

TOWNSHIP AND RURAL ENTERPRISE PROGRAMMES (TREP)

AN INTERGRATED PRESENTATION ON

ENTERPRISE SUPPORT MEASURES

LED CAPACITY BUILDING – 28 OCTOBER 2020



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



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DISTRICT DEVELOPMENT MODEL: A FOCUS ON SMMES IN THE AMATHOLE DISTRICT

Context:

- The District Development Model (DDM) consists of **collaborative efforts by the national, provincial and local governments**
- **Seda will provide non-financial support to small businesses and lead the execution of the business ecosystem facilitation model.**
- **Sefa will provide the required financial support to SMMEs partaking in aforesaid initiatives.**

DISTRICT DEVELOPMENT MODEL: A FOCUS ON SMMES IN THE AMATHOLE DISTRICT

Purpose:

- The Small Business Development Portfolio is currently made up the DSDB, SEDA and SEFA
- To outline the Small Business Development Portfolio Approach to the implementation of ***the DDM in the Amathole District and it's 6 local Municipalities.***
- To sketch out the *DSBD's plan to improve the uptake of SMME support programmes in the district.*
- Strengthen Small Business Development Portfolio Approach of providing ***integrated support to SMMEs through our common mandates of providing financial and non-financial business support to small businesses.***

DISTRICT DEVELOPMENT MODEL: A FOCUS ON SMMES IN THE AMATHOLE DISTRICT

Objectives:

- To forge a mutually beneficial partnership with the Eastern Cape Provincial government in respect of the provision of small business development support programmes in the Province through its Districts and Metros.
- To drive the implementation of the SMME Support Plan.
- To increase the accessibility of the Small Business Development Portfolio ***economic recovery programmes aimed supporting entrepreneurs and small enterprises*** as part of government's response to the Covid-19 pandemic and beyond.

Township and Rural Entrepreneurship Programme (TREP)

Funded through the Township Entrepreneurship Fund for township and village-based enterprises

The following Schemes are available for qualifying entrepreneurs:

1. Spaza-shop support programme
2. Clothing, Leather & Textiles support programme
3. Small-Scale Bakeries and Confectionaries support programme
4. Autobody Repairers and Mechanics support programme (*as well as small and independent auto-spares shops and informal automotive entrepreneurs*)
5. Butcheries support programme
6. Tshisanyama and Cooked Food support programme
7. Fruit and Vegetable Hawkers support programme
8. Personal Care Services support programme

These enterprises will be assisted by SEDA with Registration Compliance, Business Development Services, Access to Markets, and Structured Finance

Spaza-Shop Support Programme

Objectives of the Programme

- 1. Formalize the informal businesses to micro enterprises**
- 2. Facilitate the banking of the unbanked**
- 3. Build reliable database for future government planning and support**



Spaza-Shop Support Programme

Nature of the Business Development Support / What is the support available under the Scheme

Networking or purchasing power (bulk buying)

- Coordinate and support bulk buying on a pre approved basket of goods and distribution

Business knowledge;

- Provide basic book keeping and customer service training
- Facilitate for access to basic business tools

e.g. instant payment machine – speed point, airtime and electricity vending machines

Health and hygiene support

- Support them to meet the health and occupational health and safety standards

Legal compliance

- Facilitate for the licensing of owner-operated Spaza shops
in accordance with the law CIPC, SARS and UIF registration

- Business banking account



Spaza-Shop Support Programme

Conditions of Participating and Qualification Criteria

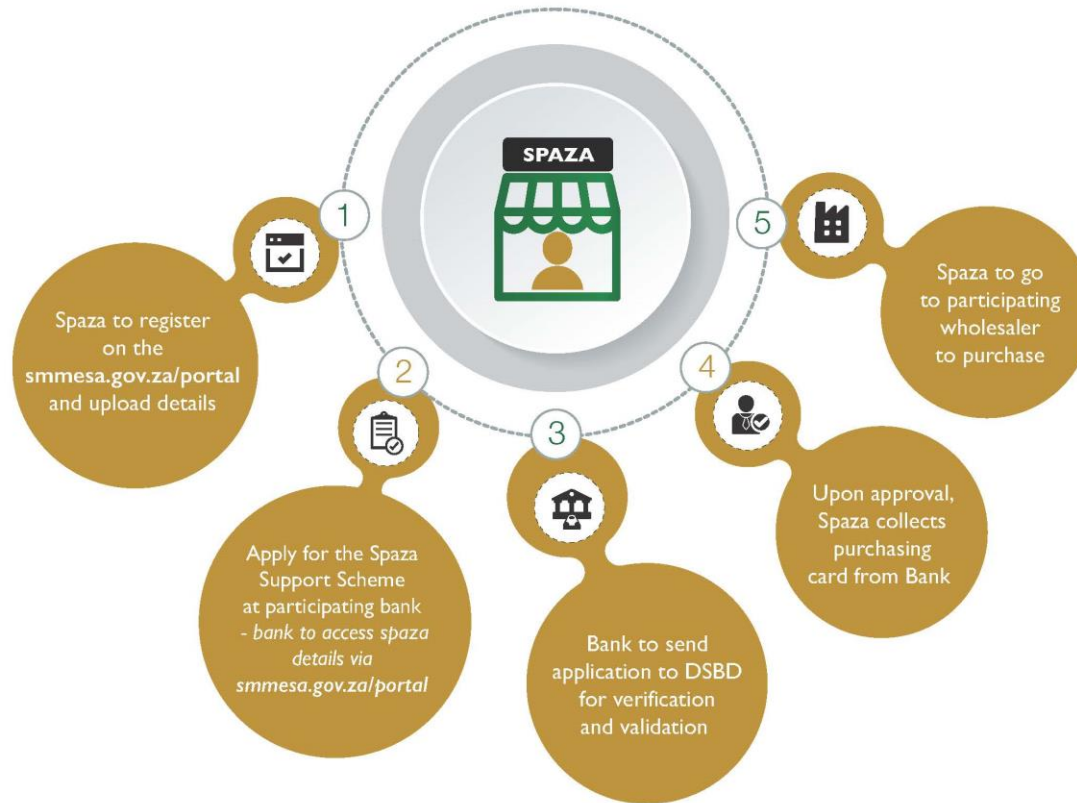
- The spaza must be owner-managed and operated
- Owner must have a valid SA identification document
- Must register on SMMESA, <https://smmesa.gov.za>
- Spaza shops must hold license to trade, municipal permit or if they do not have, they must obtain one before they can access support
- Registered or willing to register as a legal entity (CIPC, SARS, UIF, etc.)
- Undertaking to comply with the Consumer and Customer Protection and National Disaster Management Regulations and Directions
- Willing to submit monthly management
- 70% Employees South African
- Minimum trading period (6-Months)
- Have a valid business bank account (including newly opened)
- Willing to participate in the bulk buying scheme as organized by the DSBD or any of its Agencies
- Operating in a township or rural area





Application Process

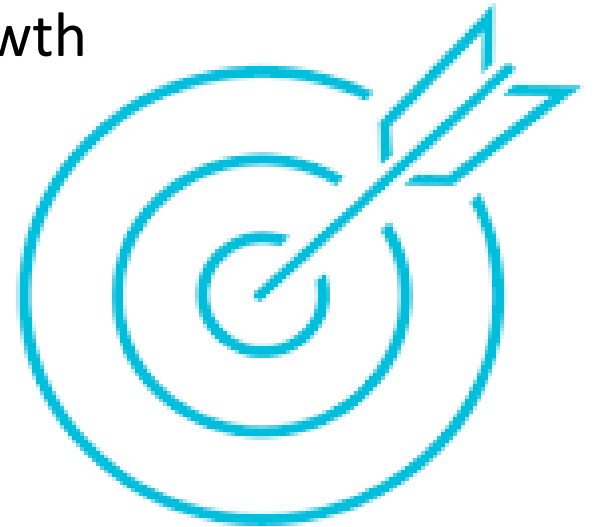
YOUR BUSINESS CAN BENEFIT FROM THE SPAZA SUPPORT SCHEME THROUGH THE FOLLOWING FIVE EASY STEPS:



Bakeries & Confectioneries

Objectives of the Programme

- Facilitate stepped-up access to market
- Scaled-up opportunities for business growth
- Facilitate improved access to credit



Bakeries & Confectioneries

Nature of the Business Development Support / What is the support available under the Scheme

- Assist with compliance with minimum bread and confectionery nutritional requirements (approved dough mix) and the related testing
- Facilitate compliance with Environmental Health and Food Safety
- Training on shop floor management and conformity
- Business and financial management training and mentorship
- Facilitate stepped-up access to market through off-take agreement



Bakeries & Confectioneries

Who can apply?

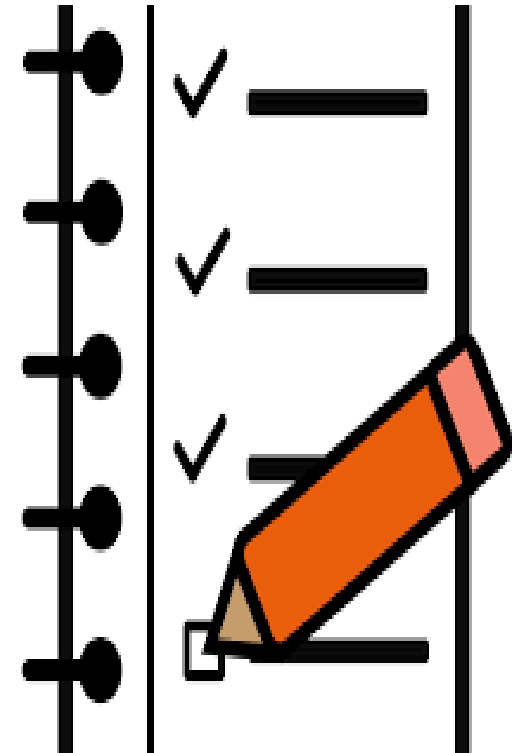
- Owner-managed micro, informal (home-based) and cooperative bakeries and confectioneries
- Bakeries and confectioneries with turnover of less than R500k can apply for both financial and business development support
- Bakeries and confectioneries with turnover of more than R500k only qualify for business development support



Bakeries & Confectioneries

Qualification Criteria

- Be informal/micro or cooperative business including home-based
- Registered or willing to register as a legal entity (CIPC, SARS, UIF, etc.)
- 100% South African ownership - Valid South African identity documents
- 70% Employees South African
- Minimum trading period (6-Months)
- Have a valid business bank account (including newly opened)
- Willing to participate in the bulk buying scheme as organized by the DSBD or any of its Agencies
- Must be owner-managed
- Operating in a township or village



Clothing, Leather & Textile

Objectives of the Programme

- Support small enterprises within the sector to seize opportunities availed by the COVID-19 pandemic by participating in the PPE value chain during the pandemic and beyond
- Facilitate the participation of small enterprises in the rebuilding and reshaping of the clothing and textile sector (economic reset)
- Assist small enterprises within the sector and to improve the quality and competitiveness of small-scale clothing, textile and leather enterprises for both domestic and export markets



Clothing, Leather & Textile

Who can apply?

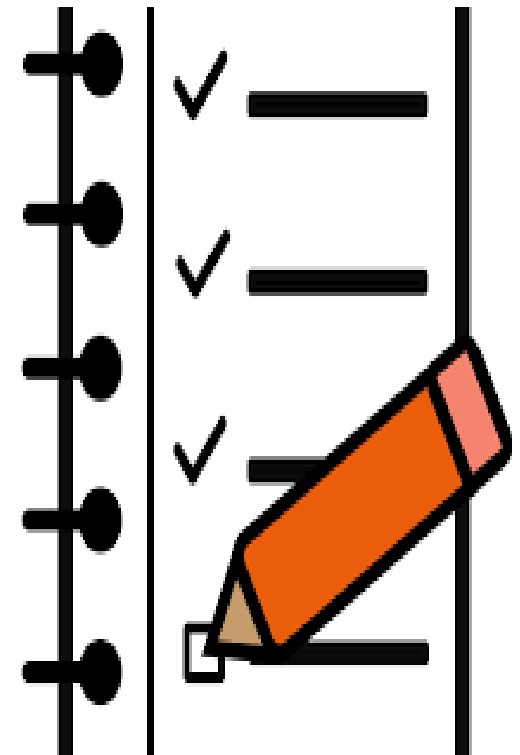
- Seamstresses
- Sewers
- Garment makers
- Patternmakers
- Designers
- Pattern calculators
- Pattern cutters
- Art designers
- Knitters
- Machinist
- Tannery
- Fabric manufacturers
- Shoes, belt and handbag makers



Clothing, Leather & Textile

Qualification Criteria

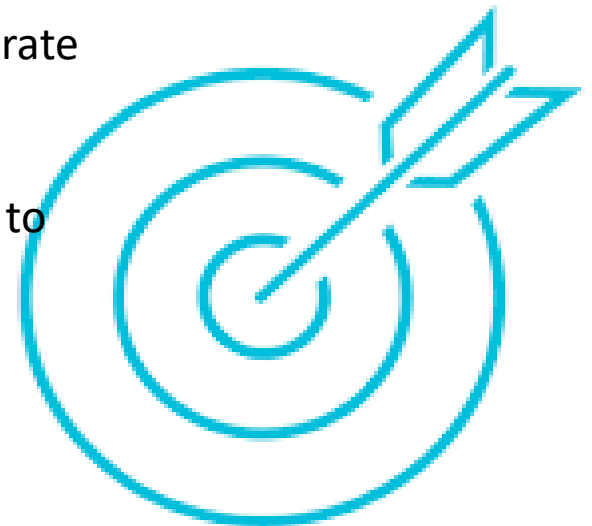
- Owner-managed micro, informal (home-based) enterprise and/or cooperative
- Registered or willingness to register as a legal entity (CIPC, SARS, UIF, etc.)
- 100% South African ownership – with valid SA identity documents
- 70% employees South African
- Minimum trading period – 6 months
- Have a valid banking account (including newly opened)
- Willing to participate in the bulk buying scheme as organized by DSBD and/or any of its Agencies
- Operating in a township or village



Auto-body Repairers and Mechanics

PROGRAMME OBJECTIVES

- Support motor body repairers (panel beaters) to operate accredited small/independent panel beaters (motor body repairers) centres
- Support motor mechanics and other mechanics to operate authorized service centres
- Support the small and independent auto-spares shops to operate profitable auto spare parts centres
- Support in the formalisation of informal automotive entrepreneurs into formal fitment centres



Auto-body Repairers and Mechanics

Nature of the Business Development Support / What is the support available under the Scheme

- Facilitate trade test certification (for those not certified but must hold N3 qualification)
- Assistance through facilitating the accreditation of the small/micro automotive businesses with the relevant industry standards and bodies
- Business management support and mentorship through unemployed Graduate Scheme, or Seda Business Advisors and/or services business professionals
- Municipal business licensing support at a cost to the applicant
- Facilitate access to market in both the private and public sectors,
for vehicles be serviced at participating service/ motor body repair/ fitment centres



Auto-body Repairers and Mechanics

Who Can Apply

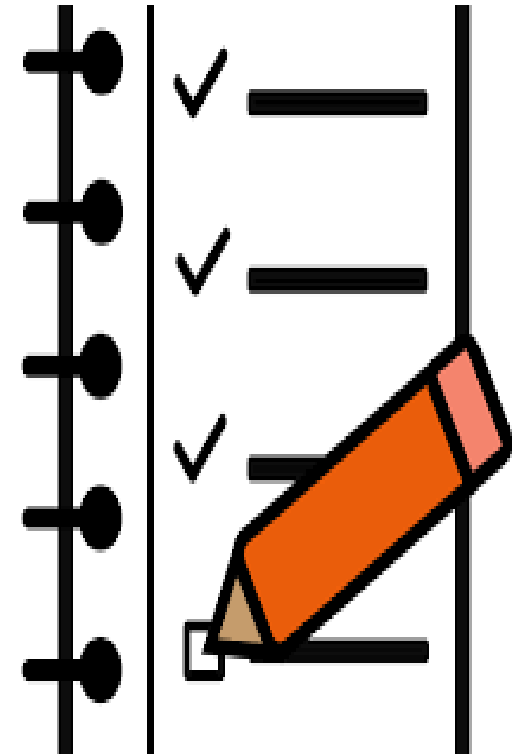
- All auto mechanics such as motor mechanics, heavy equipment mechanics, tractor and forklift mechanics, and diesel fitters
- Panel beaters
- Glaziers
- Tyre and glass fitment
- Auto spares shops



Auto-body Repairers and Mechanics

Conditions for Participating

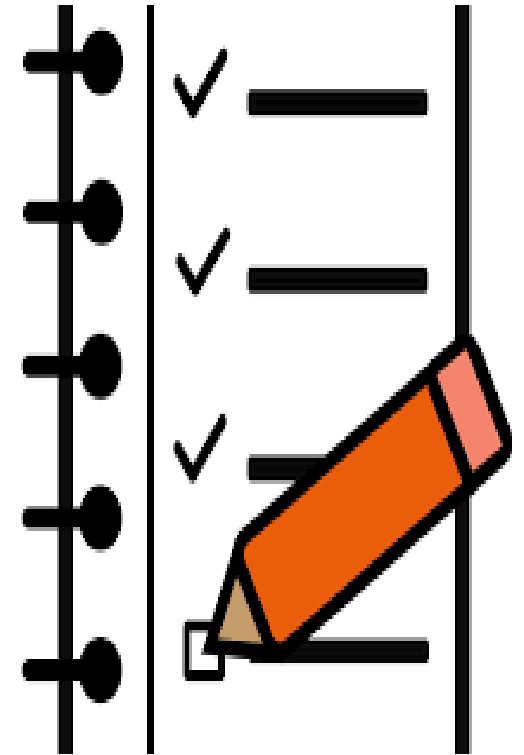
- The applicant must be willing participate in the revolving credit facility between participating motor mechanics/motor body repairers with participating auto spares shops and fitment via a participating bank
- The business operating premise (including the home premise) must hold or willing to be assisted to acquire an Occupational Health and Safety Act compliance certificate
- The business must be willing to participate in the certification and accreditation programme through the relevant industry accreditation bodies



Auto-body Repairers and Mechanics

Qualification Criteria

- Be informal/micro business or cooperative
- Registered or willingness to register as a legal entity (CIPC, SARS, UIF. etc)
- 100% South African ownership - valid South African identity documents
- 70% Employees South African
- Minimum Trading Period (6-Months)
- Have a valid business bank account (including newly opened)
- Willing to participate in the Revolving Credit Facility as organized by the DSBD or any of its agencies
- Operating in a township or village



Butcheries Support Programme

PROGRAMME OBJECTIVES :

- a) Grow businesses operating in this sector to formalize and seize opportunities presented by trading under formal arrangements.
- b) Seize new opportunities that were not present in their business models such as the use of delivery channels to their customers, especially as under the consideration of harder lock down levels.
- c) Provision of business focused support packages (financial and non-financial) to strengthen operations during the Covid-19 lockdown and as part of interventions for Township and Rural Entrepreneurship Programmes.
- d) Package common basket of goods to quantify stock merchandise response to specific market demands during and beyond Covid-19 to enable alignment of financial and non-financial support.
- e) Improve on their standards and quality assurance through the provision of BDS from the agency (SEDA) in partnership with the DSBD and sefa.
- f) Resuscitate and ensure business continuity under the current challenges presented by the Covid-19 and as part of economic recovery support.
- g) Identify possible linkages between suppliers, vendors and their categories customers to lock-in the whole value chain within SMMEs and create synergies starting from small scale producers, followed by logistical support, operations support and trade interfaces by these players.



Butcheries Support Programme

Financial and business development support:

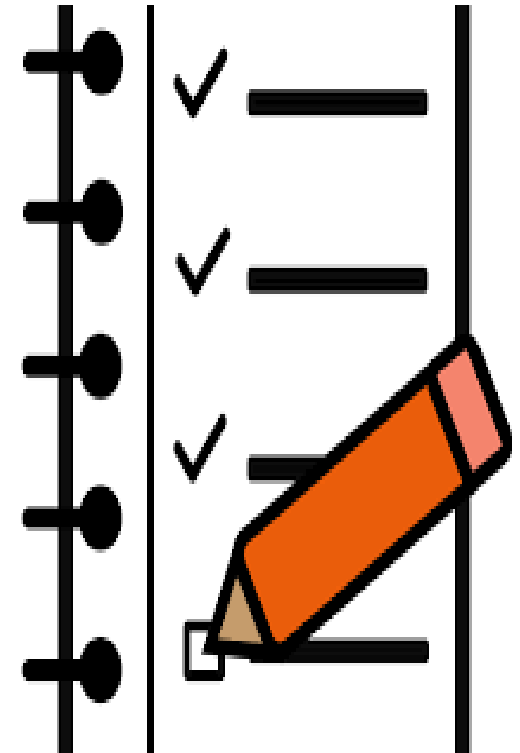
- Maximum of R10 000 blended finance
- Business management support and mentorship through unemployed Graduate Scheme, or Seda Business Advisors and/or services business professionals



Butcheries Support Programme

Qualifying criteria:

- a) An entity operating in the targeted groups above as a Butchery outlet
- b) An entity registered or willing to register with CIPC including cooperatives;
- c) The business must be 100% owned by South African nationals;
- d) The business must have been trading as a butchery for a minimum period of 6 months prior to the Covid-19 lockdown.
- e) Employees must be 70% South Africans, and in the case of non-South African employees – they must hold valid work permits as determined by the Department of Home Affairs;
- f) The butchery must have a turnover of less than or equal to R250 000.00 per annum;
- g) The enterprise or its owner must possess or apply for a business license with the local municipality (Municipal permit);
- h) The enterprise must be registered or must apply for registration with SARS and UIF; and
- i) The enterprise must have a valid business bank account or willing to open and operate a business account



Tshisanyama and Cooked Food

PROGRAMME OBJECTIVES:

The scheme supports informal and micro restaurants for full and meaningful participation in the cooked/prepared food industry. The aims are to:

- a) Support **tshisanyama and informal and micro restaurants** to re-enter the market and graduate bulk to profitable enterprises;
- b) Assist the informal and micro restaurants to adapt to new business models and remain profitable and competitive
- c) Enhance the participation and growth of the enterprises in the whole prepared food sector
- d) Position the informal and micro restaurants as route to market for butcheries, fruit and vegetable vendors, and other small-scale producers or suppliers.



Tshisanyama and Cooked Food

Financial and Business Development Support:

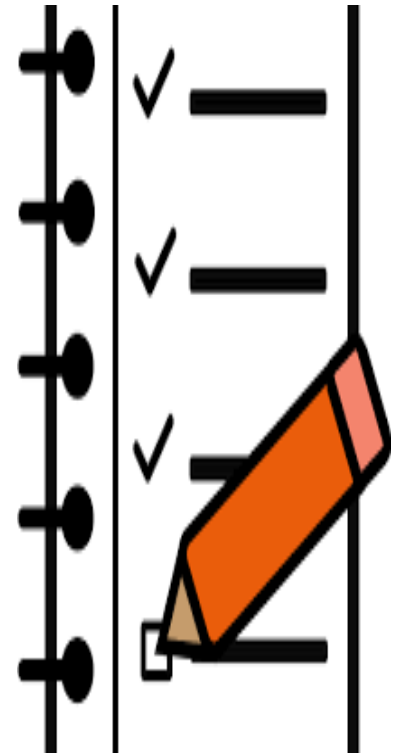
- R10 000 per enterprise in blended funding model
- Business and financial management training and mentorship through the Unemployed Graduate Scheme
- Industry specific technical training, e.g.: menu and pricing
- Food Handling training and facilitate Certificate of Acceptability (COA)
- Facilitate training and compliance with Environmental Health and Food Safety Standards, quality and standards assurance
- Facilitate professional culinary and food service management training



Tshisanyama and Cooked Food

Qualifying Criteria:

- a) An entity operating in the cooked/prepared food sub-sector;
- b) The entity must be registered or must apply for registration with CIPC, SARS and UIF, even newly registered entities will be considered;
- c) The business must be 100% owned by South African nationals;
- d) Employees must be 70% South Africans, and in the case of non-South African employees – they must hold valid work permits as determined by the Department of Home Affairs;
- e) The enterprise or its owner must possess or apply for a business license with the local municipality;
- f) The enterprise must have a valid business bank account or willing to open and operate a business account;
- g) The entity must have a turnover of below **R250 000 per annum**;
- h) The participants must be willing to participate in the DSBBD/ SEDA facilitated business development process;
- i) The applicant must register on the SMMESA database: <https://smmesa.gov.za/>; and
- j) The scheme is not meant for the enterprises in catering services unless they provide such catering on a daily basis through a contract (copy of the contract must be provided).



Fruit and Vegetable Hawkers

PROGRAMME OBJECTIVES:

- a) Provision of business focused support packages (financial and non-financial) to strengthen operations during Covid-19 lockdown and as part of Township and Rural Entrepreneurship Programme interventions.
- b) Package common basket of goods to quantify stock merchandise in response to specific market demands to enable alignment of financial and non-financial support.
- c) Identify and implement value chain linkages between suppliers, vendors and their categories of customers to lock-in various SMMEs into the value chain and create synergies starting from small scale producers, followed by logistical support, operations support and trade interfaces by these players;
- d) Facilitate relationships and collaborative support interventions that enhances service delivery and increase sector performance through vibrant systems.



Fruit and Vegetable Hawkers

Financial and Business Development Support:

R1 000 (as a once-off grant)

Entrepreneurs must be in possession of **Municipal Trade Permits** selling Fruits and Vegetables on designated spots in townships, rural areas and CBD areas demarcated in terms of municipal by-laws for trading purpose.



Personal Care Services

PROGRAMME OBJECTIVES:

The Scheme supports micro and informal businesses within the personal care industry. The aims are to:

- a) Improve the quality and competitiveness of the micro and informal personal care services businesses;
- b) Re-position the businesses within the sector's ecosystem for consolidated participation in the personal care industry supply value chain;
- c) Promote and serve as a route to market for the locally and SMME products; and
- d) Facilitate improved access to formal credit through the formalised businesses.

The Scheme supports informal and micro-businesses in the following sectors:

- a) Hairdressers and hair salons
- b) Beauty therapists, make-up artists and beauty salons.
- c) Nail technicians and salons
- d) Massage therapists and massage parlours/ spas including mobile spas



Personal Care Services

Who is covered under the Scheme?

The business can be:

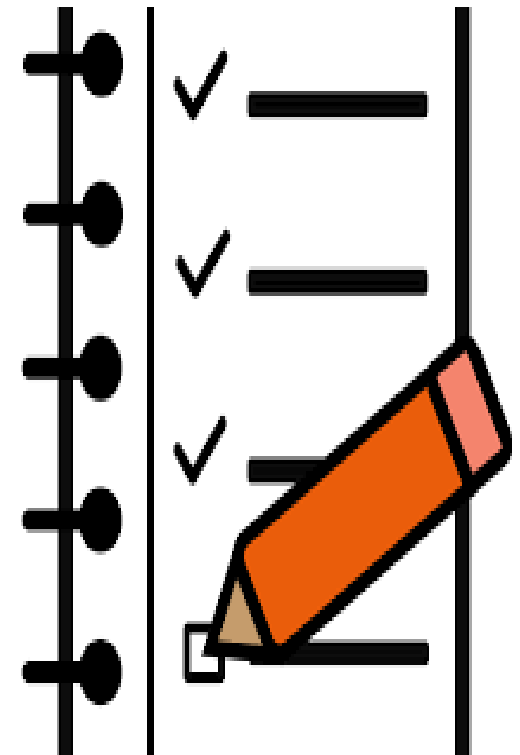
- (a) Home-based-: self-employed artisans who have set up a hair services, beauty treatments and body massage in their homes and operate from one of the rooms in their homes;
- (b) Salon based-: business that operate in a place/ shop where one can get hair services, beauty treatments or body massage; and
- (c) Mobile: a salon which does not operate from a fixed space but visit clients in their homes or place of work, or at another agreed upon location.
- (d) Sole proprietors/Businesses that rent a chair in in another salon

Personal Care Services

Who can apply?

The applicant must:

- a) Register on the SMMESA database:
<https://smmesa.gov.za/>
- b) Be an entity registered with CIPC and SARS, even newly registered entities will be considered;
- c) Be registered with UIF, if the entity has employees and at least 70% of the employees must be South African;
- d) Be 100%-owned by a South African;
- e) Have a turnover of below **R100 000 per annum**;
- f) Have a valid business bank account or willing to open and operate a business account;
- g) Be willing to participate in the DSBD/ SEDA facilitated business development process; and
- h) Be located in the township or village or rural/ small towns



Funding Instruments Summary

No	Instrument	Type of support	Minimum	Maximum	Grant	Credit line	Comment
1	Bakeries	Blended	10 000	20 000	10 000	10 000	50:50 Split (Credit Line will depend on affordability. However, the maximum funding accessible is R10 000.
2	Clothing, Textiles & leather	Blended		10 000	5000	5000	50:50 Split. Credit Line will depend on affordability. However, the maximum funding accessible is R5 000
3	Spaza & General Dealers	Blended	3 500	7 000	3 500	3 500	50:50 Split
4	Auto-body repairers & mechanics: Panel beaters, Mechanics, Autospares & Fitment centre	Revolving Credit: working capital		15 000	-	15 000	Loan
5	Butcheries	Blended		10000	5000	5000	50:50 Split. Credit Line will depend on affordability. However, the maximum funding accessible is R5 000
6	Fruit & Vegetables Vendors	Grant		1 000	1 000		Straight grant
7	Informal & Micro restaurants & Tshisanyama	Blended		10000	5000	5000	50:50 Split. Credit Line will depend on affordability. However, the maximum funding accessible is R5 000
8	Personal Care	Blended		10000	5000	5000	50:50 Split. Credit Line will depend on affordability. However, the maximum funding accessible is R5 000

Amathole Targets

TOWNSHIP AND RURAL ENTREPRENEURSHIP PROGRAMME

DISTRICT, PROVINCIAL AND NATIONAL TARGETS

INFORMAL AND MICRO BUSINESSES RECOVERY PLAN YEAR 1

Province	District Name	Population Size	SPAZAS & General Dealers Per District	Fruit & Vegetables Vendors	Butcheries	Automotive Aftermarkets	Clothing, Textiles & Leather	Bakeries	Open-Air Restaurants	Personal Care	Incubation and Digital Hubs	
Eastern Cape	Amathole	880790	400	640	170	255	170	60	170	85	1	3

Buffalo City Targets

TOWNSHIP AND RURAL ENTREPRENEURSHIP PROGRAMME

DISTRICT, PROVINCIAL AND NATIONAL TARGETS

INFORMAL AND MICRO BUSINESSES RECOVERY PLAN YEAR 1

Province	District Name	Population Size	SPAZAS & General Dealers Per District	Fruit & Vegetables Vendors	Butcheries	Automotive Aftermarkets	Clothing, Textiles & Leather	Bakeries	Open-Air Restaurants	Personal Care	Incubation and Digital Hubs	
Eastern Cape	Buffalo City	834997	380	600	160	240	160	56	160	80	1	3

Online Application Process for these Schemes

Step 1: Register on <https://smmesa.gov.za>

Step 2: Complete an online application form/ (*choose the support type*)

<https://www.eservices.gov.za/>

Step 3: Complete all the mandatory fields

Step 4: Upload the required supporting documents

Step 5: Submit application online



***ALL STATUTORY DOCUMENTS MUST BE SUPPLIED BEFORE AN APPLICATION IS CONSIDERED**

***ADDITIONAL INFORMATION MAY BE REQUIRED DEPENDING ON THE SCHEME YOU ARE APPLYING FOR**

***PRIORITY WILL BE GIVEN TO BUSINESSES OWNED BY WOMEN, YOUTH AND PEOPLE WITH DISABILITIES**

Contact Details



- <https://www.smmesa.gov.za>
- <http://www.dsbd.gov.za>
- <http://www.seda.org.za>
- <https://www.sefa.org.za>
- <https://www.mybindu.org.za>



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- DSBD - sbdinfo@dsbd.gov.za
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