

SMME Booster Fund 2022

Call for Proposals

1. INTRODUCTION

The Department of Economic Development and Tourism (DEDAT) is requesting organisations implementing business development support projects or programmes in the categories of Business Development Support and Access to Markets to apply for project funding via its SMME Booster Fund (the Fund) 2022.

The Fund will provide financial support to Small Medium and Micro Enterprise (SMME) development programmes and projects that benefits Western Cape based businesses. The programmes and projects for which financial support is sought must have the propensity to develop SMMEs to enable them to grow and create jobs.

Applicants to the Fund must demonstrate the services and support that they currently provide to their beneficiary SMMEs. A total of just over R16 million is available for disbursement to successful applicants.

The Fund seeks to support the outcome of job creation (and retention) and business expansion through growing and enhancing the sustainability of SMMEs. The Fund will be supportive of growing and enhancing the sustainability of SMMEs that includes rural, urban, township-based, youth, people with disabilities and women-owned SMMEs. The SMMEs to be supported through the proposed projects must be Western Cape based.

2. CATEGORIES

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

- Category 1: Businesses Development Support programmes with a focus on assisting SMMEs that, are owned by youth, women and people living with disabilities (including social enterprises).** The Fund will provide financial support to enhance and/or expand programmes and projects that offer a holistic approach to business development support. Business development support would include, but not be limited to, mentorship, coaching,

marketing, branding, operational support, capacity building, provision of bespoke support (machinery, equipment, licenses, accreditation etc.), business support training to SMMEs etc. Programmes or projects only focused on providing training and capacity building will not be considered.

- **Category 2: Access to Markets - Support to businesses that want to access economic opportunities in both the public and private sectors.** The nature of support will focus on the following categories and interventions within access to markets:
 - Corporates, business incubators and/or organisations directly implementing Enterprise and Supplier Development programmes that enables SMMEs to access market opportunities.
 - Organisations enabling SMMEs to facilitate access to market opportunities either in the public or private sector.
 - Organisations involved in import replacement and/or export development as part of supply chains are included in this category. The intervention will provide support to organisations who have existing export support programmes that develops the capacity of current and potential export ready SMMEs to build their competitive capacity. The nature of support should focus on developing the capacity of the SMME to export. This could include, but not limited to, certification, labelling, equipment, and inventory. In addition, support will be provided where measures are pursued to increase local demand through, among others, increasing the proportion of local goods and services and reducing the imported content procured both by government and the private sector.

3. QUALIFYING CRITERIA AND COMPULSORY SUPPORTING DOCUMENTS

- 3.1 The **qualifying criteria** listed below will be strictly applied and **compulsory documents** must be submitted as part of the application process.
- 3.1.1 The organisation must be in formal existence (formally registered or incorporated) for more than five years. Company registration documents or documents of incorporation (NPO/NPC Registration Certificate, Partnership Agreements, Sole Proprietor Tax Certificate) clearly identifying the Director(s) of

the company or organisation must be submitted.

- 3.1.2 The organisation must be tax compliant at the time of application. A valid tax compliant verification report ("TCS") that is not older than thirty (30) business days as at the date of submission of the application must be provided. Successful applicants must also be tax compliant at the time of signing an agreement with the Department.
 - 3.1.3 The organisation must have obtained an unqualified audit opinion during its latest financial period. Audited Annual Financial Statements for the two most recent years (the guidelines in the Companies Act will be strictly applied) must be submitted.
 - 3.1.4 The project or programme that assistance is being sought for must be either:
 - 3.1.4.1 an existing project, with a proven track record; or
 - 3.1.4.2 in the case of a new project, it must be in the implementation stage (i.e., implementation has already commenced).
 - 3.1.5 The value of funding requested from the Department must not be less than R2 million.
 - 3.1.6 The organisation must demonstrate an own funding 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 value of own funding committed to the implementation of the proposed project must be submitted.
 - 3.1.7 The project or programme must exclusively benefit SMMEs that are based and operating in the Western Cape.
4. The following costs will not be considered for support from the SMME Booster Fund:

- 4.1. Operational expenditure not directly associated with the proposed project (e.g., salaries, rent, insurance, accountant, or audit fees etc.).
- 4.2. Project management fees or project administration fees.

5. OBLIGATIONS ON THE BENEFICIARY

- 5.1. The Department will exercise a strict and robust approach to monitoring the funds transferred to the successful organisations. The following will be required from the beneficiary:
 - 5.1.1. open a dedicated and appropriately named bank account for Departmental funds (only Departmental funds will be reflected in this bank account). This requirement is not applicable to municipalities and state-owned entities.
 - 5.1.2. 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.

6. APPLICATION PROCESS

Please follow the guidance and information provided below:

- 6.1. 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.
- 6.2. Only applications submitted via the online process, before the closing date and time, will be considered. No emailed or hand delivered applications will be considered.
- 6.3. The online system will automatically close for submission of applications at the closing time and date.

- 6.4. 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 Departments website.
- 6.5. All documents requested in sections 3.1 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.
- 6.6. The Department is unable to notify applicants on the correctness and completeness of the requisite information and documents submitted, nor can it request additional information. The onus is on the applicant to ensure that all the required information and the correct documents are timeously submitted.
- 6.7. The closing date for applications is on **Monday, 27 June 2022 at midnight**. It is advisable to submit your application as early as possible as no late applications can be considered.
- 6.8. Below please find a glossary of terms used in this Call for Proposals.

SMME BOOSTER FUND 2022

GLOSSARY

TERM	DEFINITION
Access to Market	The ability to identify new or expand existing market opportunities.
Audited annual financial statements	An organisation or municipality's financial statement that has been prepared in accordance with generally accepted accounting principles and that has been audited and signed off by an independent certified public accountant in accordance with generally accepted auditing standards which includes notes to the financials.
Business Development Support	The provision of business information, knowledge, skills, and advice on the various aspects to assist a SMME to develop.
Business Expansion	Interventions aimed at improving and growing the business capacity internally or outwardly by growing employment, markets, revenue, product offering, acquisitions, etc.
Own Funding	The organisation or partner organisations requesting funding must demonstrate an own financial contribution towards the implementation of the project.
Criteria	A list of specifics used to assess eligibility and proposed impact of the projects.
Enhance	An increase or improvement in quality, value, offering or extent.
Enterprise and Supplier Development (ESD)	ESD comprises the Preferential Procurement, Supplier Diversity, Supplier Development and Enterprise Development programmes to service your business needs. ESD forms part of the BBBEE policy to advance economic transformation in South Africa.
Export Development	Programmes and interventions to stimulate businesses through their interventions to export goods and services.
Import Replacement	Programmes and interventions supporting businesses to produce products or services previously sourced from international markets.

Job Creation	Interventions applied during the implementation of a project that will lead to job(s) being created.
Organisation	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.
Rural	Projects conducted within the 5 district municipal areas in the Western Cape province.
SMME	Small Medium and Micro Enterprises.
Social Enterprise	Businesses and/or organisations that further a social purpose and operate in a financially sustainable way.
Sustainability of SMMEs	Assistance provided to businesses that would lead to a profitability and ensuring it is able to grow its equity over time.
Track Record	The past achievements or performance of the organisation in implementing SMME development projects or programmes.
Urban	Projects conducted within the (Cape) Metro municipal area within the Western Cape province.