

## Major boost for NEF funding of black women entrepreneurs

The commitment of the National Empowerment Fund (NEF) to empowering businesses owned and managed by black women entrepreneurs has been given a major boost following an allocation of R141 million by the dtic, the shareholder ministry of the development financier, for investment across the key sectors of the economy, says Chief Executive Officer, Ms Philisiwe Mthethwa.



Ms Philisiwe Mthethwa, NEF CEO

### Concessionary funding with 6-month interest holiday

“This is an important development that will see the NEF **Women Empowerment Fund (WEF)** doing more to place black women at the forefront of the economy. This is aimed at enhancing the participation of black women-owned businesses in the South African economy to accelerate job creation and increase the productive capacity of the South African economy. Thanks to the dtic, concessionary funding will be provided from R250 000 up to R10 million for each transaction. The loans will not accrue interest for the first 6 months. After the interest-free period, the funding will accrue interest at a fixed rate of 1.5% for the remainder of the term. The NEF will provide pre-investment and post-investment support through monitoring the progress of the businesses and will provide free mentorship to improve the chances of business success. The concessionary funding will be blended with standard NEF funding,” says Ms Mthethwa.

### Funding criteria

The WEF will provide funding for businesses across various sectors including agro-processing, beneficiation, construction, franchising, manufacturing, property, renewable energy, services, tourism, transportation, among others. The NEF will blend the funds available under the WEF with its regular loan funding. This means no transaction may be solely funded from the dtic portion of the WEF. It is therefore a condition for accessing WEF funding that there be a loan portion from the NEF. Funding will be assessed in accordance with the following criteria:

- Majority ownership, control and management by black women;
- Must be registered and recognised under South African law (company, close corporation, co-operative, collective investment scheme, NPO's and community trusts);
- Be registered for tax, be in good standing with SARS and have a valid tax clearance certificate;
- Be involved in primary, secondary and tertiary sectors of the

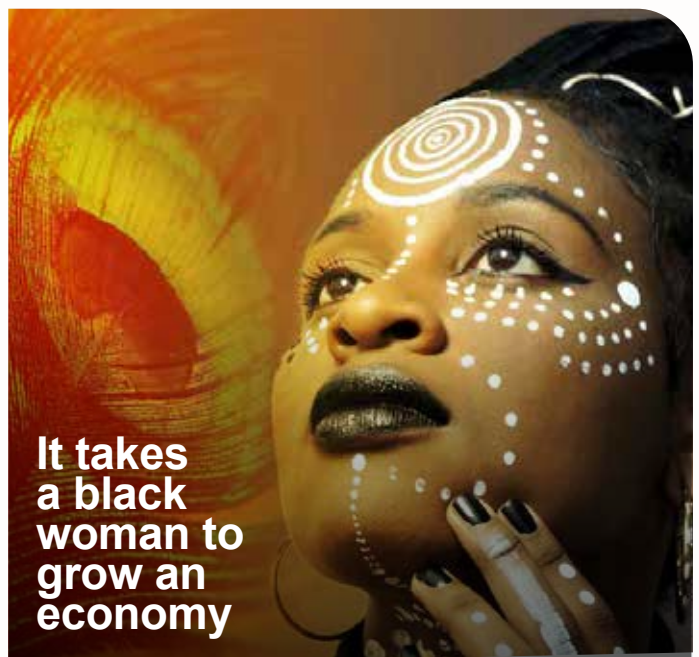
## Contents in this edition

- Pg1. Major boost for NEF funding of black women entrepreneurs
- Pg1. It takes a black woman to grow an economy
- Pg2. NEF Youth Empowerment
- Pg4-6. Investees

economy (with the exclusion of purely alcohol businesses, purely tobacco businesses, arms and ammunitions and related sectors);

- be located in rural areas and/or townships;

*Continued on page3*



**It takes  
a black  
woman to  
grow an  
economy**

**With new capital injection of R141 million from the dtic, the NEF invites black women entrepreneurs to apply for start-up or expansionary business loans to help take South Africa forward.**

The NEF **Women Empowerment Fund** can help make your dreams come true whether it is for agro-processing, beneficiation, construction, energy, franchising, manufacturing, property, services, tourism, transportation or any other sector of the economy.

*Continued on page4*



## NEF Youth Empowerment Growing Black Economic Participation

NEF iMbewu Fund investment analyst **Noluthando Zamancube Khambule** was nominated for her role in encouraging entrepreneurship and community youth leadership in her Newcastle hometown and on social media. As an Economics and Econometrics graduate with an honours degree in Economics, both from the University of Johannesburg, she has always imagined herself as a competent resource that would occupy boardrooms and participate in policy formulation to grow black economic participation especially for black and previously disadvantaged individuals and communities.



Ms Noluthando Khambule, NEF iMbewu Fund investment analyst



She says the younger generation must define its own mission to fight against inequality, poverty, unemployment and racism. Noluthando credits her family for steering her into the right direction, placing her in uncomfortable situations and pushing her to have difficult conversations with various stakeholders in her community.

She quickly manifested her solutions driven brainchild project called, “Sitshala IMbewu” aimed at community upliftment projects so close to her heart. A lady from a neighbouring village, kwaMbabane, shared her project with one of the journalists at the Sunday World publication, which afforded her the recognition of “Community Unsung Hero”.

“Sitshala IMbewu” project entails organised cultural gatherings with traditional leaders at KwaMafahlawane, Noluthando’s maternal home, an area around Osizweni township. She loves to share knowledge with the youth through this programme, an initiative that teaches and encourages basic entrepreneurial skills.

As fate would have it, just a few months into her first corporate job, she realised that working in the Development Funding Institutions, (DFIs), such as the National Empowerment Fund (NEF) space is what she was called to do. Her tenacity, passion, expertise and work acumen has endeared her to all and sundry at the NEF and beyond.

Acting iMbewu Fund Manager, Ms Eldene Govender says “Noluthando Zamancube Khambule is a delight to work with as she is hardworking, reliable and very thorough in her work. You can rely on the quality of her work and she has a very entrepreneurial mindset, when we evaluate the applications for funding at iMbewu fund she will come up with unique ideas on how we can support the entrepreneur. It is part of her DNA, she is a high performer at iMbewu fund and at the NEF and is

definitely an inspiration to young employees of the NEF and in her community, because of her work ethic and the fact that she will always go beyond the call of duty to assist entrepreneurs, we celebrate her achievements. As an academy of excellence, the NEF continues to attract some of the best talent that South Africa has to offer and we are proud to have Noluthando as one of our Stellar employees, adds Govender.

The NEF nurtures and refines talent and is an organisation where merit and distinction are founded on the crucible of patriotism. The NEF’s recruitment ethos is inspired by the recognition that the quest for economic transformation and growth needs skilled professionals who are honest, hard-working and willing to go the extra mile. The NEF is such a place says **Noluthando Zamancube Khambule**.

“Our vocation, therefore, is to be of service to our country, and indeed to our continent. The highest qualification for being at the NEF, second only to one’s professional distinction and performance, is indeed a patriotic commitment to the empowerment dividend, which is the pursuit of the most noble mandate in South Africa today, not everyone will support or get your vision. But don’t despair and never forget why you started what you started to begin with, says Khambule.

As part of the non-financial support programmes the NEF provides incubation, mentorship, coaching, savings and investment training for entrepreneurs, of which Noluthando has extended to annual schools “entrepreneurship days” where learners are able to showcase and sell anything on the day and be taught about the main aspects about assessing the performance of a business.

Despite holding a demanding job at the National Empowerment Fund (NEF), this 27year of dynamic young lady remains resolute and passionate about the preservation of African culture in her township of KwaMafahlawane, in Newcastle, KZN. From an early age, she was exposed to both sides of South Africa’s social and economic demographics. This; through having attended private schools while living in the rural areas and spending a lot of my time back home. She says this is what has kept her grounded and motivated to dream big.



Continued on page3

*Continued from page 1, Major boost for NEF funding of black women entrepreneurs*

- Sustain and create employment;
- Have a viable businesses case;
- The funding will be for start-ups, existing business seeking expansionary capital, and for acquisition finance.

“South Africa’s history, which has seen especially black rural women relegated to the lowest rungs both socially and economically, demands no less an aspiration than to ensure women’s participation in every sector of the economy. The NEF invites applications from women who meet the requirements for funding across the various sectors,” says the NEF.

**Sector Spread of women-owned businesses**

“Within the NEF’s franchise portfolio, the energy sector ranks as the most vibrant and successful both commercially and in terms of repayment trends to the NEF. The relationship with the various petroleum companies is in line with the NEF SME strategy that seeks to leverage the technical expertise provided by these companies for the benefit of black and women-owned enterprises who wish to own fuel service stations, hence the energy sector is the highest category under franchising. Within the NEF’s portfolio, this sector has 44% women ownership which is a quantum leap in the industry,” explains Ms Zama Khanyile, the NEF’s Acting Divisional Executive for Venture Capital and Corporate Finance.

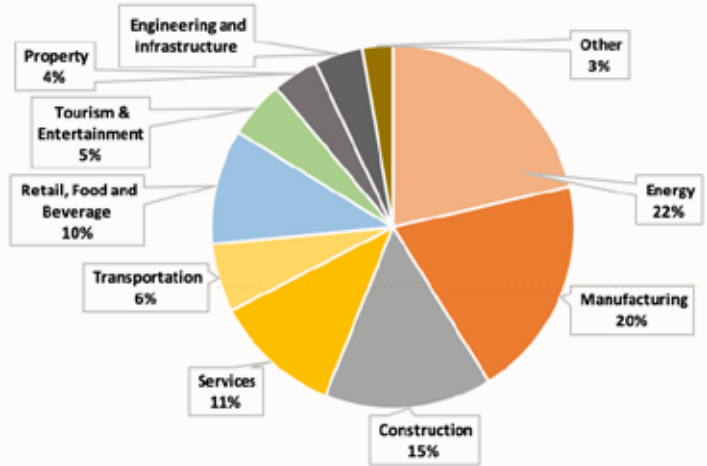


Ms Zama Khanyile, the NEF's Divisional Executive for Venture Capital and Corporate Finance

She says the manufacturing sector has also generated growing interest among black women entrepreneurs, examples of which are Smith Capital, which manufactures aerial platforms and truck-mounted cranes, as well as businesses involved in textile and foot-ware manufacturing, among others.

In construction, various businesses lead the sector through

general building of houses and office parks, civil engineering, rail infrastructure and concrete mixing. The pie-chart below provides a sector breakdown of women-owned businesses funded by the NEF:



**Women supporting the country to flatten the curve of the COVID-19 pandemic**

“More recently the NEF has funded businesses owned by black women involved in the manufacture of healthcare products to help the country fight the COVID-19 pandemic. These products include hand sanitisers, facial masks and medical gowns, among others,” adds Ms Khanyile.



*Continued from page 2, NEF Youth Empowerment*



**Noluthando Zamancube Khambule**, has enjoyed significant recognition and praise from her community and some of her followers on social media where she shares her teachings on entrepreneurship, barriers to entry and lack of basic resources and lack of clear channels of help is what she wants to help

black business to grow black economic empowerment.

“Being at the NEF means that some people can see that what we are doing has the potential to grow into something that helps give birth to young entrepreneurs from disadvantaged backgrounds ,sets the foundation for sustainable businesses and can assist in the unlocking of township and rural economy” adds Khambule

“I have introduced recording keeping and systems into really small businesses. I believe that this has helped them better monitor the growth of the businesses and implement new strategies. It is through the knowledge that I have gained while working at the NEF, that I was able to start this initiative. Through the assessing of various transactions and interactions with entrepreneurs, I picked up on what I thought black entrepreneurs were struggling with and then I started an initiative to help with that. I believe that the NEF must continue with constantly sharing information and educating entrepreneurs, concludes Khambule.

*Continued from page 1, It takes a black woman to grow an economy*

## Benefits of NEF funding for black women entrepreneurs



- R250 000 up to R10 million for each transaction;
- The first 6 months will bear no interest;
- After the first 6 months, the interest rate will be fixed at 1.5% for the remainder of the term;
- Up to 5 years to repay the loan, and longer for property transactions;
- The NEF will provide incubation support, entrepreneurial training, online business-planning and mentorship support, and
- thetdtic WEF portion will be blended with standard NEF funding.

## WEF Funding criteria

- Majority ownership, control and management by black women;
- Must be registered and recognised under South African law (company, close corporation, co-operative, collective investment scheme, NPO's and community trusts);
- Be registered for tax, be in good standing with SARS and have a valid tax clearance certificate;
- Be involved in primary, secondary and tertiary sectors of the economy (with the exclusion of purely alcohol businesses, purely tobacco businesses, arms and ammunitions and related sectors);
- Be located in rural areas and/or townships;
- Sustain and create employment;
- Have a viable business case, and
- Be a start-up, an existing business seeking expansionary or acquisition capital.



**As South Africa strives to recover from the effects of the COVID-19 pandemic, the NEF will continue to place black women entrepreneurs at the forefront of inclusive economic growth.**

### Globacon (Pty) Ltd - Construction R5 million



Globacon (Pty) Ltd is a 100% black woman-owned construction company based in Durban, KwaZulu-Natal. It provides the following services; civil and building construction, upgrading, and electrical engineering work.

Globacon is currently graded at CIDB 6GB PE and employs 16 people on a permanent basis and generally employs additional people when the need arises. The staff is made up of engineers, quantity surveyors, SHEQ professionals and a team of professional administration staff members.

Growing rapidly from being initially a 4th tier sub-contractor to ultimately becoming one of the leading Services Providers in the broad-based economic empowerment segment. GlobaCon has offices both in KwaZulu-Natal and Gauteng providing a comprehensive range of telecommunications and civil services.

The company has since established auxiliary relationships that function as supplier and sub-contractors to other large Telecommunication Companies which are presently the main Master Services Providers in the Telecommunications industry.



## Nare Leisure Investment (Pty) Ltd - Boutique hotel R1 million



Nare Leisure Investment (Pty) Ltd was established in 2018 with the purpose of establishing a 4-star top-end Boutique Hotel in Kimberly, Northern Cape. The hotel currently under construction is 100% black women-owned. The owner identified the opportunity through her involvement with International Convention Solution (ICS), a related company, that managed Mittah Seperepere Convention Centre for the past six years. Through the years the convention centre needed to build capacity to host big events such as Sports Awards, Metro FM Awards and many more due to a lack of proper accommodation in the region. Furthermore, Kimberly as the capital city of the Northern Cape hosts various local and provincial Government events and colloquiums extending over more than one day which results in accommodation being required for out of town guests.

The new hotel will host events that are too small for the ICS, which has a capacity of 2500.

## Gemilatex - Condom Manufacturer R16.5 million



The project aims to investigate the viability of localising a male condom manufacturing plant with an annual production capacity of 70 million condoms. The project is currently at the Bankable Feasibility Study phase and the planned completion date is quarter 1 2018.

South Africa consumes around 100 million condoms per month, with the government procuring about 83 million condoms monthly. However, despite government continually awarding tenders for the supply of condoms, the country persistently experiences a supply shortage of condoms. Unfortunately, this shortage has consistently prevailed for several years to date and it is mainly caused by the fact that close to 90% of the government condoms are imported. These shortages are a serious threat to the progress the country has made in the fight against HIV/AIDS because the majority of South Africans get their condoms predominantly from the free government-branded 'Choice' supplies accessible within their communities.

Support for local manufacturing of male latex condoms is encapsulated in the objectives of the National Condom Policy and Strategy, which states the need to "support the local manufacture of quality male condoms for local consumption; and for export to reduce unit costs to South African consumers and to improve security of supply."

## Bohale Capital - Postnet R460 000



Bohale Capital (Pty) Ltd is a 100% black woman-owned private company. The entrepreneur has identified an opportunity to open a PostNet Franchise in Dainfern Square Shopping Centre, in Dainfern, Fourways. The Dainfern Square Shopping Centre is a new development based at the corner of William Nicole and Broadacres Drive in Fourways. The business has employed 4 staff members.

The proprietor approached the NEF for a loan funding of R460 000 to procure the franchise. She had to immerse herself in understanding the business model to be hands on with the daily operations of the outlet.

**Dlamini Incorporated - Law Firm  
R880 000**



Dlamini Incorporated is a law firm established in June 2009 with its core areas of expertise focused on Project Finance, Corporate Finance and Structured Finance. The business has positioned itself to become the leading Africa-focused corporate law firm on the continent in the energy, finance, commercial and utilities space by providing an innovative and complete solution for all its clients. The law firm has a specific bias towards female associates and candidate attorneys. The law firm supports a total of 9 fulltime jobs.

**Green Logik Sanitisers  
R6.1 million**



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 and tea tree.

The oils are child-friendly and have a moisturising essence and are good for shielding the skin from the harsh smell of ethanol. Lunchbox Buddy, a sanitizer that is compact and portable enough to fit into a kiddie's lunchbox or any regular lunch bag, is one of Green Logik's first products. The hand sanitizer comes in a sachet and in various bottle sizes. The product is sold locally to retailers, corporate and individual clients. The production materials are also sourced locally through different manufacturers and agents. The products are 70% ethanol-based and are SANS 5261 certified.

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 towards building requisite capacity to fulfil the demand.

**Azasaya Trading - Sasol service station  
R3.3 million**



operating as Sasol service station in Tembisa. The site consists of a forecourt and a convenience shop with a bakery. The funded entrepreneur previously owned an Excel Service Station in Cape Town.

Franchising has been proven worldwide as one of the most successful business models, due to its highly effective owner-operator partnership. The franchisor offers the competitive advantage of an established brand and full support. The franchisee offers commitment, management skills, and daily hands-on involvement. Both parties have invested in the venture and have an equal interest in its success. These are some of the factors that have continued to attract the NEF to these type of transactions

The NEF provided R3.3 million towards the operations which have supported 45 jobs. The entrepreneur has settled the NEF funding in full.