

# New Fund For Small Businesses To Be Developed



Driven by the Departments of [Small Business, Science and Technology](#) and the [National Treasury](#), it was announced during the 2018 budget speech that entrepreneurs could unlock funding for their businesses through a new funding initiative.

## **What is the new Fund?**

Minister of Small Business Development, Lindiwe Zulu, explains where the fund stands and how it will work:

*“The Fund will be operational during 2018/19 financial year but the planned disbursement of the funding will be the beginning of 2019/2020 financial year.”*

She says R1 billion has already been transferred to the Department of Small Business Development from the national fiscus.

“The Department of Small Business Development together with National Treasury and Department of Science and Technology are working with the [Government Technical Advisory Centre](#) (GTAC) to develop the architecture of the Fund where issues around the management of the Fund will be considered,” she explains.

## **Who will the Fund be for?**

“The Fund is targeting high growth businesses as our research on the ecosystem shows that there is a lack of funding of enterprises that are at an ideation and early start-up phase,” Zulu explains.

Her department together with the other participating arms of government, will identify areas of collaboration across research, mentorship and training of enterprises on financial management.

“The work that is being undertaken now will assist government to decide on how the fund will operate, but the government is conscious of the economic environment and would not look at setting up a completely new structure that will add to operational costs,” she says.

Addressing parliament on the fund, the minister said the financial mandate of the fund will be informed by the exercise that is being conducted through GTAC.

*“Government is looking at having this fund as a soft loan which will provide affordable finance to small businesses and the emphasis will be more on ensuring that the Fund is sustainable rather than profit maximisation,” she explains.*

## **How to apply for funding**

Contact the following departments if you would like to access a portion of R2.1 billion:

### **Department of Small Business Development**

- **Address:** 77 Meintjies Street, Sunnyside, Pretoria
- **Tel:** (+27) 861 843 384
- **Email:** [sbdinfo@dsbd.gov.za](mailto:sbdinfo@dsbd.gov.za) for information on the department and its services.

## Department of Science & Technology

- **Address:** DST Building (Building no. 53) (CSIR South Gate Entrance) Meiring Naude Road, Brummeria
- **Tel:** (+27) 12 843 6300
- **Email:** [Isaac.Ramovha@dst.gov.za](mailto:Isaac.Ramovha@dst.gov.za) or [zama.mthethwa@dst.gov.za](mailto:zama.mthethwa@dst.gov.za) for information and brochures about the department's scope and funding.

## National Treasury (GTAC unit)

- **Address:** 40 Church Square, Pretoria
- **Tel:** (+27) 012 315 5944 or (+27) 012 315 5645
- **Email:** [info@gtac.gov.za](mailto:info@gtac.gov.za) for information from the Government Technical Advisory Centre who will manage the small business fund for National Treasury.

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