

**uMGUNGUNDLOVU DISTRICT MUNICIPAL LOCAL ECONOMIC
DEVELOPMENT INITIATIVE**



**2023/24 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 Municipal Employment Initiative (UEI) 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 2023/24 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.) Functionality 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 UEI 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 UEI beneficiary by the uMgungundlovu Municipality on certain basic agreed conditions.
- viii.) The Municipality will monitor all the UEI 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



**uMGUNGUNDLOVU MUNICIPAL LOCAL ECONOMIC
DEVELOPMENT INITIATIVE THROUGH
SMME/COOPERATIVES SUPPORT PROGRAMME**

**2023/24 SMME/CO-OPERATIVE SUPPORT
APPLICATION FORM**



uMgungundlovu District Municipality
Economic Development & Planning
 Telephone/uCingo: (033) 897 6700
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 P.O. Box/lbhokisi 3235
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**uMGUNGUNDLOVU MUNICIPAL LOCAL ECONOMIC DEVELOPMENT
 INITIATIVE THROUGH SMME/COOPERATIVES SUPPORT PROGRAMME**

APPLICATION FORM PLEASE NOTE:

- a) Read the funding guidelines information before completing the application form.
- b) All the questions in the application form must be answered in detail – do not only refer to attachments.
- c) The application must be signed and dated.
- d) Submit all the supporting documents as listed on the checklist and / or guidelines.
- e) Incomplete applications will not be eligible for technical consideration.
- f) Applications submitted after the closing date will not be considered.

SECTION A: DETAILS OF APPLICANT

First name(s)	
Surname	
ID Number	
Mobile number	
Alternative Mobile number	
Email address	
Physical Address	
Ward No	
Township/ Village	

SECTION B: BUSINESS INFORMATION

Business Name	
Type of business entity (CC, Cooperative, PTY)	
Business Registration No (CIPC)	
Business Address	
Local Municipality	
Ward No	
Township/ Village	
Years in Operation	

Is the business currently operational? If not, indicate why.	
Has the business benefited from government support in the past (provide details)	
Was the business destroyed/damaged by floods/unrest (Specify if applicable)	
Date when the business was vandalized. Please provide a SAPS case number	

SECTION C: BUSINESS DESCRIPTION

1. Business Description / Profile (What does the business do?) – use extra paper where necessary

2. Business Operations (How does the business operate and function?) - – use extra paper where necessary

3. Business Management (Indicate how the business is managed) – use extra paper where necessary

4. Business Challenges and Risk (indicate challenges and risks that hamper the business) - use extra paper where necessary

SECTION D: MOTIVATION AND IMPACT THE REQUESTED SUPPORT

Provide a problem statement and motivate why the business requires support and what the impact of the support provided will be in terms growth and sustainability. – use extra paper where necessary

SECTION E: CURRENT BUSINESS SALES / TURNOVER

Description of goods and services	Weekly Sales (Units)				Monthly sales (Units)	Unit Price (R)	Monthly Sales (R)
	W1	W2	W3	W4			

SECTION F: REQUIRED EQUIPMENT AND GOODS TO SUPPORT THE BUSIN

List and describe the Equipment, Goods and/or Services being requested.	Number (Units)	Unit Price (Including VAT)	Total Cost (Including VAT)
TOTAL COST (Inc.VAT)			

NOTE: Applicants are encouraged to obtain quotations for goods, equipment, and services they require and have listed above. Quotations should not be older than 30 Days.

SECTION G: NON-FINANCIAL SUPPORT REQUIRED

List and indicate any non-financial support required by the business (if training is required, please clearly indicate the type of training)

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SECTION H: SECTION H: EMPLOYMENT (CURRENT & NEW)

1. Current jobs (Employees currently employed)

No	Position	Job Derscription	Full /Part Time
1.			
2.			
3.			
4.			
5.			
6.			

Total Number of current full-time employees	
Total Number of current part-time employees	

New jobs (Employment opportunities to be created if business is supported)

No	Position	Job Derscription	Full /Part Time
1.			
2.			
3.			
4.			
5.			
6.			
7.			

Total Number of current full-time employees	
Total Number of current part-time employees	

SECTION I: REQUIRED EQUIPMENT AND GOODS TO SUPPORT THE BUSIN

Please check that each of the following components is complete before submitting your application. Please explain the reasons if you are unable to provide any of the information listed below. Please note that failure to provide the necessary information or provide an adequate explanation may result in your application not being considered for funding.

Documents to be submitted with the application form	Yes	No	If No, Please state reason(s)
1. Completed, signed and dated application form for 2023/24 uMDM SMME/Co-operatives Support			
2. Certified copies of applicant and/or business owners Identity Document			
3. Proof of business and residential address			
4. CIPC business registration certificates (for formal micro businesses)			
5. Business licenses and/or permits (for informal businesses) is an added advantage.			
6. Valid Tax Clearance Certificate (Pin) for formal micro businesses.			
7. Three months business banking account (for formal micro businesses)			
8. Business Plan indicating how the requested support will enhance the business and create growth.			
9. Portfolio of evidence of operation i.e Photos			
10. Signed copy of lease agreement or proof of ownership (business premises)			
11. Two quotations for all the goods, equipment and services requested that are not more than 30 days old			

SECTION J: DECLARATION AND CONSENT

I/we, the undersigned declare that the information provided in this application form is to the best of my/our knowledge true and complete.

I/We also understand that any wilful misrepresentation of the information in this application form will disqualify my application and may lead to legal action against me/us including the laying of criminal charges against me/us as sureties as well as against the entity I/we represent for furnishing false statement or information to uMgungundlovu District Municipality.

I/We hereby grant the Municipality consent to perform an entity/personal search and check on my/our records with any other party (e.g., credit bureau and/or a government agency) relating to this application I/we further authorize Municipality to disclose my personal information to these parties to obtain the information they require and acknowledge the Municipality will never disclose more information than they are required to.

The Municipality warrants that it will treat your personal information as confidential and take all necessary steps to protect your information as required by the Protection of Personal Information Act of 2013.

Name of Applicant

Designation

Signature of Applicant

Date

For office use only

Date Application Capture	
Capture	
Technical evaluation	
Verification	
Approved / Not Approved	
Ref Number for Awarded beneficiary	