

COVID-19 Fund Bulletin

May 2020

**NATIONAL
EMPOWERMENT
FUND**
Growing Black Economic Participation

Dedicated to the health and essential services workers who place their lives last to put the nation first

R200 million set aside for Black Business to fight COVID-19

In a virtual discussion held with the South African National Editors' Forum on 31 May 2020, President Cyril Ramaphosa said: "We are working to grow local production through our work with different industries in the country and through the support we are providing through the IDC, National Empowerment Fund and others. Companies across the country have repurposed some of the production capacity to supply the country with alcohol for hand sanitisers, face shields and masks, ventilators and other essential medical supplies."



President Cyril Ramaphosa

"Among its manifestations the spread of the coronavirus pandemic has resulted in the collapse of many businesses, job losses, deepening poverty and the erosion of the empowerment dividend. That is why the National Empowerment Fund (NEF) values the organic collaboration with the Department of Trade, Industry and Competition (*the dtic*) as our parent ministry in identifying, financing and supporting black businesses to help the country with the manufacture and distribution of priority and essential products that are in short supply. By supporting these businesses through the NEF COVID Black Business Fund, the country is fighting the pandemic while taking sustainable economic transformation forward," says NEF Board Chairman, Mr Rakesh Garach.



Mr Rakesh Garach, NEF
Chairman of the board



Ms Philisiwe Mthethwa,
NEF CEO

R200 million set aside for Black Business to fight COVID-19

As South Africa intensifies the fight to contain the spread of the COVID-19 pandemic, black entrepreneurs have continued to apply to the NEF for concessionary loans to purchase machinery, equipment and raw materials and to fund other working capital requirements for the manufacture and supply of healthcare products and the production of food, explains NEF CEO Ms Philisiwe Mthethwa.

Ms Mthethwa says "since the NEF COVID Fund began its operations more than a month ago, R131 million has been approved for 20 black-owned businesses countrywide, and these are hard at work helping the country respond to the pandemic".

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NEF and partners distribute food parcels to 7 000 homes

The South African Government took radical action when the coronavirus manifested in the country. Government, the medical fraternity, scientists and advisors were able to draw on the experiences of other countries, combined with local dynamics, to evaluate the risks and make enormously difficult decisions. Strong initial containment efforts were followed with a nationwide lockdown as community transmission began to increase. Globally, South Africa's rapid and evidence-based action has been lauded.

Unfortunately, this necessary intervention has come with a massive and multi-dimensional impact, which has fallen hardest on poverty-stricken communities who are least able to absorb the socioeconomic repercussions of the pandemic. Most ominously the lockdown has resulted in overwhelming levels of hunger as household incomes have shrunk and food has become increasingly difficult to afford. Other social results such as job losses, interruptions to public health programmes, loss of access to educational and other child support services, growing challenges with mental health and increased gender-based violence are collectively deepening hardships in many communities, mostly black, rural and peri-urban. It is for this reason that the NEF and various partners have combined efforts to distribute 7 000 food parcels to poor households across seven provinces.

Partnering Telesure to distribute 4 000 food parcels

"In response to the socioeconomic and humanitarian challenges facing the nation as a result of the COVID-19 pandemic, the employees of the National Empowerment Fund (NEF) have come together to contribute R1.5 million for the distribution of food parcels countrywide," says CEO Ms. Philisiwe Mthethwa.

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From page 1, R200m set aside for Black Business to fight COVID-19

Briefing Parliament's Portfolio Committee on Trade and Industry via video conferencing on Wednesday, 13 May, she said "the NEF has assigned teams comprising the CEO, dtic senior officials, NEF executives, fund managers, chartered accountants, engineers, investment professionals and admitted attorneys to screen, process and disburse funding applications. In the weeks ahead more and more approvals will follow because the NEF is committed to ensuring that we respond optimally in supporting eligible black entrepreneurs to help South Africa confront the challenges of the COVID-19 crisis".

Funding between R500 000 and R10 million per business

"The Fund supports businesses that are at least 51% black-owned and which produce a range of products. The funding ranges from R500,000 up to R10 million and has a repayment holiday



Mr Mzi Dayimani,
NEF General Counsel

of up to 12 months and thereafter repayments can be structured for up to a period of 48 months at a fixed interest rate of 2.5%. In line with the NEF's transformation mandate, preference will be given to applications that demonstrate meaningful black women ownership, management and control. Equally important, the transactions must result in retaining or increasing direct jobs," explains NEF General Counsel, Mr Mzi Dayimani.

He says to date the NEF has approved funding in excess of R10 billion for black entrepreneurs across all sectors of the economy including healthcare, manufacturing and agri-processing, and has the necessary track-record and institutional capacity "to contribute effectively towards flattening the curve by supporting the manufacture of healthcare products and the production of food items that are in short supply". These products include gloves, masks, sanitizers, coronavirus test kits, personal protective clothing, toilet paper, hospital linen, mattresses and sponges, detergents and cleaning products, disposable aprons and cups, maize meal, flour, yeast, beans, milk, fish and canned food, margarine and bread spread, chicken, eggs, baby food and water.

R50m in loan repayment holiday and 0% interest for existing NEF investees

In the briefing to the Portfolio Committee, the CEO said "as part of its comprehensive response to the pandemic and following an extensive and ongoing assessment of its client portfolio, the NEF has resolved to grant 47% of its existing investees tpa loan repayment holiday for a period of up to three months from April to June 2020 to help safeguard the sustainability of the businesses whose operations have been affected by the country's necessary lockdown". She said this will amount to a total R30 million postponement in capital repayments. "In addition, the NEF has approved a zero rating on interest for these eligible investees over the same period, which will result in a total R20 million benefit for the clients. Amounting to a total R50 million, these concessions will ensure that when the lockdown is lifted the businesses are not confronted by an ominous debt obligation".

Providing economic relief in aid of inclusive growth

"These measures are necessary to ensure the sustainability of the SMEs and black industrialists that the NEF has funded since inception to date to ensure their continued contribution to South Africa's quest for employment creation and inclusive growth" said Ms Mthethwa.

The total value of the NEF's Economic Relief Measures for the benefit of black entrepreneurs in respect of COVID-19, provided in partnership with *the dtic*, amount to R250 million.

From page 1, NEF and partners distribute food parcels to 7 000 homes

The NEF partnered with Telesure Investment Holdings (TIH) who also contributed R1,5 million towards the humanitarian relief. For several days in succession starting on Saturday, 09 May 2020, the two organisations distributed food parcels to 4 000 households in the Eastern Cape, KwaZulu Natal, Mpumalanga and the Northern Cape. "We hope this contribution will complement the support provided by Government and the private sector in lending a hand to vulnerable households by easing the burden imposed by the pandemic. We have no doubt that more and more citizens and companies will continue to give and to embrace fellow South Africans who have been most affected by the pandemic, which is one of the gravest challenges of our times," says Mthethwa.

Speaking on behalf of TIH, which incorporates Auto & General Insurance, 1st for Women Insurance, Dialdirect Insurance, Budget Insurance, 1Life and hippo.co.za, Ms Nonkululeko Maninjwa said: "We remain committed to ensuring that our communities are assisted during this crisis and beyond. In addition to the 4 000 families assisted with the NEF, over 87 000 additional food parcels will be delivered to the communities of Diepsloot, Cosmo City, Olievenhoutbosch and Tembisa by mid-May. We have also teamed up with Makro in support of 10 000 SASSA grant recipients."

The food parcels comprised maize meal, samp, rice, cooking oil, long-life milk, a variety of fresh vegetables, canned fish, soya mince, sugar, sugar beans, bread flour, tea bags, yeast, peanut butter, washing soap, toothpaste and sanitary towels. In this report the names of members of the community have been left out to uphold their dignity.

**Northern Cape**

In collaboration with the Northern Cape Department of Social Development the NEF and Telesure identified the community of Platfontein for the distribution of food parcels. The area consists of residents from two indigenous communities of the San, namely the !Xun and Khwe. The area has a very high unemployment rate with 90% of its residents without a steady and regular income. The drive targeted households where children suffered from malnutrition. The member of the Executive Council (MEC) responsible for Social Development in the Northern Cape, the Hon. Ms. Martha Bartland, was part the deliveries and the traditional Chiefs of the respective communities were visited and consulted before the distribution. Speaking in !Xun one elderly lady said although she is "happy for the food parcel received, I wish the kids from Platfontein could be provided quality education", stating that "things have changed and children must go to universities and be able to provide for their own food".

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From page 2, NEF and partners distribute food parcels to 7 000 homes

Speaking at the same event NEF Acting Divisional Executive for SME and Rural Development, Mr Nhlanhla Nyembe, said, “giving connects us to others, creates stronger communities and builds a happier society for everyone. It is not all about money, we can also give our time, ideas and energy to help the growth of communities”.

Kwa-Zulu Natal

In Kwa-Zulu Natal the NEF distributed food parcels to the rural communities of Mahlabathini, Melmoth, kwaMbonambi, eMondlo and Bulwer. Poor and vulnerable members of these rural communities, especially woman-headed households, child-headed households and widowers were targeted for the relief outreach. As one local resident of Mahlabathini remarked, “the NEF food parcel was well thought out and put together by people with knowledge, understanding and love for rural black people. We really appreciate the generosity.”

“I was so overcome with emotion in kwaMbonambi when a young 5-year old boy ran out of his home with excitement as the CEO of the NEF, Ms Mthethwa, arrived at their gate well after dark to ensure that this woman-headed household with 5 children was not left hungry during this difficult time in our country. This to me was the epitome of our organizations mantra of being “a funder with a soul,” said NEF Divisional Executive for Corporate Finance and Venture Capital, Ms Hengiwe Makhathini.

She said that this was “one of the most fulfilling and purposeful experiences for me, the privilege to be involved in the facilitation of this wonderful humanitarian gesture made possible by NEF executives, management and staff to pay it forward to our people”.

Mpumalanga

In Mpumalanga the NEF and Telesure targeted child headed households. The food parcels were distributed in Hlau Hlau, Dwaleni, Nkomeni, Ngodini, Manyeveni, Makoko, Khumbula and Kabokweni. The areas are poverty stricken with no access to municipal water and the residents survive on part-time jobs, collecting and selling recycle waste, a survivalist industry that has been impacted by the national lockdown to curb the COVID-19 pandemic.

Most of the residents are not eligible to earn pension and do not have access to a consistent income. The NEF and Telesure partnered with two local non-governmental organisations, Sisonke Development Foundation from KaBokweni and Hlau Hlau Youth Development Forum. Through community facilitators, lists of deserving beneficiaries were compiled and verified by the Department of Social Development to ensure transparency. A central delivery and distribution center was established as the Hlau Hlau Community Hall where respective Municipal Councilors and community leaders would collect the parcels and deliver to affected communities.

Eastern Cape

The Eastern Cape is fast becoming entrenched as South Africa's most poverty-stricken province, a Human Sciences Research Council study has found. In this Province the NEF targeted an area just a few kilometers outside Port Alfred

known as Bathurst. This was selected due to the increasing burden on women as the sole household breadwinners despite earning much less than men. Not only is the growing gender imbalance leading to women in the area securing more menial jobs than men, or being paid less for doing the same work, but Bathurst is one of many that lead the way in out-migration as skilled workers, mostly men, leave for greener pastures in urban areas.

The area remains trapped in structural poverty that negatively affects Bathurst's health and socio-economic profile. On behalf of the community and the village, the Ward Councilor expressed his gratitude to the NEF and Telesure, saying “this has made a positive impact on the lives of ordinary people as the lockdown, necessary as it is, has taken a heavy toll not only in the health of our people but also on their ability to earn a living and to feed their children and families,” said Ward Councilor Mr. Andile Marasi.

2000 parcels in Limpopo with Domba Trust and Goseame Open Market

In mid-April the NEF partnered with the Domba Trust, a shareholder of Meropa Gaming and Entertainment, along with Goseame Open Market, a fresh produce and retail outlet funded and temporarily managed by the NEF, to deliver 2000 food hampers to rural communities of Tshififi and Tshinapfene (Vhembe District), Dikgale in Polokwane and Thohoyandou, in Limpopo.

Commenting about the partnership, Mr Mashudu Ramano of Domba Trust said “we are delighted to be part of this noble initiative to provide food hampers to a few of our communities in Limpopo at this time. Even though the need is greater out there we have a saying in my language which goes ‘vhana vha muthu, vha thukhukana thoho ya nzie’, which means children of the mother share the head of a locust”.

Chief Tshikalange, leader of the Tshififi community, says “the food hampers will go a long way towards assisting the hardships the people in my village are experiencing which are made worse by the COVID-19 virus. We are truly touched by this generous gesture.”

1000 food parcels with Golden Dice Foods

Together with Golden Dice Foods, a Gauteng-based investee company funded by the NEF, 1000 food parcels comprising maize meal, samp and beans were distributed to impoverished households in the company's resident province. “The products are manufactured and packaged by the milling company, which has received R20 million funding from the NEF for start-up, machinery and working capital,” says Acting CEO, Mr Selvan Naicker.

NEF contributes R500 000 to the Solidarity Fund

Meanwhile, in a related gesture of patriotic service, the NEF has made a contribution of R500 000 to the Solidarity Fund, a private public partnership that was created on 23 March 2020 to respond to the COVID-19 crisis in South Africa. The Solidarity Fund is a platform for the general public, civil society and the public and private sectors to contribute to the consolidated effort to fund various community relief initiatives countrywide.

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From page 4, NEF and partners distribute food parcels to 7 000 homes

A pictorial gallery of community solidarity



NEF joins forces with Raizcorp to help SMEs survive the COVID-19 crisis

As South Africa prepares to embark on “a gradual and phased recovery of economic activity” by implementing “a risk adjusted strategy” to lower the national lockdown measures from level 5 to level 4 with effect from 1 May 2020, the National Empowerment Fund (NEF) and Raizcorp have combined efforts under these troubled times to assist entrepreneurs mitigate the risks and challenges confronting their businesses as a result of the COVID-19 pandemic.

An incubation and business accelerator for entrepreneurs, Raizcorp executes enterprise and supplier development (ESD) programmes while promoting learning, growth and guidance for the sole purpose of creating profitable business solutions for emerging businesses. Through a joint initiative with the NEF, Raizcorp is equipping entrepreneurs with practical business survival tools for implementation during the current lockdown period.

Through nine information brochures authored by Raizcorp CEO, Mr Allon Raiz, entrepreneurs are able to access disaster management strategies from the NEF’s website, www.nefcorp.co.za and social media platforms, and apply the various guidelines to help stabilise their businesses. These include researching decision-making frameworks, scenario planning solutions, building an opportunity matrix and compiling resource lists as a starting point. Although COVID-19 is the common enemy, decisions will be unique for each business. Entrepreneurs must find a balance while still maintaining productivity levels during the national lockdown.

Mr Allon Raiz, CEO of Raizcorp, says “entrepreneurs should be constantly on the lookout for opportunities. Some may be hare-

brained, some may be brilliant, some may require investment, some will produce cash quickly while others will take longer to show rewards. As an entrepreneur how you respond to each opportunity, which to prioritise and how you are going to sequence each will determine the survival of your business.”



Mr Allon Raiz, Raizcorp CEO

“This patriotic and dynamic partnership with Raizcorp compliments the work the NEF is already doing by providing concessionary loans to black enterprise involved in the manufacture and supply of healthcare products and those that manufacture food to help the country triumph above the coronavirus pandemic. Already, many businesses across the country are in distress, and we believe that the nuggets of wisdom contained in these information resources will go a long way towards inspiring new ideas and novel paths for bolstering business continuity and saving jobs,” says NEF CEO, Ms Philisiwe Mthethwa.

It is the hope of the two institutions that as entrepreneurs strive to keep their doors open, these brochures and podcasts will help them make the right decisions to ensure durability and safeguard the livelihoods of their employees. Nationally and globally, big companies and small businesses across all industries are faced with the same set of challenges. Taking the best cause of action should be top priority for all entrepreneurs as the country forges ahead to neutralize the economic downturn presented by COVID-19.

Arch Technologies nets R10 million funding to supply Personal Protective Equipment



Arch Technologies is a distributor of health and industrial safety equipment based in Cape Town and was founded in 2017 by two young men in their twenties, Kehar Narismulu and Nikhal Narismulu. The company has received over R100 million worth of purchase orders for the supply of Personal Protective Clothing and equipment for health workers who are at the front of the country’s fight against the pandemic.

Approximately R755 million has been allocated for the procurement of Personal Protective Equipment (PPE) between the Provincial Health Departments, the National Department and the Solidarity Fund.

“The Health Department estimates South Africa requires 210 million PPEs to the value of R3.5 billion to address the current COVID-19

crisis. The majority of the shortages include barrier gloves used in day-to-day healthcare operations, and surgical face masks for the use of patients. Other gaps include 11 million aprons, 160,000 goggles or face shields, 5 million biohazard bags, 22 million gowns, 10 million N95 respirators, 21 million surgical masks required for health-care workers. The projections forecast that there is four weeks’ worth of stock available for frontline medical staff and other essential health workers. The NEF is therefore delighted to have approved funding for the supply of essential PPEs such as disposable masks, isolation gowns, hazmat coveralls and face shields for use by primary health care workers who are the country’s first line of defence against the Corona virus,” says NEF Divisional Executive for Venture Capital and Corporate Finance, Ms Hlengiwe Makhathini. Ms Makhathini chairs the NEF COVID-19 BEE Fund.



Ms Hlengiwe Makhathini, NEF Divisional Executive for Venture Capital and Corporate Finance

Arc Technologies has received R10 million from the NEF for the urgent sourcing and supply of these safety and protective products, and the business is using R2 million from its internally generated cash flows to fund various orders. The funding will create 5 additional jobs.

Rise Uniforms receives R10 million funding to produce 7 million face masks

The universal protective mask policy which requires citizens to wear face masks when in public has increased the nationwide demand for protective masks. In response to this market need the NEF has funded Rise Uniforms to the value of R10 million through the COVID-19 Fund to purchase machinery and raw material that will help the company to produce 55 000 masks a day.



Mr Nhlanhla Nyembe Divisional Executive, SME and Rural Community Development

Based in Cape Town, Rise Uniforms is a 100% black woman-owned and managed business that specialises in clothing manufacturing for a wide range of items such as corporate uniforms and school wear.

Proprietor, Ms Ntobekhaya Nonxuba, says "Rise Uniforms already has an order of 7 million face masks from Health Zone Pharmacy and Clinic, and we have already supplied the client with 48 000 masks. We are grateful to the NEF for this funding because it will help us increase our manufacturing capacity to 55 000 face masks per day. Due to the shortage of local specialised equipment the required machinery will be imported from China so that we may continue producing disposable and reusable face masks. We are privileged to be able to play a part in helping the country to curb the spread of the coronavirus pandemic".

The business currently has 43 employees and 20 new jobs will be created with the protective face masks line. Rise Uniform has previously received funding from the NEF for clothing-manufacturing.

"The NEF views this as an investment that will have a high impact in the manufacturing industry, thereby assisting in job creation and the spirited fight to flatten the curve of the pandemic. The applicant has made own contribution of R950 000 and is an experienced entrepreneur with a solid 5-year track record in business and we are confident that this is a prudent investment that takes the country forward in the quest for inclusive growth," says Nhlanhla Nyembe Divisional Executive, SME and Rural Community Development.

In line with the concessionary terms of the NEF COVID Fund, which is offered in partnership with *the dtic*, the loan will be payable over 24 months following a 6-month interest and capital moratorium. The loan is priced at 2,5% fixed interest rate.

Ms Nonxuba holds a National Diploma in Clothing Management as well as B Tech and Master's degree in Quality Management and has been in the clothing industry for over sixteen years.



Afro-Zonke secures NEF funding to manufacture hand sanitisers



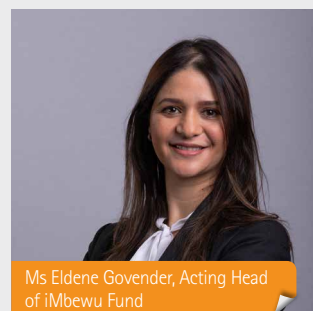
Afro-Zonke Project and Investments was established in 2012 by chemical professional Mr Sithembiso Mkhize. Presently, the company has a staff complement of 14 permanent employees and operates in Hillcrest, KwaZulu-Natal, supplying numerous industrial and household chemical products such as disinfectants and detergents.

The COVID-19 pandemic has presented Afro-Zonke Project and Investments with new challenges and the opportunity to expand its operation to hand sanitizers, and within a week of the start of the lockdown on 26 March, "we received orders in excess of R5 million for disinfectant solutions. Afro-Zonke wants to increase capacity by adding equipment to the current demand. The company has secured contracts and purchase orders to the value of R50 million" reveals proprietor, Mr Mkhize.

"Through NEF's COVID-19 Fund, Afro-Zonke has received funding to the value of R10 million to increase the production

capacity of hand sanitizers, disinfectant and detergents. The company plans to create 8 new jobs in order to meet increase in demand for its products. Afro-Zonke Projects and Investments is in a high impact manufacturing industry with ability to create more jobs directly related to response measures linked to COVID-19. The company has secured the market and is growing aggressively. The funding will further increase its capacity to respond to the current demand," explains Ms Eldene Govender, the head of the NEF investment fund responsible for SME development, iMbewu Fund.

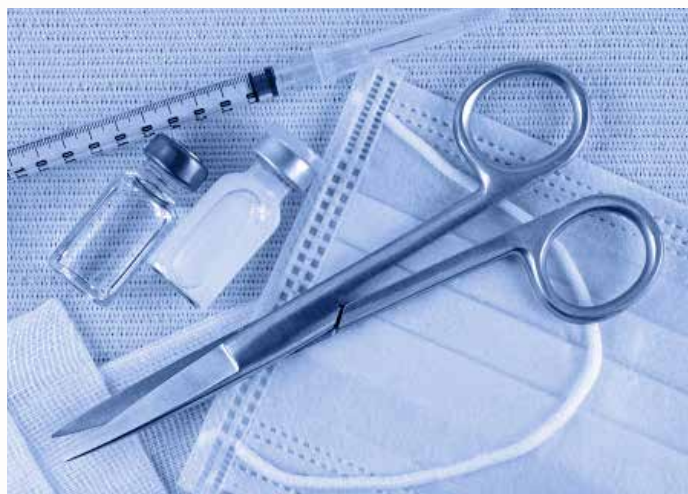
Afro-Zonke develops, manufactures and distributes a wide range of industrial chemical solutions ranging from industrial, mining, engineering, manufacturing, healthcare, agro-processing, homecare, to personal care products. "We provide both technical and engineering solutions to various industries like chemical manufacturing, mining, water purification and sanitation, engineering and household solutions," adds Mr Mkhize.



Ms Eldene Govender, Acting Head of iMbewu Fund

Afro-Zonke is led by an experienced management team with over 20 years experience in the industry, and in 2019 the company won the black industrialist of the year from SA Premier Business Awards. Mr Mkhize holds a BSc Degree in Chemical Engineering and has over 17 years experience in the industry, over 5 of which were spent working in Germany.

NEF helps Tara Healthcare to supply healthcare products countrywide



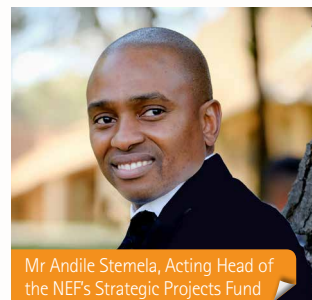
Tara Healthcare is a supplier of medical, surgical supplies and devices based in Midrand, Johannesburg and has distribution centres in Eastern Cape, KwaZulu-Natal and the Free State supplying all regions of South Africa. Nicholas Naidoo founded the company in 2016 and employs 15 people.

Covid-19 places Tara Healthcare in a crucial position to respond to the demand for personal protective equipment and medical supplies such as N95 face masks, hand disinfectants, full bodysuits, isolation gowns, infrared thermometers, and medical gloves. Some of Tara Healthcare customers include the Department of Health, South African Police Services, Transnet

and pharmaceutical companies.

“Tara Healthcare employees are undergoing training in preparation for imminent expansion plans, including the application for the acquisition of medical equipment to manufacture doctor masks and other specialised protective clothing and mixing tanks for chemicals such as sanitizers and other disinfectants,” says Mr Naidoo.

“The NEF was approached by Tara Healthcare to assist with working capital funding to increase production, expand its supplies and deal with the demand to assist the country to respond to the pandemic. The company was approved for R10 million working capital by the NEF. Tara Healthcare plans to use the funding for the sourcing of medical products for national government and private health laboratories. All products distributed by Tara Healthcare are SABs approved and are certified by the South African National Accreditation System (SANAS),” says Mr Andile Stemela, Acting Head of the NEF’s Strategic Projects Fund.



Mr Andile Stemela, Acting Head of the NEF's Strategic Projects Fund

“Our medium-term goal is to establish a manufacturing plant for most of the products that we presently procure. We have already applied for the licence to acquire and operate medical equipment to manufacture doctors’ masks and other specialised protective clothing as well as mixing tanks for chemicals such as sanitisers, disinfectants and related chemicals. The latex glove manufacturing equipment is also in the plans, and we aim to implement all these goals by end of 2020,” declares Mr Naidoo.



NEF funding helps spread the sweet aroma of Green Logik sanitizers

Green Logik is a Cape Town-based company founded by Dawn and Barry Peterson in 2014. The company specialises in the production of hand sanitizers which contain essential oils such as lime, lavender, spearmint, citronella, tea tree and lime.

“The oils are child-friendly adding moisture and shield the skin from the harsh smell of ethanol. Our first product was Lunchbox Buddy, a sanitizer that is compact and

portable enough to fit into kiddies lunchboxes or any regular lunch bags. The hand sanitizer comes in a sachet and in various bottle sizes. The product is sold locally to retailers, corporates and individual clients. The production material are also sourced locally through different manufacturers and agents. The products are 70% ethanol-based and are SANS 5261 certified”, says Ms Dawn Peterson.

“Green Logik has a staff compliment of 27 employees. Because of the demand for hand sanitizer since the outbreak of COVID-19 the company has been working toward building requisite capacity to fulfil demand. The operation requires additional sachets and filling machines to package units. Additionally, Green Logik has received a substantial order to the value of approximately R5 million from Pick n Pay for the supply of hand sanitizers. Through the NEF COVID-19 Fund, Green Logik will access R6.1 million for the purchase of machinery and supplies,” says NEF Ms Hlengiwe Makhathini, NEF Divisional Executive for Venture Capital and Corporate Finance.

Ms Peterson says the machine for filling sachets cannot service current orders which has led to the company outsourcing this work temporarily. Two new sachet filling machines will be purchased with the funds. The shrink machine will be used for wrapping products for bulk packaging, which involves combining units into sets of 24.

NEF funds Golden Dice to improve South Africa's food security



The outbreak of the COVID-19 pandemic has sparked widespread fears whether there will be sufficient food supplies at affordable prices for the country over the lockdown period. To address this anxiety, one of the businesses that has benefited from the NEF COVID-19 Fund is Golden Dice Foods, which has R6 million for the purchase of additional machinery, repairs to existing machinery and working capital in order to increase the product range and capacity of the milling company.

"Golden Dice Foods is a milling company which manufactures and packages grain commodities for wholesalers and the consumer market. The business has been in existence for 25 years and specialises in the milling and manufacturing of maize and mabele products as well as the packaging and distribution of dry agricultural products such as beans, popcorn, sugar and fowl feed. It offers products under two brands, namely Selcro and Golden Dice. Some of our key clients include Makro, CBW Group, OK Foods, Spar, ICC and Elite Group. The business was bought as a going concern and has built significant brand equity over the years," says Acting CEO, Mr Selvan Naicker.

When President Cyril Ramaphosa declared a national lockdown that took effect from midnight on 26 March 2020 in order to curb the spread of the Coronavirus, he asserted that business directly involved in the manufacture of food would not be affected by the lockdown as they are an essential service providing food to millions of South Africans.

"Golden Dice is one such company involved with the manufacture of maize meal which is a staple food to the majority of South Africans. With the decline of beans, maize meal and samp in

various stores, Golden Dice approached the NEF for funding to increase capacity and produce much needed products in the country during this period. The funding would also assist Golden Dice to increase the range of products it sells into the market. This transaction allows the NEF to increase its funding in a key sector of the economy, agro-processing, which will allow Golden Dice to participate in delivering essential products to the South African market when it is desperately needed," says Mr Eric Zwane, head of the NEF's Rural and Community Development Fund, which supports medium-sized businesses with start-up, expansionary and transformative finance.



Mr Eric Zwane, head of the NEF's Rural and Community Development Fund

He says the current national food shortage will see Golden Dice becoming a major player in the industry, "and the this will result in greater sustainability for the business. Once the plant has been sufficiently capacitated following this funding approval, output will be doubled without affecting the selling prices to the customer due to the plant's improved efficiencies".

"Golden Dice currently produces about 100 metric tons (mt) of product per month for Goseame School Feeding scheme, and the local retail and wholesale business has been growing steadily with more and more customers coming on stream," adds Mr Naicker.

Golden Dice employs 25 staff members and the approved COVID-19 funding will result in 10 new positions opened for general factory workers as well as packers, bringing the number of jobs created to 35. 80% of the new intake of bean sorters and packagers will be women.

In 2015 the NEF approved funding for the acquisition of Golden Dice, which resulted in the business being black owned, with 32% held by the Employee Trust, 19% by Mapo Holdings (Pty) Ltd, and the 49% balance by the NEF for future transfer to black partners and staff, when the business reaches maturity, concludes Mr Zwane.

NEF COVID-19 FUND supports maize producer, Imphuphu Mills



In the wake of the devastating impact of the COVID-19 national disaster, the NEF COVID Fund has approved funding to the value of R1.52 million to Imphuphu Mills, a micro-milling company based in Winterton, Kwa-Zulu Natal.

Imphuphu Mills is a 100% black owned milling company which produces and supplies maize meal to communities around Weenan, Dundee and Ladysmith, in KZN. The company was established in 2009 and has 20% ownership by black women.

"The NEF capital injection of R1.52 million will enable the acquisition of a de-germinator which will speed up production and minimise breakages. A de-germinator is a machine used for breaking open the kernels of wheat or other grain and removing germs, bran and grits. This device separates the germs, bran and grits for the husk of a cereal grain and is essential in agro-processing," explains Ms Zama Khanyile, NEF head of uMnotho Fund.

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From page 6, NEF COVID-19 FUND supports maize producer, Imphuphu Mills

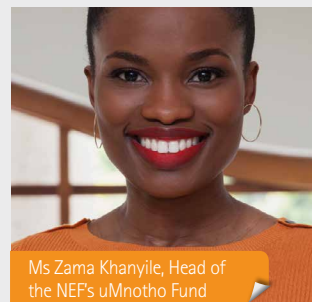
Imphuphu Mills operates in the second phase of the maize industry as a micro milling plant in the largely untransformed sector and food chain. The company sources raw materials from local farmers in KZN in the Okhahlamba Local Municipality and from brokers that source from the SAFEX (South African Futures Exchange), a division of the Johannesburg Stock Exchange (JSE). The company supplies their own brand of maize meal to retailers in KZN and 20% of their product supplies walk-in clients from the Winterton community.

Maize is the third most planted crop in the world and is one of the most important crops in South Africa because it forms part of the staple food in the majority of the country's households. South Africa is the most active and the largest producer of maize in the Southern African region and is also SADC's largest exporter of the product, having generated R27 billion revenue in 2017, according to the Department of Agriculture, Fisheries and Forestry.

Imphuphu Mills CEO, Mr. Samuel Malindi, says "we have 2 main contributors to annual turnover, with more than 70% of the revenue earned from maize meal, while 30% comes from

cash customers. Imphuphu Mills provides maize meal in the KZN region and we have one client in Maputo, Mozambique. The company offers competitive pricing and the brand is well liked by the target market. We also produce animal feed as a by-product which is sold to local farmers. We produce samp but this is a small part of the revenue. Imphuphu Mills produces approximately 4100 tons of maize per annum, amounting to 2 tons per hour, and this funding by the NEF will enable us to do more, and we are truly excited for the future".

Ms Khanyile says "the loan will support a total of 20 jobs, 9 of which are new. In addition. A total of 3 jobs are created per 5 hectares of farmland and this will lead to approximately 2 356 jobs for farmworker in KZN". She says in terms of the emergency funding application criteria the NEF is supporting a black owned and managed company which is providing an essential food product under the COVID 19 Fund priority list, with the aim of creating and sustaining employment and deepening black economic participation.



Ms Zama Khanyile, Head of the NEF's uMnqotho Fund

NEF funding unlocks orders of 300 000 masks per month for V-Care Medi



South Africa still needs vast quantities of personal protective equipment (PPE) for the health sector to deal with the expected load of COVID-19 cases. It is estimated that the country has 4 weeks' worth of stock left for frontline medical staff and other essential health workers. While the subsiding coronavirus crisis in China has freed up some of its capacity to export PPEs, some 180 countries are all currently vying for the same medical equipment, necessitating South Africa to do more to secure diminished stocks.

The biggest shortages are in barrier gloves to be used in day-to-day healthcare operations, and surgical face masks for the use of patients. Other gaps are 11 million aprons, 160,000 goggles or face shields, 5 million biohazard bags, 22 million gowns, 10 million N95 respirators, 21 million surgical masks for health-care workers.

The National Empowerment Fund (NEF) has approved business loan funding of R950 500 to V Care, which is a 100% black-owned company comprising 50% black female youth active participation and 50% black active male participation respectively.

"NEF approval of a R950 500 loan is for a specific order of 100 000 three-ply masks against which V Care has an irrevocable letter of guarantee of R1.04 million from Impulse Care Pharmacy, which is an existing customer of V Care. The client will, on the successful completion of this specific order, confirm consistent orders of 300 000 masks per month, even post-Covid-19, from V Care," says NEF Investment Principal, Mr Joel Mphela,



Mr Joel Mphela, NEF Investment Principal.

"This loan will go a long way in unlocking future opportunities for our company. We are an experienced team with a track record within the industry, that is why we have managed to secure additional orders from various customers, thus reducing concentration risk because of strong relationships with pharmacies and medical consumable suppliers," says Mr Parma Naik who holds a B.Com law degree and has been involved in various industries and companies.

Mr Mphela, says the investment rationale was based on the following developmental impact:

- 100% black ownership,
- Youth empowerment,
- Promotion of entrepreneurship,
- The funding is expected to maintain 3 permanent jobs and to create an additional 2 employment placements.

COVID-19 Black Business Funding Solution

Funding of black SMEs for up to **R10 million** per applicant with a 12-month repayment holiday

Covid-19 Emergency Funding Intervention

As South Africa intensifies the fight against COVID-19, the global pandemic that must be defeated, the Department of Trade, Industry and Competition (dtic) in partnership with the NEF call upon black businesses to come forward for funding geared at supporting the manufacture of various medical supplies and the production of food.

- **R200 million** has been set aside under the COVID-19 Black Business Fund as a blended facility for SMEs that manufacture and supply **Identified Priority**

Products to access concessionary loan funding.

Salient Features of the Fund:

- Limited to R10 million per applicant for working capital, machinery and equipment;
- Up to 12 months payment moratorium at 0% fixed interest rate;
- After 12 months a fixed interest rate of 2,5% will apply;
- Maximum term is 60 months, including moratorium, and
- First drawdown must occur within 1 month from approval date.

Funding Criteria

- Be a registered legal entity in South Africa in terms of the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 or the Co-operatives Act, 2005.
- Be a taxpayer in good standing with a valid tax clearance certificate at assessment as well as before the loan is disbursed.
- Be a current and registered supplier with retailers and other institutions in good standing or have a purchase order/ contract/ letter of intent.
- Require working capital or funds to purchase machinery and equipment.
- The fund WILL NOT service any pre-existing debt or help settle

monies owed.

- Have greater than fifty percent (>50%) Black shareholding and management control. Must be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector. Owned by black South Africans as defined by the Broad-Based Black Economic Empowerment (B-BBEE) Act.
- In line with the NEF's transformation mandate, preference will be given to applications that demonstrate meaningful black women ownership, management and control.
- Have a project with a minimum requirement of **R500 000** in working capital, machinery and equipment.
- Must result in retaining or increasing direct jobs.
- Submission of all relevant documents for commercially viable applications.

Fund's Identified Priority Products

- DISPOSABLE PLASTIC GLOVES AND FACE MASKS



- PCR TEST KITS FOR CORONAVIRUS



- DISINFECTANTS AND ALCOHOL-BASED WIPES



- MEDICAL PROTECTIVE CLOTHING AND OVERSHOES



- HOSPITAL LINEN AND CLOTHING



- PROTECTIVE GOGGLES AND PROTECTIVE HOODS / FACE SHIELDS



- PLASTIC MOULDING AND BOTTLING / PACKING



- HAND SANITISERS AND SOAPS



- DETERGENTS / CLEANING PRODUCTS



- DISPOSABLE APRONS AND CUPS



- DISPENSERS (WATER, SANITISERS AND SOAP)



- PROTECTIVE RESPIRATORS



- TOILET PAPER



- STEEL BEDS FOR HOSPITALS AND CLINICS



- MATTRESSES AND / OR SPONGE



- STERILE AND UNSTERILE



- MILK



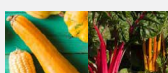
- FRUITS: ORANGES, NAARTJIES, LEMONS (VIT. C)



- EGGS



- VEGETABLES: YELLOW VEGGIES, POTATOES / SWEET POTATOES, CABBAGES, SPINACH, MOROGO, TOMATOES, BEETROOT AND CORN



- MAIZE MEAL



- FLOUR



- YEAST



- SAMP



- BEANS



- COOKING OIL



- FISH AND CANNED FOOD



- MARGARINE AND BREAD SPREAD



- CHICKEN



- BABY FOOD



- WATER



Required Documentation

Constitutional documents

- Declaration on BEE status and size of business.
- NEF application form ([accessible on NEF website: www.nefcorp.co.za](http://www.nefcorp.co.za)).
- Summary of production in the last 3 months.
- Copy of the historical financial statements (up to 3 years if

available).

- Signed copy of the contract, purchase order or letter of intent from the applicant's client/s.
- Financial forecast for the duration of the contract, order, or letter of intent. The forecast should include income statement, cash flow statement and balance sheet for the duration of the funding.
- Additional information that would be necessary to enhance the application may be requested by the NEF as and when deemed necessary.