

## **R450 million for KZN & Gauteng post-unrest business relief** **NEF and Solidarity Fund's Humanitarian Crisis Relief Fund (HCRF)** **launch new initiative to support SMMEs**

The National Empowerment Fund (NEF) and the Solidarity Fund's Humanitarian Crisis Relief Fund (HCRF) have announced a financial relief programme to support small, medium and micro enterprises (SMMEs) recover from the devastating effects of riots and unrests in KwaZulu Natal and some parts of Gauteng, which broke out in July this year.

### **Businesses impacted by the riots**

The NEF and Solidarity Fund's HCRF have established a R450 million SMME Support Programme, a first between the two organisations, which will support businesses that can demonstrate that they were negatively impacted by the riots and unrests in both provinces.

The unrests and riots affected several businesses across KwaZulu Natal and Gauteng, bringing economic activities in both provinces to a halt.

The Chief Executive Officer of the NEF, Ms Philisiwe Mthethwa, says "the financial support will be a blended loan and a grant offering. Of the R450 million contributed by the two partners, R300 million will be a loan portion while the balance will be grant funding. This developmental commitment aims at restoring business activity in the affected areas, and to save much-needed jobs to drive economic recovery and social stability".

Affected businesses will need to show that they were not covered by insurance or that there is an insurance shortfall, says Ms Mthethwa.

### **Supporting job creation**

"One of the funding criteria is that the applicant must be a registered company, close corporation or co-operative, in good standing with the South African Revenue Service. The applicant must also demonstrate that jobs lost will be restored or increased within 12 months of receiving the funding," adds the CEO of the NEF.

The riots and unrests resulted in devastating economic disruptions, including food and medical shortages.

"We are excited to contribute R150 million grant funding to this intervention in partnership with the NEF and believe it will go a long way to immediately address the recovery of the SMME sector from the devastating impact of the unrest. This intervention underscores the intent of the HCRF

to be able to respond with agility and speed to business recovery efforts in a meaningful way that will ultimately benefit community access to goods and services, and aid in the much-needed economic recovery in the affected areas,” says Mr Boris Kamstra, Head of the Solidarity Fund’s Humanitarian Crisis Relief Fund.

A webinar, which is planned for Thursday, 30 September 2021, will provide more details about the initiative between the two institutions.

### **Funding criteria:**

The following criteria must be met by a business to be eligible for the support:

- The business must be located in Gauteng and KwaZulu Natal and must demonstrate that it was affected by the riots and the unrests;
- The business must either be a registered company, close corporation or co-operative;
- The applicant must be a taxpayer in good standing and must provide proof thereof from SARS;
- Demonstrate that the jobs lost during the unrests will be restored or increased within 12 months of funding;
- Where a business is insured, funding can be provided as bridging finance against a cession by the insurance company of the insurance proceeds.
- All recipients will be encouraged to have a SASRIA or an equivalent insurance cover going forward.
- The business must demonstrate the need for a grant and the ability to service the loan.
- Loans will be made available at 0% interest rate.
- Some of the funding will be made available in the form of a grant.

### **Application Process:**

Applications can be sent to [unrest-relief@nefcorp.co.za](mailto:unrest-relief@nefcorp.co.za). Alternatively, enquiries may be directed to the NEF’s call centre on 0861 843 633 (0861 THE NEF).

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