b>Agricultural Asset Insurance</b> Asset insurance cover for your farming activities and farming assets are insured against fire, floods, theft and natural disasters amongst other risks or perils.</p> <p><b>Life Insurance</b> Life cover for Credit Life and Life insurance policies</p>	

### Qualifying Projects

- \* Must operate within South Africa
- \* Must be in primary or secondary agriculture or both
- \* Must be viable, sustainable and be able to repay the loan

**NB: For a list of other requirements, please contact Land Bank.**

### Where to find Land Bank

Land Bank has nine provincial offices with satellite offices strategically placed across the country to serve the agricultural community.

The entity's staff understand agriculture and have the ability to assess specific needs and develop customised solutions to meet your requirements. Where required they will also assist with additional advice and support.

Visit our website at [www.landbank.co.za](http://www.landbank.co.za)

## Land Bank Provincial and satellite offices

GAUTENG	
<b>HEAD-OFFICE</b>	<b>PRETORIA OFFICES</b>
Tel: (012) 6860500 / 0800 00 52 59	Tel: (012) 432 0480
	Fax: (012) 432 0499
Address: 420 Witch-Hazel Avenue, Block D, Eco Glades, Eco Park, Centurion 0157	Address: 1059 Francis Baard & Festival Street, 1st Floor SABC Building, Hatfield Pretoria 0083

LIMPOPO	
<b>POLOKWANE</b>	<b>TZANEEN</b>
Tel: (015) 287 9840	Tel: (015) 306 6000
Fax: (015) 287 9899	Fax: (015) 307 4375
Address: 79 Biccard Street, Polokwane 0700	Address: 23 Peace Street, Tzaneen 0850

MPUMALANGA	
<b>NELSPRUIT</b>	<b>ERMELO</b>
Tel: (013) 754 2400	Tel: (017) 811 0800
Fax: (013) 752 6134	Fax: (017) 811 6553
Address: 16 Ferreira Street, Nelspruit 1200	Address: 29 De Clerq Street, Ermelo 2350

KWA-ZULU NATAL	
<b>PIETERMARITZBURG</b>	
Tel: (033) 845 9600	
Fax: (033) 845 9610	
Address: Office Suite A3, Maritzburg Arch, 39/45 Chief Albert Luthuli Street, Pietermaritzburg 3201	

NORTH WEST	
<b>LICHTENBURG</b>	<b>VRYBURG</b>
Tel: (018) 632 7700	Tel: (053) 928 1700
Fax: (018) 632 3838	Fax: (053) 927 2952
Address: 28 Buchanan Street, Lichtenburg 2740	Address: 39 Market Street, Vryburg 2740



<b>RUSTENBURG</b>	
Tel: (014) 590 6900	
Fax: (014) 597 3732	
Address: 169 Fatima Bhayat Street, Rustenburg 2740	

<b>FREE STATE</b>	
<b>BETHLEHEM</b>	<b>BLOEMFONTEIN</b>
Tel: (058) 307 5200	Tel: (053) 928 1700
Fax: (058) 303 5021	Fax: (053) 927 2952
Address: 16 Van der Merwe Street, Bethlehem 9700	Address: 78 St Andrew Street, Bloemfontein 9300

<b>EASTERN CAPE</b>	
<b>CRADOCK</b>	<b>EAST LONDON</b>
Tel: (048) 801 8900	Tel: (043) 706 8600
Fax: (048) 881 2892	Fax: (043) 721 0717
Address: 31 Beeren Street, Cradock 5880	Address: Hammer Mill House, The Quarry Office Park, Selbourne, East London 5214
<b>PORT ELIZABETH</b>	<b>MTHATHA</b>
Tel: (041) 392 1200	Tel: (047) 531 1979
Fax: (041) 365 2570	
Address: 51 Newton Street, Newton Park, Port Elizabeth 6045	Address: 49 Leeds Street, Corner Leeds and Craister Street, Mthatha 5100

<b>WESTERN CAPE</b>	
<b>CAPE TOWN</b>	<b>BEUFORT WEST</b>
Tel: (021) 974 2200	Tel: (023) 414 8300
Fax: (021) 974 2210	Fax: (023) 414 2544
Address: Belvedere Office Park Block C, Pasita Road, Durbanville 7550	Address: 74 Bird Street, Beaufort West 6970
<b>GEORGE</b>	<b>WORCESTER</b>
Tel: (044) 803 8800	Tel: (023) 342 1756
Fax: (044) 874 7789	Fax: (023) 347 6563
Address: 55 York Street, George 6530	Address: 49 High Street, Worcester 6850

NORTHERN CAPE	
<b>DOUGLAS</b>	<b>UPINGTON</b>
Tel: (053) 298 1126	Tel: (054) 338 8400
	Fax: (054) 332 5731
Address: 21A Arnot Street, Douglas 8730	Address: 55 Schroder Street, Upington 8800
<b>VREDENDAL</b>	
Tel: (027) 213 1045	
Address: 33 Church Street, Vredendal 8160	

FREE STATE	
<b>BETHLEHEM</b>	<b>BLOEMFONTEIN</b>
Tel: (058) 307 5200	Tel: (053) 928 1700
Fax: (058) 303 5021	Fax: (053) 927 2952
Address: 16 Van der Merwe Street, Bethlehem 9700	Address: 78 St Andrew Street, Bloemfontein 9300
<b>KROONSTAD</b>	
Tel: (056) 216 6200	
Fax: (056) 215 1294	
Address: 138 Cross Street, Kroonstad 9500	

LAND BANK INSURANCE COMPANY CONTACT DETAILS	
<b>GAUTENG</b>	
<b>PRETORIA HEAD OFFICE</b>	
Tel: (012) 686 0556	
Email address: lbic@landbank.co.za	
Address: 420 Witch-Hazel Avenue, Block D Eco Glades, Eco Park, Centurion 0157.	

### 1.3. NATIONAL EMPOWERMENT FUND (NEF)

#### 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.

Other products within the National Empowerment Fund (NEF) includes:

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

#### Qualifying Projects

- \* 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 four to ten years.

SUMMARY		
Funding Entity	Fund	National Empowerment Fund Rural and Community Development Fund
Funding Threshold	Minimum Funding Maximum Funding	R1m R50m
Contact Details	Key Contact Person Tel  Call centre Email Address  Website	Eric Zwane (011) 305 8183 (011) 305 8001 087 357 0995 zwane@nefcorp.co.za West Block, 187 Rivonia Road, Morningside 2051, Po Box 31, Melrose Arch North 2076 www.nefcorp.co.za



## 1.4. THE SMALL ENTERPRISE FINANCE AGENCY (SEFA)

The Small Business Enterprise Finance Agency (SEFA) offers financial assistance to Small, Micro and Medium-sized enterprises (SMMEs) and Co-operatives. The agency focuses on SMMEs and Co-operatives that are unable to attract commercial credit due to a number of factors, including credit bureau listing, initial cash flow constraints and not having collateral.

### Funding mandate

Small Business Enterprise Finance Agency's mandate is to foster the establishment, survival and growth of SMMEs and Co-operatives, and thereby contributing towards poverty alleviation and job creation.

### Funding Structure and Products

Small Business Enterprise Finance Agency's delivers its products and services through Direct Lending and Wholesale Lending programmes. Additionally, it offers various post investment support products, which have been devised to facilitate and unlock funding bottlenecks. Non-financial products mitigate the risk of defaulting loans and strengthen SMMEs and Co-operatives by enhancing operating capacity and sustainability. The products that are offered to businesses requiring financial assistance range between R50 000.00 and R15 million.

Funding Products		
<b>Direct Lending</b> <ul style="list-style-type: none"><li>- Asset Finance</li><li>- Bridging Loans</li><li>- Revolving Loans</li><li>- Term Loans</li><li>- Amavulandlela Funding Scheme for Entrepreneur with physical disabilities</li><li>- Purchase Order Finance</li></ul>	<b>Wholesale Lending</b> <ul style="list-style-type: none"><li>- Credit Guarantees</li><li>- Equity</li><li>- Revolving Loans</li><li>- Structured Finance Solutions (SFSs)</li><li>- Term loans</li></ul>	<b>Other Support Services</b> <ul style="list-style-type: none"><li>- Post Loan Monitoring and Mentoring</li><li>- Workout and Restructuring</li><li>- Business and technical support</li><li>- Commercial and industrial properties</li><li>- Institutional Strengthening</li><li>- Investee Companies Board representations</li><li>- Fund Management</li></ul>
R50 000 – R15M	R500 – R5M	

## Direct Lending

Fill client orders or contracts in time. Cession payments are required - that is, the Purchase Order issuing organisation must agree to transfer the progress payments to SEFA.

- Offers an advance of up to R1 million to fulfil contracts/orders (supply and delivery of goods or services).
- + Quick turnaround times.
- \* No own contribution required. The repayment term of the purchase order financing is dependent on the duration of the contract.

Product	Description	Benefit	Repayment Term
Asset Finance	SEFA offers an asset finance facility that is tailored for business' asset needs. It assists with buying a wide range of new and/or used moveable assets (such as equipment/machinery). Assets purchased through this funding method must be identifiable by a means of serial numbers.	<ul style="list-style-type: none"><li>• Asset finance allows you to acquire or lease without impacting your bank balance.</li><li>• Assets acquired through asset finance can be used by SEFA as security for the loan.</li></ul>	The loan duration is up to a maximum of 60 months or for the economic life of the asset (whichever comes first).
Bridging Loans	This is a short-term loan that is provided to an enterprise to finance its working capital, such as stock and/or operating overheads. This credit facility is designed for business-to-business transactions and is usually suitable for businesses that have secured firm contracts (purchase orders) with other businesses; that is, businesses that offer services and/or products to other businesses.	A bridging loan allows your business to meet short term financial obligations by providing immediate cash flow.	The repayment duration of a bridging loan is linked to the specific term of a contract up to 12 months.



<b>Revolving Loans</b>	<p>Revolving loan is available to clients that have been funded by SEFA before and have repaid their loan in full and require funding for a contract.</p> <p>This is a line of credit whereby the person lending the money pays a commitment fee and is then allowed to use the funds when they are needed. It is usually used for clients who have contracts with a predetermined lifespan and monetary value. Revolving credit facilities are mainly used for operating purposes and the loan amount varies from month to month, depending on the client's current cash flow needs.</p> <p>This advance is primarily available to established businesses that are mainly existing SEFA clients with satisfactory credit records.</p>	<p>Repayments are structured in relation to the business' cash flow projections.</p>	<p>The revolving loan repayment term is a maximum of 12 months (or dependent on the duration of the contract).</p>
<b>Term Loans</b>	<p>Term loans offer businesses the cash they need to purchase other forms of moveable assets. Unlike asset financing, term loans are used to acquire moveable assets that cannot be identified by means of serial numbers (such as office furniture, fixtures and fittings).</p>	<p>A business can use a term loans for the following:</p> <ul style="list-style-type: none"> <li>• Often a small business will use the cash from a term loan to purchase fixed assets such as equipment used in its production process; and</li> <li>• assets acquired through a term loan can be used by SEFA as security for the loan.</li> </ul>	<p>The term loan repayment period is between 12 and 60 months.</p>

<b>Amavullndlela Funding Scheme For Entrepreneurs with Physical Disabilities</b>	The scheme is targeted at small and medium-sized enterprises and co-operatives with at least 50 + 1% ownership by entrepreneurs with disabilities. The disabilities will have to be verified and entrepreneurs must be operationally involved in the daily running of the business.	<ul style="list-style-type: none"> <li>• Entrepreneurs with disabilities are offered a preferential fixed interest rate of 7% per annum.</li> <li>• Pre-Approval Assistance (only if required) to bring an application to a bankable stage. It also includes technical assistance and sourcing and negotiating with suitable suppliers.</li> <li>• Post-Approval Assistance which includes in-depth mentoring and coaching as well as any other business support required up to 2 years.</li> </ul>	The normal SEFA loan repayment terms apply. Also, this is dependent on the type of product applied for, whether it's an Asset Finance, Bridging or Revolving.
<b>Purchase Order Finance</b>	The Purchase Order Financing solution enables entrepreneurs to get quick and convenient funding assistance to fulfil client orders or contracts in time. Cession payments are required - that is, the Purchase Order issuing organisation must agree to transfer the progress payments to SEFA.	<ul style="list-style-type: none"> <li>• Offers an advance of up to R1 million to fulfil contracts/orders (supply and delivery of goods or services).</li> <li>• Quick turnaround times.</li> <li>• No own contribution required.</li> </ul>	The repayment term of the purchase order financing is dependent on the duration of the contract.

#### Other funding programmes: Khula Credit Guarantee Scheme

The scheme is designed to assist small business owners who wish to apply for finance in commercial banks to start new businesses, or expand or acquire existing businesses, but do not have sufficient collateral. This facility indemnifies the financial institutions and enables banked businesses that lack adequate collateral to access funding.

At present, SEFA is working with the four major banking institutions as distribution points. Therefore, to take advantage of the Credit Guarantee Scheme facility, SMMEs and Co-operatives can go to any of the following registered commercial institutions:

- \* ABSA
- \* FNB
- \* Nedbank
- \* Standard Bank

## Land Reform Empowerment Fund

The clients can qualify to apply for up to R20 Million per project. The Land Reform Empowerment Fund was established to aid black emerging farmers. The fund is managed by SEFA on behalf of the Department of Agriculture, Land Reform and Rural Development. The fund is wholesaled by SEFA to the target market through commercial banks, reputable private sector agricultural lenders and other development finance institutions. The Fund uses the following financing instruments:

- \* Mechanisation loans;
- \* Production loans;
- \* Mortgage loans;
- \* Equity share loans;
- \* Equity-warehousing in financed retail financial intermediaries; and
- \* Wholesale facilities.

## Qualifying Projects/Enterprises

Small Business Enterprise Finance Agency's loan financing programmes focus on women, black people, the youth, rural communities and people with disabilities. These programmes are aligned with the Department of Small Business Development (DSBD's) Portfolio Strategy, which focuses on the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and the National Development Plan (NDP).

The agency funds qualifying business ventures in various sectors, of which aquaculture will benefit from the following:

- \* Manufacturing (Including agro-processing);
- \* Agriculture (specifically land reform beneficiaries and contract-farming activities);

## Funding Requirements

In granting loan financing to qualifying businesses, the applicant must:

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



## How to apply?

- \* Contact SEFA'S client liaison centre or write to them for more information
- \* Alternatively, visit any of SEFA'S 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 SEFA'S offices.

## Contact details

Head office /Regional office	Address	Contact Details
<b>Head office</b>	Centurion (Head Office) Eco Fusion 5, Block D, 1004 Teak Close, Witch-Hazel Avenue, Eco Park, Centurion, 0157	012 748 9600 helpline@SEFA.org.za talktous@SEFA.org.za
<b>Free State</b>	Office 4&5, Preller Square, Graaf Reinet Street, Dan Pienaar, Bloemfontein, 9301	051 436 0150 SEFAfs@SEFA.org.za
<b>Gauteng</b>	Umntho House, Lower Ground, 56 Eloff Street, Marshalltown, Johannesburg, 2001	012 748 9600   SEFAgpsouth@SEFA.org.za
<b>KwaZulu Natal</b>	21st Floor, Office 2102, Durban Embassy Building, Anton Lembede Street, Durban, 4001	031 368 3485 SEFAkzn@SEFA.org.za
<b>Mpumalanga</b>	Corner Ferreira and Streak Street, 3rd Floor, Suite 301, MAXSA Building, Nelspruit, 1200	013 755 3923 SEFAmp@SEFA.org.za
<b>Eastern Cape</b>	Chesswood Office Park, 8-10 Winkely Street, 2nd Floor, Berea, 5241. East London	043 721 1510 SEFAel@SEFA.org.za
<b>Limpopo</b>	Suite 4, Biccard Park, No. 43 Biccard Street, Polokwane, 0699	015 294 0900 SEFAlp@SEFA.org.za
<b>Northern Cape</b>	72 Long Street, Business Partners Building, Kimberley, 8301	053 832 2275 SEFAnc@SEFA.org.za
<b>North West</b>	32B Heystek Street, Sunetco Building, Rustenburg, 0299	014 592 6391 SEFAnw@SEFA.org.za
<b>Western Cape</b>	9th Floor, 2 Long Street, Cape Town, 8001	021 418 0126 SEFAwc@SEFA.org.za

## 1.5. SEFA: Blended Finance Programme

The Blended Finance Programme is a direct intervention aimed at lowering the effective cost of capital for SMMEs by blending loan funding from SEFA (priced at interest rates that are SMME risk-profile dependent, using SEFA's risk rating and pricing model) and the Department of Small Business Development ('DSBD') grant funding (priced at zero percent interest rate but conditional upon specific developmental impact deliverables by the SMME).

### Funding Mandate

Small Business Enterprise Finance Agency has limited funding instruments through its direct lending channel, and currently, funding is solely through debt finance, with no quasi-equity instruments that typically form the equity base needed by a start-up enterprise.

### Qualifying Projects and Funding Requirements

Only SMMEs creating a minimum of 10 jobs and requiring funding over a minimum period of three years will be considered for Blended Finance Programme. This means that SMMEs creating less than 10 jobs and requiring funding over a period of less than three years will not be considered for the Blended Finance Programme.

Focus areas in the Development Impact Scorecard for grant amount determination:

- Number of jobs created and/or maintained (i.e. a minimum of 10 jobs required)
- More focus on targeted groups (i.e. youth and women entrepreneurs)
- More focus on townships and rural based SMMEs
- More focus on start-up and early stage SMMEs
- More focus on the Industrial Policy Action plan ('IPAP') priority sectors

### SEFA Funding Structure

The end result to the qualifying SMMEs is a significantly reduced cost of capital. The conditional grant amount will make up to 50% of the total required funding but will be limited to a maximum of R 2 500 000.00. The conditional grant amount will be determined using a Development Impact Scorecard.

The programme is a tripartite intervention by the ('DSBD') together with its agencies, SEFA and SEDA intended to provide both financial and non-financial support services to qualifying SMMEs in the economy to capacitate them to:

- Acquire business equipment,
- Acquire tools and machinery,
- Obtain non-financial development services

This support package, comprising both financial and non-financial support, is aimed at building the SMMEs' viability, sustainability and competitiveness as well as their asset base through blended finance. As an all-inclusive & economic development catalyst, SEFA along with its sister agency Small Enterprise Development Agency (SEDA) have ensured availability of non-financial support as well to the beneficiaries of the programme:

- Pre-Approval Assistance (only if required) -Will be targeted assistance to bring the application to a fundable stage, including mentoring, technical assistance, sourcing and negotiating with suitable suppliers.
- Post-Approval Assistance-This will be used for in-depth mentoring

### **Qualifying Projects/Enterprises**

SEFA's loan financing programmes focus on women, black people, the youth, rural communities and people with disabilities. These programmes are aligned with the Department of Small Business Development (DSBD's) Portfolio Strategy, which focuses on the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and the National Development Plan (NDP).

The agency funds qualifying business ventures primarily in the following sectors:

- Manufacturing (including agro-processing);
- Agriculture (specifically land reform beneficiaries and contract-farming activities);

### **Funding Requirements**

In granting loan financing to qualifying businesses, the applicant must:

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



## How to Apply

- Contact SEFA's client liaison centre or write to them for more information
- Alternatively, visit any of SEFA's 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.

	SUMMARY		
Funding Entity		Small Enterprise Finance Agency (SEFA)	
	SBU		
Funding Threshold	Minimum Funding	50% of the total required funding	
	Maximum Funding	R2 500 000.00	
Contact Details		Client liaison centre	
	Tel	012 748 9600	
	Email	helpline@SEFA.org.za	
	Address	SEFA has a national footprint. Visit website to find an office near you.	
	Website	www.sefa.org.za	



## 1.6. 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 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 SMIEs 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, and
- \* 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 towards technology development. TIA's funding focuses on de-risking technologies that are going through the technology development phases. These phases are measured in terms of Technology Readiness Levels (TRL) which when simply defined mean a measurement system used to assess the maturity level of a particular technology. Each technology project is evaluated against the parameters for each technology level and is then assigned a TRL rating based on the projects progress. There are nine technology readiness levels. TRL 1 is the lowest and TRL 9 is the highest. TIA focuses on TRL 3-8 which are defined below;

- i. proof of concept stage is TRL3;
- ii. through to technology development which entails prototyping and/or piloting is TRL4-5
- iii. technology demonstration and pre-commercialisation is TRL 6-8.

**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
- TRL 1 and 2 are largely basic and applied research; TRL 9 is full commercialisation and both TRL's are outside the mandate of TIA.



## **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

### **Technology Innovation Agency (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 and 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). 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.

### **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, Industry and Competition (dtic) 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. The roles that TIA plays in applying these resources and stakeholders to achieve its outputs and desired outcomes include:
  - \* **Connector role:** catalyse the progression of ideas across the different technology readiness levels through partnerships with private industries, universities and science councils in order to create an environment for supporting sector-specific innovations for enabling global competitiveness.
  - \* **Active funder role:** provide funding and expert support to innovators in order to advance ideas towards market entry and to de-risk commercialisation.
  - \* **Facilitator role:** assist innovators to secure funding (from companies, venture capital firms and development finance institutions) for the commercialisation of product, services and processes developed through TIA's support.
  - \* **Enabler role:** enable access to high-end skills and equipment for innovators by providing funding and expert support to host academic and research institutions that provide innovation service offerings to progress ideas across the various TRL's up to pre-commercialisation.

#### Additional programme:

#### Agriculture Bio-economy Innovation Partnership Programme (ABIPP)

ABIPP is a programme of the Department of Science and Innovation (DSI) established to fund and facilitate the implementation of the Agricultural Bio-economy within key priority areas in South Africa. The Technology Innovation Agency (TIA) is the appointed implementing agency of ABIPP through Agriculture Business Unit.



The aim of the Agriculture Bio-economy is to contribute to improved productivity, food security, rural economic development and competitiveness of the agricultural sector through development and commercialization of new bio-innovation products, processes and services. As an instrument to carry through the objectives of the Agricultural Bio-economy, the Agriculture Bio-economy Innovation Partnership Programme (ABIPP) was established.

ABIPP is a programme that funds, co-funds, coordinates, facilitates and actively manages multi-disciplinary, multi-institutional research programmes focusing on agricultural bio-innovation, product processes and services contributing to increased productivity, food security and sustainable rural development. It also encourages collaboration on national priorities and promotes global competitiveness of the agriculture sector.

The objectives of ABIPP are:

- \* To develop and commercialize new crops/animals/aquaculture species- (particularly related to indigenous knowledge or species) that offer a greater nutritional content and new market opportunities that will result in job creation and local benefit.
- \* To support the ongoing improvement of commercial varieties of plants and animals for sector competitiveness and national food security.
- \* To provide bio-innovation-based knowledge, capacities/skills development, technologies and agricultural support that will underpin the innovativeness, competitiveness and sustainability of the sector.

**The ABIPP programme has sub-programme or pillars:**

- \* Soybean Food and Nutrition Development Programme,
- \* The Bio-innovation Aquaculture Programme, and
- \* Agro-processing Pilot Projects Sub-programme

#### **Bio-innovation Aquaculture Programme**

The relatively new aquaculture industry is one that is technology driven. In South Africa, the infant industry has not developed as fast as it has in the rest of the world which prompts increased investment into the research, development and innovation of the industry to unlock the growth that will contribute to towards food security, job creation and economic development.

Gauteng	Pretoria	Head Office 83 Lois Avenue Tel: 012 472 2701	
Western Cape	Western Cape	Central Park Observatory, Fir Road Central Park, 4th Floor Tel: 021	
KwaZulu Natal	KwaZulu Natal	102 Stephen Dlamini Road (Essen- wood Road) Musgrave Broll building, 4th Floor Tel: 031 220 3101	

	SUMMARY		
Funding Entity		Technology Innovation Agency (TIA)	
Funding Programme		Seed Funding	
Funding Type		Grant Funding	
Funding Threshold	Minimum Funding	R50,000.00	
	Maximum Funding	R500,000.00	
Contact Details	Head Offices Address	+27 (0) 12 472 2700 P.O. Box 172 Menlyn Pretoria 0063 Physical Address: TIA House 83 Lois Avenue Menlyn Pretoria 0181 Website	

## 2. GOVERNMENT FUNDING PROGRAMMES

Government grants are financial reward provided by the government to a project, effectively transfer payment. Grant does not include loan or loan guarantee, interest or revenue sharing. The beneficiary of government grant is not expected to repay the funds provided but expected to use them for their specified purpose (Troy Segal, 2020). Aquaculture stakeholders can access grants from the following government Departments:

### 2.1. Department of Agriculture, Land Reform and Rural Development (DALRRD)

2.1.1. Comprehensive Agriculture Support Programme (CASP)

2.1.2. Micro Agricultural Financial Institutions South Africa (MAFISA)

### 2.2. National Treasury

2.2.1. Jobs Fund

### 2.3. Department of Trade, Industry and Competition (DTIC)

2.3.1. Aquaculture Development and Enhancement Programme (ADEP)

2.3.2. Agro-Processing Support Programme (APSP)

2.3.3. Black Industrialist Scheme (BIS)

2.3.4. Critical Infrastructure Programme (CIP)

2.3.5. Export Market and Investment Assistance Scheme (EMIA)



## **2.1. DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

### **2.1.1. Comprehensive Agricultural Support Programme (CASP)**

The aim of the programme is to provide post-settlement 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-added enterprises domestically or involved in exports.

#### **Funding Mandate**

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

#### **Qualifying Projects**

- \* Small farmers
- \* Agrarian reform beneficiaries
- \* Farm workers
- \* Self-help groups (SHGs)/co-operatives
- \* Small agribusiness
- \* 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 farm government systems- hence the application form should indicate whether the owners are in conflict or not,
- \* Managerial or 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 for funding?

Contact the CASP coordinator in your province for further details.

	SUMMARY	
<b>Funding Entity</b>	Comprehensive Agricultural Support Programme (CASP)	
<b>Contact Details</b>	Client liaison centre <b>PROVINCES</b>	
<b>PROVINCES</b>	<b>CASP COORDINATORS</b>	
<b>Eastern Cape</b>	Ms Tandeka April Cell: 0760117826 Email: Tandeka.april@drdar.gov.za	
<b>Free State</b>	Ms Dikeledi Mokgoadi Tel: 051 861 8749 Email: mokgoadi@fs.agric.za	
<b>Gauteng</b>	Mr Mpho Tlape Tel: 011 – 240 2730 Cell: 072 287 9278 Email: Mpho.tlape@gauteng.gov.za	
<b>KwaZulu Natal</b>	Ms Nontembiso Dlamini Cell: 0827387892 Email: Nontembiso.Dlamini@kzndard.gov.za	
<b>Limpopo</b>	Ms Caroline Tjibane Cell: 0660761967 Email: tjibanemc@gmail.com	
<b>Mpumalanga</b>	Ms. Nobuhlobo Mafu Tel: 013 – 766 6165/7594000 Fax: 013 – 766 Cell: 082 584 7608 MafuN@mpg.gov.za	
<b>Northern Cape</b>	Mr Tebogo kadinda Tel: 0825590838 +538397839 Email: tkadinda@ncpg.gov.za Ms Nyakolo Moletsane Tel: 053 839 7819 Cell: 0834566153 Email: Nmolotsane@ncpg.gov.za	
<b>North West</b>	Ms Bothoboile Pule Cell: 0761527796 Email: Bpule@nwpg.gov.za	
<b>Western Cape</b>	Mr Jerry Aries Tel: 021-808 5103 Fax to email: 086 774 6253 Email: JerryA@elsenburg.com	

## 2.1.2. Micro Agricultural Financial Institutions of 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 enterprises. MAFISA loans are for purposes of covering production inputs, small equipment, livestock purchase, aquaculture production 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.

### 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.
Purpose of the Loan – acquire inputs needed by the enterprise.	
<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 equipment; and
- \* 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, etc.

## 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 DALRRD will not be liable for any defaults in this regard. The maximum loan size offered without collateral is R50 000.00 per client. The loan has to be used for the purpose applied for. MAFISA clients shall be charged 7% interest rate per annum for the loans granted.

## 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 R30 000.
- \* Total enterprise turn over must not be more than R5000 000.
- \* Can apply as an individual, group or an entity.
- \* Enterprise must be in respect of either farming or agribusiness.
- \* Have a legal access to land or production facilities.

## 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) 492 1383	(012) 365 1647	Finance@nerpo.org.za or gmd@nepo.org.za
Peulwana Agricultural Financial Service		Dr. Romanus Monji	(011) 314 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 Velele or Mr. Lloyd Mabunda	(013) 752 2440	(013) 755 3249	jeff@madco.co.za Lloyd.mabunda@mega.gov.za
Eastern Cape Rural Development Agency (ECRDA)	Eastern Cape	Mr. Dumisani Makubalo or Mr. Jan Delpoit	(043) 703 6300	(043) 643 5824	makubalod@ecrda.co.za or jandelpoit@ecrda.co.za

	SUMMARY		
Funding Entity		The Department of Agriculture, Land Reform and Rural Development	
	Funding Programme	MAFISA	
Funding Type		Loan Funding	
Funding Treshold	Maximum Funding	R 500,000	
Contact Details	Website	<a href="http://www.dalrrd.gov.za">www.dalrrd.gov.za</a>	



Source: DFFE, 2021



## 2.2. THE NATIONAL TREASURY

### 2.2.1. JOBS FUND

The Jobs Fund is a multi-year R9 billion fund administered by the National Treasury. The objective of the Jobs Fund is to co-finance projects by public, private and non-governmental organisations that will significantly contribute to job creation. This involves the use of public money to catalyse innovation and investment on behalf of a range of economic stakeholders in activities that contribute directly to enhanced employment creation in South Africa.

#### **Funding Mandate**

The Jobs Fund supports innovative initiatives that explicitly address unemployment and the barriers to job creation that exist in the economy. Interventions may focus on the demand for labour, the supply of labour and/or the broader institutional environment. The Jobs Fund has been designed specifically to overcome barriers to job creation by providing public funding through four funding windows:

- \* Enterprise Development;
- \* Investment;
- \* Support for Work Seekers; and
- \* Institutional Capacity Building.

Within the four identified broad windows, the Jobs Fund seeks to stimulate good ideas, risk-taking and investment to discover new ways of working, where the costs and risks may be unknown and where the pro-poor impact (principally in the form of sustainable job creation) may be significantly larger than with conventional approaches. At its core, the Jobs Fund seeks to operate as a catalyst for innovation and investment in activities which directly contribute to sustainable job creation initiatives, as well as long term employment creation.

#### **Qualifying Projects**

The Jobs Fund seeks to intervene through intermediaries that are able to leverage their existing capacity and scale-up their services to small entrepreneurs, work seekers, etc. The Jobs Fund thus targets established companies/organisations with a good track record and which have plans to expand existing programmes or pilot innovative approaches to employment creation, with a special focus on opportunities for young people. While the Jobs Fund cannot directly partner with small enterprises, it encourages 'umbrella' initiatives which can act as intermediaries in supporting the SMME sector.

The Jobs Fund issues an open call for proposals which is advertised on their website, [www.jobsfund.org.za](http://www.jobsfund.org.za). A funding round term sheet highlights the funding round theme and description; eligible applicants; minimum and maximum grant amounts that can be applied for; the minimum project size; cost sharing; eligibility and assessment criteria; etc.

### **Funding Structure**

The Jobs Fund operates as a "challenge fund", leveraging complementary funding from public and private sector project partners. A minimum matched funding ratio of 1:1 is required. Projects that offer a higher matched funding ratio will receive preference. 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. The minimum grant funding size per project is generally R10 million, but the precise minimum amount will be stipulated in the funding round term sheet.

### **Funding Requirements**

Funding requirements differ by funding round and are included in each term sheet. Generally, the following applies:

- \* The minimum funding request must be for at least the minimum grant size of R10m;
- \* Applicants must demonstrate the ability to secure matched funding at a minimum matched funding ratio of 1:1;
- \* Applicants must be in full compliance with administrative requirements (including tax clearance certificates);
- \* Applicants (contracting party) must be solvent, have been operating for more than two years, and have complete annual financial statements for the previous two financial years;
- \* Implementers must have a verifiable track record of at least three years' technical experience in the area of interest; and
- \* 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.

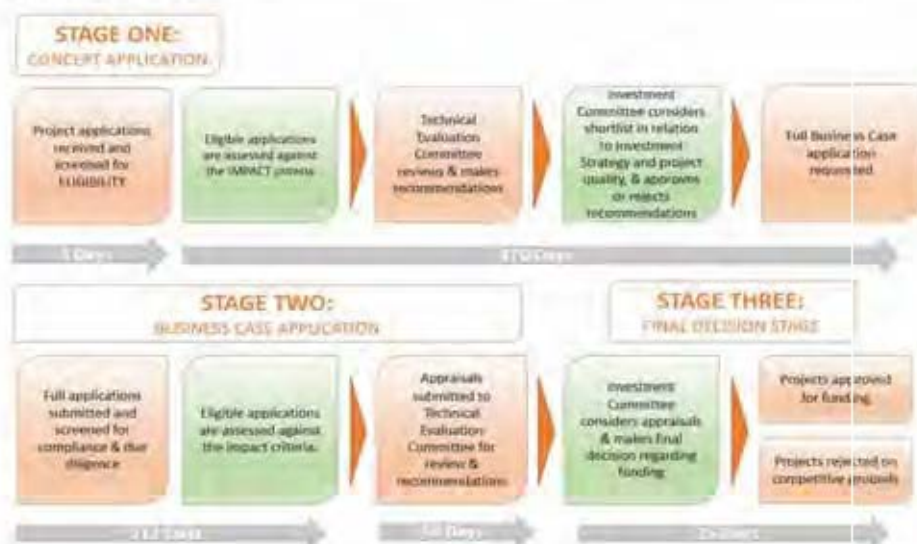
### **How to Apply**

- \* The application process begins when a call for proposals (funding round) opens.
- \* The online application form can be accessed on the Jobs Fund website ([www.jobsfund.org.za](http://www.jobsfund.org.za)).



- \* Applicants are required to register on the site and create an application (online applications are open and editable until the call for proposals closes).
- \* If a concept is approved, a full business case will be required.
- \* Contracting takes place once the business case, budget and monitoring plans are approved.
- \* Once the contract is signed, an up-front portion of the grant value is disbursed; subsequent tranches are disbursed on a quarterly basis, pending achievement of targets (including matched funding) over the project lifespan.
- \* The Jobs Fund website provides further guidance.

## Application process



	SUMMARY	
Funding Entity		The National Treasury
Funding Programme		Jobs Fund
Funding Type		Grant Funding
Funding Threshold	Minimum Funding	Generally R10 million (this is stipulated in each funding round term sheet)
Contact Details	Lerato Sewpersad	Communications Specialist
	Tel	012 406 9166
	Email	jobsfund@treasury.gov.za
	Address	240 Madiba Street, Pretoria, 0001
	Website	<a href="http://www.jobsfund.org.za">www.jobsfund.org.za</a> <a href="https://vimeo.com/thejobsfund">https://vimeo.com/thejobsfund</a>
	Twitter	@JobsFund_NT



## **2.3. DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION (DTIC)**

### **2.3.1. Aquaculture Development and Enhancement Programme (ADEP)**

Aquaculture Development and Enhancement Programme (ADEP) is an incentive programme that is offered by the Department of Trade, Industry and Competition (dtic). The incentive is accessible to South African registered concerns involved in primary, secondary and ancillary aquaculture activities in both marine and freshwater, classified under the following Standard Industry Classification (SIC1 ):

- \* SIC 132: Fish Hatcheries and fish farms, (including crocodile farms);
- \* SIC 301 & 30122: Production, processing and preserving of aquaculture fish.

#### **Funding mandate**

The objective of ADEP is to stimulate investment by commercially viable enterprises in the aquaculture sector. The secondary objective of ADEP are to:

- \* Create and/or sustain and jobs;
- \* Broaden participation;
- \* Increase production: and
- \* Geographical spread.

#### **Qualifying projects**

The grant is provided directly to approved applications new and upgrading of existing projects. The following types of marine and freshwater projects will be considered:

#### **Primary aquaculture operations**

- \* Hatchery facilities and operations, including but not limited to broodstock, seed, spat, fry and fingerling operations;
- \* Nursey facilities and operations,
- \* Growth-out facilities and operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds; including recirculating Aquaculture System (RAS) and Ranching.

## Secondary aquaculture operations

- \* Primary processing of local aquaculture products (post-harvest handling, packing, quick freezing);
- \* Secondary processing of local aquaculture products (filleting, portioning, packaging, setting up trader, and distribution networks);
- \* Tertiary processing of local aquaculture products (value adding; such as curing, brining, smoking, further value adding such as terrines, roulades, pates, paters);
- \* Waste stream handling of local aquaculture products (extraction of fish oils, protein beneficiation, organic fertilizers, pet and animal feeds).

## Ancillary aquaculture operations

- \* Aquaculture feed manufacturing operations

## Funding requirements

- \* The applicant must be a registered legal entity in South Africa in terms of at least one of the following legislative requirements:
  - The Companies Act, 2008 (Act No. 71 of 2008) as amended; The Companies Act 1973 (Act No. 61 of 1973) as amended; or
  - The Close Corporations Act, 1984 (Act No. 69 of 1984) as amended; The Co-operative Act 2005 (Act No.14 of 2005) as amended; or
  - A registered higher or further education institution; or
  - A licensed and/or registered research institution.
- \* Be compliant with applicable and relevant aquaculture legislative requirements: (operating licences and/ or permits), at the claim lodgement of application. In this regard, applicants will be required to submit proof of compliance from either a national or provincial government department responsible for aquaculture during the submission of the application and claim(s).
- \* Be a taxpayer in good standing and must provide a valid tax clearance certificate before disbursement of the grant.
- \* 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.
- \* Must be a B-BBEE level 1 to 4 for entities with a turnover of above R10 million (if not the applicant may submit an affidavit).
  - Applicant with a turnover of less than ten million rand (R10 000 000) may submit an affidavit.
- \* Submit a complete ADEP application at least sixty (60) calendar days prior to commencement of the commercial use of the assets or undertaking activities being applied for.

## Funding structure

A reimbursable cost-sharing maximum amount of R20 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 and mentorship (eligible only for small enterprises).

The investment incentive is offered as follows:

Enterprise size: Qualifying assets determined As follows:	Incentive percentage	Cap	
<R5m	45%	R2,25 million	
≥R5m<R30m	40%	R12 million	
≥R30m-R200m	30%	R20 million	

The dtic may consider an additional 5% grant for small black enterprises that attain a score of eight (8) and other enterprises that attain a score of ten (10) in the Economic benefit criteria.

## 5. Small Black enterprises

**5.1 For the purpose of ADEP, the definition of a small Black enterprise will take into consideration the following characteristics:**

- a) Hundred percent (100%) black owned;
- b) Exercises operational and management control over the business; and
- c) Makes a long-term commitment to the business and is a medium- to long-term investor.
- d) Has an investment that is below R5 million.



	SUMMARY		
Funding Entity		Department of Trade, Industry and Competition (The DTIC)	
	Funding Programme	Aquaculture Development and Enhancement Programme (ADEP)	
Funding Type		Grant Funding	
Funding Treshold	Minimum Funding		
	Maximum Funding	20 million	
Contact Details	Key Contact Person	Morateng Tyhali	
	Tel	012 394 1200	
	Email	MTyhali@thedti.gov.za	
	Address	77 Meintjies Street, Sunnyside, Pretoria	
	Website	<a href="http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/aquaculture-development-and-enhancement-programme/">http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/aquaculture-development-and-enhancement-programme/</a>	

## 2.3.2. AGRO PROCESSING SUPPORT SCHEME (APSS)

### Funding Mandate

The objective of the APSS is to stimulate investment by South African agro-processing/beneficiation (agri-business) enterprises. The investment should demonstrate that it will achieve some of the following:

- \* Increased capacity;
- \* Employment creation;
- \* Modernised machinery and equipment;
- \* Competitiveness and productivity improvement; and
- \* Broadening participation.

### Funding Structure

The scheme offers a twenty percent (20%) up to a thirty percent (30%) cost sharing grant to a maximum of twenty million rand (R20 million) over a two (2) year investment period, with a last claim to be submitted within six (6) months after the final approved milestone. The cost-sharing grant percentage will be differentiated by (qualifying) enterprise and investment size as follows:

Type of Applicant	Historical Costs of Assets	Qualifying Investment Costs	Grant Percentage	Maximum Grant Amount
New Entity	N/A	R 1 million up to R10 million	30%	R3 million
Existing Entity	< R10 million	R 1 million up to R10 million	30%	R3 million
Existing Entity	> R10 million	> R10 million	20%	R20 million
New	N/A	> R10 million	20%	R20 million

The dtic may consider an additional 10% grant for projects that meet all Economic Benefit Criteria in the table below:

## Economic benefit criteria

Criteria	
<b>A. Employment</b>	Increase base year employment by at least 25%
<b>B. Transformation</b>	Achieve a level 1 on B-BBEE codes of good practice
<b>C. Geographical Spread</b>	Projects located in state owned industrial parks or areas with unemployment higher than 25%
<b>D. Local procurement</b>	Procuring at least 70% of inputs or equipment and machinery that is locally manufactured

## Qualifying Projects

New and existing agro-processing/beneficiation projects. This can also involve a wide range of processing or beneficiation activities of post-harvest, that result in value addition and/or enhanced storage life, such as cleaning, sorting, grading, waxing, controlled ripening, labelling, packing & packaging, warehousing, canning, freezing\ freeze drying, wood carving, extrusion, synthesizing, polymerisation, and various levels of processing that change agricultural product form.

The APSS will be targeted at five (5) key identified sub-sectors (focus areas) and aquaculture sector can benefit from the following:

- \* Food value addition and processing;
- \* Feed production; and
- \* Fertilizer production.



## Qualifying Assets

The APSS offers support on a cost-sharing basis towards:

1. New machinery and equipment
  - New machinery and equipment (owned or capitalised financial lease), tools, and forklifts, at cost and will also include green technology, energy and resource efficiency equipment.
2. Commercial vehicles
  - New commercial vehicles (owned or capitalised financial lease) are only eligible if such vehicles are to be used for commercial purposes linked to the production process. This includes vehicles such as collection, delivery and distribution vehicles.
  - Commercial vehicles must be registered in the name of the applicant.
  - Investments in commercial vehicles may not exceed 25% of the qualifying investment in machinery and equipment, up to a maximum grant amount of two million rand (R2 million).
3. Buildings
  - The investment in buildings must not exceed the qualifying investment in machinery, equipment and tools and is limited to a maximum grant amount of two million rand (R2 million).
4. Competitiveness improvement costs
  - Competitiveness costs to a maximum of ten percent (10%) of the qualifying investment in machinery and equipment and limited to a maximum grant amount of two million rand (R2 million).

## How to Apply

- \* An applicant must submit a completed application form and business plan with detailed agro-processing/beneficiation activity i.e. budget plans, projected income statement and balance sheet, for a period of at least three (3) years for the project. The project/business must exhibit economic merit in terms of sustainability.
- \* The application must be submitted within the designated application window period, prior to start of processing/beneficiation or undertaking activities being applied for. Any assets bought and taken into commercial use or competitiveness improvements costs incurred before applying for the incentive will be considered as non-qualifying.
- \* For existing entities, submit latest financial statements, reviewed by an independent external auditor or accredited person, not older than eighteen (18) months.
- \* The approved entity may not reduce its employment levels from the average employment levels for a twelve-month period prior to the date of application, and these employment levels should be maintained for the duration of the incentive period/agreement.
- \* Minimum qualifying investment size, including competitiveness improvement cost, will be at least one million rand (R1 million).

	SUMMARY	
Funding Entity		Department of Trade, Industry and Competition (DTIC)
	Funding Programme	AGRO-PROCESSING SUPPORT SCHEME (APSS)
Funding Type		Grant Funding
Funding Treshold	Minimum Funding Maximum Funding	20 million
Contact Details	Tel Email Address  Website	012 394 1208/ 1073 / 16 18 APSSapplications@thedti.gov.za 77 Meintjies Street, Sunnyside. Pretoria <a href="http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/agro-processing-support-scheme/">http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/agro-processing-support-scheme/</a>



Source: DFFE, 2021

### 2.3.3. BLACK INDUSTRIALIST SCHEME (BIS)

#### 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 several productive sectors and aquaculture can benefit within the:

- \* Blue/ocean economy, including vessel building and repair.
- \* Agro-processing.

#### Qualifying costs

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

#### Funding requirements

- \* Be a registered legal entity in South Africa
- \* 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.



Additionally, the applicant will have to achieve at least four of the following criteria to participate in the programme:

#### Economic benefit criteria:

Criteria	Description	Points
1. Employment	Securing/retaining or increasing direct employment	1
2. Market share	New business/operations: Securing market share for the entity; or Existing business/operations: Increase market share for the entity	1
3. Quality improvement	Reduction of relative prices and/or increasing the quality of products to consumers	1
4. Green technology and resource efficiency improvements	Savings or better use of energy or materials and/or cleaner production improvement and/or waste management improvement and/or water usage improvement and/or use of renewable energy	1
5. Localisation	Increasing the localisation of production activities (diversification and exports)	1
6. Regional spread	Projects should be located in rural areas or areas with unemployment higher than 25%	1
7. Personal risk	Demonstrate own financial and/or non-financial contribution to the business	1
8. Empowerment	Achieve at least a level four B-BBEE contributor status as per revised B-BBEE Codes of Good Practice published in October 2013 (as amended)	1

#### 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		Department of Trade , Industry and Competition (DTIC)
	SBU	Black Industrialist Programme
Funding Type		Grant Funding
Funding Treshold	Minimum Funding	
	Maximum Funding	R50 m
Contact Details	Key Contact Person Tel Address Website	Contact Centre 0861 843 384 77 Meintjies Street, Sunnyside, Pretoria <a href="http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/black-industrialists-scheme-bis/">http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/black-industrialists-scheme-bis/</a>



## 2.3.4. Critical Infrastructure Programme

### Funding mandate

The Critical Infrastructure Programme aims to leverage investment by supporting infrastructure that is deemed to be critical thus lowering the cost of doing business. The programme is one of the investment incentives that the South African government is implementing to stimulate investment growth in line with the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP).

### Funding Structure

The CIP is a cost-sharing incentive that is available to the approved applicant/s or infrastructure project/s upon the completion of verifiable milestones or as may be approved by the Adjudication Committee (AC).

The CIP offers a minimum grant of ten percent (10%) to a maximum of thirty percent (30%) of the total qualifying infrastructural development costs up to a maximum of fifty million rand (R50,000,000), based on achieved score in the Economic Benefit Criteria.

For agro-processing applicants, the CIP will offer a minimum grant of ten percent (10%) to a maximum of fifty percent (50%) of the total infrastructural development costs up to a maximum of fifty million rand (R50,000,000).

For projects that alleviate water and/or electricity dependency on the national grid (investment that is less dependent on national grid), the CIP will also offer a minimum grant of ten percent (10%) to a maximum of fifty percent (50%) up to a maximum of fifty million rand (R50,000,000).

CIP offers a maximum grant of up to hundred percent (100%), capped at fifty million rand (R50,000,000), for infrastructural developmental costs to distressed municipalities, and state-owned industrial parks. Applicants are encouraged to make a contribution according to their affordability.

For projects to be considered for a grant of up to hundred percent (100%), applicants must submit a motivation to the adjudication committee and also demonstrate the following:

- \* That the municipality has inadequate revenue streams to provide for the critical infrastructural needs of the municipality, or
- \* That the municipality is experiencing a decline in economic activity due to disinvestment in anchor manufacturing projects, mining activities resulting from the depletion of mineral resources.



## Qualifying projects

- \* Construction or provision of the infrastructure including but limited to testing machinery and equipment that enables the investor to undertake a defined fixed investment, or the expansion or sustain, refurbishment of the existing fixed investment.
- \* Construction or provision of infrastructure that enables the establishment of new or upgrading (revamping/resuscitating) infrastructure and fencing of state-owned industrial parks.
- \* Infrastructure for renewable energy projects that are not under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP).
- \* Construction or provision of infrastructure for investment that alleviates water and/or electricity dependency on the national grids. That is, investment that makes them less dependent on national supplies.
- \* Infrastructure development costs to distressed municipalities and state-owned industrial parks.

## Qualifying infrastructure

This refers to the structural foundations, permanent network facilities or special localities via which enterprises or society in general receive or supply basic services such as transport, electrical infrastructure and bulk water supply, sanitation, telecommunications, place of trade operations etc.; any infrastructure that has implications of up-scaling; the area's agro-production capacity through up-scaling the production demand in the area; and the business is likely to add competitiveness into the supply-chain and reduce the products being imported into the area.

- \* Examples of infrastructure include roads, rail and bridges, electricity transmission lines, sewer connections, sanitation, storm water, telephone lines, fibre, runways, landing strips, bulk water infrastructure (generation, storage, purification and distribution), fencing (only available to state owned industrial parks), silos and broad band works.
- \* Refurbishment of existing buildings within industrial parks.

## Funding requirements

The applicant must be a registered legal entity in South Africa in terms of the following:

- \* Companies Act No. 71 of 2008 (as amended);
- \* Close Corporations Act No. 69 of 1984 (as amended);
- \* Co-operatives Act No.14 of 2005 (as amended);
- \* Local governments (municipalities, excluding metropolitan municipalities);
- \* Public institutions and provincial governments can contribute (financially or otherwise) towards projects but cannot be applicants except for provincial entities in the case of state-owned industrial parks.

- \* Industrial parks within the boundaries of metropolitan municipalities are eligible to apply.
- \* The project must be at least a level four (4) B-BBEE contributor in terms of the Codes of Good Practice for B-BBEE.
- \* For foreign direct investment (i.e. foreign investors incorporated in SA), where it can be proven that such a foreign investor does not enter into any partnership arrangements in foreign countries, the Codes of Good Practice make a provision for the recognition of contributions in lieu of a direct sale of equity. Such contributions are referred to as Equity Equivalent (EE) contributions and count towards the ownership element of B-BBEE made by foreign investors.
- \* The value of these EE contributions may be measured against twenty-five percent (25%) of the value of the foreign investor's South African operations or may be measured against four percent (4%) of the total revenue from its South African operations annually over the period of continued measurement.
- \* For all projects, a grace period of fifteen (15) months after date of submission of the application is given for them to comply. In all cases, a B-BBEE certificate should be submitted at claim stage.
- \* The envisaged investment projects that may qualify for benefits under any investment incentive schemes offered by the dti are also eligible to apply for the CIP provided it is not for the same infrastructure activity items proposed by the project.

## Eligibility criteria

### \* Applicant's state of financial viability

The applicant must demonstrate commitment to the planned infrastructure and project. To this end, the dti and its consideration of the application will evaluate and verify amongst others:

- Sources and uses of finance;
- Evidence of commitment to fund the project from the financiers that form part of the funding structure of the project; and
- Letter of commitment from the applicant.

### \* Commitment to establish investment projects

A written undertaking by the prospective investor or a local authority, in case of industrial parks and state-owned after date of submission of the application National Strategic Testing Facilities, that the infrastructure or project to be funded will:

- Service new investment project(s) in South Africa that will contribute to the growth of the economy, and will create employment opportunities;
- Service the expansion(s) of existing investment project(s) in South Africa that contribute to the growth of the economy, will sustain or retain current jobs and/or will create additional employment opportunities.
- Service the upgrade of an existing investment that contributes towards the growth of the economy, will sustain or retain current jobs and/or will create additional employment opportunities.



**\* Applicant's state of tax affairs**

- A valid tax clearance certificate of the applying entity, obtainable from the South African Revenue Services (SARS);
- Compliance with all other statutory regulations, where applicable
- Environmental permits from the relevant authorities;
- Permits or authorisation regarding land use;
- Technical drawings and designs (or at least preliminary designs) including details of capacity and technical specifications of the infrastructure, if required;
- Any other permits that may be applicable to the specific project; and,
- If in the process of acquiring the necessary permits and any other documentation, proof of consideration by the relevant authorities must be submitted.

**\* Project budget plans**

Project plan(s) for the infrastructure project and the expected investment should contain the following details:

- The timeframe and infrastructure items associated with each main project activity;
- Description of each of the main project activities and sub-activities associated with the infrastructure project; and
- The financial cost and budget associated with each major project activity.

**Economic benefit criteria**

This section is not applicable to distressed municipalities and state-owned industrial parks. The project must achieve a minimum score of fifty (50) for contribution to industrial policy objectives.

This score relates to the achievement of economic benefit criteria as shown in the table below:

CRITERION	DESCRIPTION	MAXIMUM POINTS
B-BBEE compliance requirements	<ul style="list-style-type: none"><li>• Level four contributor</li></ul>	25
Priority sectors	<ul style="list-style-type: none"><li>• Sectors as identified in IPAP;</li><li>• Projects in mineral beneficiation industries; agriculture and construction investments; mining and other labour absorbing sectors.</li></ul>	20
Investment Value	<ul style="list-style-type: none"><li>• Total capital investment excluding infrastructure investment</li></ul>	30



<b>Location</b>	<ul style="list-style-type: none"> <li>Projects in special localities such as industrial parks; agri-parks, Urban Renewal Development Nodes; Rural Development Nodes; business incubators and land for agricultural activities; or in any other area deemed to be economically depressed or with facilities that are classified as Aerospace and Defence National Strategic Testing Facilities required for the benefit of economic or sector growth</li> </ul>	25
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	SUMMARY	
<b>Funding Entity</b>		Trade, Industry and Competition (DTIC)
	SBU	Critical Infrastructure Programme
<b>Funding Type</b>		Grant Funding
<b>Funding Treshold</b>	Minimum Funding Maximum Funding	
<b>Contact Details</b>	Key Contact Person	Charmaine Prinsloo/ Thabelo Ravhanna
	Tel	0861 843 384
	Email	CIPApps@thedtic.gov.za CIPContact@thedtic.gov.za CPrinsloo@thedtic.gov.za TRavhanna@thedtic.gov.za
	Address	77 Meintjies Street, Sunnyside, Pretoria
	Website	<a href="http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/critical-infrastructure-programme/">http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/critical-infrastructure-programme/</a>

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

### Funding Mandate

The Export Marketing and Investment Assistance (EMIA) scheme develops export markets for South African products and services and to recruit new foreign direct investment into the country.

### The objectives of EMIA are to:

- \* Provide marketing assistance to develop new export markets and grow existing export markets;
- \* Assist with the identification of new export markets through market research;
- \* Assist companies to increase their competitive by supporting patent registrations, quality marks and product marks;
- \* Assist with facilitation to grow FDI through missions and FDI research; and
- \* Increase the contribution of black-owned businesses and SMMEs to South Africa's economy.

### Funding Requirements

- \* South African manufactures and exporters;
- \* South African export trading houses representing at least three SMMEs or businesses owned by Historical Disadvantaged Individuals (HDIs);
- \* South African commission agents representing at least three SMMEs/HDI-owned businesses; and
- \* South African exports councils, industry associations and JAGs representing at least five South African entities.

### EMIA Products

Individual exhibition participation:

- \* Transport of samples;
- \* Rental of exhibition space;
- \* Construction of stands;
- \* Interpretation fees;
- \* Internet connection;
- \* Telephone installation;
- \* Subsistence allowance per day;
- \* Return economy-class airfare; and
- \* Exhibition fees up to a maximum of R50 000.

Primary market research and foreign direct investment:

- \* Exporters will be compensated for costs incurred recruiting in new FDI into South Africa through personal contact by visiting potential investors in foreign countries.
- \* Return economy-class airfare;
- \* Subsistence allowance per day;
- \* Transport of samples; and
- \* Marketing material.

#### Individual inward missions:

Assistance is provided to South African entities organising an inward buying investor, to make contact with them to conclude an exporters order or to attract foreign direct investment.

- \* Registration of a patent in a foreign market: 50% of the additional costs capped at R100 000 pa;
- \* Return economy class-airfare;
- \* Subsistence allowance per day.

SUMMARY		
Funding Entity		Trade, Industry and Competition (DTIC)
	SBU	Export Marketing and Investment Assistance Scheme
Funding Type		Grant Funding
Funding Treshold	Minimum Funding Maximum Funding	
Contact Details	Key Contact Person	Contact Centre
	Tel Email Address  Website	0861 843 384 EMIAContactClaims@the dti.gov.za 77 Meinfjes Street, Sunnyside, Pretoria <a href="http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/export-marketing-and-investment-assistance/">http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/export-marketing-and-investment-assistance/</a>

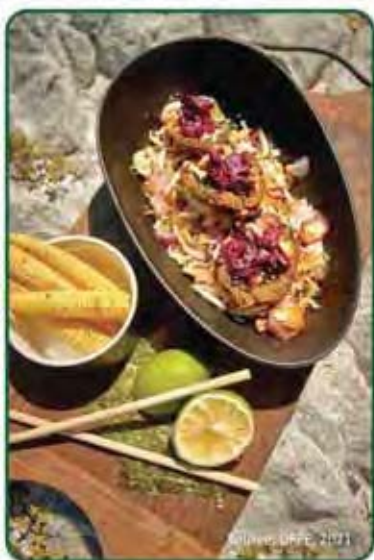


### 3.1. PRIVATE FUNDING INSTITUTIONS

The term private funding refers to capital from private sources/ funders such as businesses, foundations, societies, and associations. Private funders may provide funds in the form of loans or in exchange for equity. (Finextra, 2019). Aquaculture stakeholders can approach the following institutions for financial assistance:

3.1.1. Old Mutual: Masisizane Fund

3.1.2. South African Breweries (SAB) Foundation



### 3.1.1. The Masisizane Fund

The Masisizane Fund is an Old Mutual initiative that was established in 2007 in consultation with the National Treasury of South Africa following the closure of the Unclaimed Share Schemes Trust. The Masisizane Fund is a non-profit funding entity that provides: Enterprise Development to small, medium and micro enterprises (SMME's), through two core channels Developing Financing and Business Support.

#### Funding Mandate

The fund is committed to contributing measurably to job creation that, in turn, contributes to poverty eradication in South Africa. This is achieved through enterprise financing, encouraging entrepreneurship and capacity development, thereby contributing to the sustainability of Micro, Small and Medium Enterprises (SMMEs).

Masisizane is driven to:

- \* Improve the livelihood of and bring self-sufficiency to those who struggle to access finance
- \* Bring about self-sufficiency through the establishment of SMMEs, Franchises and Agro-processing with a focus on growing clusters of co-operatives and extending the value chain

#### Qualifying Projects

The Masisizane Fund has a specific focus on black-owned businesses, women, youth and people with disabilities. Their work is concentrated in under-developed areas of South Africa, including its rural areas, small towns and townships, where businesses are typically seen as high risk and struggle to secure finance through traditional channels. It is their belief that these same enterprises can ignite whole local economies in creating jobs and kick-starting smaller, associated businesses – and that is why they are passionate in our support of them. The Fund provides loan finance in the following sectors:

- \* Agro-processing;
- \* Franchise; and
- \* Supply chain

## Funding Requirements

### Agro-processing

- \* Business plan and Business profile (including business registration documents and a tax clearance certificate);
- \* Statement of personal assets and liabilities and statement of personal income and expenditure
- \* FICA (ID Copies; proof of residence);
- \* Directors latest 3 months' bank statements;
- \* Markets location and the study of the market, offtake agreements or letters of intent indicating Volumes and Price;
- \* Own contribution requirement owners' contribution may be applicable; however, this will be assessed per application;
- \* Start-up • EIA report if applicable • financial projections for a minimum of 5 years • other industry related business operating licenses • draft or finalized lease agreement for the proposed business site;
- \* Existing Agro-processing • Past 3 to 5 year financials (including latest management accounts), financial projections for minimum 5 years • valuation of the business (for acquisition of an existing business) • other industry related business operating licenses • 12 months' bank statement is applicable. • lease agreement for the existing site; and
- \* cost breakdown and quotations client to specify the funding requirement needed.

### 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 for funding?

To apply follow the steps below:

- \* go on the website [www.masisizane.co.za](http://www.masisizane.co.za)
- \* select the sector you want to apply for
- \* read through the criteria and documents needed to apply



	SUMMARY		
Funding Entity		Masisizane Fund	
	SBU	Export Marketing and Investment Assistance Scheme	
Funding Type	Funding Programme	Grant Funding	
Funding Treshold	Minimum Funding Maximum Funding		
Contact Details	Tel Email Address Website	Head office 011 779 9400 Masisizaneenquiries@olcfmutual.com 4th Floor Sandown Mews: 88 Stella Street Sandton Johannesburg www.masisizane.co.za	



### 3.1.2. South African Breweries (SAB) Foundation

The SAB foundation was set up in 2010 as one element of broad-based black economic empowerment transaction conducted by South African Breweries Ltd (SAB), the SAB Foundation is an independent trust that annually invests millions of rands towards developing entrepreneurship in South Africa. The SAB Foundation holds 8.4 million SAB Ltd shares and applies the dividend and special dividend income received from these shares for the benefit of the wider South African community.

#### Funding Mandate

The objective of the SAB foundation is to provide funding for small, medium and micro-sized enterprises, in order to contribute to the economic and social empowerment of historically disadvantaged persons, primarily (but not necessarily exclusively) by means of entrepreneurship development and with a priority focus on providing opportunities within small, medium and micro-sized enterprises for women and youth in the rural areas, as well as persons with disabilities

#### Qualifying Projects

- \* Enterprises run by or benefitting people with disabilities;
- \* Women and youth-owned businesses;
- \* Peri-urban and rural enterprises;
- \* Enterprises that create jobs in areas with few other opportunities;
- \* In addition, enterprises with good long-term growth potential;
- \* and high-impact for example: potential for job creation;
- \* Export potential and/or import substitution;
- \* Growth sectors including agro-processing;
- \* Identified growth areas e.g. Saldanha, Lephale.

#### Funding Requirements

- \* The business is black-owned and managed.
- \* The business is operational.
- \* The business is headquartered and registered (if applicable), within the South African borders.
- \* The business should be a going concern, commercially sustainable and viable.
- \* The applicant is involved in the business's daily operations and management on a full time basis, and are not employed by any other organisation.
- \* The applicant has the skills and experience necessary for the type of business; they're engaged in.

- \* The business is in the early stages of growth (older than six months and no more than five years).
- \* The applicant should show a willingness to learn, grow and change.
- \* The applicant should show entrepreneurial and leadership abilities.
- \* The applicant should be resilient and driven to succeed.

## Exclusions

- \* If the applicant is an employee of the SAB Foundation, SAB Pty Ltd, SAB Miller Plc., ABI and affiliates,
- \* If the applicant has already been awarded a grant by the SAB Foundation,
- \* If the applicant business is not operational and it is just an idea or a concept,
- \* If the applicant business is a franchise: you are a franchisor or franchisee etc
- \* If the applicant business is an NPO (not-for-profit organisation), NGO (non-governmental organisation), home based care service organisation, community uplifting project, youth development / educational organisation etc., recycling project, women and children's home, sports and recreation centre, youth diversion project, skills development project: therefore, if it does not have a profit motive.
- \* If the application require sponsorship for an event, a launch, a conference, a forum, a seminar, a party or a fundraising function, land and building acquisitions
- \* If the application requires a bursary, a scholarship, an internship, and funding in the form of studies, exchange programmes and textbooks. etc.
- \* If the application requires any form of sponsorship or donations.

## Funding Structure

It is done through a structured, two-year business support programme, seed-funding and assistance with access to markets. Applications open once a year, with the businesses showing the most potential and commitment with about 60 new entrepreneurs being brought onto the programme per annum. The support package includes: extensive entrepreneurial skills development, mentorship and access to tools and templates. Connection to peers around the country, as well as access to markets and finance make this an exciting and successful programme. The SAB Foundation is especially keen to create opportunities for entrepreneurs with disabilities, who are strongly encouraged to apply.



	SUMMARY		
Funding Entity		South African Breweries Ltd (SAB)	
	SBU	SAB Foundation	
Contact Details	Funding Programme Address Website	0861 111 690 www.sabfoundation.co.za	

## 4. PROVINCIAL DEVELOPMENT FINANCE INSTITUTIONS (DFI's)

Provincial DFI's are development banks on a provincial level. Similar to national DFI's, they offer financial assistance in a form of loans and equity instruments. The following provincial DFI's may be approached for financial assistance.

### 4.1. Eastern Cape

- 4.1.1. Eastern Cape Development Corporation (ECDC)
- 4.1.2 ECDC: Imbava Cooperative Fund
- 4.1.3. Eastern Cape Rural Development Agency (ECRDA)

### 4.2. Gauteng Province

- 4.2.1. Gauteng Entrepreneur Propeller (GEP)

### 4.3. KwaZulu Natal

- 4.3.1. Ithala
- 4.3.2. KwaZulu Natal Agribusiness Development Agency (ADA)
- 4.3.3. Trade and Industry KZN (TIKZN)

### 4.4. Mpumalanga

- 4.4.1. Mpumalanga Economic Growth Agency (MEGA)

## 4.1. EASTERN CAPE



### 4.1.1. EASTERN CAPE DEVELOPMENT CORPORATION

#### Funding Mandate

Eastern Cape Development Corporation (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

- \* 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%.

#### **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	District	Head office ( The business Funding Unit Manager)
	Tel Email	(043) 704 5600 mramtsui@ecdc.co.za
Contact Details	District City/town Tel Address	OR Tambo Mthatha (047) 501 2200 Sissons Street, Fort Gale
Contact Details	District City/town Tel Address	Sarah Baartman Port Elizabeth (041) 373 8260 68 Cape Road, Mill Park
Contact Details	District City/town Tel Address Website	Chris Hani Queenstown (045) 838 1910 02 Cnr Griffiths and Owen Street www.ecdc.co.za



## 4.1.2. IMVABA COOPERATIVE FUND

### Funding Mandate

The main focus of the fund will be to promote the viability of the cooperative enterprise in the province. It will serve as a revolving fund for the support of Primary Cooperatives involved in Manufacturing and Service Sectors. The fund has been structured as part loan finance and part development (start-up capital) to enhance the competitiveness of the cooperative enterprises in the province.

### Qualifying Projects

Co-operatives funded under the Imvaba Co-operative Fund will be guided by the Provincial Industrial Development Strategy of 2009 which also agriculture, preferably with a link to a processing activity.

### Funding Requirements

#### Targeted Co-Operative Enterprises

In line with the socio-economic challenges of the province (poverty and unemployment), the types of co-operatives to be targeted by the Imvaba Co-operative Fund are:

- \* Primary co-operatives (dominant level)

### Eligibility Criteria

A co-operative wishing to apply for the Imvaba Co-operative Fund will need to comply with the following criteria:

- \* The co-operative must be registered at Companies Intellectual Property Commission (CIPC, under the Co-operatives Act No.14 of 2005;
- + The co-operative must have an up-to-date business plan.
- \* The co-operative must have a resolution signed by all the members that they wish to apply to the Imvaba Co-operative Fund;
- \* The co-operative must have in place a Constitution, in line with the provisions of the Co-operatives Act No14 of 2005 and Co-operatives Amendment Act No 6 of 2013;
- + An application form should be completed in full and signed by the designated members of the co-operative;
- \* Preferably, the co-operative should have secured a market for their product or service;
- \* The co-operative 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 Co-operative Act of 2005 in terms of minimum number of members;

- \* Members of the co-operatives must be willing to make themselves available to work shops and training to be provided through the Technical Skills Training of the ECDC;
- \* The co-operative must operate and reside within the boundaries of the Eastern Cape Province.

### **Required Documentation**

The following documents are required for a complete application to be considered.

- \* Fully completed application form;
- \* Business plan (if available)
- \* Certified copy of the co-operative registration certificate (signed by the Registrar of Co-operatives);
- \* Certified constitution of the co-operative (signed by all members);
- \* Certified list of founding members;
- \* Valid Tax Clearance Certificate;
- \* Proof of members resolution to apply for the funds (signed by all members);
- \* Proof of bank account (signed by the Bank) or a copy of a cancelled cheque;
- \* Quotations from different suppliers for needed equipment and material
- \* Short CVs (2 or 3 pages) of Founding Members of the Co-operative, with their contact details including physical addresses;
- \* Proof of residents of Founding Members
- \* Lease Agreement (where applicable) or relevant documentation;
- \* Letters of Intent from the potential market of the products.

### **Imvaba Funding Structure**

#### **Funding for Equipment and Material (Incentive)**

- \* Purpose: Financing the start-up equipment and material needs of co-operatives, in line with the business requirements of the co-operative;
- \* Terms: Non-repayable, paid directly to suppliers on behalf of co-operatives;
- \* Amount: Maximum of R500 000.00;
- \* Objective: To provide start-up and expansion equipment and material.

#### **Funding for Technical Skills Training**

- \* Purpose: Provide co-operatives with technical skills support in line with the business activities they are involved in;
- \* Terms: Non-repayable, provided by contracted service providers of the ECDC; and
- \* Objective: Enhance skills and product quality for better market access and retention.

### **Funding for Co-operative Governance Training**

- \* Purpose: Provide the required governance training support in order to improve compliance with their constitutions and the Co-operatives Act of 2005;
- \* Terms: Non-repayable, provided by independent service providers of the ECDC; and
- \* Disbursements: Paid directly to contracted service providers.

### **Funding for Health and Safety Interventions**

- \* Purpose: Assist co-operatives in order to comply with the OHS Act and also create safe working environments. This includes First Aid Training and the provision of Personal Protective Equipment for members of the co-operative;
- \* Terms: Non-repayable, provided by independent service providers of the ECDC; and
- \* Disbursements: Paid directly to contracted service providers.

### **Development Impact**

The following development impact is anticipated with the establishment of the Imvaba Fund:

- \* Entrepreneurial enhancement and development;
- \* Creation of self-employment opportunities (job creation);
- \* Contribution to poverty relief and alleviation efforts; and
- \* Track the contribution of co-operatives to the provincial economy.

### **How to apply for funding?**

Application for funding, please refer to ECDC website [www.ecdc.co.za](http://www.ecdc.co.za), further information. Online application is also available. For assistance with enquiries and the completion of the application forms, advice on the business of the co-operative, compiling required documents, and initial screening, contact the following ECDC Offices.



	SUMMARY		
<b>Funding Entity</b>		IMVABA CO-OPERATIVE FUND	
	SBU	Agro-processing and Agriculture	
<b>Funding Threshold</b>	Minimum Funding Maximum Funding	NA	
<b>Contact Details</b>	District City/town Tel Address	Joe Gqabi Aliwal North (051) 633 3007 DEDEA OFFICES, 27 Queens Terrace	
<b>Contact Details</b>	District City/town  Tel	Amathole Butterworth East London (Head Office) (047) 401 2700 (043) 704 5600	
<b>Contact Details</b>	District City/town Tel Address	Alfred Nzo Mthatha (047) 501 2200 Sissons Street, Fort Gale	



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

Eastern Cape Rural Development Agency (ECRDA) was established in terms of ECRFC Amendment Act (Act No. 1 of 2012) for the purpose of promoting, supporting and facilitating rural development in the Eastern Cape Province. The Agency may operate throughout the province and its activities need not be confined to rural areas.

#### Funding Mandate

The objective is to provide loan finance to qualifying agricultural / entrepreneurial / business enterprises by entertaining applications for finance from all qualifying individuals, legal entities or groupings of people who perform their agricultural / entrepreneurial / business activities in an economically viable and sustainable manner. The Agency primarily assists historically disadvantaged individuals. In broad terms, ECRDA only disburse funds from ECRDA capital.

#### Qualifying Projects

There are three categories of applicants;

- \* Individuals;
- \* Legal entities; and
- \* Informal groups.

#### Funding Requirements

Loan applications are considered from applicants who amongst other things:

- \* Complete an official loan application form;
  - \* Demonstrate the character and ability to correctly use and repay the loan thereby ensuring a reasonable chance for success; and
  - \* Provide all legal and supporting documentation required to evaluate the loan application in a professional manner.
- \* Other requirements include:

#### Collateral security

Generally, some form of collateral security is required from a borrower. For the minimum levels of security, refer to the existing credit policies for both ECRDA and MAFISA. Whether it is a conventional or a collateral substitute, the purpose is to minimize risk.

## Matching repayments to cash flow

Wherever possible match the repayment plan to income flows from all income sources. The more frequent the repayments the better (that is, monthly). However, in agricultural (farming) enterprises it would be advisable to link the repayment frequency to the nature of the enterprise as income in most of such enterprises such as crops and broilers is not realized on a monthly basis.

## Risk mitigation

Risk mitigation can be achieved by requiring life and disability assurance cover for the loan, enterprise insurance, off take agreements where possible and comprehensive insurance over equipment.

Relating to the prevailing environment (economic downturn, abundant grant providers, unpredictable climatic conditions, over-indebtedness of people), it is advisable to ask for tangible collateral or collateral substitute as a risk mitigating instrument.

## Business Plan

A detailed business plan with cash flow projections should accompany loan applications especially for those with revenue-generating content. If for example, the loan purpose is for crop production, the components of the plan should include the following information:

The land to be tilled. The size and slope of the land, potential of the soil as well as the suitability of the enterprise(s) intended for this land. A confirmation that the applicant will follow acceptable agricultural practices in order to protect the land as a resource.

Climatic conditions. Any significant risk posed by climate and any measures taken to mitigate this risk.

Verification and evaluation of all assets especially those offered as collateral.

Water supply availability and reliability, its adequacy for the intended purpose, where the source is irrigation the type of irrigation system, and water rights.

The applicant's farming and business knowledge including the extent of the applicant's farming knowledge and marketing skills, Availability of technical support (for example, mentorship) where necessary, and cash flow projections that depict all the revenue and expenses of the project.



## Funding Structure

Product	Maximum Redemption Period
<b>a. SBEDP</b> <b>Starter Business Entrepreneurial Development Program</b> (A group consisting of between 5 and 10 individuals - Group members will be trained and expected to jointly and severally stand surety for the group's debt. No collateral required. Savings mobilisation important.) Phase 1 - Maximum loan of R5 000 per member Phase 2 - Maximum loan of R10 000 per member Phase 3 - Maximum loan of R20 000 per member	Up to 6 months Up to 12 months Up to 24 months
<b>b. STEDP</b> <b>Sole Trader Entrepreneurial Development Program</b> <ul style="list-style-type: none"> <li>Individual traders - maximum loan amount of R50 000-00 - Minimum 50% secured</li> <li>Agricultural Hawkers - maximum loan amount of R10 000-00 - Minimum 50% secured</li> <li>Non-Agricultural Hawkers - maximum loan amount of R10 000-00 - Minimum 100% secured</li> </ul>	Up to 24 months
<b>c. ATEDP</b> <b>Advanced Trader Entrepreneurial Development Program</b> Individuals and legal entities - maximum loan amount of R50 000-00 - minimum 50% secured	Up to 24 months
<b>d. Agricultural - Primary production loans</b> <ul style="list-style-type: none"> <li><b>Subsistence farmers.</b> Seasonal input loans to groups are restricted to R30 000 in value and a maximum of 10 individuals per group. No collateral required. Members jointly and severally accept liability for the loan advanced to a cohesive group.</li> <li><b>Emerging farmers.</b> Seasonal input loans to individuals are restricted to R100 000 in value. Secured, in the absence of a SLA between DRDAR, Agency and the borrower, by 50% tangible security.</li> <li><b>Bona fide farmers.</b> <ul style="list-style-type: none"> <li>Seasonal input loans to bona fide farmers, are restricted to R500 000 in value. Unsecured subject to clause 19 (a) - (f).</li> <li>Seasonal input loans to bona fide farmers in excess of R500 000 in value. Collateral of 25% will be required in addition to conditions stated in clause 19 (a) - (f).</li> </ul> </li> </ul>	Loan term linked to production cycle  Loan term linked to production cycle  Loan term linked to production cycle
<b>e. Agricultural - Secondary / Processing loans</b> Commercial activities by individuals and legal entities - maximum loan of R500 000 - minimum 50% secured	Loan term linked to production cycle Loan term linked to production cycle Loan term linked to production cycle Loan term linked to production cycle
<b>f. On farm infrastructure development loans</b> Irrigation, dams, sheds, stock handling facilities, fencing etc. - minimum 50% secured	Linked to business cash-flow productions

<b>g.</b>	<b>Farm vehicles and equipment</b> Tractors, ploughs, trailers, combine harvesters etc. - minimum 50% secured	72 months
<b>h.</b>	<b>Non-agricultural enterprise Loans</b> Business / commercial activities by individuals or legal entities – maximum loan of R500 000 – minimum 75% secured.	60 months
<b>i.</b>	<b>Mortgage Loans for Farm Purchases or Commercial / Business Purposes</b> – Minimum 100% secured.	240 months
<b>j.</b>	<b>Loans advanced to employees of the Agency</b> Loans to staff members will be granted subject to implementation of criteria set by the Chief Executive Officer which are in line with strategic objectives of the ECRDA namely: <ul style="list-style-type: none"> <li>• The application shall be processed via the existing structures and submitted to the Chief Executive Officer for consideration by the Board.</li> <li>• There should be no conflict of interest created by the prospective award of the loan.</li> <li>• The loans should be for agricultural projects.</li> <li>• Loans advanced to staff members during a financial year should not exceed 5% of the total annual rural finance loans budget.</li> <li>• Applications are considered on a first come first serve basis.</li> </ul>	Up to 24 months

## Funding Disbursements

### Disbursement of funds to Third Parties

Disbursement of loan funds should only be made to Third Parties upon presentation of invoice, sale agreements after compliance with loan conditions and with the client's signature. The client's signature will indicate that the client has received the goods that were purchased in good order. However, where possible verification must be done by officials as collusion between the client and the supplier may possible happen in some cases.

### 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 ECRDA website, [www.ECRDA.co.za](http://www.ECRDA.co.za) for a comprehensive business plan guideline and further information. Online application is also available.

As part of borrower education, loan officers must encourage the target market to lodge their loan application forms well in advance to enable on-time processing of loan applications without any undue pressure.

Given the seasonal nature of agricultural production, market sensitivity (price volatility in a number of agricultural products in the market place) and other factors pertinent to small and medium agricultural entrepreneurs, responsiveness is very critical in the processing of loans for end user benefit.

The period of time from the date of application until when the final decision is made should be reasonable be short.

	SUMMARY	
<b>Funding Entity</b>		Eastern Cape Rural Development Agency
<b>Funding Threshold</b>	Minimum Funding Maximum Funding	N/A N/A
<b>Contact Details</b>	Tel  Email Address  Website	043 703 6300 (East London) 043 604 7000 (King William's Town) info@ecrda.co.za Unit 12D, Beacon Bay Crossing, Cnr N2 & Bonza Bay Rd, Beacon Bay, East London www.ECRDA.co.za





## 4.2. GAUTENG



### 4.2.1. Gauteng Enterprise Propeller (GEP)

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

GEP was established to address the market failures through support to co-operatives and informal businesses with the intention of advancing economic justice and exclusivity. Globally and locally, SMME's and Cooperatives are the engines of growth. The new focus on the inclusive economy and radical economic transformation intends to accelerate shared growth and bring previously marginalised into the mainstream economy.

#### Funding Mandate

The Gauteng Enterprise Propeller (GEP) promotes, fosters and develops small enterprises in Gauteng thereby implementing the policy of the Gauteng Provincial Government for small enterprise development. Other services provided by the GEP:

- \* Financial and non-financial support to qualifying SMMEs and Co-operatives.

- \* GEP delivers customised business solutions that assist entrepreneurs to run their businesses efficiently, which also includes facilitating CIPC registration, providing business advice and commissioning business development support interventions.
- \* Assistance with the development of a business plan, project preparation, due diligence (hand holding).
- \* Provision of post investment and aftercare services to the supported SMME.

### **Qualifying Projects**

GEP supports the eleven sectors under the Gauteng Provincial Government's Transformation, Modernisation and Re-Industrialisation (GPG TMR) protocols. Agro-processing is also included among the eleven qualifying economic sectors. GEP will ensure that through its financial and non – financial programmes, the SMMEs and co-operatives are able to participate in these sectors.

### **Funding Requirements**

The following are the requirements for application to the GEP but not limited to:

- \* SA citizenship;
- \* Business must be located in Gauteng;
- \* The entrepreneur must be the owner and operator of the business; and
- \* The business should have black majority ownership of at least 51%.

To be considered for financial support, businesses need to submit all the standard mandatory documents such as CIPC registration; tax clearance; FICA requirements; company profiles and management profiles.

Businesses also need to submit a business plan (GEP will assist in the development where applicable within GEP's qualification processes) where funding is for start-up, expansion and franchise purposes. For contract finance, a business plan is not required. The viability assessment of contract financing is based on the actual contract or purchase order. Business plans are not required for micro-finance applications below R50 000. All products under financial support will be assessed and funded based on assessment report.

## **GEP Funding Structure**

### **GEP's financial support offerings include:**

**Start-up Finance:** Start-up Finance Programme is dedicated to helping SMME's and co-operatives to secure the finances they need to jump start their business.

**Contract Finance:** This type of loan caters for entrepreneurs and SMMEs who secure contracts from government departments, public entities and private sector companies.

**Growth Finance:** This programme assist viable existing businesses looking to expand their operations by securing additional capital.

**Franchise Finance:** GEP Franchise Finance Programme assists with funding to acquire a new or existing franchise, as well as the much needed working capital.

**Micro-finance:** The Micro-Finance Loan Programme offers co-operatives, micro, very small and small businesses, access to much needed finance. The programme is specifically geared towards start-ups and existing businesses who demonstrate growth potential and contribute to the broader economic objective of job creation and poverty eradication.

**Sponsorship:** GEP may also provide sponsorship to organisations that promote the economic participation of women, youth and people with disabilities.

### **How to apply for funding?**

For more information, please refer to GEP's website, [www.entrepreneur.com](http://www.entrepreneur.com)



Source: DFFE, 2021



FOR MORE INFORMATION CONTACT GEP:		
<b>HEAD OFFICE</b> 6th Floor, 124 Main St, Johannesburg Tel: 011 085 2001		
<b>Ekurhuleni regional Office</b>  Tel	Ground Floor, 188 Victoria street Cnr Victoria & Spilsbury Germiston, 011 821 2870	
<b>Tshwane regional office</b>  Tel	Block G, 333 Grosvenor Street, Hatfield Gardens, Hatfield 012 430 2359	
<b>West Rand Regional office</b>  Tel	23 Eloff street, Krugersdorp 011 950 98 70	
<b>Sedibeng regional office</b>  Tel	1st floor, GEP House 22 Hertz Boulevard Vanderbijlpark 016 910 1200	
<b>Satellite offices</b>  Tel	Lazarus building, 43 Ianham street, Brankhorstspuit 013 923 3828	
<b>Tel</b>	Maponya Mall, Thusong Centre, 2127 Chris Hani Road, Soweto 011 938 4257	
<b>Tel</b>	52 Voortrekker Road, PG Glass Heidelberg 016 349 2658	

	SUMMARY		
<b>Funding Entity</b>		Gauteng Enterprise Propeller (GEP)	
	SBU	Agro-processing	
<b>Funding Threshold</b>	Minimum Funding	R50 000	
	Maximum Funding	N/A	

<p>Contact Details</p>		<p>JOHANNESBURG REGIONAL OFFICE 7th Floor, 124 Main St, Johannesburg Tel: 011 085 2002</p> <p>EKURHULENI REGIONAL OFFICE Ground Floor, 188 Victoria Street, Cnr Victoria &amp; Spilsbury, Gernistown Tel: 011 821 2870</p> <p>TSHWANE REGIONAL OFFICE Block G, 333 Grosvenor Street, Hat- field Gardens, Hatfield Tel: 012 430 2359</p> <p>WEST RAND REGIONAL OFFICE 23 Eloff Street, Krugersdorp Tel: 011 950 9870</p> <p>SEDIBENG REGIONAL OFFICE 1st Floor, GEP House, 22 Hertz Boulevard, Vanderbijlpark Tel: 016 910 1200</p> <p>SATELLITE OFFICE BRONK- HORSTSPRUIT Lazarus building, 43 Lanham Street, Bronkhorstspuit Tel: 013 932 3828</p> <p>SATELLITE OFFICE BRONK- HORSTSPRUIT Lazarus building, 43 Lanham Street, Bronkhorstspuit Tel: 013 932 3828</p> <p>SATELLITE OFFICE HEIDELBERG 52 Voortrekker Road, PG Glass, Unit 34, Heidelberg Tel: 016 349 2658</p> <p>SATELLITE OFFICE MOHLAKENG 3521 Ralerata Street, Mohlakeng Tel: 011 414 1753</p>
	Website	www.entrepreneur.com

### 4.3. KWAZULU NATAL



#### 4.3.1. Ithala Development Finance Corporation Limited

The mission of the Ithala Development Finance Corporation Limited is to drive economic development and empowerment, whilst remaining financially sustainable.

The Corporation's strategic objectives are to mobilise financial resources and provide financial and supportive services; plan, execute, finance and monitor the implementation of development projects and programmes; promote, assist and encourage the development of human resources and social, economic, financial and physical infrastructure; promote, encourage and facilitate private sector investment and the participation of private sector and community organisations in development projects and programmes, and in contributing to economic growth and development; and act as the government's agent for performing any development-related tasks and responsibilities that the government considers may be more efficiently or effectively performed by a corporate entity.



## Qualifying Projects

Guided by the Provincial Growth and Economic Development Strategy, the funds activities are focused on the on several products including:

- \* Commercial Property Finance;
- \* Structured Finance;
- \* Procurement;
- \* Commercial Asset Finance;
- \* Franchise Finance;
- \* Micro Finance; and
- \* Agriculture Finance.

## Funding Requirements

- \* Main business operation or primary place of business must be within KZN
- \* Business impact must benefit KZN;
- \* Promoters must be South African citizens, i.e. in possession of a South African ID.
- \* Projects/Business must be financially viable;
- \* Commercial Fund: 26% Black ownership or minimum Level 4 BBBEE
- \* Good standing with existing creditors or have made arrangements in place to settle adverse credit listing(s).
- \* In terms of security/ collateral, Ithala Development Finance Corporation will take all forms of security available however, there is no requirement for 100% collateral coverage;

Security shall include:

- \* Security over assets financed;
- \* Cession of income/debtors; and
- \* Personal guarantees from sponsors/promoters.

## Funding Products

### Agriculture and Agro-Processing

#### Working Capital Solutions

- \* To cover your production requirements.
- \* For crop establishment.
- \* To cover off-season finance needs.
- \* Initial acquisition of trading stock.
- \* Duration from 12 to 36 months.
- \* Repayments linked to cash flow and production cycle.

### **Livestock Finance Loan**

- \* To finance breeding stock.
- \* Duration determined by the productive lifespan.

### **Asset Finance Loan**

- \* To finance movable assets and equipment and yellow goods.
- \* Assets include tractors, equipment, irrigation systems trucks.
- \* Maximum of 60 months.
- \* Repayment linked to cash flow and production cycle.

### **Land and Fixed Improvements Loan**

- \* To finance farm or land acquisition.
- \* For fixed infrastructure development e.g. dams, workshops and warehousing.
- \* Duration of 10 – 15 years.

### **Funding Structure**

Ithala provides funding in the form of:

- \* Debt;
- \* Equity;
- \* Hybrid.

Development Fund - 4 – 7% fixed

Commercial Fund - Variable interest rate (referenced to Prime Lending Rate)

### **How to apply for funding?**

- \* Application Form.
- \* Company documents (CK, Memo/Articles, etc.).
- \* Business Plans (Marketing, Technical, Operations, Human, Financial, Funding) and Electronic Financial Model.
- \* 3-Year Audited Financial Statements / Projected Financials.
- \* Key agreements/contracts (sale & purchase agreement, etc.).
- \* Tax clearance certificate.
- \* FICA Documents.

	SUMMARY	
Funding Entity		Ithala Development Finance Corporation
	SBU	Agro-processing and Agriculture
Funding Threshold	Minimum Funding	N/A
	Maximum Funding	N/A
Contact Details	Key Contact Person	Sipho Nhleko Gugu Ngcobo
	Tel	031 372 1200/43/17
	Address	29 <sup>th</sup> Canal Quay Road Point Water Front Durban
	Website	www.ITHALA.co.za





## 4.3.2. KWAZULU NATAL Agribusiness Development Agency (ADA)

### Funding Mandate

The Agribusiness Development Agency (ADA) strives to promote, establish, facilitate and support the growth of black owned and managed agricultural enterprises along agricultural value chains in KwaZulu-Natal through partnerships with individuals, communities, private sector and other public sector institutions in order to achieve a transformed agribusiness sector in KwaZulu-Natal.

### Products and Services offered for Enterprise Development

- Agribusiness Facilitation Services

These include connecting agribusiness entrepreneurs to information, innovations, technologies, and markets.

- Agribusiness Market Infrastructure Services

These include agribusiness capacity and systems development and investments in infrastructure

- Financial Resources Mobilisation

These include targeted development finance and investments

- Knowledge and Information Services

These include design and dissemination of agribusiness models, agribusiness training modules and business leadership development

### Qualifying Criteria

Qualifying Criteria includes the following:

- \* Applicants should be black South Africans who are 18 years and above;
- \* Must declare employee status, particularly if a State employee;
- \* Proof of tenure;
- \* Access to water (where applicable);
- \* Environmental Impact Assessment (where applicable);
- \* Sustainable farm and business governance systems;
- \* Managerial and technical skills;
- \* The project should contribute to job creation;
- \* A level of own contribution (even in terms of sweat equity);
- \* A feasibility study must be completed; and
- \* A business plan must be completed

	SUMMARY		
Funding Entity		KZN Agribusiness Development	
Funding Type	SBU	Loan and Equity Funding	
Contact Details	Tel Website Physical Address	033 347 8600 <a href="http://ada-kzn.co.za">http://ada-kzn.co.za</a> 5 Cascades Crescent, Cascades Office Park, Montrose, Pietermaritzburg, 3202	



Source: DPFE, 2021

### 4.3.3. Trade and Investment KwaZulu Natal (TIKZN)

Trade and Investment KwaZulu-Natal (TIKZN) is an agency established by the government of KwaZulu-Natal whose primary function is to promote the province as a premier investment destination and the leader in export trade.

#### TECHNICAL ASSISTANCE FUND (TAF)

##### Funding Mandate

The Technical Assistance Fund is a fund which was established to assist project promoters in the province of KwaZulu-Natal to package projects so that they can qualify for funding from larger financial institutions. The fund seeks to improve the economic status of the province of KwaZulu-Natal and its people and ultimately contribute to the economy of South Africa in general. The fund will address some of the existing challenges and assist in developing bankable business plans for projects, which are within the TIKZN mandate and are of strategic importance in terms of making a contribution towards the provincial growth and development strategies. The purpose of funding includes:

- \* To assist project promoters in identified selected priority areas in the development of bankable business plans.
- \* To provide expert services in implementing and managing projects.
- \* To assist in the preparation of project feasibility studies in support of investment proposals to be submitted to financial institutions
- \* To assist in the development of projects to be funded by KGF, Ithala, other DFI's and other financial institutions
- \* Co-funding developments of projects in collaboration with other public sector entities. Other public entities including TIKZN will also be eligible to apply.
- \* To address various technical needs and challenges related to the packaging or preparation of projects for financing purposes and for implementation purposes. These include technical viability assessments, financial analysis, market analysis, environmental impact assessments (EIA's), and business plan enhancements.

##### Qualifying Projects

- \* Projects to be given support must comply with relevant national and international standards.
- \* All Projects must comply with all applicable regulations of the Republic of South Africa, KZN Province and/or Municipal by Laws.
- \* Where applicable, a valid tax clearance certificate is to be submitted at the time of application.



### The following projects will not qualify for funding:

- \* Production of illegal goods and services
- \* Projects where commercialization is restricted by licensed technology.
- \* Projects which do not meet the stipulated qualifying criteria.

### Funding Requirements

Before commencing with the appraisal, the following preconditions shall have been met:

- \* The applicant is a registered entity and complies with statutory requirements: i.e. SARS clearance certificate.
- \* Submission of a detailed project brief and with audited accounts in the case of existing business.
- \* Description of any specific barriers or issues that will need to be addressed.
- \* Presentation by the applicant of a full clear and reasonable budget that specifically identifies the intended use of TAF.
- \* The applicant has formally applied to TIKZN for assistance and is duly authorized by the company they represent.

### Funding Structure

- \* The TAF scheme will provide financial assistance in the form of non-repayable grants of up to 50% of qualifying costs incurred in the development of a specific initiative up to a maximum grant amount of R250 000 (Excluding Vat) per project and beneficiary.
- \* Enterprise(s) should be engaged or proposing to be in productive activities within the provincial priority sectors which create employment, enable skills transfer, SMME development, broad participation and foreign currency earning or savings.
- \* The fund is intended for enterprises, which seek to start or expand viable projects in priority sectors biased towards the KZN Provincial Growth and Development Strategy (PGDS).

### How to apply for funding?

- \* The TAF is at a discretion of a Project Manager of TIKZN
- \* But due to the incentive being overly rated or promoted, guide walk-in clients are allowed.
- \* Unfortunately, there is no online application at the moment
- \* All applications submitted to TAFK for approval must be recommended by the General Manager concerned.
- \* Always in all cases, a checklist is to be attached to all applications.
- \* The TAFK reserves the right to reject or accept a project based on the information presented.

The Committee can on a case by case basis approve an application which may not be in line with requirements of a policy provided adequate motivation is provided to the Committee. This deviation must be signed for by the Chairperson of the Committee.

	SUMMARY		
<b>Funding Entity</b>		Trade and Industry KwaZulu Natal (TIKZN)	
	Fund	Technical Assistance Fund (TAF)	
<b>Funding Threshold</b>	Minimum Funding	NA	
<b>Contact Details</b>	Maximum Funding	R250 000.00	
	Key Contact Person	Queen Mkhize	
	Tel	+27 (0) 31 368 9612	
	Email	queen@tikzn.co.za	
	Address		
	Website	www.tikzn.co.za	

## 4.4. MPUMALANGA



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

#### **Funding Mandate**

The Mpumalanga Economic Growth Agency (MEGA) is an authorized 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 to foster economic growth and development.

#### **Products and Services offered for Enterprise Development**

- \* Loan funding, through term loans.
- \* Working capital or production loans.
- \* Bridging finance, linked to an existing contract.
- \* Facilitation of mentorship to funded enterprises.



## Qualifying Criteria

Qualifying criteria includes the following:

- \* Demonstration of the commercial viability of the business case being presented.
- \* The business must comply with all relevant laws and regulations.
- \* There must be operational involvement at managerial and board levels by PDI's.
- \* The controlling interest of the enterprise for an applicant, which is a juristic person, (51% of the issued ordinary share capital) must be held by South African citizens with valid South African Identity Documents or a South African Registered legal entity, itself controlled by South African citizens with valid South African Identity documents.
- \* The business must create a reasonable number of jobs.
- \* The geographic location of the business is also important with the focus on rural or economically depressed areas is encouraged.
- \* The meaningful participation of black women, youth, and persons with disabilities is viewed more favourably;
- \* Rural and Community Development Projects must have meaningful participation by communities.
- \* Possibility of co-funding with private or public-sector institutions is encouraged in larger projects.
- \* The business must be owned by South African (SA) Citizens in possession of a valid SA ID document and be at least 18 years of age and must have the necessary contractual capacity.
- \* The applicant must exhibit a reasonable credit record.
- \* The applicants are required to make a reasonable financial contribution (assets can be considered as financial contribution).
- \* The business must be registered with CIPC, except for emerging / small scale farmers.
- \* The business entity shall not have been put under judicial management.
- \* The applicant must have access to land (leased, communal, usufruct or own) and / or access to production facilities.
- \* All business operations, including but not limited to projects, programs, or enterprises, must be operated within Mpumalanga; except for business operating within Ekandustria.
- \* The enterprise must be compliant with generally accepted corporate governance practices appropriate to the client's legal status.
- \* The applicant must have completed official loan application forms.
- \* The applicant must have a written proposal or business plan that meets the requirements of MEGA's loan application criteria.
- \* The proposal/business plan must be accompanied by off-take agreements and/or verifiable letter of intent(s) where the business will be supplying other companies.

## Documents Required

- \* All relevant industry-related certificates (compliance).
  - \* Audited Financial Statements or independently reviewed financial statements for the past three (3) years and projected financials (if the business was in existence).
  - \* BEE Certificate.
  - \* Business bank statements (12 months).
  - \* Business Plan, detailing aspects such as marketing, technical, operational, human resource, financial projections (for start-ups).
  - \* Certified copy/ies of ID/s (Owner/s).
  - \* Certified copy/ies of Marriage Certificate/s or Divorce Decree/s, where applicable.
  - \* Company documents (CIPC registration documentation).
  - \* Curriculum vitae of all directors.
  - \* Detail break down of the use of funds.
  - \* Financial Intelligence Centre Act (FICA) documentation which includes.
  - \* Key agreements and/or contracts, such as sales and purchase agreements.
  - \* Lease agreement or Title deed.
- 
- \* Management accounts (for a business that have been in operation for less than a year).
  - \* Minutes to meetings (If Applicable).
  - \* Off-take agreements and/or contracts for the items to be produced and supplied for bridging loan applications.
  - \* Personal bank Statements of all directors (6 months).
  - \* Proof of mobile phone number(s) (owner/s private and business).
  - \* Proof of own contribution.
  - \* Proof of street address (owner/s residential and business).
  - \* Proof of telephone numbers (owner/s private and business).
  - \* Quotations for the goods to be purchased at least two.
  - \* Valid and current Tax Clearance Certificate.

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



## 5. COMMERCIAL BANKS

Commercial banks are financial institutions that offer individuals and businesses with banking services which includes deposit accounts, loans and other financial products. The following commercial banks can be approached:

### 5.1. First National Bank.

### 5.2. Nedbank.

#### Funding Mandate

First National Bank aims to be the banker of choice in the agricultural market segment, providing products and services which farmers accept via an efficient delivery channel (i.e. FNB Branches, relationship managers and online platforms) 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 requirements. These include agricultural loans (short, medium and long term finance), savings and investments, 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

The applicant should ensure that they have the following information to accompany their application:

- \* A valid SA Identity Document.
- \* Proof of residential address.
- \* Income tax reference number.
- \* Passport (if you are not an SA resident).

## How to Apply?

- \* Visit your nearest FNB branch.

	SUMMARY		
Funding Entity		First National Bank	
Funding Type	Funding Programme		
Contact Details		Debt or Loan Funding	
	Key Contact Person	Dawie Maree	
	Tel	087 328 0401	
	Email	FNB Business Agriculture	
	Address	Wesbank Building, 1 Enterprise Road, Fairland, JHB, 2195. Ground Floor	
	Website	<a href="http://www.fnb.co.za">www.fnb.co.za</a>	

## 5.3. NEDBANK

### NEDBANK AGRIBUSINESS

#### Funding Mandate

Nedbank AgriBusiness devises and delivers tailored solutions for the agricultural industry. The bank has specialised agricultural teams located locally, the members of these teams understand the local conditions and business situation, Therefore, will provide guidance and support on all agriculture-related requests, and ensure continuity, accessibility and quick decision making.

#### Qualifying Projects

Specialised industry knowledge is aligned with the needs of three primary market sectors which also include animal production and agricultural Value chain among other things.

The bank also focusses 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

##### Innovative Solutions:

Renewable energy and efficiencies

Designed for those who want to mitigate the impact of load-shedding and rising costs, various renewable –energy finance options can be tailored made meet the needs of a client, with extended repayment terms of up to 10 years on business loans.



## Sustainable agriculture transformation

The sustainable agriculture transformation assists with the expertise, advice, technical assistance and finance solutions needed:

- \* The programme help the business and comply with the Africa Agriculture Transformation Scorecard.
- \* Provide training and development through enterprise development initiative.
- \* Offer finance solutions to qualifying emerging farmers with an established link in the value chain.
- \* The initiative collaborates with industry bodies and government to help mitigate market risk and develop sustainable funding models.

### Nedbank agricultural lending solutions include:

#### \* Short-Term Finance Solutions

To cater for seasonal and cyclical nature of agriculture and the need for short-term bridging finance and working capital throughout the year. The short-term production and working capital solutions:

**Overdraft facilities** – a current account with an overdraft facility or a short-term loan.

**Agricultural Production Loan** – a loan to finance production inputs such as fertiliser, seed and diesel.

**Debtors Finance** – a comprehensive debtor management service the help you maintain a constant cashflow.

#### \* Specialised Finance Solutions

To expand and improve agribusiness with new assets to increase production or to replace old assets to increase efficiencies. Customised Finance Solutions:

**Instalment Sale Agreement:** a finance – a finance solution to help you buy movable assets with cashflow-friendly repayment structures.

**Medium-term loan** – a finance solution to help grow business, for example to buy livestock, make improvements to fixed assets or establish new orchards. The facility also allows to withdraw surplus funds.

**AgriNedbond** – a long-term loan for business growth and diversification for example when the client wants to buy additional property add fixed infrastructure or improve existing assets. Nedbank offers you a repayment term of up to 15 to 15 years.

**Agritrade Finance and debtor management** – a finance solution to facilitate crossborder requirement while maximising risk-return relationship including post-import financing, pre-export financing, discounting of bills or invoices and hedging.

#### \* Value-Added Solutions

The entity has expertise to help with various aspects to set up a business – specialised finance transactions, succession planning, financial planning, employee benefits, personal wealth and business insurance.

Structured finance solutions – for mergers and acquisitions, empowerment finance and capital expansion with an innovative full-spectrum approach to the requirements.

**Export credit finance** – a long-term solution when buying or selling capital equipment.

**Global commodity finance** – a solution for structured trade and commodity-finance-related transactions with a focus on Africa.

#### \* Enterprise Development

The bank offers an approach to enterprise development which is complemented by business support and technical assistance programmes, which are designed to accommodate the ever-changing needs of emerging and small farming operations.

#### 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 Programme		
Funding Type		Debt/ loan Funding	

## 6. REFERENCES

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6.3. Finextra (2019) Venture Capital vs Private Funding. Retrieved from: <https://www.finextra.com/blogposting/17763/venture-capital-vs-private-funding#:~:text=The%20term%20private%20funding%20means,or%20in%20exchange%20for%20equity.>







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