



# **BCMDA**

## **LARGE & SMALL, MEDIUM, & MICRO ENTERPRISES (SMMES) FUNDING DATABASE**

## 1. INTRODUCTION & RATIONALE

The Buffalo City Metropolitan Development Agency has a responsibility to support SMMEs by ensuring, among other things, that they have access to information that would enable to grow & increase their contribution to the GDP of the City. Such information includes funding instruments that are available locally, provincially, & nationally.

On a regular basis the Agency is inundated with enquiries on funding support services for new business ventures, operating businesses that wish to expand their services as well as established entrepreneurs who wish to diversify their products & services.

It is for this reason that BCMDA is consolidating information on funding available for large scale enterprises as well as SMMEs by formulating a detailed database which contains updated information on funding instruments from various business support agencies around the country. This is a living document which will be updated twice a year or when it is deemed necessary to amend it.

## 2. INFORMATION CATALOGUING

The funding database is categorised in line with the 5 Strategic Goals of the Agency i.e. tourism infrastructure investment & promotion; property management & commercialisation; socio-economic development; & project preparation; packaging & investment facilitation. The purpose is to ensure that support provided to SMMEs, including facilitation of access to information, is aligned with the core business of BCMDA.



## 3. Funding and Support Offerings

### 3.1. TOURISM INFRASTRUCTURE INVESTMENT & PROMOTION - GRANTS AND INCENTIVES

Name of Incentive	Objective	Beneficiaries	Benefits	Implementing Agency	Contact
<b>1. Tourism Enterprise Support Programme (TEP).</b>	To encourage & facilitate the growth of tourism facilities.	Large operations, investors & SMMEs engaged in tourism activities	Skills development, market access & business support	The Tourism Enterprise Partnership a non-profit company	011:880-3790 e-mail: <a href="mailto:info@tep.co.za">info@tep.co.za</a>
<b>2. Sector Specific Assistance Scheme (SSAS)</b>	To enable the funding of non-profit organisations in sectors & sub-sectors of industries prioritised by dtic, provided the purpose of the organisation/ or its project aims conform to the dtic's export strategy: <ul style="list-style-type: none"> <li>• Stimulate growth</li> <li>• Growing export base</li> <li>• Stimulating the participation of SMMEs in the export sector.</li> <li>• Promoting Black Economic Empowerment</li> <li>• Increasing job creation.</li> </ul>	Non-profit business sector organisations, such as Export Councils, Joint Action Groups & Industry associations.  Qualifying sectors are as follows: <ul style="list-style-type: none"> <li>• Aerospace, rail &amp; marine</li> <li>• Agro-processing</li> <li>• Automotive</li> <li>• Business Process Outsourcing services</li> <li>• Capital equipment &amp; allied services</li> <li>• Chemical &amp; allied industries</li> <li>• Creative industries</li> <li>• Electro-technical</li> </ul>	Generic fund-R50 000 grant for establishing export council.  Grant for marketing, advertising & publicity costs on a 2:1 basis, to a maximum of R1m.  Project funding-80:20 cost-sharing grant for projects to develop particular sectors, find new export markets & promote black SMMEs, for women, youth & people with disabilities.	The Department of Trade, Industry & Competition	012:394-1716 e-mail: <a href="mailto:dmabusela@thedti.gov.za">dmabusela@thedti.gov.za</a>

Name of Incentive	Objective	Beneficiaries	Benefits	Implementing Agency	Contact
		<ul style="list-style-type: none"> <li>• Film production</li> <li>• Metals &amp; allied industries</li> <li>• Pre-qualified ICT services</li> <li>• Per-qualified tourism Services</li> </ul>	Project-Funding for Emerging Exporters-Travel & accommodation, exhibition costs, transport of samples & marketing material to a maximum of R1.5 million.		
<b>3. Green Tourism Incentive Programme</b>	Encouraging privately owned tourism enterprises to move towards cleaner & renewable energy sources & efficient utilisation of water.	Privately owned Small & Micro Enterprises	<p>The Programme covers 90% of the cost for a new resource audit as well as the full cost of existing audit</p> <p>The programme offers grant funding on a sliding scale from 30% to 90% - capped at R1 million.</p> <p>The balance is to be covered by the applicant (either through own resources or from the funding institutions including IDC &amp; SEFA)</p>	Industrial Development Corporation	<p>011 269 3000 – Head Office</p> <p>043 721 0733/4 – Eastern Cape Provincial Office</p>

### 3.2 PROPERTY INVESTMENT - GRANTS AND INCENTIVES

NAME OF INCENTIVE	OBJECTIVE	BENEFICIARIES	BENEFITS	IMPLEMENTING AGENCY	CONTACT
<b>4.Property Management Support</b>	<p>Facilitate Commercial &amp; Industrial activity</p> <p>To assist new investors who may be looking for suitable premises</p> <p>Facilitate SMME Development particularly in underdeveloped areas.</p>	SMMEs & investor in commercial & industrial sectors	ECDCs industrial property rates are R35,00 per square meter for factory space, depending on the features & conditions of the property, & from R162,00 to R183, 00 per square meter for commercial premises	Eastern Cape Development Corporation	043 : 704 5600 e-mail: <a href="mailto:info@ecdc.co.za">info@ecdc.co.za</a>
<b>5.Critical Infrastructure Programme (CIP)</b>	CIP supports the construction of infrastructure that enables the establishment or continuing operation of industrial projects. Its key objectives are to improve competitiveness by lowering the costs & risks, leverage strategic investments & stimulate linkages.	<p>Entities incorporated under the companies A,71 of 2008: The Close Corporations Act,1984 &amp; the Cooperatives Act2005</p> <p>Local &amp; provincial governments can contribute towards projects but cannot be applicants.</p>	The grant covers between 10 – 30% of infrastructure development costs. It is tax free	The Department of Trade, Industry & Competition	012:394-1271 <a href="mailto:ingwenya@thedti.gov.za">ingwenya@thedti.gov.za</a>

## 2.3 SOCIO-ECONOMIC DEVELOPMENT – GRANTS AND INCENTIVES

NAME OF INCENTIVE	OBJECTIVE	BENEFICIARIES	BENEFITS	IMPLEMENTING AGENCY	CONTACT
<b>6. Support programme for industrial innovation (SPII)</b>	This incentive was designed to provide financial assistance for the development of commercially viable innovative products & or processes & facilitate commercialization of such technologies.	South African private sector enterprises. Specific provisions apply under the different schemes.	<p><b>Product Process Development Scheme.</b> Maximum of R2m grant.</p> <p><b>Matching Scheme.</b> Maximum of R5m grant</p>	The Industrial Development Corporation	011:269-3485 <a href="mailto:lucky@idc.co.za">lucky@idc.co.za</a>
<b>7. Automotive Investment Scheme (AIS)</b>	The AIS makes targeted grants to support the growth & development of the automotive sector. It rewards investment in new &/ or replacement models & components that will increase plant production volumes, sustain employment &/or strengthen the automotive value chain	Light motor vehicles or component manufactures that are investing in their productive capacity. Contributions to the tooling industry & to own R&D activity, enhance the benefit.	The AIS provides for a grant of twenty to thirty percent (20-30%) of the value of qualifying investment in productive assets, as approved by the dtic.	The Department of Trade, Industry & Competition	012:394-1094 <a href="mailto:atheron@thedti.gov.za">atheron@thedti.gov.za</a>
<b>8. Grants in the aquaculture industry (ADEP)</b>	The ADEP is designed to stimulate investment in the aquaculture sector	Primary, Secondary, & ancillary aquaculture operations under the following Standards	A cost sharing grant of up to a maximum of R40 million for investment in: Machinery & equipment	The Department of Trade, Industry & Competition	012:394-1723 <a href="mailto:MVimba@thedti.gov.za">MVimba@thedti.gov.za</a>

NAME OF INCENTIVE	OBJECTIVE	BENEFICIARIES	BENEFITS	IMPLEMENTING AGENCY	CONTACT
		Industrial Classification (SIC) Codes: SIC 132: Fish hatcheries & fish farms, & SIC 301 & 3012: Production, processing & preserving of aquaculture fish	(owned or capitalised financial lease),  Bulk infrastructure, owned I& &/or buildings: leasehold improvements, competitiveness, improvement, activities & commercial vehicles & workboats (owned or capitalised financial lease).		
<b>9. Isivande Women's Fund (IWF)</b>	Isivande Women's Fund is an exclusive women's fund established by the dti to provide more affordable, usable & responsive finance to enterprises & thus accelerate the economic empowerment of women	Formally registered enterprises that are 50%+1share owned &/or managed by women.  The fund support start-up enterprises & expansions.	User-friendly, customised loans within a range of R30 000 to R2 million	Identity Development Fund Managers	011:772-7900 <a href="mailto:info@idf.co.za">info@idf.co.za</a>
<b>10. Incubation Support Programme (ISP)</b>	To develop incubators & create successful enterprises with the potential to revitalise communities & strengthen local & national economies	Private sector enterprises, higher educational institutions, & registered science councils	A funding capped at a maximum of R10 million (VAT inclusive) per financial year over three (3) year period; subject to the availability of funds.  The grant affords cost-sharing support of 50-50 for large businesses & 40-60 for SMMEs	The Department of Trade, Industry & Competition	012:394-1094 <a href="mailto:atheron@thedti.gov.za">atheron@thedti.gov.za</a>

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			After a three-year period, applicants may apply for assistance for an additional three years & must comply with the guidelines of the ISP		
<b>11. Export Marketing &amp; Investment Assistance (EMIA)</b>	EMIA scheme develops export markets for South African products & services & to recruit new foreign direct investment into the country	South African manufactures & exporters, export trading houses, commission agents, export councils & industry associations	<p><b>Individual Exhibition Participation</b> Assistance with costs of participation, including travel, accommodation &amp; exhibition fees</p> <p><b>Primary Market Research &amp; Foreign Direct Investment</b> Assistance with costs, including travel fees, subsistence &amp; marketing material</p> <p><b>Individual Inward Missions</b> Assistance with costs, including foreign registration of patent, travel, subsistence &amp; rental of exhibition.</p>	The Department of Trade, Industry & Competition	012:394-1716 <a href="mailto:dmabusela@thedti.gov.za">dmabusela@thedti.gov.za</a>
<b>12. Employment Creation Fund (ECF)</b>	The ECF supports projects & programmes that have a positive impact on employment creation,	Private sector enterprises, non-governmental organisations (NGOs), non-profit organisations,	Funding is available for innovative & relatively higher risk projects that are not likely to be funded	The Department of Trade, Industry & Competition	012:394-1723 <a href="mailto:MVimba@thedti.gov.za">MVimba@thedti.gov.za</a>



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	skills skills development & capacity building, development in the 'green economy' developing the agriculture & agro processing value chain, technology diffusion & commercialisation, public employment creation, rural development & the business environment.	community-based organisations.  Industry associations, co-operatives, national, provincial & local government department departments & agencies	through governments' normal budget processes & or where the commercial financial sector is unable or unwilling to provide financial services		
<b>13. Co-operative incentive scheme (CIS)</b>	This incentive promotes the formation of co-operatives that support broad-based black economic empowerment & improves their viability & competitiveness	Registered co-operatives of 5 or more Historically Disadvantaged individuals  The incentive has a bias towards rural & semi-urban co-operatives, & those including women, youth & people with disabilities.	A 90-10 cost-sharing grant towards the costs acquiring competitive business development services, to a maximum of R350 000	The Department of Trade, Industry & Competition	012:394-1438 <a href="mailto:gmakhonxa@thedti.gov.za">gmakhonxa@thedti.gov.za</a>
<b>14. Black Business Supplier Development Programme (BBSDP)</b>	BBSDP provides grants to small black owned enterprises. It aims to improve sustainability & competitiveness of majority black owned enterprises & thereby integrate them into the mainstream economy.	Majority black owned enterprises or those with a predominantly black management team;  Enterprises with a turnover of at least R1 million & not more than R35 million, & The enterprise must have been operating & trading for at least one financial year.	50% grant for the cost of approved tools, machinery & equipment to a maximum of R800 000 & 80% grant for approved training & business development services to a maximum of R200 000	The Department of Trade, Industry & Competition	012:394-1438 <a href="mailto:gmakhonxa@thedti.gov.za">gmakhonxa@thedti.gov.za</a>

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<b>15. Business Process services (BPS)</b>	The BPS programme is part of a holistic value proposition to position SA as a preferred location of Business Process Outsourcing operations & thus create employment opportunities.	Local & foreign investors that aim to service off-shore clients	The BPS will pay a grant calculated at up to R124 000 per job created by a BPO operation located in SA	The Department of Trade, Industry & Competition	012:394-1259 rsingh@the tdi.gov.za
<b>16. Clothing &amp; Textile Competitiveness Programme (CTCP)</b>	The CTCP makes targeted grants to grow & develop the clothing, textiles, & footwear, leather & leather goods manufacturing sectors. It is divided into the improvement Programme (CTCIP) & the Production Incentive (PI).	Manufactures in the South African clothing, textiles, footwear, leather & leather goods sectors.	<p>The CTCIP makes 65% grants to individual companies &amp; 75% grants to company clusters.</p> <p>The PI makes grants pegged at 7.5% of individual company manufacturing value addition.</p> <p>Grants may be used for interventions that improve competitiveness, including upgrades &amp; expansion of capital equipment, increasing productivity, enhancing employee skills, improving products &amp; processes, reducing costs &amp; subsidising interest payments on debts.</p>	The Department of Trade, Industry & Competition	011:269-3762 <a href="mailto:joy@idc.co.za">joy@idc.co.za</a>
<b>17. Clothing &amp; Textiles Business Fund</b>	To support the development of a viable	Existing manufactures who wish to exp& or modernise	Financing fixed assets & the fixed portion of growth	Industrial Development Corporation	011 - 269 3000 – Head Office

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	<p>model for a competitive &amp; sustainable local clothing &amp; textile industry.</p> <p>To assist new enterprises to start &amp; existing enterprises to exp&amp; by providing funding in order to create &amp; preserve jobs &amp; drive social &amp; economic growth</p>	<p>their production capacity, manufacturers in distress due to global economic trading conditions, &amp; entrepreneurs looking to start up small to medium manufacturing facilities</p>	<p>in working capital requirements.</p> <p>Supporting ventures /projects that have a significant socio-economic impact in terms of job creation, value addition, empowerment, rural development &amp;/or township development</p> <p>Supplying distress funding for troubled companies that have a clear turnaround plan.</p>		<p>043 - 721 0733/4 – Eastern Cape Provincial Office</p>
<b>18. Agriculture &amp; Agro- processing Support Programme</b>	<p>Investment in the development projects &amp; businesses that either create new or exp&amp; local manufacturing capabilities – replacing imports &amp; enhancing capabilities</p>	<p>Start – up businesses &amp; expansion projects. The funding application must facilitate the creation of new industrial capacity to save &amp; create new jobs. Equity related funding is also part of the core offerings.</p>	<p><b>Start-up businesses:</b> IDCs maximum funding equates 60% of the total requirements</p> <p><b>Expansion projects:</b> IDC can fund full expansion if the equity structure at peak is minimum of 35%</p>	<p>Industrial Development Corporation</p>	<p>011 - 269 3000 – Head Office</p> <p>043 - 721 0733/4 – Eastern Cape Provincial Office</p>
<b>19. SMME &amp; Co-operative Funding</b>	<p>To support the development of sustainable SMMEs &amp; co-operatives by making finance easily accessible</p>	<p>The programme provides financial assistance to SMMEs &amp; Co-operatives across various industry sectors such as:</p> <ul style="list-style-type: none"> <li>Services (including retail, wholesale, &amp; tourism)</li> </ul>	<p><b>Asset finance –</b> allows a business to acquire or lease without impacting its bank balance</p> <p><b>Bridging loan –</b> short term loan that is provided to an enterprise to finance</p>	<p>Small Enterprise Finance Agency</p>	<p>012 – 748 9600 Head Office</p> <p>043 - 7211510 Earn Cape Provincial Office</p>

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		<ul style="list-style-type: none"> <li>• Manufacturing (including agro-processing)</li> <li>• Agriculture (especially I&amp; reform beneficiaries &amp; contract farming activities.</li> <li>• Construction (small contractors)</li> <li>• Mining (especially small-scale miners)</li> </ul>	<p>its working capital such as stock &amp;/or operating overloads.</p> <p>Revolving loan- a line credit whereby the borrower is allowed to use the funds when they are needed.</p>		
<p><b>20. Godisa Supplier Development Fund</b></p>	<p>The fund is created in partnership between SEFA &amp; Transnet &amp; focuses on promoting sustainable enterprise developing business growth &amp; job creation amongst black-owned Transnet suppliers in rail manufacturing, freight logistics &amp; related services with specific focus on developing women , youth &amp; people with disabilities.</p>	<ul style="list-style-type: none"> <li>• Black owned businesses already included in Transnet's supply chain.</li> <li>• Black women who seek to start a new business focused on supplying Transnet.</li> <li>• Black youth who want to grow within this niche market.</li> </ul>	<p>Business loans &amp; guarantees.</p>	<p>Small Enterprise Funding Agency</p>	<p>012 – 748 9600 Head Office</p> <p>043 - 7211510 Earn Cape Provincial Office</p>
<p><b>21. Procurement Fund</b></p>	<p>PF is aimed assisting black-owned SMEs that have been awarded tenders or contracts by public &amp; private sector entities. The product's main objective is to ensure that qualifying SMEs have</p>	<p>Black owned SMEs</p>	<p>Loans, bridging finance, asset finance &amp; revolving facilities. Generally funding is limited to R10 million</p>	<p>National Empowerment Fund</p>	<p>011-305 8000 - Head Office</p> <p>Call Centre- 0861 843 633</p> <p>043 – 78342000 – Provincial Office.</p>

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	the capacity to carry out the contracts.				

#### 2.4 PROJECT PREPARATION, PACKAGING & INVESTMENT FACILITATION – GRANTS AND INCENTIVES

NAME OF INCENTIVE	OBJECTIVE	BENEFICIARIES	BENEFITS	IMPLEMENTING AGENCY	CONTACT
<b>22. Support programme for industrial innovation (SPII)</b>	This incentive was designed to provide financial assistance for the development of commercially viable innovative products & or processes & facilitate commercialization of such technologies.	South African private sector enterprises. Specific provisions apply under the different schemes.	<b>Product Process Development Scheme.</b> Maximum of R2m grant.  <b>Matching Scheme.</b> Maximum of R5m grant	The Industrial Development Competition	011:269-3485 <a href="mailto:lucky@idc.co.za">lucky@idc.co.za</a>
<b>23. Film Production Incentive</b>	This incentive attracts foreign-based film production to shoot films & TV production in South Africa & assists local film producers in the production of local content	Foreign-owned production companies with Qualifying South African Production Expenditure (QSAPE) of R! 12m+.At least minimum 50% of principal photography must be in	Foreign Incentive- a grant of 15% of QSAPE.  Local Incentive – a grant of 35% on the first R6m of QSAPE	The Department of Trade, Industry & Competition	012:394-1425 <a href="mailto:mmolokane@thedi.gov.za">mmolokane@thedi.gov.za</a>

NAME OF INCENTIVE	OBJECTIVE	BENEFICIARIES	BENEFITS	IMPLEMENTING AGENCY	CONTACT
		South Africa, for a minimum of 4 weeks.  South African productions & co-productions with QSAPE of R2.5m+			
<b>24. Seda Technology Programme (STP)</b>	<p>The STP is part of an overarching strategy to consolidate small business support activities, formerly spread across 6 projects: the Godisa Trust, the National Technology Transfer Centre, the 3 business incubators of the dti.</p> <p>The Technology Advisory Centre, the technology-transfer activities of the Technology for Women in Business (TWIB) programme &amp; the support programmes for small enterprises of the South African Quality Institute.</p>	Registered, small South African Quality Institute	50% grant for the cost of approved tools, machinery & equipment to a maximum of R800 000; & 80% grant for approved training & business development services to a maximum of R200 000.	The Technology Transfer Division, Small Enterprise Development Agency (SEDA)	<a href="mailto:rmodley@seda.org.za">rmodley@seda.org.za</a>
<b>25. Technology &amp; Human Resource in Industry Programme (THRIP)</b>	THRIP aims to boost SA industry by supporting research & technology development, & enhancing the numbers of appropriately-skilled people. THRIP brings	All companies undertaking science, engineering & technology (SET) research, in collaboration with educational institutions, & with the aim of addressing	50:50 cost-sharing grant, to a maximum of R8 million per annum, across any number of projects.	The Department of Trade, Industry & Competition	012:394-1644

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	together the best of SA's researchers, academics & industry players.	the participants firm' technology needs.			