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## SMME Booster Fund 2023

### Call for Proposals

#### 1. INTRODUCTION

- 1.1. The Department of Economic Development and Tourism (DEDAT) is requesting organisations (intermediaries) implementing business development support projects and programmes to apply for funding via its SMME Booster Fund 2023 (the Fund). The programmes and projects that require financial support must develop SMMEs to enable them to grow and create jobs.
- 1.2. The Fund will support projects and programmes in the following categories:
  - 1.2.1. Export development
  - 1.2.2. Women-owned business
  - 1.2.3. Youth-owned businesses
  - 1.2.4. Township-based businesses

#### 2. ABOUT THE FUND

The SMME Booster Fund:

- 2.1. Provides financial assistance to intermediary organisations that implement business development support (BDS) projects or programmes aimed at developing SMMEs.
- 2.2. Will only provide funding for interventions that flow directly to the SMME beneficiaries of the project or programme it supports. Examples of interventions that the Fund will support would be the acquisition of machinery, equipment, software, licenses etc.
- 2.3. Applications will undergo a qualitative assessment and will be supported on merit and the ability to demonstrate value to the SMME beneficiaries that are participating in the project or programme.

- 2.4. Provides support to projects and programmes that only benefit Western Cape based businesses.
- 2.5. Will only support projects and programmes that has commenced implementation at the time of the application i.e., the SMMEs have been identified and support to the SMMEs have already commenced.
- 2.6. Does not provide financial assistance to individual SMMEs to fund their own operations and/or needs.
- 2.7. Will only enter into agreements with organisations that are tax compliant.
- 2.8. Requires that interventions funded by the SMME Booster Fund must be fully completed and implemented by 29 February 2024.
- 2.9. Will consider funding applications in the amount of R500 000, 00; and above, at the discretion of the Funding Committees.

### **3. CATEGORIES**

The proposals submitted must be structured towards one of the following categories:

- 3.1. **Category 1: Projects or programmes with a focus on developing SMMEs that has the potential to export**
  - 3.1.1. The Fund will provide financial support to projects and programmes that offer a holistic approach to business development support and that focuses on increasing the operational capacity of SMMEs to export.
  - 3.1.2. The Department considers holistic business development support projects or programmes to include, but not be limited to, interventions such as mentorship, coaching, marketing, branding, capacity building etc.
  - 3.1.3. The Fund will enhance the holistic project or programme by providing financial support to the successful applicant to assist the SMME beneficiaries of their project or programme to acquire machinery, equipment, tool kit development, requisite registrations, bespoke software packages, licenses, and other technical support.

- 3.1.4. The interventions listed in 3.1.2 will be for the account (as their own contribution or from third party funding) of the successful applicant.
- 3.1.5. The project or programme for which financial assistance is sought, must as a minimum, support **10** SMMEs.
- 3.1.6. Businesses that form part of the project or programme must be based in the Western Cape, be in operation for at least two years and employ a minimum of 5 persons (including director/s).

### 3.2. **Category 2: Projects or programmes supporting women-owned businesses**

- 3.2.1. The Fund will provide financial support to projects and programmes that offer a holistic approach to business development support and that focuses on supporting women-owned businesses i.e., the business must have majority (more than 50%) female ownership.
- 3.2.2. The Department considers holistic business development support to include, but not be limited to, interventions such as mentorship, coaching, marketing, branding, capacity building etc.
- 3.2.3. The Fund will enhance the holistic project or programme by providing financial support to the successful applicant to assist the SMME beneficiaries of their project or programmes to acquire machinery, equipment, bespoke software packages, licenses and other technical support that would enhance the business operations.
- 3.2.4. The interventions listed in 3.2.2 will be for the account (as their own contribution or from third party funding) of the successful applicant.
- 3.2.5. The project or programme for which financial assistance is sought, must as a minimum, support **20** SMMEs.
- 3.2.6. Businesses that form part of the project or programme must be based in the Western Cape, be in operation for at least two years and employ a minimum of 5 persons (including director/s).

### 3.3. Category 3: Projects or programmes supporting youth-owned businesses

- 3.3.1. The Fund will provide financial support to projects and programmes that offer a holistic approach to business development support and that focuses on supporting youth-owned businesses i.e., the business must have majority (more than 50%) youth ownership.
- 3.3.2. A youth owned business is a business in which 51% or more of the ownership and control is in the hands of young men and/or women adults between the ages of 18 to 35 years.
- 3.3.3. The Department considers holistic business development support to include, but not be limited to, interventions such as mentorship, coaching, marketing, branding, capacity building etc.
- 3.3.4. The Fund will enhance the holistic project or programme by providing financial support to the successful applicant to assist the SMME beneficiaries of their project or programmes to acquire machinery, equipment, bespoke software packages, licenses and other technical support that would enhance the business operations.
- 3.3.5. The interventions listed in 3.2.3 will be for the account (as their own contribution or from third party funding) of the successful applicant.
- 3.3.6. The project or programme for which financial assistance is sought, must as a minimum, support **20** SMMEs.
- 3.3.7. Businesses that form part of the project or programme must be based in the Western Cape, be in operation for at least two years and employ a minimum of 3 persons (including director/s).

### 3.4. **Category 4: Business Development Support projects or programmes supporting township-based businesses**

- 3.4.1. The Fund will provide financial support to projects and programmes that offer a holistic approach to business development support and that focuses on supporting township-based businesses.
- 3.4.2. The Department considers holistic business development support to include, but not be limited to, interventions such as mentorship, coaching, marketing, branding, capacity building etc.
- 3.4.3. The Fund will enhance the holistic project or programme by providing financial support to the successful applicant to assist the SMME beneficiaries of their project or programmes to acquire machinery, equipment, bespoke software packages, licenses and other technical support that would enhance the business operations.
- 3.4.4. The interventions listed in 3.2.2 will be for the account (as their own contribution or from third party funding) of the successful applicant.
- 3.4.5. The project or programme for which financial assistance is sought, must as a minimum, support **15** SMMEs.
- 3.4.6. Businesses that form part of the project or programme must be based in the Western Cape, be in operation for at least two years and employ a minimum of 2 persons (including director/s).

## **4. QUALIFYING CRITERIA AND COMPULSORY SUPPORTING DOCUMENTS**

The qualifying criteria listed below will be strictly applied and the required compulsory documents must be submitted as part of the application process.

- 4.1. The organisation applying for support must be formally registered or incorporated. Company registration documents or documents of incorporation (NPO/NPC registration certificate, partnership agreements, sole proprietor tax certificate etc.) clearly **identifying the director(s)** of the company or organisation must be submitted.

- 4.2. The organisation applying for support must be in operation for a minimum of two financial years. **Signed** annual financial statements for the two most recent financial years must be submitted as part of the application process (the guidelines in the Companies Act will be applied). The financial statements will be assessed against the going concern principle and the opinion of the independent auditor or reviewer."
- 4.3. The organisation must be tax compliant at the time of application. A tax compliant status (TCS) letter with a **valid (not expired) tax pin** must be submitted. The tax pin must be valid for the duration of the application evaluation process up to a period of 60 days from the date of submitting your application.
- 4.4. The Department will require a **valid BBEE certificate / affidavit** for the applicant organisation.
- 4.5. The organisation must demonstrate an own funding (including third party funding if any) contribution of **50% or more of the requested amount**. A signed letter by the Chief Executive Officer (CEO) / Chief Financial Officer (CFO) or similar executive authority confirming the value of own funding committed to the implementation of the proposed project must be submitted.
- 4.6. In addition to the above, the identity document of the signatory to the agreement must be provided. Should the application be successful an agreement will be entered with the Department.

## 5. EXCLUSIONS

The following costs and expenditure will not be considered for support from the SMME Booster Fund:

- 5.1. Operational expenditure such as salaries, rent, insurance, accountant/audit fees etc.
- 5.2. Project management fees or project administration fees.

## 6. FINANCIAL REPORTING OBLIGATIONS ON THE BENEFICIARY

The Department will exercise a strict and robust approach to monitoring the funds disbursed to the successful organisations. The following will be required from the beneficiary:

- 6.1. Open a separate cost centre on their accounting system for Departmental funds; or
- 6.2. Open an appropriately named bank account for Departmental funds (only Departmental funds will be reflected in this bank account); or
- 6.3. Provide the Department with a signed (by the CFO / Financial Director or equal) expenditure report together with the bank statement and source documents for all transactions as per the timelines agreed to in the signed agreement.

## 7. APPLICATION PROCESS

Please follow the guidance and information provided below:

- 7.1. The application process is two-fold and entails (i) the completion of the required online information and (ii) the uploading of the required supporting documents.
- 7.2. Only applications submitted via the online platform will be considered. No emailed or hand delivered applications will be considered.
- 7.3. Thoroughly read the application guideline before completing the online application. **All sections** in the application form are **mandatory**. The application guideline can be downloaded from the Department's website.
- 7.4. All documents requested in section 4 of this Call for Proposals are compulsory and must be uploaded when submitting your application. Please ensure that all documents submitted are legible. Where uploaded documents are illegible, damaged, or corrupted, the application cannot be considered.

## **8. APPLICATION PERIOD**

- 8.1. The period of application to the Fund is open to 31 March 2024 and is subject to budget availability, whichever comes first. It is in the best interest of the applicant to submit funding applications as soon as possible.
- 8.2. Applications received will be evaluated on a monthly basis against the evaluation criteria. All applicants to the Fund will be informed of the outcome of their application.
- 8.3. The allocation of funds will be at the discretion of the Department and will be based on an evaluation process and the availability of budgetary resources.
- 8.4. Below please find a glossary of terms used in this Call for Proposals.



# SMME BOOSTER FUND 2023

## GLOSSARY

TERM	DEFINITION
<b>Annual Financial Statements</b>	An organisation's financial statements that has been prepared in accordance with generally accepted accounting principles and in line with the Companies Act. The financial statements must be <b>signed off</b> by an independent certified public accountant.
<b>Business Development Support</b>	The provision of business information, knowledge, skills, advice, mentorship, coaching, funding and equipment to assist and develop the SMME.
<b>Own Funding</b>	The organisation requesting funding must demonstrate an own <b>financial</b> contribution towards the implementation of the project.
<b>Criteria</b>	A list of specifics used to assess eligibility and proposed impact of the projects.
<b>Enhance</b>	An increase or improvement in quality, value, offering or extent.
<b>Export Development</b>	Programmes and interventions to stimulate businesses through their interventions to export goods and services.
<b>Job Creation</b>	Interventions applied during the implementation of a project that will lead to job(s) being created.
<b>Organisation</b>	An incorporated company or registered organisation or established partnership that has legal rights and responsibilities, including tax filings. It is a business that can enter into contracts either as a vendor or a supplier and can sue or be sued in a court of law.
<b>SMME</b>	Small Medium and Micro Enterprises as defined in the National Small Enterprise Act 102 of 1996 as amended by the National Small Business Act 29 of 2004.