

JOINT MEDIA STATEMENT FOR ALL NEWS EDITORS

Slug: (Northern Cape Blended SMME Fund)

Monday, 12 April 2021

R75m set aside for Black SMMEs in the Northern Cape

As businesses across the world continue to do battle against the constraints imposed by the COVID-19 pandemic, relief is on the way for black-owned and managed SMMEs in the Northern Cape following the establishment of the Northern Cape Blended SMME Fund between the Provincial Government's Department of Economic Development & Tourism (DEDAT) and the National Empowerment Fund (NEF), valued at R75 million. The initiative which will focus on enterprise and supplier development support to local SMMEs and provide concessionary funding across all sectors of the provincial economy.

DEDAT's R30 million contribution will be utilised for non-refundable grants of up to R4 million per transaction, with 60% comprising a refundable loan portion from the NEF's R45 million allocation.

A partnership for growth



“The collaboration with the NEF for the establishment of the Northern Cape SMME Blended Fund (NCSBF), comes at a most appropriate time in our quest to recover our economy from the harsh experiences of the pandemic. The intervention is directed at ensuring that enterprises that have viable and sustainable business plans receive the financial support required to propel their businesses to new heights and address the policy priorities facing our province in pursuit of our vision of developing a MODERN, GROWING and SUCCESSFUL Province,” says the Hon. Premier, Dr Zamani Saul.

“This is a first in the province and therefore presents a massive opportunity to assist enterprises and entrepreneurs that wish to contribute to the economic development of the Northern Cape Province, while provincial beneficiaries have access to an additional source of funding in the province through the NEF products and services. We wish to invite other institutions to participate in this intervention by contributing to this fund and by doing so, the quantum of funding that will be available to SMMES across sectors will be increased,” he adds.

NEF Chief Executive Officer, Ms Philisiwe Mthethwa says the partnership is significant in that it will advance the organisation's key objective of optimising its investment portfolio and presence in the province.



“The NEF is one of the most relevant government economic policies implementing agencies that continues to have marked contribution to the national economy. Through our diversified funding focus, we are steadfast in our focus to bring the historically disadvantaged black entrepreneurs in the province into the mainstream economy,” says Mthethwa.

In addition to providing funding to sustainable enterprises, the NEF will also extend non-financial support to investee companies, including entrepreneurial training, incubation, monitoring and mentorship. “For this purpose, we have committed a range of critical skills to help entrepreneurs thrive. In line with our legislated mandate, the Blended SMME Fund will provide start-up and expansionary capital to black-owned and managed businesses to support inclusive economic development in the province,” adds Mthethwa.

The NEF’s broad funding focus includes minerals beneficiation, agro-processing, tourism, construction, manufacturing, transportation and retail and services.

Funding Criteria

The NCBSF is for the exclusive benefit of businesses that are domiciled in the province who meet the following funding criteria:

- Majority ownership by black entrepreneurs,
- Black women participation,
- Job creation,
- an entity of any size of turnover, which is 51% (fifty one percent) or more Black-owned or Black-women owned;
- an entity of any size or turnover, which is 30% (thirty percent) or more Black-owned or Black-women owned with a BEE status of between 1 and 3 as defined in the B-BBEE Codes of Good Practice, and
- Commercial sustainability.

A solid funding track-record to support black entrepreneurs

In accordance with the partnership agreement concluded in March 2021, DEDAT has partnered with the NEF “to establish, develop, implement and administer the Northern Cape Blended SMME Fund, through which the NEF will assist the Department in the acceleration of Broad-Based Black Economic Empowerment within the Northern Cape province”.

Over the years the NEF has built a strong reputation as fund manager through partnerships with various entities across the public and private sectors, and these include Government departments and entities such as the Department of Tourism, the Western Cape Department of Economic Development and Tourism, the Limpopo Department of Economic Development, Environment and Tourism as well as Transnet Port Terminals, while in the private sector these are Pick ‘n Pay, Engen, BP South Africa, Shell, Nissan, Bakubung Platinum Mine, Sishen Iron Ore Community Development Trust and Daimler Chrysler SA.

As a partner trusted by many, the NEF has achieved clean external audit opinions for 17 years running. Since operational inception in 2004 the NEF has approved in excess R10.9 billion for black entrepreneurs countrywide, supporting in excess of 103 000 jobs.

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