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NEF and Solidarity Fund provide custom-built kitchen to help revive Lindo's fast-food business

KZN: Lady Luck has smiled on sidewalk restaurant owner who experienced severe hardship after his eatery kiosk was destroyed during the July 2021 unrest in KwaZulu-Natal (KZN). While the province has been battered again by recent floods, the dark clouds have a silver lining, says NEF CEO Ms Philisiwe Mthethwa, adding, "a story to warm hearts is that of Lindokuhle Msomi who has received a R400 000 mobile kitchen by the NEF and Solidarity Fund after his make-shift kiosk was destroyed in the July unrest".

The National Empowerment Fund (NEF) in partnership with the Solidarity Fund have provided Mr Msomi with a R400 000 fully-equipped kitchen through a grant set up to support businesses that were affected by the COVID-19 pandemic and the wave of civil unrest that swept across Gauteng and KZN. Present at the launch on Tuesday, 24 May, was the Deputy Minister of Trade, Industry and Competition, Hon. Nomalungelo Gina, together with Ms Mthethwa.

Stepping forward to support business recovery and save jobs

In September 2021 the NEF and the Solidarity Fund's Humanitarian Crisis Relief Fund (HCRF) launched a financial relief programme to support the recovery of small, medium and micro enterprises (SMMEs) following the devastating effects of riots in KwaZulu Natal and some parts of Gauteng, setting aside over R580 million for the purpose.

"It has always been the modus operandi of the Solidarity Fund to partner with existing organisations that have the experience and expertise needed to fulfil a project's requirements. The NEF is an important and effective contributor to economic participation through the provision of financial and other support to businesses. By partnering with the NEF, the Fund was confident that this financial aid would reach the businesses that needed it most. And it has, demonstrating once again the strength we have when we step forward in solidarity," **says Ms Gloria Serobe, Chairperson of the Solidarity Fund.**



"In accordance with the agreement, R308 million was set aside for a concessionary credit facility commitment by the NEF while the R273 million committed by the Solidarity Fund was earmarked as grants for blending with NEF funding," **explains NEF CEO, Ms Philisiwe Mthethwa.** She says the partnership has been "so successful that since its establishment, funding has been approved for 173 sites, with a combined value of R799 million supporting 6 788 jobs. The partnership has been able to achieve more than its initial commitment through leveraging its partnership with **the dtic**".

Among the criteria for funding, applicants had to be a registered company, close corporation or co-operative in good standing with the South African Revenue Services. Applicants were also required to demonstrate that jobs lost would be restored or increased within 12 months of receiving the funding, and to demonstrate that they were negatively impacted by the riots

and unrests in both provinces. Lindokuhle Msomi is one of the beneficiaries of the partnership.

R350 social grant from Government

In many 2020 the South African Social Security Agency (Sassa) opened up applications for the R350 special Covid-19 Social Relief of Distress Grant for unemployed citizens. This was part of the spectrum of social development interventions announced by President Cyril Ramaphosa, aimed at relieving the adverse effects of the COVID-19 pandemic on unemployed citizens.

With limited resources, Mr Msomi saved the R350 relief grant received over a 9-month period to start an informal kiosk in February 2021. The initial roadside business was a structure made from discarded wood collected from hostel surroundings and the few home appliances he was able to secure for his small informal business. Soon Lindokuhle Msomi made media headlines as an astute entrepreneur, writing his name into South Africa's entrepreneurial history after the President acknowledged him in the State of the Nation Address.

"Inspired by Mr Msomi's story of vision, courage and determination, in 2021 the NEF set out to find the young hero and subsequently approved funding for a secure custom-built steel container complete with cooking equipment and stock for his curb restaurant. The support has been made possible through the NEF's partnership with the Solidarity Fund. These are among the many ways the **funder with a soul** strives to make a difference every day for the economically marginalised to contribute to South Africa's quest for inclusive economic growth," says NEF CEO, Ms Philisiwe Mthethwa.

Msomi says is most grateful to the supportive community. "When I started the business in 2021, the local taxi drivers who park near the shop also helped by lending me money to buy additional stock and the rest of the community started supporting the shop regularly. I have been very fortunate. First by receiving the monthly grant from Government, from the taxi industry and the residents, and now from the NEF and Solidarity Fund. Thank you, South Africa," a smiling Msomi said.

The NEF's pre-investment support for Mr Msomi included registrations with the CIPC and SARS. "Community consent to re-establish the business also had to be obtained. The NEF also provided support with applications for municipal permits and to secure access to water and electricity. All of the regulatory obligations have been met and the process of manufacturing and retrofitting the steel container has also been completed. Ladies and gentlemen we are proud to be launching the restaurant with Mr Msomi, which commences trade today. Mentorship and back-office support as well as business coaching in terms of financial and cashflow management, will commence in the month ahead,' explains Ms Mthethwa.

Affectionately known as Lindo, the young KwaMashu man first came to prominence when his struggle for survival was reported on national media in July 2021. Like many unemployed people, Msomi had a difficult time to provide for his son and extended family. He lost his job as a photographer and videographer and had to face the daily hardship of survival on nothing, a sad reality for folk living in informal settlements and hostels. As a result, Lindo had to rely on odd jobs and handouts from his community at KwaMashu Hostel where he lives with fellow residents who, in the communal spirit of ubuntu, share meals and the little they have for survival.

A concerted response by Government

The damage caused by the unrest in both Gauteng and KwaZulu Natal sent tremors across the national economy, necessitating a co-ordinated response by National Government. Through **the dtic**, Government availed a total R5.15 billion to assist businesses in distress, and those that had to shut their doors.

A total R650 million was allocated by **the dtic** for the NEF to come to the rescue of the businesses that were affected by the unrest. For this purpose, R100 million was allocated from the NEF's own balance sheet, bringing the total funds under management by the NEF to over R1 billion.

"Inclusive of the partnership with **the dtic** and the Solidarity Fund, the NEF has approved 271 transactions supporting 206 firms with a combined value of just over R1 billion, supporting 9 339 jobs. Given the considerable demand for financial support among affected businesses, the total number of transactions under consideration by the NEF amount to R106 million," **concludes Ms Mthethwa.**



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