
CALL FOR PROPOSALS

SMME BOOSTER FUND

1. INTRODUCTION

- 1.1. Stimulating an entrepreneurial culture, creating an enabling environment for startup and existing businesses, and addressing systemic challenges that constrain the growth for Small Medium and Micro Enterprises (SMMEs), is key to improving competitiveness and broadening competition in the private sector.
- 1.2. The vision of the Growth for Jobs (G4J) strategy is a provincial economy that achieves break-out economic growth, resulting in sufficient employment and opportunity and an economy that is sustainable, resilient, diverse and thriving. The goal statement is that by 2035, the Western Cape will be a R1-trillion inclusive economy in real terms and growing at between 4% and 6% per annum. Achieving this objective will contribute to the Western Cape Government and the Department's strategic goal of growing the economy through business growth and job creation.
- 1.3. Entrepreneurship is identified as one of the key elements linked to Priority Focus Areas 7 in the G4J strategy and key to unlocking economic growth and job creation. Our strategic goal is to achieve an increased entrepreneurial rate and capability of entrepreneurs and business owners through growing the SMME contribution in the Western Cape by 2035. The Department of Economic Development and Tourism (the Department) is focused on enabling the environment conducive for SMMEs to start and grow their business through various interventions, including enabling people to access economic opportunities through entrepreneurship.
- 1.4. In support of this objective, the Department will implement the SMME Booster Fund (the Fund). The Fund will provide financial support to organisations that implement business development

support projects and/or programmes aimed at growing and developing SMMEs. The funding will enhance the holistic business development support projects and/or programmes implemented by these organisations which include interventions such as training, mentoring, coaching, financial planning, assisting with compliance, providing financial assistance, facilitating access to finance, and providing technical support in the form of equipment, specialized software, licensing etc.

- 1.5. The holistic support provided via the Fund will enable intermediaries to support SMMEs that will translate into business growth and job creation.
- 1.6. The Department is requesting organisations (intermediaries) that are implementing holistic business development support programmes and/or projects for Western Cape businesses, to apply for funding via the SMME Booster Fund.

2. THE SMME BOOSTER FUND

2.1. The Fund will:

- 2.1.1. Provide financial assistance to intermediary organisations towards implementing their business development support (BDS) programmes or projects aimed at developing SMMEs.
- 2.1.2. Only support projects or programmes that have commenced implementation at the time of the application (i.e. the SMMEs have been identified and committed to participate in the project / programme).
- 2.1.3. Provide financial support for interventions that directly benefit the SMME participants of the project or programme. Examples of interventions that the Fund will support would be business coaching, mentoring, training and capacity building, marketing and branding, access to market initiatives, acquisition of machinery, equipment (and related consumables), software, licenses, mentorship, coaching etc.
- 2.1.4. Support applications on merit and the ability to demonstrate value to the SMME beneficiaries that are participating in the project or programme.

2.1.5. Provide support to projects or programmes that exclusively support Western Cape based businesses.

2.1.6. Require that the SMME beneficiaries be monitored for a period of a minimum of three years. The indicators to be monitored will include:

- (i) Number of jobs created;
- (ii) Increase in revenue / turnover;
- (iii) Number of businesses supported with business development support;
- (iv) Rand value of funding leveraged for business development support;
- (v) Number of youth owned businesses assisted with business development support;
- (vi) Number of early-stage entrepreneurs assisted with business capacity building initiatives; and
- (vii) Rand value of investment / capital raised.

2.1.7. Support projects and programmes in the following categories:

- (i) Export development
- (ii) Incubation and acceleration
- (iii) Township-based businesses
- (iv) Infrastructure support

2.1.8. Consider applications between R500 000, 00 and R2 million.

2.2. The Fund will not:

2.2.1. Provide operational support (salaries, rent, insurance, accountant/audit fees etc.) or project management fees for the applicant (intermediary) organisation.

2.2.2. Provide financial assistance to individual SMMEs to fund their own operations and/or needs.

3. CATEGORIES

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

3.1. Category 1: Developing SMMEs for the export market

3.1.1. The Fund in the export development category will provide financial support to projects or programmes that offer a holistic approach to business development support and that focuses on increasing the operational, and infrastructural capacity of SMMEs to export.

3.1.2. A holistic business development support project or programme would comprise a host of support interventions such as coaching, mentoring, training and capacity building, marketing and branding, access to market initiatives, the acquisition of machinery and equipment 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 and equipment, tool kit development, requisite registrations, bespoke software packages, licenses, marketing assistance, website development for foreign markets, packaging, labelling, first order freighting, certification and other technical support.

3.1.4. Funding to attend trade shows or participate in trade missions will not be considered.

3.1.5. Criteria for consideration

3.1.5.1. The project or programme for which financial assistance is sought, must as a minimum, support **5** SMMEs.

3.1.5.2. A minimum of **30%** of the SMMEs to be supported must be women and / or youth owned.

3.1.5.3. The businesses that form part of the project or programme must

3.1.5.3.1. Be based in the Western Cape;

3.1.5.3.2. Employ a minimum of **5** persons (excludes the owner(s) or director(s));

3.1.5.3.3. Be in existence and operating for a minimum of **three** years;

3.1.5.3.4. Have a minimum annual revenue / turnover of **R3 million**;

- 3.1.5.3.5. Be **contracted** to participate in the project or programme;
- 3.1.5.3.6. Have attended at least 1 **trade show / mission / inward buying mission**;
- 3.1.5.3.7. have **completed** an exporter development training programme
- 3.1.5.3.8. have a product and/or a service that is ready for export (**not a concept**).
- 3.1.5.3.9. Be able to **demonstrate expressions of interest** (letters / emails etc.) for their goods / service from a foreign market.
- 3.1.5.3.10. Agree to sign up on the **WESGRO's Cape Trade Portal**.

3.2. **Category 2: Business Incubation and Acceleration Support**

- 3.2.1. Projects and/or programmes in the Incubation and Acceleration Support category must offer holistic incubation and/or acceleration support to SMMEs.
- 3.2.2. Holistic support would comprise a host of support interventions such as coaching, mentoring, training and capacity building, marketing and branding, access to market initiatives, acquisition of machinery, equipment, software, licenses, mentorship, coaching, training etc.
- 3.2.3. Business incubation can be defined as the provision of physical and/or virtual facilities that support the development of early stage SMMEs through a combination of business development services, funding and access to the physical space necessary to conduct business.
- 3.2.4. Business acceleration is a programme designed to help established startups scale quickly. The programme usually entails an intense period of training, mentorship, coaching, etc. over the course of three to six months. During this time, startups could receive resources from experienced entrepreneurs, investors, and business leaders and even funding in exchange for equity in the business.
- 3.2.5. Criteria for consideration
 - 3.2.5.1. The project or programme for which financial assistance is sought, must as a minimum, support **10** SMMEs.

- 3.2.5.2. A minimum of **30%** of the SMMEs to be supported must be youth and / or women owned.

- 3.2.5.3. The businesses that form part of the project or programme must
 - 3.2.5.3.1. Be based in the Western Cape;
 - 3.2.5.3.2. Employ a minimum of **2** persons (excludes the owner(s) or director(s));
 - 3.2.5.3.3. Be in existence and operating for a minimum of **two** years;
 - 3.2.5.3.4. Have a minimum annual revenue / turnover of **R2 million**; and
 - 3.2.5.3.5. Be **contracted** to participate in the project or programme.

3.3. **Category 3: Support to township-based businesses**

- 3.3.1. Projects and/or programmes in the township-based business category must offer holistic business development support to businesses (pre start-up, start-up and existing businesses) located in townships.

- 3.3.2. The term “township” has no formal definition. For the purpose of this Call for Proposals, “township” refers to the underdeveloped, usually (but not only) urban and rural, residential areas that during Apartheid were reserved for non-whites (Africans, Coloureds and Indians).

- 3.3.3. A holistic business development support project or programme would comprise a host of support interventions such as coaching, mentoring, training and capacity building, marketing and branding, access to market initiatives, acquisition of machinery, equipment, software, licenses, mentorship, coaching, training etc.

- 3.3.4. Criteria for consideration
 - 3.3.4.1. The project or programme for which financial assistance is sought, must as a minimum, support **10** SMMEs.

 - 3.3.4.2. A minimum of **30%** of the SMMEs to be supported must be youth and / or women owned.

- 3.3.4.3. The businesses that form part of the project or programme must
 - 3.3.4.3.1. Be based in the Western Cape;
 - 3.3.4.3.2. Employ a minimum of **1** person (this can include the owner(s) or director(s));
 - 3.3.4.3.3. Have a minimum turnover of **R20 000, 00** per month (if operational and trading); and
 - 3.3.4.3.4. Be **contracted** to participate in the project.

3.4. **Category 4: Infrastructure support for entrepreneurial centres**

- 3.4.1. The Fund will provide financial support to set up and operationalise new entrepreneurial centres and/or enhance existing entrepreneurial centres.
- 3.4.2. An entrepreneurial centre is a physical space where entrepreneurs and SMMEs can get advice and information about starting and running small businesses, receive training and access to workspace, machinery and equipment.
- 3.4.3. The Fund will provide financial support to equip and refurbish entrepreneurial centres with the required machinery, equipment (including ICT equipment such as computers and printers), bespoke software packages, licenses, furniture and fittings, and other technical support.
- 3.4.4. The funding applied for will not support the construction of entrepreneurial centres or its operating costs (e.g. rent, utilities).
- 3.4.5. Criteria for consideration
 - 3.4.5.1. The entrepreneurial centres must be established at a post school/tertiary institution, e.g. Technical Vocational Education and Training (TVET) Colleges and/or universities based in the Western Cape.
 - 3.4.5.2. The entrepreneurial centre must be open to assist and support SMMEs outside the TVET/University environment.

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. Should any of the below criteria not be met or any of the requested documentation not be submitted, the application will be **immediately disqualified**.

- 4.1. The organisation applying for support must be formally registered or incorporated. Company registration documents or documents of incorporation (e.g. NPO/NPC registration certificate, partnership agreements, memorandum of incorporation, 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. Where AFS are audited or independently reviewed, the AFS must be unqualified.
- 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** BBBEE certificate / affidavit for the applicant organisation. Please note that BBBEE certificates / affidavits is valid for 12 months after the date of issue / date of signing.
- 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. The co-funding qualification criterion may not be applicable to **Category 4**. Infrastructure support for entrepreneurial centres where organisations provide alternative support (e.g. office / building space).

- 4.6. The applicant must provide **evidence of a monitoring/tracking system** (manual or automated) that tracks the performance of the SMMEs assisted over a minimum period of three years. Where applicants are unable to provide this evidence (does not have a system), a signed letter of commitment to implement a monitoring / tracking system within 6 months after the project has commenced must be provided.
- 4.7. In addition to the above, the **identity document (or similar)** of the signatory to the agreement must be provided. Should the application be successful an agreement will be entered with the Department.

5. APPLICATION PROCESS

Please follow the guidance and information provided below:

- 5.1. 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.
- 5.2. Only applications submitted via the online platform will be considered. No emailed or hand delivered applications or supporting documents will be accepted or considered.
- 5.3. 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.
- 5.4. 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.

6. APPLICATION PERIOD

- 6.1. The period of application to the Fund is open and is subject to budget availability. It is in the best interest of the applicant to submit funding applications as soon as possible.

- 6.2. 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.
- 6.3. 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.
- 6.4. Below please find a glossary of terms used in this Call for Proposals.

SMME BOOSTER FUND 2024 GLOSSARY

TERM	DEFINITION
Annual Financial Statements	An organisation'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, advice, mentorship, coaching, funding and equipment to assist and develop the SMME.
Own Funding	The organisation 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.
Export Development	Programmes and interventions to stimulate businesses through their interventions to export goods and services.
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.
SMME	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.