

**uMGUNGUNDLOVU DISTRICT MUNICIPAL LOCAL ECONOMIC
DEVELOPMENT INITIATIVE**



**2024/25 uMDM SMME/CO-OPERATIVES SUPPORT
GUIDELINES**

1. BACKGROUND

The uMgungundlovu District Municipality is implementing SMME support programme. The implementation of the SMME support is managed by the uMgungundlovu Municipality Economic Development and Planning (EDP) department. The purpose of the SMME support is to support informal and micro business enterprises to stimulate local economic development and to create job opportunities. Informal and micro businesses enterprises (including street traders) that are operating within the uMgungundlovu District Municipality area of jurisdiction are allowed to apply for SMME support programme from the uMgungundlovu District Municipality.

2. FOCUS AREAS

The uMgungundlovu District SMME/Cooperatives Support Programme is intended to assist the following types of informal and micro businesses:

- Businesses that require funding for working capital (including stock, equipment, furniture, and fittings),
- Supporting entrepreneurship and strengthening business partnerships; Re-establishing supply-chains and routes to markets,
- The support needs to address the recovery of businesses,
- Replacement of movable assets and refurbishing the office/business infrastructure and fittings,
- Replacement of lost capacity and associated stock,
- Businesses in the township and rural areas environment will be prioritized.

It is important to note that the support is strictly for regulated businesses with valid licenses and/or permits or CIPR Registration documentation. Only one application per business will be permitted. This will require the submission of documents as listed below, failure to do so will lead to your application not being considered.

3. FUNDING TIERS

Informal and Micro businesses will be assisted with implements categorized in two tiers as follows:

TIER	FUNDING RANGE	DESCRIPTION
Tier 1	R10 000.00 – R30 000.00	Informal, unregistered businesses with a trading licence or permit – including Street Traders and Vendors
Tier 2	R30 000.00 – R50 000.00	Registered Businesses with rural and township footprint with turnover less than R500 000.00 per annum
Tier 3	R50 000.00 – R100 000.00	Micro Businesses with turnover of more than R500 000.00 but less than R1 Million per annum

NOTE: The available funding for the programme is limited and therefore applications and quotations provided must be strictly between the funding range of the tier applied for, Applicants quoted above the prescribed threshold in the tier will be disqualified.

4. ELIGIBILITY CRITERIA

- i.) Must be a registered operating business entity in South Africa (for formal micro businesses) and including start-ups.
- ii.) Must be 100% owned by South African citizens.
- iii.) Must be registered and compliant with the South African Revenue Service (for formal micro businesses).
- iv.) Only businesses within the uMgungundlovu district Municipality jurisdictions will be considered.
- v.) Only businesses that qualify in the funding tiers as described in a table of Section 3 of these Guidelines Form may apply.
- vi.) Informal businesses (including street traders and vendors) can apply if they have a trading license and/or permit from the Municipality.
- vii.) Business must preferably be in a township or rural area.
- viii.) Empower vulnerable groups (previously disadvantaged individuals, women, youth and people with disabilities)

5. DOCUMENTS TO BE SUBMITTED BY APPLICANTS

- i.) Completed and signed 2024/25 uMDM SMME/Cooperatives Support application form.
- ii.) Certified copies of applicant and/or business owner ID documents Proof of business and residential addresses.
- iii.) CIPC business registration certificates (for formal micro businesses) Valid Tax Clearance Certificate (Pin) for formal micro businesses.
- iv.) Latest three months business bank account statements (for formal micro businesses) Municipal business license and/or permits (for informal businesses).
- v.) Business Plan indicating how the support will enhance the business Portfolio of evidence of operation i.e. (photos).
- vi.) Signed copy of lease agreement or proof of ownership for business premises.

6. EVALUATION CRITERIA

- i.) Administrative Compliance (all the required documents submitted) History and experience of business.
- ii.) Functionally of business,
- iii.) Viability of business proposal,
- iv.) Motivation and impact of support for the business,
- v.) Value for money for support to be provided,
- vi.) Locality of businesses (preference for township and rural areas),
- vii.) Targeted beneficiaries (vulnerable groups - PDI's, women, youth, disabled).

7. EXCLUSIONS

- i.) Labour brokers.
- ii.) Manufacturing and selling of ammunition.
- iii.) Illicit tobacco, Liquor, Gambling, and sex trade Non-profit organization
- iv.) Political organization.
- v.) Un-rehabilitated insolvent shareholders and/or directors of applying entities
Speculative property development.
- vi.) Covering bad debts.
- vii.) Operational cost of the business/ working capital.

8. APPLICATION AND CONSIDERATION PROCESS FLOW

- i.) Complete applications are received and screened for eligibility and compliance (Administrative compliance). Applicants that don't submit all the required documentation will be eliminated,
- ii.) Technical Evaluation (60% compliance threshold),
- iii.) Applications are forwarded to Project Management & Evaluation Committee (PMEC) members to conduct due diligence on applications,
- iv.) Verification Team to conduct the due diligence on applications screened for compliance. Screened application from Verification Team is forwarded to the Evaluation Team,
- v.) Applications are assessed by the Evaluation Panel against the evaluation criteria Funding panel recommendation forwarded to HOD EDP for approval,
- vi.) Within six (6) weeks from the date of approval, successful applicants shall be notified of the outcome,
- vii.) Successful applicants will not receive any direct financial support from the uMgungundlovu Municipality. The required equipment and goods will be procured delivered and handed over to the beneficiary by the uMgungundlovu Municipality on certain basic agreed conditions.
- viii.) The Municipality will monitor all the beneficiaries for a period of 18 months to determine the impact of the support provided and determine if any additional non-financial support is required.

END OF GUIDELINES SECTION