

Enterprise and Supplier Development Non-donation Based



Enterprise and supplier development (ESD) is a powerful mechanism for change in South Africa. The economic output of our country's small- and medium-sized enterprises (SMEs) provides over half of our national gross domestic product (GDP) and employs 60% of our labour force. Strategically focusing on black-owned SMEs for investment and business acceleration unlocks their growth potential, creating jobs and reducing poverty. This elevates and empowers our industry, society and nation.

Our Vision

We support ESD philosophies that incorporate the key principles of responsible lending and investment. Our solutions deliver substantive social impact, while preserving capital. The funds and fund managers we support invest in the growth of enterprises that have the potential to create a far-reaching impact

Client

Organisations that are looking for tailored enterprise and supplier development programmes that offer immediate and ongoing access to ESD points; the implementation of which way maximise the value of their ESD contribution.

Non-Donation Based ESD Solution

Statement 400 of B- BBEE Codes permits ESD compliance via an unsecured, interest-free loan to an ESD beneficiary or standard loans that are secured.

>51% black-owned, turnover < R50m

Demonstrable need for funding

A scalable and sustainable business model

Detailed due diligence

Evaluates the beneficiaries' capacity to take on debt

To scale the business in a sustainable way

Beneficiary Sectors

Education

Emerging agriculture

Affordable housing

SME lending

Benefits

- Reduced cost of ESD compliance
- Mitigated default risk
- Regulated investment
- All audit documents supplied for verification purposes
- Risk-sharing as investment risk is shared among many investors
- One-off investment that automatically qualifies for B-BBEE points
- An outsourced solution allows management to focus on core business
- Annual B-BBEE points for so long as a measured entity remains invested
- Capital preservation as in-depth screening and monitoring of beneficiaries
- Maximum social impact as 100% of the contribution net-after-fees reaches beneficiaries

Deliverable

- Ongoing monitoring and reporting on the financial performance
- Ongoing monitoring on loan covenants and other loan terms
- Monitoring of use-loan proceeds within the business
- Management of loan repayment
- Delivers full ESD compliance
- Impact measurement
- Loan agreements

"Creating Impact at Scale"