

---

# *A Directory of Development Finance and Grant Funding Organizations for Aquaculture Operations in South Africa*

---

Volume III, 2019



agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

# COMPILED BY

The Department of Agriculture, Forestry and Fisheries

Branch: Fisheries Management

Chief Directorate: Aquaculture and Economic Development

Directorate: Aquaculture Technical Services

Private Bag X2

Roggebaai

Cape Town

8012

Website: [www.daff.gov.za](http://www.daff.gov.za)

Tel: 021 402 3911

**ISBN: 978-1-86871-458-2**

## **PUBLISHED BY**

The Department of Agriculture, Forestry and Fisheries  
Branch: Fisheries Management  
Chief Directorate; Aquaculture and Economic Development  
Directorate: Aquaculture Technical Services  
Private Bag X2  
Rogge Bay  
Cape Town  
8012  
Date: March 2019

## **FOR ENQUIRIES CONTACT**

The Department of Agriculture, Forestry and Fisheries  
Branch: Fisheries Management  
Chief Directorate; Aquaculture and Economic Development  
Directorate: Aquaculture Technical Services  
Private Bag X2  
Rogge Bay  
Cape Town  
8012  
E-mail: [aquaculture@daff.gov.za](mailto:aquaculture@daff.gov.za)

OR

### **Mrs Khumo Morake-Makhalemele**

Director: Aquaculture Technical Services  
E-mail: [KhumoM@daff.gov.za](mailto:KhumoM@daff.gov.za)  
Tel: 012 309 5727

**Disclaimer:** *The Department of Agriculture, Forestry and Fisheries (DAFF) collected information from several funding entities for the purposes of information sharing. Information may change based on the funding entities update in policy, procedures or any other internal processes, therefore latest information provided by such entity take preference*

## **PREFACE**

The Department of Agriculture, Forestry and Fisheries is the lead agent responsible for the development and management of the aquaculture sector in South Africa. Through the Branch: Fisheries Management - Chief Directorate: Aquaculture and Economic Development, the DAFF has the responsibility to ensure availability of aquaculture information that include but not limited to available funding systems, jobs created by the sector, contribution of the sector to the economy, increased production, and general status of the sector. In order to ensure consistent availability of funding opportunities available for aquaculture, the Directorate: Aquaculture Technical Services compiles and publishes "*A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa*" regularly.

The purpose of this publication, "*A Directory of Development and Grant Funding Organizations for Aquaculture Operations in South Africa*", is provide information about available funding that can be accessed for aquaculture from different organizations within South Africa. This is the third publication by the Department of Agriculture, Forestry and Fisheries since 2013. Other published volumes are:

- A Directory of the Development Finance and Grant Funding for Aquaculture Operations in South Africa – Volume I, 2013
- A Directory of the Development Finance and Grant Funding for Aquaculture Operations in South Africa – Volume II, 2017
- A Directory of the Development Finance and Grant Funding for Aquaculture Operations in South Africa – Volume III – 2019 (Current)

## **ACKNOWLEDGEMENTS**

The Department of Agriculture, Forestry and Fisheries (DAFF) wishes to acknowledge the support provided by all stakeholders, especially funding providers, Development Finance Institutions, government funding programmes managers, private funders and commercial banks that provided relevant information which contributed towards compiling this document.

# **Table of Contents**

<b>ACRONYMS AND ABBREVIATIONS.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>4</b>
<b>1. FUNDING CATEGORIES .....</b>	<b>5</b>
1.1. Debt or Loan Funding.....	5
1.2. Equity Funding .....	5
1.3. Governments Grants.....	5
1.4. Government Incentives.....	5
<b>2. DEVELOPMENT FINANCE INSTITUTIONS (DFI'S).....</b>	<b>6</b>
2.1. Industrial Development Corporation (IDC).....	7
2.2. National Empowerment Fund (NEF).....	9
2.3. Land bank.....	12
2.4. Small Enterprise Finance Agency (SEFA).....	16
2.5. Technology Innovation Agency (TIA) .....	23
<b>3. GOVERNMENT FUNDING PROGRAMMES .....</b>	<b>28</b>
<b>3.1. DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES (DAFF).....</b>	<b>29</b>
3.1.1. AgreeBEE Fund.....	29
3.1.2. Comprehensive Agriculture Support Programme (CASP) .....	32
3.1.3. MAFISA .....	34
<b>3.2. NATIONAL TREASURY .....</b>	<b>39</b>
3.2.1. Jobs Fund.....	38
<b>3.3. DEPARTMENT OF SMALL BUSINESS DEVELOPMENT (DSBD).....</b>	<b>41</b>
3.3.1. Black Business Supplier Development Programme (BBSDP).....	41
3.3.2. Co-operative Incentive Scheme (CIS) .....	<b>45</b>
3.3.3. Enterprise Incubation Programme (EIP).....	47
3.3.4. Secondary Marketing Cooperative Incentive Scheme (SMCIS).....	50
3.3.5. Shared Economic Infrastructure Facility (SEIF).....	52
3.3.6. Start-up Enterprise Development Programme (SEDP).....	55

<b>3.4. DEPARTMENT OF TRADE AND INDUSTRY</b> .....	59
3.4.1. Aquaculture Development and Enhancement Programme (ADEP).....	<b>59</b>
3.4.2. Agro-Processing Support Programme (APSP).....	61
3.4.3. Black Industrialist Programme (BIP).....	65
3.4.4. Cluster Development Programme (CDP) .....	78
3.4.5. Critical Infrastructure Programme (CIP).....	70
3.4.3. Export Market and Investment Assistance (EMIA) .....	<b>695</b>
3.4.4. Incubation Support Programme (ISP).....	79
<b>4. PRIVATE FUNDERS</b> .....	81
<b>4.1. Future Growth Asset Management</b> .....	82
<b>4.2. Old Mutual: Masisizane Fund</b> .....	84
<b>5. PROVINCIAL FUNDERS</b> .....	86
<b>5.1. EASTERN CAPE</b> .....	<b>886</b>
5.1.1. Eastern Cape Development Corporation (ECDC).....	<b>886</b>
5.1.2. Imvaba Cooperative Fund .....	89
<b>5.1.3. Eastern Cape Rural Development Agency (ECRDA)</b> .....	92
<b>5.2. GAUTENG</b> .....	<b>95</b>
5.2.1. Gauteng Entrepreneur Propeller (GEP).....	<b>95</b>
<b>5.3. KWAZULU NATAL</b> .....	<b>9Error! Bookmark not defined.</b>
5.3.1 KZN Agribusiness Development Agency .....	97
<b>5.3.1. Kwazulu Natal Growth Fund</b> .....	<b>100</b>
<b>5.4. MPUMALANGA</b> .....	<b>101</b>
<b>5.4.1. Mpumalanga Economic Growth Agency (MEGA)</b> .....	<b>101</b>
<b>6. COMMERCIAL BANKS</b> .....	<b>104</b>
<b>6.1. Absa Bank</b> .....	106
<b>6.2. First National Bank</b> .....	108
<b>6.3. Nedbank Agribusiness</b> .....	1110
<b>6.4. Standard Bank</b> .....	113
<b>7. NON FINANCIAL SUPPORT PROGRAMMES</b> .....	<b>115</b>
<b>7.1 Small Business Development Agency (SEDA)</b> .....	<b>116</b>

8. SUMMARY TABLE .....117

9. REFERENCE

.....119



## Acronyms and Abbreviations

AC	: Adjudication Committee
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
BBSDP	: Black Business Supplier Development Programme
CASP	: Comprehensive Agriculture Support Programme
CC	: Close Corporation
CDP	: Cluster Development Programme
CIP	: Corporative Incentives Programme
CIPC	: Companies and Intellectual Property Commission
DAFF	: Department of Agriculture Forestry and Fisheries
DFI	: Development Finance Institutions
DRDLR	: Department of Rural Development and Land Reform
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 (EME)

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
ISP	: Incubation Support Programme
KZNADA	: KwaZulu Natal Agribusiness Development Agenct
MoU	: Memorandum of Understanding
MAFISA	: Micro Agricultural Financial Institutions of South Africa
MEGA	: Mpumalanga Economic Growth Agency
NASF	: National Aquaculture Strategic Framework
NIPF	: National Industrial Policy Framewor
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
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
SEIF	: Shared Economic Infrastructure Facilities
SHG's	: Self Help Groups
SMCIS	: Secondary Marketing Cooperative Incentive Scheme
SMME's	: Small Medium and Micro-Sized Enterprises
TC	: Technical Committee
TIA	: Technology Innovation Agency
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

Aquaculture in South Africa is still in its developmental stage and has demonstrated potential to contribute towards reduction of poverty and supplement capture, contribute towards food security, economy and create much needed jobs. Since 2000, records demonstrate that the sector has been growing consistently in terms of production, investment, jobs and sales. Recently, it has also increased its contribution to the Gross Domestic Product (GDP).

To ensure that aquaculture in South Africa continues to grow substantially, the DAFF collaborated with several government departments and developed strategies and programmes that will ensure support for the sector going forward. Key strategy and programme for the development of aquaculture in South Africa are the National Aquaculture Strategic Framework (NASF) and Operation Phakisa: Ocean's Economy.

The NASF and Operation Phakisa: Ocean's Economy outlined challenges and solutions towards aquaculture sector development. Access to finance was identified as a major challenge hampering the growth of the sector. It was established that there are several funding agencies that could support the aquaculture within the private and public sector. A need to coordinate access for funding was identified and DAFF was tasked in establishing an Aquaculture Development Fund (ADF). It was also noted that the form of the funding model needed to be outlined and relevant processes need to be followed. Parallel to the establishment of the ADF, the DAFF continues to coordinate access to funding for potential and existing farmers.

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

The broad objective of this document is to:

- ❖ User friendly guide for potential and existing aquaculturists who want to venture into the sector.
- ❖ Provide information and guidance on financial assistance available for the aquaculture sector,
- ❖ Coordinate access to funding,
- ❖ Develop a funding directory for emerging and well established aquaculture enterprises and

- ❖ Create awareness and stimulate investment in the sector

## 1. FUNDING CATEGORIES

Various funding mechanisms exist in South Africa. Those funding mechanisms come in the form of loans, equity, grants and incentives.

### 1.1. Debt or loan Funding

In finance, a loan is the lending or borrowing of money by one or more individuals, organizations, or other entities to other individuals, organizations etc without giving up ownership. Loan or Debt financing often comes with strict conditions or agreements. The recipient incurs a debt, and is usually liable to pay interest on that debt until it is repaid, and also to repay the principal amount borrowed. <https://en.wikipedia.org/wiki/Loan> <https://www.cleverism.com/financing-guide/> ,July 18, 2016

### 1.2. Equity Funding

Is the process of raising funds through the sale of shares in an organization. Equity financing essentially refers to the sale of an ownership interest to raise funds for business purposes. Equity financing is distinct from debt financing, which refers to funds borrowed by a business. <https://www.investopedia.com/terms/e/equityfinancing.asp>, Jan 31, 2018

### 1.3. Governments Grants

A financial award given by the national, state or local government to an eligible applicant. Government grants are not expected to be repaid by the recipient. Grants do not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, interest rate subsidy, direct appropriation or revenue sharing. There is typically a lengthy application process to qualify and be approved for a government grant. Most recipients are required to provide periodic reports on their grant project's progress. <https://www.investopedia.com/terms/g/government-grant.asp>, Mar 21, 2018

### 1.4. Government Incentives

Government Incentives are financial reward that serves as a motivational tool for a desired investment. Incentives can include tax revenue sharing, grants, infrastructure assistance, no or low-interest financing, tax credits and other financial resources.

## 2. DEVELOPMENT FINANCE INSTITUTIONS (DFI'S)

A development finance institution (DFI) or development bank is a financial institution that provides risk capital for economic development projects. They are often established by governments or charitable institutions to provide funds to projects that would otherwise not be able to get funds from commercial lenders. These institutions provide a crucial role in providing credit in the form of higher risk loans, equity positions and risk guarantee instruments to private sector investments.

[https://en.wikipedia.org/wiki/Development\\_finance\\_institution](https://en.wikipedia.org/wiki/Development_finance_institution), 5 January 2019Aquaculture

Stakeholders may access funding from the following DFI's:

- Industrial Development Corporation
- National Empowerment Fund
- Land Bank
- The Small Enterprise Finance Agency (SEFA)
- Technology Innovation Agency (TIA)

## 2.1. 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 Economic Development. Aquaculture sector may access the following funding with the IDC:

### 2.1.1. 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 the following sector value chains:

- ❖ Horticulture;
- ❖ Field crop processing;
- ❖ Meat and dairy;
- ❖ Fish processing and aquaculture; and
- ❖ Forestry.

#### 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 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;
- ❖ Preferred equity structure for start-up projects of at least 50% at peak;
- ❖ Acceptable cash flow ratios will be applicable;
- ❖ BBBEE 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;
- ❖ Value-chain based projects are preferable.

#### How to apply for funding?

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

#### SUMMARY

<b>Funding Entity</b>	SBU	<b>Industrial Development Corporation (IDC)</b>	<b>Agro-processing and Agriculture</b>
<b>Funding Threshold</b>	Minimum Funding	<b>R5 million</b>	
	Maximum Funding	<b>NA</b>	
<b>Contact Details</b>	Key Contact Person	<b>Jeannette le Roux</b>	
	Tel	<b>011 269 3567</b>	

Email	<a href="mailto:jeannetter@idc.co.za">jeannetter@idc.co.za</a>
Address	19 Fredman Drive, Sandton
Website	<a href="http://www.idc.co.za">www.idc.co.za</a>

## 2.2. NATIONAL EMPOWERMENT FUND (NEF)

The National Empowerment Fund (NEF) is an agency of The Department of Trade and Industry mandated to grow black economic participation. It was established under the National Empowerment Fund Act No 105 of 1998. The NEF is a driver and a thought-leader in promoting and facilitating black economic participation through the provision of financial and non-financial support to black-empowered businesses, as well as by promoting a culture of savings and investment among black people. Accordingly, its funding mandate it is directed by the Codes of Good Practice on Broad-Based Black Economic Empowerment (BBBEE), as well as by the Industrial Policy Action Plan (IPAP). The NEF provide different funds or product:

### 2.2.1. Rural and Community Development Fund

#### Funding Mandate

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

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

Other Products within the 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 seven years.

SUMMARY		
<b>Funding Entity</b>		<b>National Empowerment Fund</b>
	Fund	Rural and Community Development Fund
<b>Funding Threshold</b>	Minimum Funding	<b>R1m</b>
	Maximum Funding	<b>R50m</b>
<b>Contact Details</b>	Key Contact Person	<b>Annah Kganyago</b>
	Tel	<b>(011) 305 8190 (011) 305 8001</b>
	Call centre	<b>087 357 0995</b>
	Email	<b><a href="mailto:kganyagoa@nefcorp.co.za">kganyagoa@nefcorp.co.za</a></b>
	Address	<b>West Block,187 Rivonia Road, Morningside 2051, Po Box 31, Melrose Arch North 2076</b>
	Website	<b><a href="http://www.nefcorp.co.za">www.nefcorp.co.za</a></b>

## 2.3. LAND BANK

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

### Funding Mandate

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

### Funding Products

Products	Description	Term
<b>2.3.1. Fixed Term Loan</b>	Loans are utilized for agricultural related capital expenditure, permanent working capital and mezzanine type debt tranches	<ul style="list-style-type: none"> <li>Term is negotiable - usually between 3 and 25 years with due consideration of both economic and deemed useful life of assets financed or permanent working capital requirement.</li> </ul>
<b>2.3.2. Revolving Loan Facilities</b>	The Revolving facilities include the Working Capital Overdraft, Cash Credit Facility, Inventory finance and Production Credit.	<ul style="list-style-type: none"> <li>For new clients the initial term must be in line with the business cycle of the applicant and can be either 12 or 18 months for most businesses</li> <li>Revolving loans granted specifically on a wholesale basis finance instalment sale facilities are granted in line with the average maturity of the underlying financial assets,</li> </ul>
<b>2.3.3. Short Term Loan:</b>	This type of product provides finance to clients to cover their short-term finance	The maximum term is 5 years repaid and reviewed yearly.

<p><b>Production Loan</b></p>	<p>requirements for crops and livestock (working capital).</p> <p>It is repayable and reviewed yearly, at the end of the each production season.</p> <p>A production loan may be used for all production inputs set out in the applicant's business plan.</p>	
<p><b>2.3.4. Medium-term Loans</b></p>	<p>Medium-term finance is provided by Land Bank for periods up to 15 years to cover the Client's medium-term agricultural finance requirements. The term of the loan will however depend on the purpose of the loan which is comprehensively set out under the various categories of medium-term loans</p>	<p>Periods up to 15 years</p> <p>Repayment is either in annual, bi-annual or monthly instalments depending on business income streams</p>
<p><b>2.3.5. Long term loan (Mortgage Loan)</b></p>	<p>A long term loan (Mortgage Loan) is a loan advanced against the security of a first covering or surety bond (or subsequent covering or surety bonds if the Bank is the holder of the first bond) repayable in instalments either in annual, bi-annual or monthly instalments depending on the business income streams over a fixed period of time</p>	<p>10-25 years</p>
<p><b>2.3.6 Special Mortgage Loans</b></p>	<p>a) Special Mortgage Loans are granted to first time buyers of agricultural land by HDI's, who are South African citizens.</p> <p>b) A special mortgage loan is a loan secured by a first mortgage bond over the farm property repayable in instalments over a fixed period.</p> <p>c) The purpose is to finance the purchase of agricultural land and for the repayment of debt incurred for the</p>	<p>Up to 25 years</p>

	purchase of land within two years. d) Repayment is either in annual, bi-annual or monthly instalments depending on business income streams	
<b>2.3.7. Charge loan</b>	A charge loan is a loan advance for improvements to a fixed property. The loan is secured by a charge against the property which binds the client and the future owner of the fixed property.	Charge loans may be repaid over a maximum period of 20 years. Repayment is either in annual, bi-annual or monthly instalments depending on business income streams. Have access to draw funds paid over and above your normal instalments, advance payments.

### Qualifying Projects

- Must be in primary or secondary agriculture or both
- Must be viable, sustainable and be able to repay the loan

### Funding Requirements

- Financial statements for the last 3 years. Please note where the latest audited financial statements are older than 6 months, management accounts must be provided and should not be that is not older than 6 months. Supply complete details/ explanations regarding losses, decline in profit, negative cash flow, deterioration of ratios, decrease in turnover and any negative variances since previous financial year-end.
- A Projected cash flow statement for the next twenty-four months. Cash flow statements must be done in detail reflecting all income and expenditure. (Land Bank instalment should reflect on cashflow)
- Balance sheet and income statement of all sureties.
- Quotations for any capital improvements.
- Quotations for implements to be purchased (if you intend to purchase implements).
- You need to furnish the Bank with proof that you are legally entitled to utilize the amount of water on your farm that you are currently using. This means a Listing certificate from your

irrigation board or scheme (where applicable) or proof of registration of your water sources at the Department of Water Affairs.

- Copy of duly signed offer to purchase.

**NB: For a list of other requirements, please contact the bank**

<b>SUMMARY</b>		
<b>Funding Entity</b>		Land and Agricultural Development Bank of South Africa
<b>Funding Type</b>		Loan Funding
<b>Funding Treshold</b>	Minimum Funding	None as long as business is viable, sustainable and can repay the loan
	Maximum Funding	25% of capital, In excess requires Board approval
<b>Contact Details</b>	Key Contact Person	Contact Centre
	Tel	012 686 0500
	Email	<a href="mailto:info@landbank.co.za">info@landbank.co.za</a>
	Address	Block D, Eco Glades 2, 420 Witch Hazel Avenue, Eco park, Centurion P.O.BOX 375, Tshwane, 0001
	Website	<a href="http://www.landbank.co.za">www.landbank.co.za</a>

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

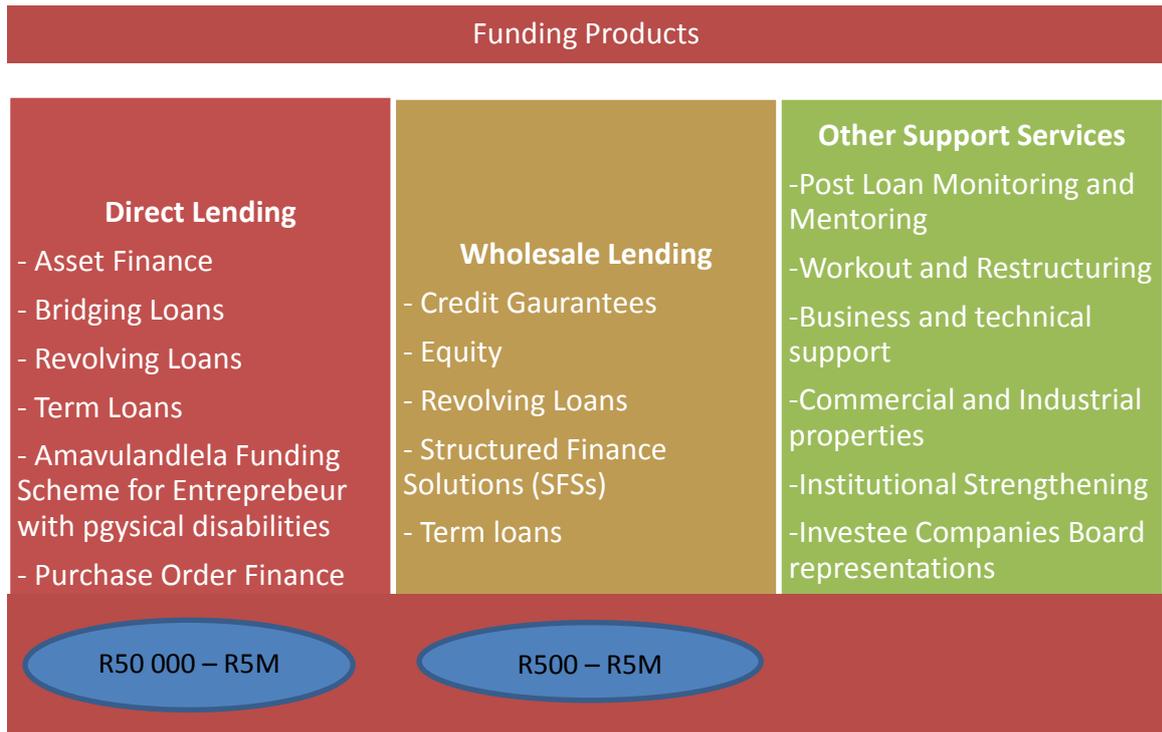
The Small Business Enterprise Finance Agency (SEFA) offers financial assistance to Small, Micro and Medium-sized enterprises (SMMEs) and Co-operatives. The agency focuses on SMMEs and Co-operatives that are unable to attract commercial credit due to a number of factors, including credit bureau listing,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

### Funding mandate

SEFA'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

**SEFA** 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 and R5 million.



#### 2.4.1. DIRECT LENDING

Product	Description	Benefit	Repayment Term
<b>2.4.1.1. Asset Finance</b>	sefa offers an asset finance facility that is tailored to your business' asset needs. We help you to buy 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).
<b>2.4.1.2. Bridging Loans</b>	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	A bridging loan allows your business to meet short term financial obligations by providing immediate	The repayment duration of a bridging loan is linked to the specific term of a contract up to 12

	<p>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.</p>	cash flow.	months.
<p><b>2.4.1.3. Revolving Loans</b></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>
<p><b>2.4.1.4. Term Loans</b></p>	<p>Term loans offer businesses the cash they need to purchase other forms of moveable assets.</p> <p>Unlike asset financing, term</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</li> </ul>	<p>The term loan repayment period is between 12 and 60 months.</p>

	loans are used to acquire moveable assets that cannot be identified by means of serial numbers (such as office furniture, fixtures and fittings).	cash from a term loan to purchase fixed assets such as equipment used in its production process; and <ul style="list-style-type: none"> <li>assets acquired through a term loan can be used by sefa as security for the loan.</li> </ul>	
<b>2.4.1.5. Amavulindlela 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 or Term Loan or Purchase Order Financing. See pages 6 and 7.
<b>2.4.1.5. Purchase Order</b>	The Purchase Order Financing solution enables	<ul style="list-style-type: none"> <li>Offers an advance of up to R1 million to</li> </ul>	The repayment term of the purchase order

<b>Finance</b>	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.	fulfil contracts/orders (supply and delivery of goods or services). • Quick turnaround times. • No own contribution required.	financing is dependent on the duration of the contract.
----------------	---	---	---

## 2.4.2 OTHER FUNDING PROGRAMMES

### 2.4.2.1. 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

### 2.4.2.2. LAND REFORM EMPOWERMENT FUND

The Land Reform Empowerment Fund was established to aid black emerging farmers. The fund is managed by sefa on behalf of the Department of Rural Development and Land Reform. 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

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:

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

### Funding Requirements

- ❖ 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 SEFAs 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
---------------------------------	---------	-----------------

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

## 2.5. TECHNOLOGY INNOVATION AGENCY (TIA)

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

#### 2.5.1 Seed Fund

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

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

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

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

**Fundable Activities Include:**

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

### **2.5.2 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.

### **2.5.3 Commercialisation Support Fund**

This Fund assists existing or potential individual entrepreneurs and SMEs to obtain limited follow-on funding for market testing and validation. TIA plays a connector and facilitator role where technology innovators are linked to further business and investment opportunities. It is a limited resource made available to commercially attractive and viable projects. Assistance is provided for an agreed set of focused activities with clear deliverables.

#### **Fundable Activities Include:**

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

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

#### **Technology Innovation Programmes (TIPs)**

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

strengths and capabilities of collaborating partners to develop market-ready solutions that address a social and/or economic need.

### **Technology Stations and Platforms (TSP)**

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

### **Innovation Skills Development (ISD)**

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

### **Youth Technology Innovation Programme (YTIP)**

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

### **Global Cleantech Innovation Programme (GCIP)**

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

### **Qualifying Projects**

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

## Funding Structure

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

## How to Apply for Funding?

### Minimum requirements

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

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

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.

<b>Gauteng</b>	<b>Pretoria</b>	<b>Head Office</b> 83 Lois Avenue Tel: 012 472 2701
<b>Western Cape</b>	Western Cape	Central Park Observatory, Fir Road Central Park, 4 <sup>th</sup> Floor Tel: 021
<b>Kwazulu Natal</b>	Kwazulu Natal	102 Stephen Dlamini Road (Essenwood Road) Musgrave Broll building, 4 <sup>th</sup> Floor T3I: 031 220 3101

### SUMMARY

<b>Funding Entity</b>	<b>Technology Innovation Agency (TIA)</b>	
<b>Funding Programme</b>	<b>Seed Funding</b>	
<b>Funding Type</b>	<b>Grant Funding</b>	
<b>Funding Threshold</b>	<b>Minimum Funding</b>	<b>R50,000.00</b>
	<b>Maximum Funding</b>	<b>R500,000.00</b>
<b>Contact Details</b>	<b>Head Offices</b>	<b>+27 (0) 12 472 2700</b>

<b>Address</b>	<b>P.O. Box 172 Menlyn Pretoria 0063 Physical Address: TIA House 83 Lois Avenue Menlyn Pretoria 0181</b>
<b>Website</b>	<b><a href="http://www.tia.org.za">www.tia.org.za</a></b>

---

### **3. GOVERNMENT FUNDING PROGRAMMES**

Government funding refers to financial assistance received by non-government entities in the form of federal, state, or local government grants. Aquaculture Stakeholders may access funding from the following Departments:

- Department Of Agriculture, Forestry And Fisheries (Daff)
- National Treasury
- Department Of Small Business Development (Dsbdd)
- Department Of Trade And Industry

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

### **3.1.1. AgriBEE Fund**

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

#### **Funding Mandate**

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

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

improved participation by designated groups as stated in the respective sector codes, namely, black women, black youth, black farm workers and black people living with disabilities, throughout the respective sectors' value chains.

### Qualifying Projects

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

### Funding Structure

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

### Funding Requirements

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

## Funding Exclusions

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

## How to apply?

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

### SUMMARY

<b>Funding Entity</b>	<b>The Department of Agriculture, Forestry and Fisheries</b>	
	<b>Funding Programme</b>	<b>AgriBEE Fund</b>
<b>Funding Type</b>	<b>Grant Funding</b>	
<b>Funding Treshold</b>	<b>Maximum Funding</b>	<b>R5 million</b>
<b>Contact Details</b>	<b>Key Contact Person</b>	<b>Ms. Viwe Sibelegwana</b>
	<b>Tel</b>	<b>(012) 319-8153</b>

<b>Email</b>	<a href="mailto:ViweS@daff.gov.za">ViweS@daff.gov.za</a>
<b>Website</b>	<a href="http://www.daff.gov.za">www.daff.gov.za</a>

---

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

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

#### Funding Mandate

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

#### Qualifying Projects

- ❖ Smallholder farmers;
- ❖ Agrarian reform beneficiaries;
- ❖ Farm workers;
- ❖ Self-help groups (SHGs)/co-operatives;
- ❖ Small agribusinesses;
- ❖ Farmers on communal land in a transition stage from subsistence to smallholder;

- ❖ Women and youth

## Funding Requirements

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

## How to Apply?

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

Province	CASP Coordinator	Contact details	E-mail
Eastern Cape	Mr. Rhancwane	0826972283	<a href="mailto:Mbuyisi.Ramncwana@drdar.gov.za">Mbuyisi.Ramncwana@drdar.gov.za</a>
	Ms. Tandeka April	0760117826	<a href="mailto:Tandeka.April@drdar.gov.za">Tandeka.April@drdar.gov.za</a>
Free State	Dr. TJ Masiteng	051 861 8424 082 568 2447 078 803 8537	<a href="mailto:masiteng@fs.agric.za">masiteng@fs.agric.za</a>
Gauteng	Mr. M. Tlape	011 240 2500 072 287 9278	<a href="mailto:Mpho.Tlape@gauteng.gov.za">Mpho.Tlape@gauteng.gov.za</a>
	Mr. M. Mosifane	011 240 2500	<a href="mailto:Michael.mosifane@gauteng.gov.za">Michael.mosifane@gauteng.gov.za</a>
KwaZulu-Natal	Mr. H. Gwala	033-343 8123 082 454 7237	<a href="mailto:michack.gwala@kzndae.gov.za">michack.gwala@kzndae.gov.za</a>
Limpopo	Mr. H. Maboah	015 294 3232 079 354 6211	<a href="mailto:maboah@agric.limpopo.gov.za">maboah@agric.limpopo.gov.za</a>
Mpumalanga	Ms. N. Mafu	013 766 6165 082 584 7608	<a href="mailto:mafun@mpg.gov.za">mafun@mpg.gov.za</a>
Northern Cape	Mr. T. Kadinda	053 839 7811 082 559 0838	<a href="mailto:tkadinda@ncpg.gov.za">tkadinda@ncpg.gov.za</a>
North West	Ms. E. Mnguni	0183895049 072 786 8637	<a href="mailto:kmnguni@nwpg.gov.za">kmnguni@nwpg.gov.za</a>
	Mr. T. Mothusi	018 389 5698 083 860 5395	<a href="mailto:thebem@nwpg.gov.za">thebem@nwpg.gov.za</a>
Western Cape	Mr. M. Sebopetsa	021 808 5103 082 458 5291	<a href="mailto:mogales@elsenburg.com">mogales@elsenburg.com</a>
	Mr. J. Aries	021 808 5310	<a href="mailto:jerrya@elsenburg.com">jerrya@elsenburg.com</a> <a href="mailto:DebbieB@elsenburg.com">DebbieB@elsenburg.com</a>

SUMMARY	
<b>Funding Entity</b>	The Department of Agriculture, Forestry and Fisheries
<b>Funding Programme</b>	Compressive Agriculture Support Programme (CASP)
<b>Funding Type</b>	Grant Funding

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

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

#### Funding Mandate

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

The essence of the MAFISA scheme is to provide financial services to facilitate the development of micro and small businesses and to enable producers and entrepreneurs to develop into larger businesses.

#### Types of loans applicable to aquaculture

##### 3.1.3.1. Aquaculture operational Loan.

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

#### Aquaculture loan specifications

<b>Maximum Limit</b>	Up to R500 000.00 (five hundred thousand rand) per client.
<b>Term</b>	In line with the income cycle of the enterprise.
<b>Security</b>	Required security for loans amounts above R50 000.00.
<b>Repayment</b>	The repayment will be in line with the income cycle of the enterprise.
<b>Loan Disbursement Conditions</b>	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.
<b>Application form</b>	Application form to be submitted to RLE.
<b>Purpose of the Loan – acquire inputs needed by the enterprise.</b>	
<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>	

### **3.1.3.2. Equipment Loan**

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

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

### **3.1.3.3. 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.

### **3.1.3.4. Artisanal fisheries operational Loan.**

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

## **Qualifying Projects**

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

### Funding Structure

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

### Funding Requirements

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

### How to Apply?

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

- ❖ Submit the application form to local Agricultural Extension Office or participating institution.

### MAFISA Accredited Financial Institutions

Name of the Institution	Province	Contact Person	Tel	Fax	Email
<b>National Emergent Red Meat Producers Organisation (NERPO)</b>	For All Provinces	Ms Angel Nyathela or Mr. Manish Nish	(012) 472 0005 (012) 348 8566	(012) 365 1647	<a href="mailto:Finance@nerpo.org.za">Finance@nerpo.org.za</a> or <a href="mailto:gmd@nepro.org.za">gmd@nepro.org.za</a>
<b>Peulwana Agricultural Financial Service</b>		Dr. Romanus Monji	(011) 341 2833	(011) 341 1173	<a href="mailto:voirconsult@iafrica.com">voirconsult@iafrica.com</a>
<b>South African Sugar Association (SASA)</b>	KwaZulu Natal	Mr. Busani Gumede	(031) 508 7000	(031) 508 7195	<a href="mailto:Busani.Gumede@sasa.org.za">Busani.Gumede@sasa.org.za</a>
<b>Mpumalanga Economic Growth Agency (MEGA)</b>	Mpumalanga	Mr Jeff Velelo or Mr. Lloyd Mabunda	(013) 755 6328	(013) 3249 755	<a href="mailto:jeff@madc.co.za">jeff@madc.co.za</a> <a href="mailto:Lloyd.mabunda@mega.gov.za">Lloyd.mabunda@mega.gov.za</a>
<b>Eastern Cape Development Corporation (ECDC)</b>	Eastern Cape	Mr. Dumisani Makubalo or Mr. Jan Delpont	(043) 604 7000	(043) 5824 643	<a href="mailto:makubalod@ecrhc.co.za">makubalod@ecrhc.co.za</a> or <a href="mailto:jandelpont@ecrhc.co.za">jandelpont@ecrhc.co.za</a>

### SUMMARY

<b>Funding Entity</b>	<b>The Department of Agriculture, Forestry and Fisheries</b>
<b>Funding Programme</b>	<b>MAFISA</b>
<b>Funding Type</b>	<b>Loan Funding</b>
<b>Funding Treshold</b>	<b>Maximum Funding</b>
	<b>R500,000</b>
<b>Website</b>	

## 3.2. National Treasury: Jobs Fund

### 3.2.1. JOBS FUND

The Jobs Fund is a multi-year R9 billion fund administered by the National Treasury. The Fund aims to be a facilitator of innovative approaches to job creation, and is dedicated to funding new, scalable and market driven models of job creation that have the potential to trigger systemic change in the South African labour market. The Jobs Fund requires that innovations are backed by clear evidence that there is potential market demand for what is being proposed.

#### Funding Mandate

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

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

**Innovation that overcomes the barriers to job creation:** South Africa faces a number of structural barriers to job creation including a mismatch of skills offered by the workforce and skills required by employers; the often significant geographical distance to job opportunities and a regulated labour market. Many of these barriers are difficult to overcome, and so innovative solutions are needed. The Jobs Fund is therefore aiming to partner with initiatives that are focused on removing these barriers and unlocking long term job creation. Although this approach may not create a significant

number of jobs in the short term, innovative models that reduce structural barriers can have a systemic impact on job creation.

## Qualifying Projects

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

- Developing innovative commercial approaches to long-term job creation in ways that combine profitability with high social impact;
- Removing barriers to market access or improve or broaden supply chains;
- Facilitating rapid access to work-related training and employment for unemployed people, particularly youth and women;
- Using light infrastructure to unlock job creation potential in a particular economic sector or geographical area.

## Funding Structure

### ❖ Grant size and duration

The minimum funding request is R10 million. Projects have a maximum of three years (36 months) to implement and deliver the direct jobs promised.

### ❖ Matched funding

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.

## Funding Requirements

- ❖ 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;
- ❖ Applicants need to acknowledge that while the intellectual property (IP) will reside with the grantee, any successful applicants must permit the Jobs Fund to use the

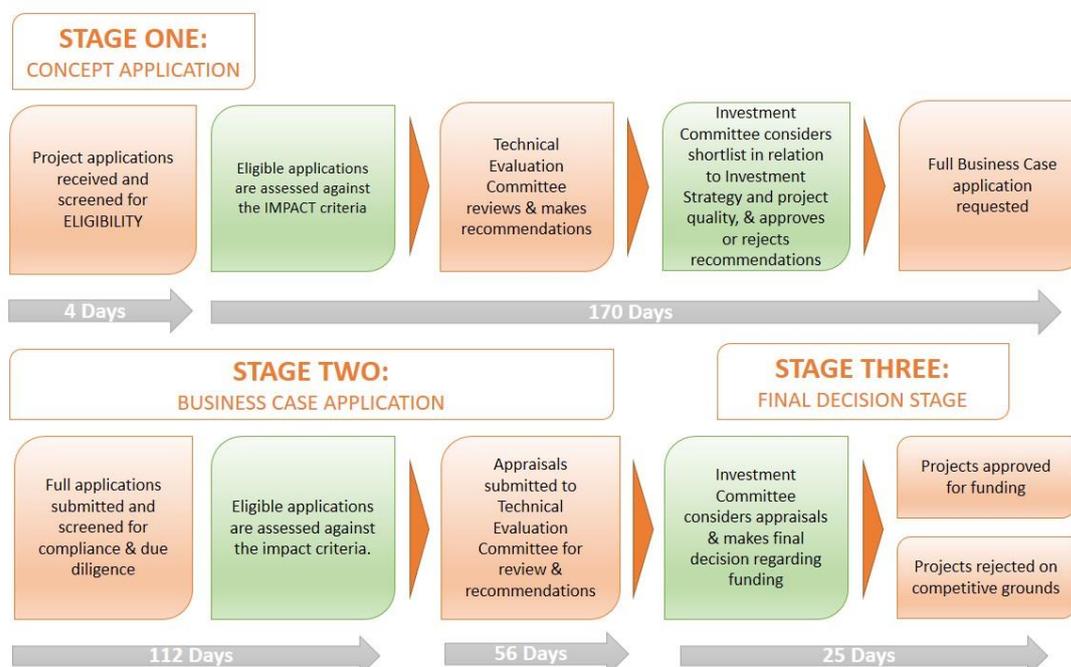
concept for learning and dissemination purposes. The learning material will be developed in conjunction with the owner of the IP and will not be used for commercial dissemination; and

- ❖ A maximum of three years (36 months) to implement and deliver the direct jobs promised

## How to Apply?

- ❖ The application process begins when a call for proposals opens.
- ❖ Access the online application form on the Jobs Fund website ([www.jobsfund.org.za](http://www.jobsfund.org.za)).
- ❖ Register on the site and create an application (online applications are open & editable until 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 over the project lifespan.
- ❖ The Jobs Fund website provides guidance.

## Application process



## SUMMARY

<b>Funding Entity</b>	<b>The National Treasury</b>	
<b>Funding Programme</b>	<b>Jobs Fund</b>	
<b>Funding Type</b>	<b>Grant Funding</b>	
<b>Funding Treshold</b>	<b>Minimum Funding</b>	<b>R10 million</b>
<b>Contact Details</b>	<b>Lerato Seko</b>	<b>Communications Specialist</b>
	<b>Tel</b>	<b>012 406 9166</b>
	<b>Email</b>	<b>jobsfund@treasury.gov.za</b>
	<b>Address</b>	<b>240 Madiba Street, Pretoria, 0001</b>
	<b>Website</b>	<b><a href="http://www.jobsfund.org.za">www.jobsfund.org.za</a></b>
	<b>Twitter</b>	<b>@JobsFund_NT</b>

### 3.3. Department of Small Business Development

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

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

#### Funding Mandate

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

## Qualifying Projects / Interventions

- ❖ Upgrading the capability of enterprise management, through generic management training programme
- ❖ Improving the effectiveness of the management systems of an enterprise; assisting enterprises with entry into target or new markets; increasing competitiveness of enterprise or any similar business development intervention including:
  - Business Plan to raise finance
  - Patenting and intellectual property rights
  - Production and productivity improvements
  - BEE rating Certification
  - Merger (majority shareholding) and acquisitions etc.
- ❖ For acquisition of tools, machinery and equipment.

## Funding Requirements

- ❖ Fifty-one per cent black majority shareholding;
- ❖ R250 000 to R35 million turnover per year;
- ❖ One year in operation and trading as a business;
- ❖ Fifty per cent management positions held by black people (historically disadvantaged individuals);
- ❖ Enterprises formally registered
- ❖ Eligible to obtain funding to a maximum of R1 million:
  - R800 000 for tools, machinery and equipment on a 50:50 cost-sharing basis; and
  - R200 000 for business development and training interventions per eligible enterprise to improve their corporate governance, management, marketing, productivity and use of modern technology on a 80:20 cost-sharing basis; and
- ❖ Be operating and trading for at least one financial year – at the sole discretion of DSBD, an enterprise that has been operational/registered for less than a year may be considered for this incentive, provided that the enterprise can supply sufficient evidence to service a tender/contract.

## Funding Structure

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

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

### SUMMARY

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

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

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

#### Funding Mandate

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

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

#### Qualifying Projects

The intended projects activities must aim to enhance the viability of co-operative through:

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

### Funding Requirements

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

### Funding Structure

CIS is a grant scheme that support broadening economic participation by historically disadvantage communities to enter the main stream economy where CIS contributes 100% of the approved costs of project activities to the maximum of R350 000.

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

## How to Apply?

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

### SUMMARY

<b>Funding Entity</b>	<b>Department of Small Business Development (DSBD)</b>		
	<b>Funding Programme</b>	<b>Cooperative Scheme</b>	<b>Incentive</b>
	<b>Funding Type</b>	<b>Grant Funding</b>	
<b>Funding Treshold</b>	<b>Minimum Funding</b>		
	<b>Maximum Funding</b>	<b>R350 000</b>	
<b>Contact Details</b>	<b>Key Contact Person</b>	<b>Goabi Moiloa</b>	
	<b>Tel</b>	<b>0861 843 384</b>	
	<b>Address</b>	<b>77 Meintjies Street, Sunnyside. Pretoria</b>	
	<b>Website</b>	<b><a href="http://www.dsbdb.co.za">www.dsbdb.co.za</a></b>	

### 3.3.3. Enterprise Incubation Programme (EIP)

#### Funding Mandate

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

#### Qualifying Interventions

- ❖ Business Development Support;
- ❖ Market development (research, pricing techniques and packaging);
- ❖ Machinery and equipment, tools and specialised tools;
- ❖ Infrastructure linked to incubator activities;
- ❖ Product and service development;
- ❖ Information and Communication Technology (ICT) linked to incubator activities;
- ❖ Operational costs;
- ❖ Feasibility studies will be capped at one and a half million rand (R1, 5 million);

- ❖ The EIP Adjudication Committee may consider for support, any other costs related to the activities of the incubator.

## Qualifying Projects

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

## Funding Structure

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

(10%) will be accepted either in monetary value and/or assets linked to the incubator and its activities. DSBD will appoint qualified assessors to conduct asset valuations.

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

### How to Apply?

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

SUMMARY			
<b>Funding Entity</b>			<b>Department of Small Business Development</b>
	<b>Funding Programme</b>	<b>Enterprise Programme</b>	<b>Incubation Programme</b>
<b>Funding Type</b>	<b>Grant Funding</b>		
<b>Funding Treshold</b>	<b>Minimum Funding</b>	<b>R5 million</b>	
	<b>Maximum Funding</b>	<b>R10 million</b>	
	<b>Address</b>	<b>77 Meintjies Street, Sunnyside. Pretoria</b>	
	<b>Website</b>	<b><a href="http://www.dsbdb.co.za">www.dsbdb.co.za</a></b>	

### **3.3.4. Secondary Marketing Cooperative Incentive Scheme (SMCIS)**

To assist secondary marketing co-operatives to provide specialised managerial services not available within the co-operative, such as quality control, logistical services, bulk-buying, marketing and other value-adding services to primary co-operatives, comply with the relevant industry and market requirements and to increase profitability for members and thus contributing to the economic development and growth of the economy.

#### **Funding Structure**

Eligible Cooperative can receive up to R 10 million (R10 000 000) for a period not exceeding three years per application.

#### **Qualifying Projects**

The programme is available to South Africa registered secondary marketing co-operatives involved in agriculture and agroprocessing; whose operations will support sustainable development and job creation.

#### **Qualifying Activities**

The following costs will be considered:

- Relevant quality and standard approvals, accreditation as well as certificates to supply goods.
- Marketing services
- Professional management fees- these will be limited to specialised professional managerial services not available within the applying co-operative itself
- Warehouses and silos that are essential to the effective operation of the secondary Co-operative and
- Bulk buying of goods and services on behalf of the primary co-operatives.
- Logistical services (truck rental for the transportation of goods etc).

## How to Apply?

The following documents must be submitted:

- Official DSBD application form

The application must be signed by authorised person (s) as per the constitution of the co-operative, formal submission by the entity to indicate the intention to participate in the SMCIS. A standard application form is available as well as a business plan framework is available.

- Proof of registration of co-operative
- Proof of decision to apply for SMCIS funding.
- The secondary co-operative must be able to provide minutes that indicate a taken decision to apply for SMCIS. This could be by way of attaching the minutes of the board or session taking the decision to apply for grant as adopted by the general membership.
- A business plan as per DSBS SMC Business Plan framework.
- Three (comparable) quotations per activity/ activities applied for. In a case where the applying co-operative wants a specific supplier or it is unable to submit three quotes for the service, a motivation must be written in support of that.
- Valid tax clearance certificate
- Financial statements of primary and secondary co-operative
- For start-ups; three (3) year projected
- For existing co-operatives: current and three (3) years projected.
- Secondary Marketing Co-operative's constitution (signed by all founder members)

- Copies of CV's and certified copies of ID's of all members; primary & secondary
- Bank statements of both primary and secondary co-operatives
- Proof of land ownership or lease agreement for the place of operations of the secondary co-operative

<b>SUMMARY</b>			
<b>Funding Entity</b>		<b>Department of Small Business Development</b>	
	<b>Funding Programme</b>	<b>Secondary Cooperative Scheme (SMCIS)</b>	<b>Marketing Incentive</b>
<b>Funding Type</b>		<b>Grant Funding</b>	
<b>Funding Treshold</b>	<b>Minimum Funding</b>		
	<b>Maximum Funding</b>	<b>R10 million</b>	
	<b>Address</b>	<b>77 Meintjies Street, Sunnyside. Pretoria</b>	
	<b>Website</b>	<b><a href="http://www.dsbd.co.za">www.dsbd.co.za</a></b>	

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

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

#### Funding Mandate

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

#### Qualifying Projects and Infrastructure Costs

- ❖ Shared facility infrastructure refers to the structural foundations, upgrading and maintenance of a multi-purpose facility to be shared by the number of enterprises.
- ❖ Qualifying shared infrastructure costs refer directly to the design; installation, construction and erection of the infrastructure and includes the following:
  - Warehouse/storage facilities

- Lighting, water (including irrigation for farming) and ablution (including plumbing works)
- Parking, paving (entry and internal roads) and fencing (including walls)
- Cold storage for common use
- Common use tools, equipment and machinery
- Administration and information centre
- Exhibition spaces
- Business infrastructure (e.g. industrial facilities)

## Funding Requirements

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

## Qualifying Enterprises

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

## Funding Structure

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

## How to Apply?

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

- ❖ Timeframes and infrastructure items associated with each main project activity
- ❖ Description of each main project activity and sub-activity associated with infrastructure project
- ❖ Financial cost and budget associated with each project activity

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

### 3.3.6. Start Up Enterprise Development Program (SEDP)

#### Funding Mandate

Offered to start-up businesses which are township or rural based in order to increase the capacity to access economic opportunities and enhance their competitiveness. These enterprises are prioritised and supported to enable their meaningful participation and contribution to the economy through employment creation, poverty alleviation and reduced inequality. The grant may be used to acquire qualifying new machinery, equipment and tools. (Specialised tools), raw materials and commercial vehicles.

#### Type of Funding

100% grant

#### Funding Structure

- The minimum amount that an applicant can apply for is fifty thousand rand (R50 000).
- For all applications, the eligible amount will be up to a maximum of:
- Two hundred thousand rand (R200 000) for machinery, equipment and tools (specialised tools), commercial vehicles and
- Inputs/ Raw material (R50 000) from the R200 000.
- An eligible applicant is not allowed to apply for funding for the same project/activity more than once, at the same level unless on condition that is for expansion purposes.
- An eligible applicant can apply for multiple projects provided that the applications cumulatively do not exceed the maximum of two hundred thousand rand (R200 000) for the life span of the Programme.

### Qualifying Costs

- Machinery and equipment, tools.
- Specialized tools<sup>3</sup>;
- Inputs/Raw materials<sup>4</sup> and/or Working Capital; in cases where the input/ raw material is the only item applied for, it will be capped at fifty thousand rand (R 50 000) per qualifying applicant.
- Commercial Vehicles
- The eligible commercial vehicle should be directly linked to the core functions of the applicant.
- The qualifying commercial vehicle amount will be paid into an approved Vehicle
- Asset Finance account or directly to the approved dealership
- Rental Expenses, limited to 4 months rental expenses. (A signed contract with the property owner stating amongst others the duration, monthly rental amount and termination clause)

### TARGET CLIENTS / SECTORS

Micro and Small Enterprise run and managed by the designated grouping of either Women, Youth and People with Disabilities:

To qualify for funding under the SEDP an applicant must:

- constitute majority (100%) ownership and control of the applying enterprise is Youth /Women and People with Disabilities. In case where a co-ownership is entered into, then of

which 51 % or more ownership interest should be held by Youth, Women and/or People with Disabilities.

- Have business activities that are based in a Township/Rural or Semi-Rural area
- Be a start-up (as the definition provided on page 4)
- Be registered with SARS and provide a certificate of good standing in respect of its tax obligations (not tender)
- Provide proof of commitment to pay own contribution for commercial vehicles such
- as:
  - A three-month Bank statement reflecting a balance amount equivalent to own contribution on an applicant's account; or
  - A letter of intent for funding from a third party financier; or
  - A conditional vehicle finance approval.
- Demonstrate an existing market to be serviced

## How to Apply

- Documents required for submission of applications to DSBD:
- Proof of ownership/shares certificate of the enterprise or a Company and Intellectual
- Properties Commission (CIPC), (former CIPRO) registration certificate;
- Certified ID copies of business owners;
- Financial statements by an accredited person (i.e. income statement and balance sheet) for the latest financial year, where an entity has been in operation for more than a year and projected financials for the two years ahead. Three year projections where the entity hasn't been in operation.
- A completed application form;
- At least three (3) competing quotations from different service providers;
- A valid tax clearance certificate obtainable from the South African Revenue Services (SARS), indicating an applicant's good standing in respect of its tax obligations;
- DSBD will pay its contribution of forty percent (40%) for commercial once the applicant has paid its share of sixty percent (60%) in full to the approved service provider(s) or obtained financing thereof.

## 3.4. Department of Trade and Industry

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

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

#### Funding Mandate

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

#### Qualifying Projects

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

##### **Primary aquaculture operations**

- ❖ Broodstock operations,

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

#### **Secondary aquaculture operations**

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

#### **Ancillary aquaculture operations**

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

### **Funding Requirements**

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

### **Funding Structure**

A reimbursable cost-sharing maximum amount of R30 million is offered by ADEP towards qualifying costs such as machinery and equipment, bulk infrastructure, owned land and/or buildings, leasehold

improvements, aquaculture feed, commercial vehicles and workboats, competitive improvements activities, research and development, environmental impact assessments and mentorship.

The investment incentive is offered as follows:

	Minimum score-4: Economic benefit criteria	Minimum score-8 Economic benefit criteria	Maximum grant
Enterprise size: Qualifying assets determined As follows:	Incentive Percentage	Incentive percentage	Cap
<R5m	40%	45%	R2,25 million
≥R5m<R30m	30%	35%	R9 million
≥R30m-R200m	20%	25%	R30 million
<b>For emerging black farmers the incentive is offered as follows:</b>			
<R5m	60%	80%	R4 million
≥R5m<R30m	40%	50%	R12 million
≥R30m-R200m	30%	40%	R30 million

## 5. Emerging Black Farmers

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

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

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

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

---

### SUMMARY

Funding Entity	Department of Trade and Industry (The DTI)	
Funding Programme	Aquaculture and	Development and Enhancement

		<b>Programme (ADEP)</b>
<b>Funding Type</b>	<b>Grant Funding</b>	
<b>Funding Threshold</b>	<b>Minimum Funding</b>	
	<b>Maximum Funding</b>	<b>30 million</b>
<b>Contact Details</b>	<b>Key Contact Person</b>	<b>Morateng Tyhali</b>
	<b>Tel</b>	<b>012 394 1200</b>
	<b>Email</b>	<a href="mailto:MTyhali@thedti.gov.za">MTyhali@thedti.gov.za</a>
	<b>Address</b>	<b>77 Meintjies Street, Sunnyside. Pretoria</b>
	<b>Website</b>	<a href="http://www.thedti.co.za">www.thedti.co.za</a>

### 3.4.2. AGRO-PROCESSING SUPPORT SCHEME (APSS)

#### Funding Mandate

The objective of the APSS is to stimulate investment by South African agroprocessing/ 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,
- 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 dti may consider an additional 10% grant for projects that meet all Economic Benefit Criteria in the table below:

#### Economic Benefit Criteria

Criteria	
A. Employment	Increase base year employment by at least 25%
B. Transformation	Achieve a level 1 on B-BBEE codes of good practice
C. Geographical Spread	Projects located in state owned industrial parks or areas with unemployment higher than 25% <sup>2</sup>
D. Local procurement	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. In the forestry value-chain may also include sawing, pulping, peeling and preservation.

The APSS will be targeted at five (5) key identified sub-sectors (focus areas) as follows:

- Food and beverage value addition and processing (including Black winemakers);
- Furniture manufacturing;
- Fibre processing;
- Feed production; and
- Fertilizer production.

### Qualifying Assets

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

- New Machinery and Equipment
- Commercial Vehicles
- Buildings
- Competitiveness Improvement Costs

### How to Apply

- An applicant must submit a completed application form and business plan with detailed agro-processing/beneficiation activity (i.e), budget plans and 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.

## SUMMARY

Funding Entity	Department of Trade and Industry (The DTI)		
Funding Programme	AGRO-PROCESSING SUPPORT SCHEME (APSS)		
Funding Type	Grant Funding		
Funding Threshold	Minimum Funding		
	Maximum Funding	20 million	
	Address	77 Meintjies Street, Sunnyside. Pretoria	
	Website	<a href="http://www.thedti.co.za">www.thedti.co.za</a>	

### 3.4.3. 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 the following productive sectors:

- Blue/ocean economy, including vessel building and repair
- Clean technology and energy
- Industrial Infrastructure
- Agro-processing

- Designated sectors for localisation and etc.

### Qualifying Costs

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

### Funding Requirements

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

### Funding Structure

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

- feasibility studies towards a bankable business plan (to the maximum of 3% of projected investment project cost);
  - post-investment support (to the maximum of R500 000); and
  - Business development services (to the maximum of R2 million).
- The maximum grant of R50 million may be fully utilised on capital investments or can be split between capital investment and other support measures (i.e. investment support, business development services and working capital).

### How to apply for funding?

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

#### SUMMARY

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



### 3.4.4. Cluster Development Programme (CDP)

#### Funding Mandate

The Cluster Development Programme (CDP) is an incentive programme that aims to promote industrialisation, sustainable economic growth and job creation needs of South Africa through cluster development and industrial parks.

Its objective is to enhance competitiveness of enterprises within a cluster or Industrial Parks. This is to be implemented through defined collaborative projects that address production, productivity and marketing. The first phase of the programme will be rolled out as a pilot where assistance will be targeted at a limited number of clusters that will be selected to make a case for potential success of cluster development in South Africa. Assistance will also be prioritised for Industrial Parks in former homeland areas and/or townships.

#### Cluster Development Programme Components

##### 3.4.4.1. Shared Infrastructure

The shared infrastructure grant is a non-taxable cash matching grant towards investment in assets such as buildings, machinery, equipment, tools, jigs, dies and commercial vehicles. The grant is of up to 80% of the qualifying investment to a maximum grant of R10 million per cluster.

##### 3.4.4.2. Business Development Services

The objective of the incentive is to support business development services initiatives of the cluster such as conformity assessments (standards accreditation), financial management, Information Technology services, logistics management, professional services, Human Resource Management, benchmarking exercises, market research, feasibility studies, etc. It is a non-taxable cash matching grant of up to 80% of the investment to a maximum grant of R5 million per cluster.

##### 3.4.4.3. Cluster Management Organisation (CMO) Funding

This component is aimed at supporting strong dynamics amongst enterprises and other stakeholders in the cluster. The CMO purpose is to manage core operation and delivery by the cluster. The CMO Funding is a non-taxable cash matching grant of up to 80% of the costs payable at the establishment of the CMO to a maximum grant of R5 million per Cluster

## Funding Structure

- CDP offers a cost-sharing grant of up to 80% for the first approved business plan of the costs of the cluster activities, to be payable at acquisition of assets or the completion of the activities or milestones up to a maximum grant of R10 million for the three components of the programme combined.
- Where a cost sharing component will be provided by a government funded entity including local, provincial or agencies this contribution can only be considered up to 15% of the co-funding
- The grant is provided directly to approved clusters based on actual qualifying costs incurred and subject to collective jobs being retained by the individual cluster member companies.
- For Clusters that have been in existence for a period of less than three (3) years, an advance payment of up to twenty five percent (25%) of the approved business plan for the financial year, may be paid to the SPV/ Cluster account application upon application approval

## Eligible Clusters

- An eligible cluster should have five or more members who are registered tax paying entities or non-profit organisations. At least 20% of the membership of the cluster should be made up of 51% black owned entities in the first year (i.e. the pilot stage).
- In case of industrial parks, preference will be given to parks located in areas where there are high levels of unemployment (townships or rural areas), the majority of tenants must be involved in manufacturing or supply based firms.

### SUMMARY

<b>Funding Entity</b>	SBU	<b>Trade and Industry Cluster Development Programme (CDP)</b>
<b>Funding Type</b>		<b>Grant Funding</b>
<b>Funding Threshold</b>	Minimum Funding	
	Maximum Funding	
<b>Contact Details</b>	Key Contact Person	<b>Contact Centre</b>
	Tel	<b>0861 843 384</b>

---

Email

Address

**77 Meintjies Street,  
Sunnyside, Pretoria**

Website

**[www.thedti.gov.za](http://www.thedti.gov.za)**

---

### 3.4.4. 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).

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 resource.

## Qualifying Entities

- 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, state-owned Aerospace and Defence National Strategic Testing Facilities and state-owned 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.
- Projects that have applied for the Shared Economic Infrastructure Facility (SEIF) will not be funded or co-funded for the same infrastructure activity under CIP.

## 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 S.A. 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.

- For state-owned Aerospace and Defence National Strategic Testing Facilities Service products that are largely in the commercialisation phase or in the product development of the new generation.
- **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 e.g. Department of Environmental Affairs;
  - 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**

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

#### Funding Mandate

The purpose of assistance under the EMIA scheme is to partially compensate exporters for costs incurred in respect of activities aimed at developing export markets for South African products & services and to recruit new foreign direct investment into South Africa.

- ❖ The programme comprises the following Individual Participation Incentive Schemes:
  - Individual Exhibition (IE) and In-Store Promotions (IP)
  - Primary Market Research (PMR) and Foreign Direct Investment (FDI)
  - Individual Inward Mission (IIM)
- ❖ The programme comprises the following Group Participation Incentive Schemes
  - Group Inward Buying Missions (IBM) Group Inward Investment mission (IIM)
  - National Pavilions (NP)
  - Outward Selling Mission Assistance (OSM) and Outward Investment Mission Assistance (OIM)

#### Qualifying Entities

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

#### Funding Requirements

- ❖ Export/ Production performance of the applicant
- ❖ Export/ market competency of the person visiting the foreign country
- ❖ Available/ potentially accessible production/ export capacity
- ❖ Type of product for export and local sales performance
- ❖ Level of labor absorption, location and technological requirements
- ❖ Industry in which the venture operates/ planned and

- ❖ Submission of general and specific qualifying documentation and adherence to general and specific criteria, as stipulated in each EMIA offering.

## EMIA Products

Product	Description`	Qualifying Costs	Funding Structure
<b>3.4.5.1. Market Development Assistance</b>	It provide support for business facilitation fees to cover the following benefits	<ul style="list-style-type: none"> <li>• Market Research</li> <li>• International Market visits</li> <li>• Promotional material</li> <li>• Product development fees</li> <li>• Product testing</li> <li>• Packaging design</li> <li>• Product efficiency</li> <li>• Quality management improvements</li> </ul>	<ul style="list-style-type: none"> <li>• The funding is capped at R600, 000.00 for the duration of the period.</li> <li>• Service fees and expenses are capped at R150, 000.00 per activity.</li> <li>• Only HDI/ SMMEs (80/20) qualify for assistance</li> </ul>
<b>3.4.5.2. Emerging Exporters Assistance</b>	Provides support to companies, close corporations, partnerships and sole proprietors that are 51% black owned, involved in no exports, have traded locally for more than one year, have an EMIA qualifying product or services and have an annual turnover of less than R5 million		<p>Economy class return fares, EMIA pays 100% of the total cost of airfares.</p> <p>Subsistence allowance, 100% of the total cost for hotel accommodation</p> <p>Exhibition cost, 100% of the total costs</p> <p>Freight Forwarding, pays 100% to a maximum weight of 2000 kg's</p> <p>Marketing Material, 80% of the total cost</p>
<b>3.4.5.3. Exporter Training</b>	Provide support to Historically Disadvantage Individuals to improve their effectiveness in participating in National Pavilions by allowing		EMIA pays a maximum amount of R100 000 to qualifying organisations such as Export Council, Business Chamber, Sector Desk, Provincial

	easier access to EMIA offerings,		Investment Promotion Agencies, Industry Associations and etc. who will provide export training to emerging exporters. The training focus on exports, sales, marketing and exhibitions to ensure that companies feel confident.
<b>3.4.5.4. Business to Business Facilitation Assistance</b>	To ensure that a correct or suitable prospective buyers/ investors are met during the Group missions and National Pavilions, EMIA offerings are expanded to include a benefit for the payment of business facilitation fees to facilitate a match-making process with appropriate business to business meetings for EMIA approved participant.		EMIA will pay a maximum amount of R200 000 to the appointed specialist, at least three quotations must be submitted.

---

**SUMMARY**

<b>Funding Entity</b>	<b>Trade and Industry</b>
SBU	Export Marketing and Investment Assistance

---

		<b>Scheme</b>
<b>Funding Type</b>		<b>Grant Funding</b>
<b>Funding Threshold</b>	Minimum Funding	
	Maximum Funding	
<b>Contact Details</b>	Key Contact Person	<b>Contact Centre</b>
	Tel	<b>0861 843 384</b>
	Address	<b>77 Meintjies Street, Sunnyside, Pretoria</b>
	Website	<b><a href="http://www.thedti.gov.za">www.thedti.gov.za</a></b>

### 3.4.6. INCUBATION SUPPORT PROGRAMME

#### Funding Mandate

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

### Qualifying Projects and Costs

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

#### **The following costs are eligible for support:**

- Business development services (e.g. business advisory services, coaching and mentoring, training, facilitation of funding, production efficiency and improvement, quality and standards acquisition)
- Market access
- Machinery, equipment and tools
- Infrastructure linked to incubator (buildings, furniture)
- Product or service development
- Information and Communication Technology (ICT)
- Operational costs
- Feasibility studies costs for establishing new incubators and expanding existing incubators may qualify for support to a maximum cost sharing grant of R1 million.
- The ISP Adjudication Committee may consider for support, any other costs related to the activities of the incubator.

### Funding Requirements

- A registered legal entity in South Africa or

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

### Funding Structure

The grant approval will be based on projections for the first year at application stage whereas the approval for subsequent year(s) be accepted in principle and be reviewed annually subject to actual performance in the preceding year(s) against agreed milestones.

The grant approval is capped at a maximum of R10 million (VAT inclusive) per financial year over a three (3) year period and is subject to the availability of funds.

The ISP offers a cost-sharing support of 50:50 for large businesses and a cost-sharing of 40:60 for SMMEs. (Private sector: Government)

After the three year period, applicants may apply for assistance for an additional three years and must comply with these guidelines.

---

#### SUMMARY

<b>Funding Entity</b>	Department of Trade and Industry (The DTI)	
	<b>Funding Programme</b>	Incubation Support Programme (ISP)
<b>Funding Type</b>	Grant Funding	
<b>Funding Treshold</b>	Minimum Funding	
	<b>Maximum Funding</b>	30 million
<b>Contact Details</b>	<b>Key Contact Person</b>	Ambani Ramaru
	<b>Tel</b>	012 394 1119

---

Email	<a href="mailto:aramaru@thedti.gov.za">aramaru@thedti.gov.za</a>
Address	77 Meintjies Street, Sunnyside. Pretoria
Website	<a href="http://www.thedti.co.za">www.thedti.co.za</a>

---

#### 4. PRIVATE FUNDERS

Private Funders may provide financial assistance in a form of equity, debt or grants. The following institutions may be approached for financial assistance:

- Future Growth
- Old Mutual: Masisizane

## 4.1. FUTUREGROWTH ASSET MANAGEMENT

### Funding Mandate

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

## Creating partnerships that matter

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

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

## Funding Structure

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

Their transactions cover a wide spectrum of sectors including agriculture, renewable energy, housing, infrastructure and commercial property, all with the aim of making a positive impact and contributing to the economic, social and financial development of South Africa.

## Funding Criteria

### Exclusions

Due to the nature of the institution, Futuregrowth can only consider funding requests from investee companies for commercially profitable operations (no start-up or venture capital finance), who are able to demonstrate stable cash flows and able to generate risk adjusted sustainable returns for their clients.

### Funding Criteria

❖ Minimum debt funding is R50m and equity R10m or a combination of both.
❖ Established business that is in its growth phase, profitable, with sustainable cash flows. ❖ Minimum track record of 2-3 years. ❖ Please provide copies of the audited financial statements for the past 3 years.
❖ A business plan or funding proposal outlining the business, strategy, markets, how the funding will be utilised etc.

- ❖ Alignment of interest i.e. details on any equity participation from the shareholders/partners.

### How to Apply?

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

SUMMARY		
<b>Funding Entity</b>	<b>Institutional Investment Manager</b>	<b>Futuregrowth Asset Management</b>
<b>Funding Type</b>	<b>Institutional Funding</b>	<b>Debt and Equity Funding</b>
<b>Funding Threshold</b>	<b>Minimum Funding</b>	<b>(Debt R50 million; Equity R10m)</b>
<b>Contact Details</b>	<b>Key Contact Person</b>	<b>Angelique Kalam</b>
	<b>Tel</b>	<b>021 659 5300</b>
	<b>Email</b>	<b><a href="mailto:angeliquek@futuregrowth.co.za">angeliquek@futuregrowth.co.za</a></b>
	<b>Website</b>	<b><a href="http://www.futuregrowth.co.za/our-investments/financial-solutions/">http://www.futuregrowth.co.za/our-investments/financial-solutions/</a></b>

### 4.1. OLD MUTUAL: MASISIZANE FUND

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

#### Funding Mandate

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

### Qualifying Projects

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

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

- ❖ Agribusiness
- ❖ Franchising
- ❖ Supply Chain

### Funding Structure

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

### How to Apply?

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

- ❖ Comprehensive business plan with market analysis and projections;
- ❖ For established businesses – past financials (preferably 3 years) and latest management accounts;
- ❖ For start-up businesses – financial projections;

- ❖ Tax clearance certificate;
- ❖ Off take agreements and/or letters of intent;
- ❖ Signed consent for a credit check.

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

### SUMMARY

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

## 5. PROVINCIAL FUNDERS

Provincial funders are development finance institutions on a provincial level. They provide a crucial role in providing credit in the form of higher risk loans, equity positions and risk guarantee instruments to private sector investments. Aquaculture Stakeholders may access funding from the following provincial DFI's:

### EASTERN CAPE

- Eastern Cape Development Corporation (ECDC)

- Invaba Cooperative Fund
- Eastern Cape Rural Development Agency (ECRDA)

#### **GAUTENG**

- Gauteng Entrepreneur Propeller (GEP)

#### **KWAZULU NATAL**

- KZN Agribusiness Development Agency
- Kwazulu Natal Growth Fund

#### **MPUMALANGA**

- Mpumalanga Economic Growth Agency (MEGA)

## **5.1. EASTERN CAPE**

### **5.1.1. EASTERN CAPE DEVELOPMENT CORPORATION**

#### **Funding Mandate**

ECDC mandate is to plan, finance, coordinate, market, promote and implement development of the Eastern Cape Province and its people in the fields of industry, commerce, agriculture, transport and

finance. The ECDCs strategic objectives include optimising organisational financial performance and sustainability, implement and manage sustainable and financially viable strategic property investments, ensure efficient alignment of organisational resources and systems, establish integrated partnerships with stakeholders to ensure maximum leverage of resources and development outcomes, provide loans and devices to qualifying beneficiaries, effectively administer and implement desired developmental strategies of administered funds and support socio economic transformation.

### Qualifying projects

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

### Financial Products

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

#### 5.1.1.1. **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:

##### 5.1.1.1.1. **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%.

##### 5.1.1.1.2. **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%.

#### **5.1.1.1.3. 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.

#### **5.1.1.1.4. 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.

#### **5.1.1.2. 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:

#### **5.1.1.3. Termcap loan**

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

### **How to apply?**

- ❖ Contact the ECDC offices for enquiries, completion of the application forms, advice on the business of the cooperative, compiling required documents and initial screening.
- ❖ Alternatively, visit any of ECDC offices or

- ❖ Log into their website and download the application form.
- ❖ Submit the application form.

### Funding Requirements

- ❖ The finance products are suited to finance applications that facilitate job creation and /or retention, economic empowerment, value addition to the economy, rural /township development and increased export income.
- ❖ Any project that is a new Greenfield initiative, where expansion and rehabilitation will be the resultant benefit.
- ❖ An applicant should have a clean credit record, or provide ECDC with written proof of arrangements made to clear any bad debt attributable to them.
- ❖ The applicant must be actively involved the activities in the business enterprise by all or some of the applicants at any given point in time.

### Contact details

Head office	Tel	Email
Head office ( The business Funding Unit Manager)	(043) 704 5600	<a href="mailto:mramtsui@ecdc.co.za">mramtsui@ecdc.co.za</a>

### 5.1.1.4. ECDC: Imvaba Cooperative Fund

#### Funding Mandate

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

#### Qualifying projects

The targeted Economic Sectors include:

- ❖ Agri- business (agro-processing),

- ❖ Tourism,
- ❖ ICT,
- ❖ Business Processing Out-Sourcing and etc.

## Funding structure

### **Funding for equipment and material (incentive)**

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

### **Funding for technical skills training**

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

### **Funding for co-operative governance training**

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

### **Funding for health and safety interventions**

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

## Funding Requirements

- ❖ The cooperative must be registered at Companies Intellectual Property Commission.

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

### How to apply?

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

### Contact details

District	City/Town	Address	Tel/Fax
Joe Gqabi	Aliwal North	DEDEA OFFICES,27 Queens Terrace	(051) 633 3007
Amathole	Butterworth	24 High Street	T: (047) 401 2700 F: (047) 491 0443
	East London(head Office)	Ocean Terrace Park, Moore Street, Quigney	T: (043) 704 5600 F: (043) 704 5700

<b>OR Tambo</b>	Mthatha	Sissons street, Fort Gale	T: (047) 501 2200 F: (047) 532 3548
<b>Sarah Baartman</b>	Port Elizabeth	68 Cape Road ,Mill Park	T: (041) 373 8260 F: (041)374 4447
<b>Chris Hani</b>	Queenstown	02 Corner Griffiths and Owen Street	T: (045) 838 1910 F: (045) 838 2176

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

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

#### Funding Mandate

❖ ECRDA aims to promote, support and facilitate rural development in the Eastern Cape Province by:

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

## Funding Structure

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

## ECRDA Loan Products

5.1.2.1. Agricultural Loan

5.1.2.2. Short Term Loans

- Which provide loans for subsistence farmers and emerging farmers
- Starter Business Entrepreneurial Development Program

5.1.2.3. Agricultural Loans

5.1.2.4. Short term loans/product

5.1.2.5. Subsistence Farmer

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

---

## SUMMARY

---

<b>Funding Entity</b>	<b>Eastern Cape Rural Development (ECRDA)</b>
<b>Funding Programme</b>	
<b>Funding Type</b>	<b>Loan Funding</b>
<b>Funding Threshold</b>	<b>Minimum Funding</b>
	<b>Maximum Funding</b>
<b>Contact Details</b>	<b>Key Contact Person</b> <b>Siyabulela Morris</b>
	<b>Tel</b> <b>+27 43 703 6300</b>
	<b>Email</b> <a href="mailto:morriss@ecrda.co.za">morriss@ecrda.co.za</a>
	<b>Address</b> <b>Beacon Bay East London, 5201</b>
	<b>Website</b> <a href="http://www.ecrda.co.za">www.ecrda.co.za</a>

## 5.2. GAUTENG

### 4.1.1. GAUTENG ENTREPRENEUR PROPELLER

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

## Funding Mandate

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

## Eligibility Criteria for loan

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

## Exclusions to funding

- On-lending (money lenders).
- Settlement of loans and other forms of borrowing
- Speculative transactions: business proposals with difficult to quantify markets/customers
- Illegal businesses
- Enterprises that are fully or partially owned by any unit of government.

- Funding to Trusts
- Applicants who have been previously found to have defrauded and/or were involved in fraudulent activities or chronic defaulting with respect to loans granted.
- Pilot projects, feasibility studies; Research & Development; and other early stage requirements.
- State employees with no proof of permission (from their respective institutions' principals) to do remunerative work outside of their employment.

### How to apply for funding?

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

FOR MORE INFORMATION CONTACT GEP:	
<b>Address</b>	<b>HEAD OFFICE</b> 6 <sup>th</sup> floor, 124 Main St, Johannesburg.
<b>Tel no</b>	<b>011 085 2001</b>
<b>Ekurhuleni regional Office</b>	<b>Ground Floor, 188 Victoria street</b> <b>Cnr Victoria &amp; Spilsbury</b> <b>Germiston.</b>
<b>Tel no</b>	<b>011 821 2870</b>
<b>Tshwane regional office</b>	<b>Block G, 333 Grosvenor Street,</b> <b>Hatfield Gardens,</b> <b>Hatfield</b>
<b>Tel</b>	<b>012 430 2359</b>
<b>West Rand Regional office</b>	<b>23 Eloff street,</b> <b>Krugersdorp</b>
<b>Tel no</b>	<b>011 950 98 70</b>
<b>Sedibeng regional office</b>	<b>1<sup>st</sup> floor, GEP House</b> <b>22 Hertz Boulevard</b> <b>Vanderbijlpark</b>
<b>Tel no</b>	<b>016 910 1200</b>
<b>Satellite offices</b>	<b>Lazarus building, 43 lanham street,</b> <b>Bronkhorstspuit</b>
<b>Tel no</b>	<b>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</b>

### **5.3. KWAZULU NATAL**

#### **5.3.1. 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
- A business plan must be completed

---

## SUMMARY

<b>Funding Entity</b>	<b>KZN Agribusiness Development</b>
-----------------------	-------------------------------------

<b>Funding Type</b>	<b>Loan and Equity Funding</b>
---------------------	--------------------------------

<b>Contact Details</b>	<b>Tel</b>	<b>033 347 8600</b>
------------------------	------------	---------------------

<b>Website</b>	<b><a href="http://ada-kzn.co.za/">http://ada-kzn.co.za/</a></b>
----------------	--

<b>Physical Address</b>	<b>5 Cascades Crescent, Cascades Office Park, Montrose, Pietermaritzburg, 3202</b>
-------------------------	--

---

### 5.3.2. KWAZULU NATAL GROWTH FUND

#### Funding Mandate

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

## Products and Services offered for Enterprise Development

The product offering includes debt as well as equity finance. The amount of the fund ranges from R30million to R200million for debt and R20 million to R100 million for equity.

## Qualifying criteria

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

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

---

### SUMMARY

**Funding Entity**

**KZN Growth Fund**

**Funding Type**

**Loan and Equity Funding**

**Contact Details**

**Tel**

**031 304 1116**

**Email**

<b>Website</b>	<a href="http://www.kzngrowthfund.co.za">www.kzngrowthfund.co.za</a>
<b>Physical Address</b>	303 Anton Lembede St, Durban, 4001

## 5.4. MPUMALANGA

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

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

#### Products and Services offered for Enterprise Development

MEGA offers the following products and services to enterprises:

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

### Qualifying criteria

- ❖ Enterprising individuals who are 18 years and older, preferably from a historical disadvantaged background, are considered.
- ❖ The business must be registered as a close corporation or (Pty) Ltd co-operative.
- ❖ Applicants should fall within the priority sectors.
  - The applicant must operate the business on a full-time basis.
  - Where the business is owned by more than one shareholder, one member must be involved in the business in a full-time capacity.
- ❖ The business must have a BEE shareholding of at least 26, 1%.

### Loan Funding Requirements

#### MEGA loan application form

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

- Marriage or divorce certificate of all the directors
- All relevant industry related certificates (compliance).
- BEE Certificate.
- Copy of proof of residential address.

---

### SUMMARY

<b>Funding Entity</b>		<b>Mpumalanga Economic Growth Agency</b>
<b>Funding Type</b>		<b>Loan and Equity Funding</b>
<b>Contact Details</b>	<b>Tel</b>	<b>013 752 2440</b>
	<b>Email</b>	<a href="mailto:info@mega.gov.za">info@mega.gov.za</a>
	<b>Website</b>	<a href="http://www.mega.gov.za">www.mega.gov.za</a>
	<b>Physical Address</b>	<b>ABSA Square Building, 20 Paul Kruger Street, Mbombela, 1200, Mpumalanga, South Africa</b>

## 6. COMMERCIAL BANKS

Aquaculture Stakeholders may access funding from the following commercial banks:

- ABSA Bank
- First National Bank
- Nedbank
- Standard Bank

## 6.1. ABSA BANK

### Funding Structure

#### 6.1.1. Marine finance

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

#### 6.1.2. Agribusiness mortgage loan

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

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

### **6.1.3. Flexi Reserve facility on an Agribusiness mortgage loan**

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

Benefits

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

### **6.1.4. Commercial asset finance**

ABSA offer flexible finance solutions that allow you the freedom to structure repayments to suit business needs.

### **6.1.5. Instalment sale agreement**

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

### **6.1.6. Lease (financial lease)**

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

### **6.1.7. Operating lease**

- Also known as a rental agreement, an operating lease gives you uninterrupted use of the asset rather than ownership
- The bank owns the asset and you do not have the option to take ownership at the end of the term

- There is normally a residual value payable at the end of the contract, subject to conditions of the individual contract
- You make regular rental payments in advance, normally equal to the serviceable lifetime of the asset

### 6.1.8. Credit line

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

### 6.1.9. Sale and leaseback agreement

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

---

#### SUMMARY

<b>Funding Entity</b>	<b>ABSA BANK</b>
	<b>ABSA AGRIBUSINESS</b>
<b>Funding Type</b>	<b>Loan Funding</b>
<b>Contact Details</b>	<b>Tel</b>
	<b>0 860 040 302</b>
	<b>Email</b>
	<b><a href="mailto:agribusiness@absa.co.za">agribusiness@absa.co.za</a></b>
	<b>Website</b>
	<b><a href="http://www.absa.co.za">www.absa.co.za</a></b>

---

## 6.2. FIRST NATIONAL BANK

### Funding Mandate

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

### Products and Services

The First Rand group and its subsidiaries offer a comprehensive range of financial products and services for all farmer's banking requirement. These include agricultural loans (short, medium and

long term finance). Savings and investments, transmission of funds, insurance and many other banking services. FNB offers financial support through following:

**6.2.1. 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.

**6.2.2. 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.

**6.2.3. Agriculture long term loan**

This is a mortgage loan used to finance the purchase of farmland and finance capital improvements (i.e. Buildings, dams, fencing). The loan is usually limited to a maximum of 15 year.

**Funding Requirements**

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

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

**How to Apply?**

- Visit your nearest FNB branch or

**SUMMARY**

**Funding Entity** **First National Bank**

**Funding Programme**

**Funding Type** **Debt or Loan Funding**

**Contact Details** **Key Contact Person** **Dawie Maree**

**Tel** **087 328 0401**

<b>Email</b>	<a href="mailto:Dawie.maree@fnb.co.za">Dawie.maree@fnb.co.za</a>
<b>Address</b>	<b>FNB Business Agriculture</b> <b>Wesbank Building, 1</b> <b>Enterprise Road, Fairland,</b> <b>JHB, 2195. Ground Floor</b>
<b>Website</b>	<a href="http://www.fnb.co.za">www.fnb.co.za</a>

## 6.3. NEDBANK

### NEDBANK AGRIBUSINESS

#### Funding Mandate

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

#### Qualifying Projects

Specialist industry knowledge is aligned with the needs of three primary market sectors, namely:

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

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

## Funding Structure

**Nedbank agricultural lending solutions include:**

<b>6.3.1. Overdraft facilities/ Debtor finance</b>	A current account with an overdraft facility or a short-term loan caters for seasonal cashflow fluctuations, which are highly prevalent in the agriculture market. It also offer a comprehensive debtor management service to help you maintain a constant cashflow, keep your administration costs down and reduce the risks associated with your debtor's book.
<b>6.3.2. Agri instalment sale agreement</b>	The loan provide financing on all types of agricultural equipment and machinery (e.g. tractors and farming implements) with flexible repayment Options, such as annual payments and extended repayment periods of up to 10 years, depending on life expectancy and depreciation.
<b>6.3.3. Agri medium-term loan (AMTL)</b>	The AMTL can be used for financing productive assets (e.g. broodstock) or enhancing existing assets, and includes an option to withdraw surplus funds arising from excess payments.
<b>6.3.4. Agri production loan</b>	This loan finances production inputs such as fertiliser, seed and diesel. The product takes into account seasonality, the need to hedge prices, as well as the procurement of crop insurance.
<b>6.3.5. Agri NedBond</b>	Nedbank AgriBusiness specialises in financing fixed property or capital improvements to fixed property. It offers flexible finance to buy or enhance fixed property,

incorporating interest-only periods and repayment options of up to 15 years.

**6.3.6. Agri trade finance**

The creative approach to trade finance and interlinking risk control means you can optimise the risk-return relationship. Key components of our offering include:

- postimport financing;
- preexport financing; and
- discounting of bills.

**6.3.7. Nedbank’s renewable- energy and efficiency finance**

Nedbank’s renewable-energy and efficiency finance is tailored for clients who wish to mitigate the impact of load shedding and rising energy costs and who want to generate sufficient energy for their agricultural operation and potentially be able to set off the surplus electricity to the grid while greening their operations. They therefore offer you the following:

- financing of renewable-energy solutions;
- extended repayment periods (up to 10 years) on business loans; and
- Utilisation of savings on energy costs to enhance debt repayment affordability and to offer competitive pricing.

**6.3.8. Specialised finance**

Nedbank AgriBusiness provides debt structuring for acquisitions, management buyouts and leveraged buy-ins.

**How to Apply?**

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

**SUMMARY**

<b>Funding Entity</b>	<b>Nedbank</b>
<b>Funding Programme</b>	
<b>Funding Type</b>	<b>Debt/ loan Funding</b>

## 6.4. STANDARD BANK

### Standard Bank Agribusiness

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

### Funding Structure

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

## Standard Bank loan products

### 6.4.1. Overdraft

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

### 6.4.2. Business Revolving Credit

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

### 6.4.3. Medium Term Loan

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

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

### 6.4.4. Agricultural Production loan

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

### 6.4.5. Vehicle and Asset finance

## Qualifying Costs

	Overdraft	Business revolving Credit Plan	Business Term Loan	Medium Term Loan	Agricultural Production Loan	Vehicle and asset finance

		(BRCP				
<b>Working Capital</b>	Yes	Yes	No	No	No	No
<b>Input costs, crops, livestock</b>	Yes	Yes	No	No	Yes	No
<b>Implements, r equipment</b>	No	Yes	Yes	Yes	No	Yes
<b>Property</b>	No	No	Yes	Yes	No	Yes
<b>Office equipment</b>	No	Yes	Yes	Yes	No	Yes
<b>Vehicles</b>	No	No	No	No	No	No

---

### SUMMARY

**Funding Entity** Standard Bank

**Funding Programme**

**Funding Type** Loan Funding

**Funding Treshold** Minimum Funding

Maximum Funding

**Contact Details** Key Contact Person General Enquiries

Tel 011 344 5143

Email [SBSA.Agricultural@standardbank.co.za](mailto:SBSA.Agricultural@standardbank.co.za)

Address Standard Bank Building

30 Baker Street

Rosebank, 2196

Website [www.standardbank.co.za](http://www.standardbank.co.za)

---

## 7. Non-financial Support

- Small Enterprise Development Agency (SEDA)

## 7.1. SMALL ENTERPRISE DEVELOPMENT AGENCY (SEDA)

### Mandate

Small Enterprise Development Agency (Seda) is an agency of the Department of Small Business Development. Seda was established in December 2004, through the National Small Business Amendment Act, Act 29 of 2004.

It is mandated to implement government's small business strategy; design and implement a standard and common national delivery network for small enterprise development; and integrate government-funded small enterprise support agencies across all tiers of government.

Seda’s mission is to develop, support and promote small enterprises throughout the country, ensuring their growth and sustainability in co–ordination and partnership with various role players, including global partners, who make international best practices available to local entrepreneurs.

## Products and Services

Some of the processes and interventions provided by SEDA include:

- 7.1.1. Project planning
- 7.1.2. Feasibility Studies
- 7.1.3. Access to finance
- 7.1.4. Business opportunity support services
- 7.1.5. Mentorship that can take 6,12 or 18 months
- 7.1.6. Skills development and training and education
- 7.1.7. Business development services
- 7.1.8. Bankable Business Plans

SEDA provides non-financial support and works with service providers. Financial injection is obtained through partnerships with financial institutions.

- Grants
- Loans
- Leverage – Equipment and
- Other technical support

## 8. SUMMARY TABLE

		Pre-Production Costs (e.g. Feasibility studies,)	Infrastructure	Operational Costs	Post Production	Incubation and/mentorship
Development Institutions	Finance					
Industrial Corporation (IDC)	Development		√		√	
National Fund (NEF)	Empowerment		√		√	
Land Bank			√	√		

Small Enterprise Finance Agency (SEFA)		√			
Technology Innovation Agency		√			
Government Funding Programmes					
<b>DAFF</b>					
AGRIBEE Fund				√	
Comprehensive Agriculture Support Programme (CASP)		√			
MAFISA			√		
<b>The National Treasury</b>					
Jobs Fund		√			
<b>DSBD</b>					
Black Business Supplier Development Programme (BBSDP)		√			
Co-operative Incentive Scheme (CIS)		√			
<b>Enterprise Incubation Programme (EIP)</b>					√
<b>Secondary Marketing Cooperative Scheme and Incentive</b>				√	
<b>Shared Infrastructure (SEIF) Economic Facilities</b>		√			
<b>Start-up Enterprise Development Programme (SEDP)</b>		√			
<b>DTI</b>					
Aquaculture Development and Enhancement Programme (ADEP)	√ (Applicable to EBF only)	√			
Agro-processing Support Scheme				√	
Black Industrialist	√	√			

Programme (BIP)					
Cluster Development Programme (CDP)		√			
Critical Infrastructure Programme		√			
Export Market and Investments Assistance (EMIA)				√	
Incubation Support Programme (ISP)					√
<b>Private Funders</b>					
Future Growth		√			
Old Mutual: Masisizane Fund		√			
<b>Provincial Funders</b>					
Eastern Cape Development Corporation		√	√		
Imbava Fund		√			
Eastern Cape Rural Development Agency		√	√		
Gauteng Enterprise Propeller		√	√		
KZN Agribusiness Development Agency		√			
KwaZulu Natal Growth Fund		√			
Mpumalanga Economic Growth Agency		√			
<b>Commercial Banks</b>					
ABSA Agribusiness		√	√		
First National Bank		√	√		
Nedbank		√	√		
Standard Bank		√	√		
<b>Non-Financial Support Programme</b>					
Small Enterprise Development Agency	√				√

## 9. REFERENCE

- 9.1. The State of World Fisheries and Aquaculture (SOFIA) (2016), Food and Agricultural Organization.
- 9.2. <https://en.wikipedia.org/wiki/Loan>,
- 9.3. <https://www.cleverism.com/financing-guide/>, July 18, 2016
- 9.4. <https://www.investopedia.com/terms/e/equityfinancing.asp>, Jan 31, 2018
- 9.5. <https://www.investopedia.com/terms/g/government-grant.asp>, Mar 21, 2018
- 9.6. <https://www.bakertilly.com/insights/why-do-governments-provide-incentives/>, Mar 13, 2017
- 9.7. [https://en.wikipedia.org/wiki/Development\\_finance\\_institution](https://en.wikipedia.org/wiki/Development_finance_institution) ,5 January 2019