INTEGRATED ECONOMIC DEVELOPMENT SERVICES

SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

Knowledge is Power – Empowering Women in the Energy sector in South Africa

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Date: 23 June 2015
Purpose

To present to the workshop the mandate of the Enterprise Development Unit of DEDaT as well as our non-financial and financial support offerings to SMME’s and Cooperatives.
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Mandate

- **Government Outcome:**
  - Decent Employment through inclusive economic growth
- **Objective statement**
  - To support and develop business enterprises through financial and non-financial assistance both directly and indirectly.

NDP & NGP Context

The small business sector was identified as one of the key job drivers in the New Growth Path (NGP) and as a critical catalyst towards sustainable job creation. The NDP sets out several ambitious goals for the small to medium (SME) sector - including a target of 90% of employment opportunities to be created by this sector by 2030. The NDP envisions the South African economy growing by at least 5.4% growth per year over the next 15 years, to treble in size and identifies SME sector as pivotal player in driving this growth. It is however, acknowledged that the SME sector which is inclusive of Co-operatives, faces a number of challenges within an extremely hostile business environment.
Challenges faced by SMME’s & COOPs

The majority of the SMMEs and Cooperatives are still faced with the following challenges:-

- Lack of business planning during start-up.
- Difficulty accessing finance.
- Difficulty accessing markets or meeting industry requirements or standards.
- Lack of experience among owners and managers.
- Lack of sector-specific expertise
- Inconsistencies in cash flow.
- Lack of entrepreneurial skills and mind set as well as business acumen.
- Lack of capacity to undertake market research, resulting in a lack of understanding of market needs and characteristics.
- Skills shortages, particularly with respect to technical skills and business management skills.
- Fragmented and uncoordinated support from entities tasked with providing assistance.
- Lack of innovation and creativity.
- Difficulty accessing land or securing operating premises.
- Red tape and cumbersome regulatory processes and procedures.
Non-Financial Support

- **Compliance:**
  Company registrations, BBBEE certification, business plan development & assessment, CIDB grading and tax registrations

- **Market Access:**
  Participation at international and national exhibitions: costs covered (through dti incentives, exhibition space, transport & accommodation)

- **Assist enterprises in facilitating JV’s with possible investors**

- **Target Sectors:**
  Transport and Logistics, Mining (mining procurement), Retail, Manufacturing, Renewable Energy, agro-processing
Non-Financial Support

Services Provided in Collaboration with other Institutions:

- **Training**
  Business and financial management skills training, business advise and education, basic computer literacy

- **Business Plan Appraisals**
  Facilitate funding applications with agencies such as SEFA, NEF, IDC, Dti, De Beers, Commercial Banks

- **Partnerships**
  SEDA (business and financial management training, business plan development and assessment) and NC SMME Trust (Incubation)

- **Informal Trader Upliftment Project (Pilot)**
  A partnership Programme with the W&R SETA that offers skills and infrastructure support for entrepreneurs who are Street traders, home based (spazas) retailers and those trading in markets
Financial Support

- **Grant funding (Economic Growth and Development Fund):**
  Expansion or start-tup: mainly procurement of machinery and equipment and target sector is manufacturing.
  Not for contract/tenders/franchises

- **Funding Opportunities from other Institutions (Youth-Women owned Enterprises)**

  **Isivande Women`s Fund (IWF):**
  - Aims at accelerating women`s economic empowerment especially youth by providing more affordable, usable and responsive finance
  - At least 50.1% of the ordinary share capital held by youth females and +30% of the management positions held by women
  - Offers loans of between R 30 000 to R 2 million for start-up funding, business expansion and franchises amongst others
Financial Support

- Bavumile Skills Enhancement
  - The main objective is to enhance the existing skills of women especially youth to produce quality and commercially viable cultural products for participation in major local and international markets.
  - It is focused in the Creative Industry (Arts & Crafts, Textile and Clothing) and is biasness towards women in rural areas and townships.
  - Progress to-date: 434 women trained from all 9 provinces have been skilled.
Women Business Development Scheme (WBDS)

- The target beneficiaries are South African youth female-owned enterprises that are tax compliant and have the potential or capacity to supply goods and services to public and private sectors on sustainable basis.
- Cost sharing grant to a maximum of R 200 000 to eligible applicants on qualifying machinery, equipment and tools, business development services, at a sharing cost of 80:20
- Maximum grant that can be approved for qualifying machinery, equipment, tools and business development services support is R 150 000 per eligible applicant, at a sharing cost of 80:20.
- The Dti will contribute 80% of the approved costs of qualifying interventions and the approved applications will contribute 20%, and training will be limited to R 50 000 to eligible applicants.
Financial Support

- **Cooperatives Incentive Scheme (CIS)**
  - Assist cooperatives with accessing the Dti Support Scheme namely the Cooperative Incentive Scheme (CIS/ R 350 000)
    - It is not a Cash Financing Scheme,
    - Often used to purchase start up equipment or goods,
    - For agricultural enterprises, it will not be used to purchase livestock, but rather equipment required to advance farming or feed
Institutional Mechanism

South African Women`s Entrepreneurs' Network (SAWEN):

- Is a Non Profit Company registered in 2004 by the Dti to provide a national vehicle for individuals and women`s groups especially youth to address their entrepreneurial challenges

- It is a membership based organization and is allowed to receive subscription fees, seek and accept donations, grants or funds from a variety of sources
Thank you

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