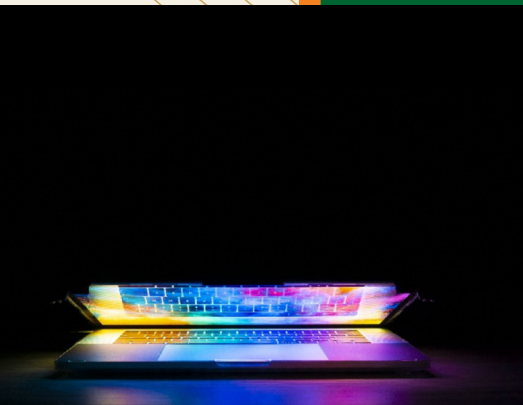




small business  
development

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA

# Business Viability Programme





## Introduction

The Department of Small Business Development is implementing the Business Viability Programme to assist small enterprises experiencing business distress. The primary purpose of the Programme is to support SMMEs including co-operatives, to overcome both financial and non-financial constraints.

The Programme is targeting SMMEs experiencing business challenges with a view to assist them to achieve operational efficiencies, restore profit margins and contribute meaningfully to economic transformation as well as job creation.

## Objectives of the Programme

The Department of Small Business Development aims to deliver on its developmental mandate through the Business Viability Programme by:

- Promoting SMME competitiveness, sustainability, viability, and growth.
- Promoting job creation, curb job losses and closure of business.
- Providing sufficient financial and non-financial support to enable SMMEs to operate efficiently.

## Approach

The Programme is open to all eligible small enterprises that meet the qualifying criteria. Preference will be given to small businesses owned by youth, women and people with disabilities include those operating in townships and rural areas.

## What does the programme cover?

- Acquisition of new equipment/machinery/vehicles and other related business assets for business related purposes only.
- Working Capital (suppliers, employees, stock, raw material, and other operational costs).

- Business Development Services through Seda (Non-financial support)

## Financial Package

The funding quantum per SMME will depend on the SMME diagnostic assessment results and will be tailor made for each SMME. (Limited to sefa's mandate of R15million).

## Instruments

- Blended finance which is a combination of a grant and a loan. The grant will be up to a maximum of 30% of the total funding requirement dependent on the development impact calculated through the scorecard.
- Interest rate on the loan component is limited to fixed 5%.
- Initial payment moratorium or up to a maximum of 12 months contingent on the business cashflows.
- Repayment period of a maximum of 120 months depending on the business cashflows.
- Maximum funding accessible per entity is R15 million.

## Products

- Asset finance
- Working capital facility
- Revolving credit facilities



## Conditions for participating in the scheme

1

The applicant must register on the SMMESA database: <https://smmesa.gov.za/>.

2

The business must employ or have potential to employ a minimum of 5 employees.

3

The applicant must comply or be willing to receive assistance to comply with the relevant industry/sector standards.

## Qualification criteria

The applicant must:

- Be a registered legal entity in South Africa (Registered with CIPC and UIF).
- The company must be 100% owned by South African citizens.
- Employees in the company should consist a minimum of 70% South African citizen.
- Have been in operation for at least 12 months.
- Be registered and compliant with the South African Revenue Service.

## Funding requirements

- Business expansion plan or turnaround plan.
- FICA documents (e.g. Municipal accounts, Letter from Traditional Authority).
- Certified ID copies of Directors or members.
- 6 months bank statements.
- Latest annual financial statements.
- Management accounts not older than three months from date of application.
- Cash flow projections (with clear assumptions).
- Proof of product market - include contract(s) or purchase order(s) – where applicable
- Copy of lease agreement or proof of ownership.
- Relevant industry certification – where applicable.
- Facility statements of other funders - where applicable.
- Quotations for applied funding.
- Detailed break-down on application of funds including salaries, rent etc.

- Application form can be obtained from [www.dsbd.gov.za](http://www.dsbd.gov.za) or [www.sefa.org.za](http://www.sefa.org.za).
- Complete all mandatory fields including updating your basic information on the SMMESA database.
- Attach the required statutory documents: i.e. CIPC documentation, FICA documents, SARS Compliance Documents, etc.
- All statutory documents must be submitted before an application is considered.
- In case of application to purchase equipment, the applicants must submit quotations/pro-forma invoices for the equipment required.
- Where applicable relevant industry certification must be attached. i.e. ISO 9000, CIDB, etc.
- Complete applications must be returned to [bvp@sefa.org.za](mailto:bvp@sefa.org.za).

## How to apply



## REACH OUT



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REPUBLIC OF SOUTH AFRICA



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Small Enterprise Development Agency

### Small Enterprise Finance Agency

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The Small Enterprise Finance Agency