



HUMANITARIAN CRISIS RELIEF FUND

AFRIKA TIKKUN, FNB AND THE SOLIDARITY FUND SUPPORT TO SMMEs AFFECTED BY THE JULY CIVIL UNREST

Impact Report

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BENEFICIARY	AMOUNT ALLOCATED	AMOUNT SPENT
Afrika Tikkun/FNB	R64 279 750	R64 279 750 (Includes service fees)

01

HCRF RESPONSE MANDATE

The Humanitarian Crisis Relief Fund (HCRF) was established in response to the civil unrest in Gauteng and KwaZulu Natal (KZN) in July 2021. The HCRF, administered through the Solidarity Fund, is positioned to provide urgent assistance to people, projects, organizations, and programmes that provide relief to communities damaged by this unrest.

The HCRF chose to address four key areas, namely Food Support, Medical Support, Business Recovery and NPO Support. This Afrika Tikkun/FNB partnership addressed the Business Recovery component, with a focus on small, micro and medium-sized entities (SMMEs) with a turnover of less than R3 million per annum.

The civil unrest had far-reaching consequences, and while there were multiple business recovery efforts, not many existed to support employees and informal traders attached to these businesses. This unrest impacted countless people. The damage to property at malls and other retail outlets in KZN and Gauteng left many people without jobs. This impacted their ability to, amongst others, buy food, hygiene products and other essentials, as well as use public transport.

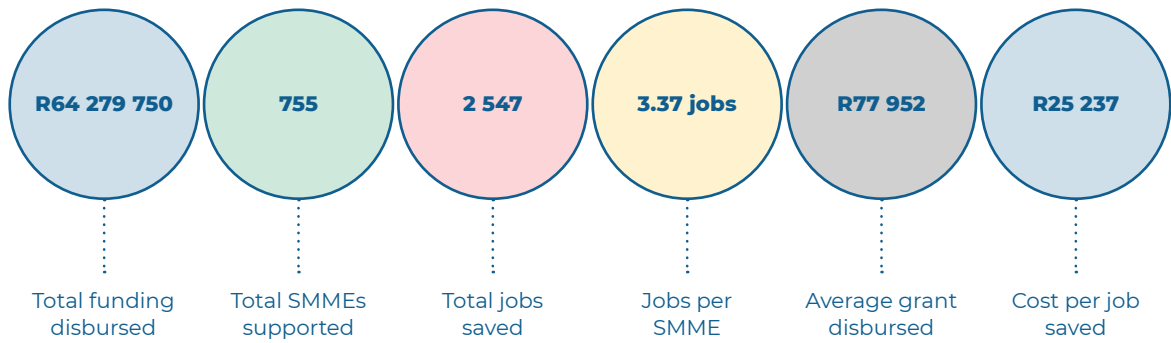
The extensive looting and disrupted supply chains devastated SMMEs across Gauteng and KZN with stock being stolen, shopfronts destroyed and business premises severely damaged.

Within this context, Afrika Tikkun, FNB and the Solidarity Fund formed a partnership to address the needs of SMMEs with a turnover of less than R3 million per annum. The initiative aimed to provide support to pre-existing applicants of Afrika Tikkun and new applicants identified through their network of associate local level support agencies. The support aimed to target 900 enterprises (at an average package of R72 000 including mentorship) affected by the civil unrest.

02

IMPACT AT A GLANCE IN KWAZULU NATAL AND GAUTENG

Figure 1: Impact overview



03

PARTNERS

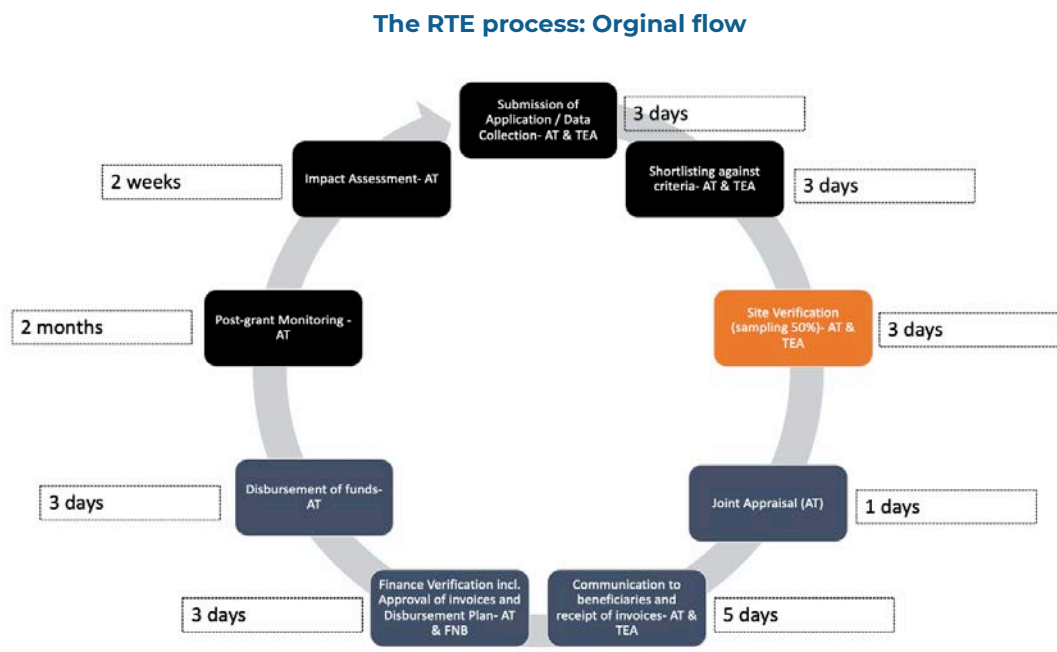
Afrika Tikkun and the FNB Disaster Relief Fund provided a solid platform to assess and process the multitude of applications that emerged.

Afrika Tikkun brought an existing database of affected SMMEs in the target areas, as well as experience in processing and mentorship.

FNB provided the backend verification and checks required to ensure that the selection criteria, which included registration and authentication, were in place to avoid fraudulent claims.

The diagram below indicates how the project was implemented with the support of the partners.

Figure 2: Funding approval process



The RTE process steps: January 2022



04

BENEFICIARIES

Selection of beneficiaries: The SMMEs were part of an existing applicant base, as well as others subsequently identified through the partnership network of Afrika Tikkun. The initial target of 900 was revised downwards to 755 SMMEs as many of those first identified had already received some assistance from other donors by the time the project was implemented.

Criteria: As part of the criteria for consideration, beneficiaries needed to be existing businesses and able to comply with both Afrika Tikkun SMME criteria and FNB FICA requirements. Businesses had to have a turnover of less than R3 million, employ three to five people and contribute, on average R600 000 to the country's GDP. The project focused particularly on uninsured micro enterprises/medium size businesses.

Identified support: The support packages included the purchase of stock and repairs to infrastructure as well as mentorship support post funding.

The funding provided to successful applicants was also leveraged to implement a mentorship and support programme to help 'future-proof' and empower the businesses so that they could withstand and overcome such events going forward. More information on the mentorship programme is included under Impact.



Advertisement calling for applications

REVIVING TOWNSHIP ECONOMIES
One Business At A Time



Afrika Tikkun and its partners want to help revive YOU and YOUR COMMUNITY

We all witnessed, with shock, the riots and looting in July 2021. We are disheartened that protests that were meant to be peaceful and constructive ended up destroying the very businesses, structures and people that make our communities so special.

Afrika Tikkun is using its experience and history as a community partner to help small and medium businesses recover economically. We have partnered with a number of corporate and state-owned companies to serve as a funding vehicle.

WAS YOUR BUSINESS AFFECTED DURING THE JULY RIOTS?

If yes, you may qualify to receive financial support through our campaign.

This means assistance to purchase tools, equipment, and stock and repair any damages incurred as a result of the protests.

Visit www.revivemybusiness.co.za to complete an application form. Please note you will need to have a Gmail address to complete the form.

For more information, contact us on our official WhatsApp number – **078 105 8018** or email us on funding@townshipleva.co.za



Flyer

REVIVING TOWNSHIP ECONOMIES
One Business At A Time



WAS YOUR BUSINESS AFFECTED DURING THE JULY 2021 RIOTS?

Afrika Tikkun and its partners want to help YOU REBUILD YOUR BUSINESS!

As South Africans we were disheartened by the July 2021 unrest and looting that ended up destroying the very businesses that make our communities special and putting at risk the livelihoods we have worked so hard to build.

We provide a grant to repair damage, replace equipment and re-stock your shelves.

For a quick pre-qualification
Call our official WhatsApp line **078 105 8018** OR Whatsapp us "call me back"

OR APPLY AT:
<https://afrikatikkun.org/reviving-township-economies/>



IMPACT

Over 60% of businesses are in KZN and most businesses are in the retail, hair, beauty and the manufacturing sectors. In addition, many applications were received from small scale farmers, who lost their livestock as a direct result of looting. In addition to the grant disbursement programme, all businesses that successfully qualified for the grant assistance, were also registered onto the 1-year mentorship programme, where one of the outcomes is a higher rate of formalisation of informal businesses, including tax registration and active tax payments.

Through this project, 755 entrepreneurs were supported (compared to the original 900 proposed). This was mainly due to the slightly higher grant disbursements and the fact that the initial database of SMMEs with lower overall grant requirements were allocated to other funding support agencies during the contracting and start-up phase of the project. This did not however affect the number of jobs saved.

Sectors supported include, amongst others: retail (in a range of sectors), hairdressing, food and catering, healthcare (including pharmaceutical), cleaning services, agriculture, events management services, internet cafes, automotive and transportation services, garden and landscaping, and construction.

Details of beneficiaries supported are indicated hereunder.

Table 1: Details of the impact

Province	No of businesses	Average Grant Received	Total	Jobs Saved
KwaZulu-Natal	477	R85 581	R40 822 000	1 525
Gauteng	278	R64 862	R18 031 500	1 022
Total	755	R77 952	R58 853 500	2 547

Table 2: Breakdown of jobs saved

	Gauteng	KwaZulu-Natal	Total
Total jobs (full time and casual)	1 022	1 525	2 547
Women	438	556	994
Youth	503	577	1 080
PDW	32	25	57
Estimated indirect beneficiaries	3 066	4 575	7 641
Ownership supported businesses			
Women Owned	152	315	467
Youth Owned	122	181	303

Figure 3: Breakdown of SMMEs supported (urban vs peri-urban spread) in Gauteng

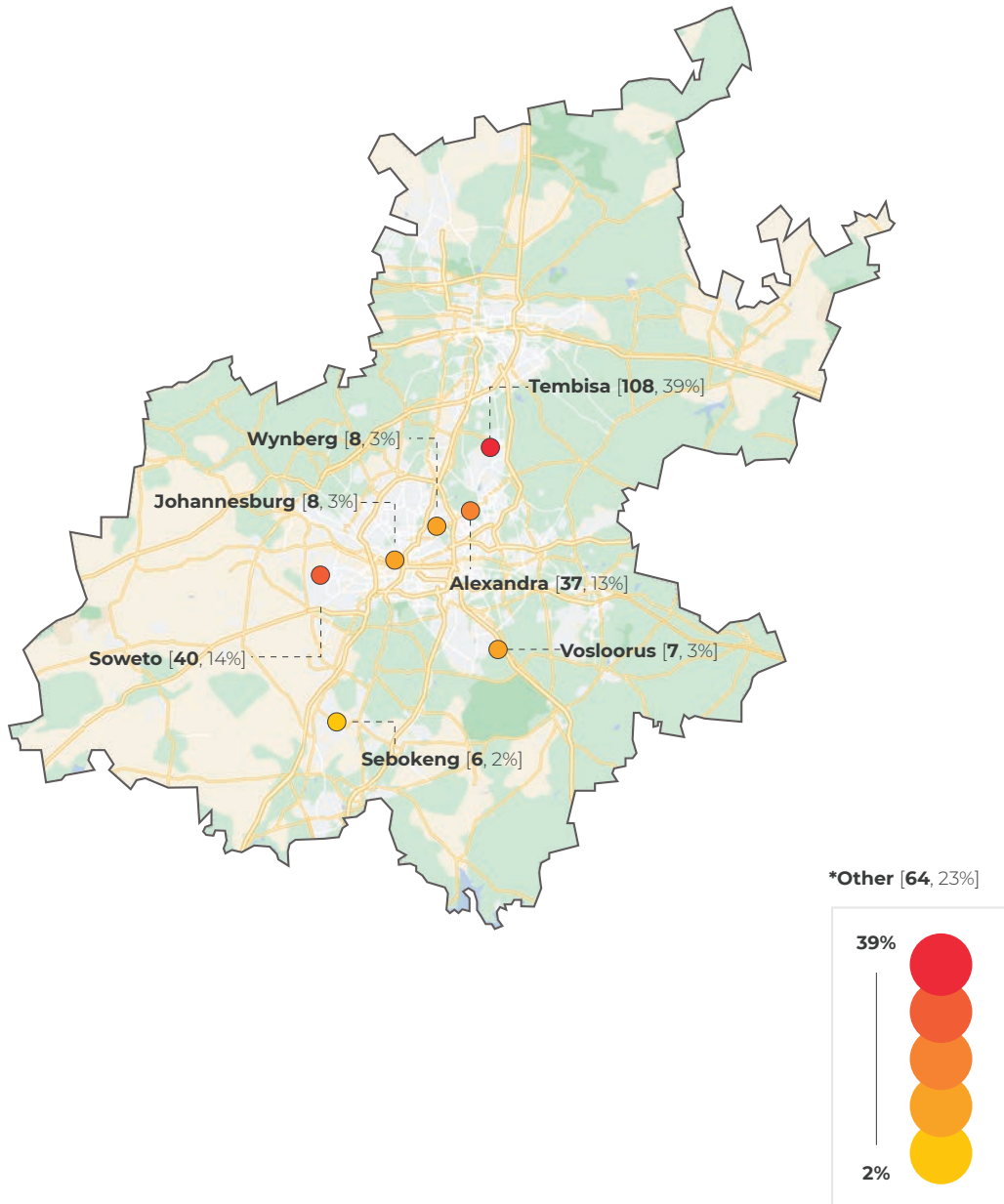
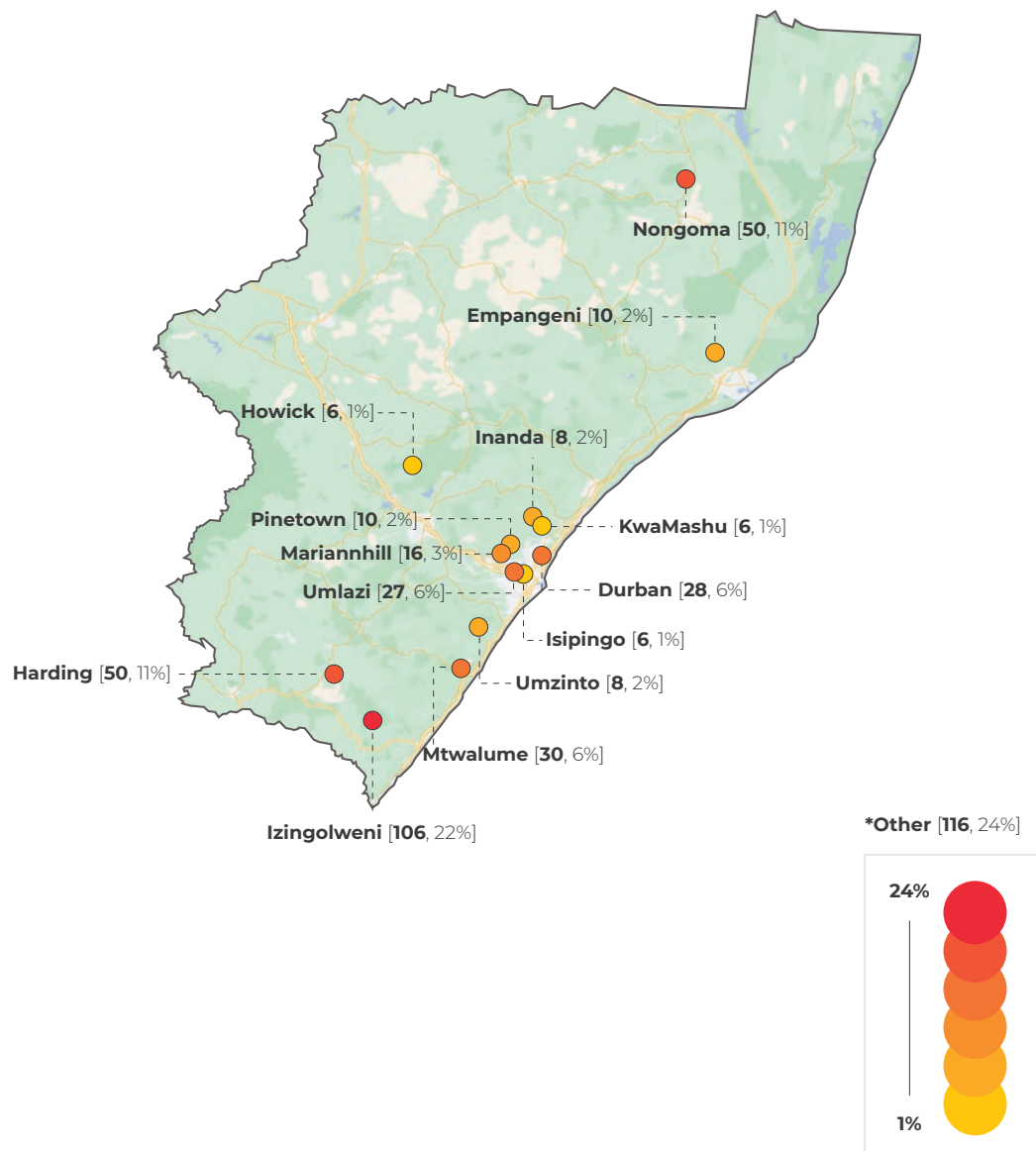


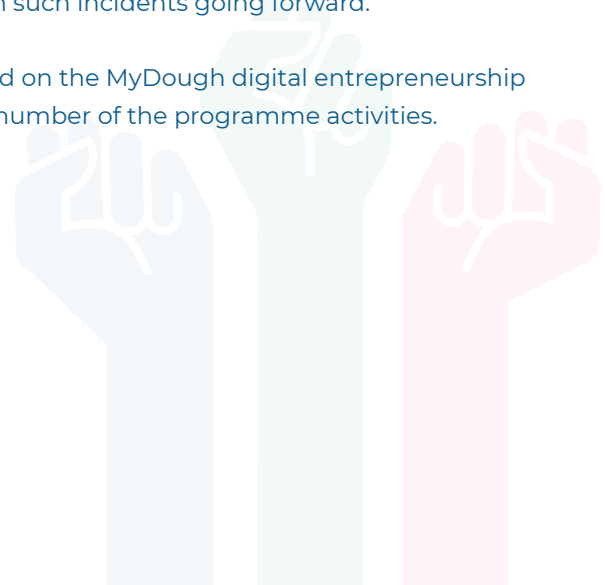
Figure 4: Breakdown of SMMEs supported (urban vs peri-urban spread) in KwaZulu-Natal



Business support and mentorship programme

Afrika Tikkun partnered with the MyDough business accelerator and venture capital firm to provide mentorship and business development support to the successful beneficiaries to empower them to be better equipped to deal with such incidents going forward.

To this end, the beneficiaries have been onboarded on the MyDough digital entrepreneurship academy and have already started engaging in a number of the programme activities.

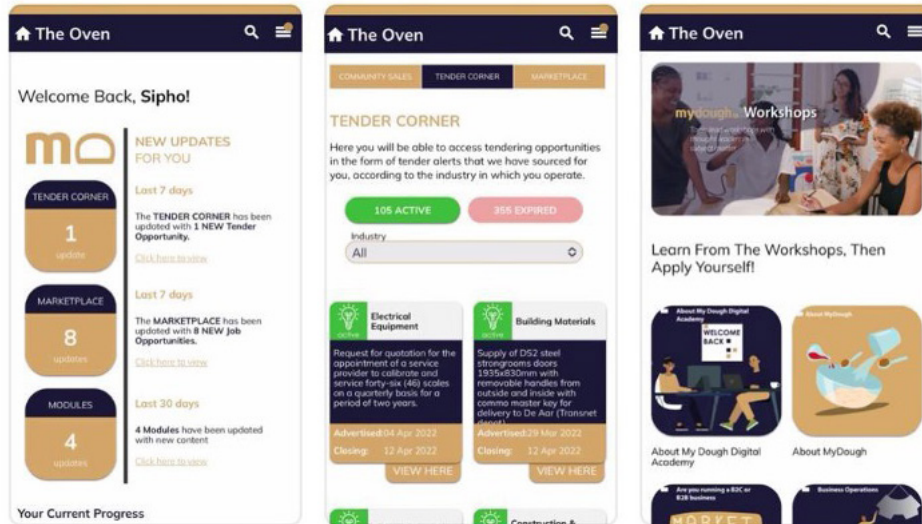


MyDough Platform



MyDough
My Dough for entrepreneurs.

OPEN



Beneficiaries came from the following sectors: food supply, food and beverages, academic/training, business development, agriculture, retail, advertising and sales and marketing. A breakdown is included hereunder.

Table 3: Beneficiary profile

Sector	% of Beneficiaries in the sector
Food supply	14.0%
Food and beverages	14.2%
Academic/training	13.5%
Business development	13.2%
Agriculture	11.8%
Retail	12.3%
Advertising	10.8%
Sales and marketing	10.3%

Mentorship and coaching elements

Participants in the programme received coaching on how to manage cash flow, budgets, prepare financial reports as well as on how to manage human resource issues including compliance with the basic conditions of employment and other relevant pieces of legislation.

In addition, to contribute to their ability to compete equitably in the market and access growth opportunities, the SMMEs were trained on how to prepare the compliance documents that are required when seeking to do business with both public and private entities. This included, amongst others, valid income tax certificates, CIPC documents, B-BBEE affidavits and shareholder agreements.

Tools used to support the participants included: workshops, podcasts and other forms of interaction as required and appropriate.

Support to the programme participants

- Participants attended a live, zoom orientation session following which the recording was also made available
- Resources availed to participants:
 - » **The Connect Zone** which is a sales opportunities hub through which tender and sales leads opportunities are sourced and sent out to users based on the industries in which they operate.
 - » **Workshops** held twice a month, every second Thursday where thought leaders in business are invited to run masterclasses that cover a broad range of business-related topics.

These were the topics covered in workshops in the period from February to March, which were informed by the needs and challenges communicated by the beneficiaries:

- Are you running a business to consumer (B2C) or business to business (B2B) business?
- Creating and managing sales pipelines
- Business operations: from a business development perspective
- Working on your business versus working in your business

The beneficiaries that were onboarded onto the MyDough academy expressed that they were faced with challenges in sales, business growth and marketing and that knowledge in those areas would be the most useful to address their needs and subsequently move their businesses forward.

These insights from the beneficiaries have driven the way in which we are developing themes around the content uploaded on the academy, as well as the topics we wish to be covered in the masterclasses to ensure that the content, knowledge and skills that is made available to beneficiaries is relevant and useful to them and their businesses.

» **Newsletters**

Business newsletters covering the latest in business news, current affairs and tips and guides for the entrepreneur are issued and sent out to beneficiaries on a weekly basis.

These were some of the key topics that were covered in the newsletter in the period from February to March:

- How financial planning enables financial health for SMMEs
- Tips to being awesome at managing people
- How SMMEs can thrive in today's digital economy
- Business confidence reaches highest level since before July civil unrest

- 8 Entrepreneurial qualities that contribute to success
- How you can maintain and manage your sales pipeline
- SMMEs are key to driving e-commerce success in South Africa
- Tips and guides you can use to improve business operations
- Entrepreneurial Myths
- How to manage your business's reputation on social media

» **Competitions and opportunities**

The right kind of competition and opportunity could change the life of an entrepreneur, or at the very least lighten their burden. The team therefore sources competitions and opportunities that are relevant for SMMEs for participating beneficiaries. On a bi-weekly basis, communication is sent out to beneficiaries about relevant competitions and opportunities that they can enter and apply for, with the description and requirements outlined.

Beneficiary case studies

Swinton Road Butchery

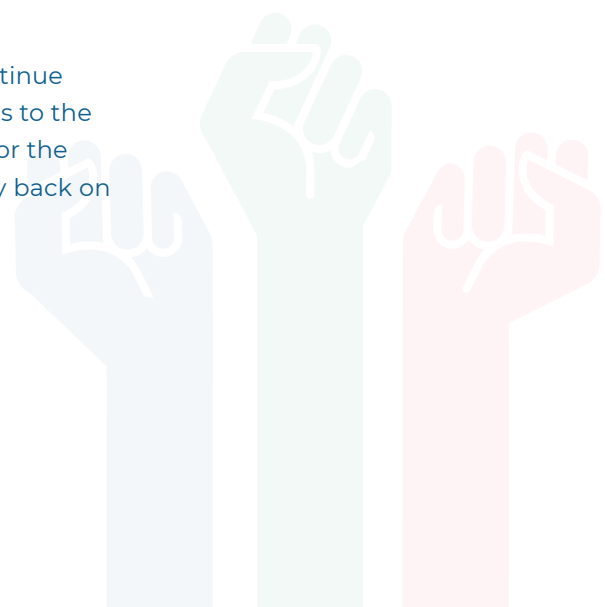
One of the beneficiaries included a butchery owner that had been part of the community for almost three decades. The current owner purchased it three years ago. Although the centre in which the business is located had experienced instances of crime and as a result of the pandemic, many tenants had closed shop, the butchery had remained open albeit with fewer staff and less profitability.



When the riots started, the owner was immediately alerted and rushed to the store to assess the situation. He found rioters still on the premises and managed to 'scare' them away. For many days the rioters returned and stripped the butchery of all its contents until it was just a skeleton.

As the dust settled the owner tried to think of solutions to get the business on track, finally convincing some suppliers that the only way they could recoup the debt he owed them was to continue to supply him with stock so that he could trade, keep the business open, employ the staff still left and maintain payments to them.

The funding from the project allowed him to continue purchasing stock and begin some refurbishments to the butchery. While it would take much more time for the butchery to finally recover, at least it is now firmly back on its feet.



Zinhle's All Things Sweet

The shop was based in the Philani Mall in Umlazi and employed two additional people including Zinhle. Following the riots, all that faced Zinhle was the loss of her dream because not only did she lose her shop, the mall itself was completely destroyed having been burnt. Being a survivor, Zinhle used the funding she received from the project, as well as some from Nedbank, to secure even larger premises at another mall and now employs five people. Zinhle still hopes to return to the Philani Mall once it is rebuilt.



Siga Culinary Mexikasi Restaurant

Siga Culinary's Mexikasi Restaurant was based in Alexandra at the home of entrepreneur and chef, Gift. Gift learnt how to prepare tex-mex style food as part of a culinary programme in Texas when he left school. He was inspired to localize it, mixing it with 'kasi' flavour when he returned to South Africa and Mexikasi was born. As with many others, Gift's restaurant was completely decimated during the riots. However, the funding received through this programme enabled him to restart the restaurant and employ five people. The restaurant is on its way to achieving its pre-riots success.



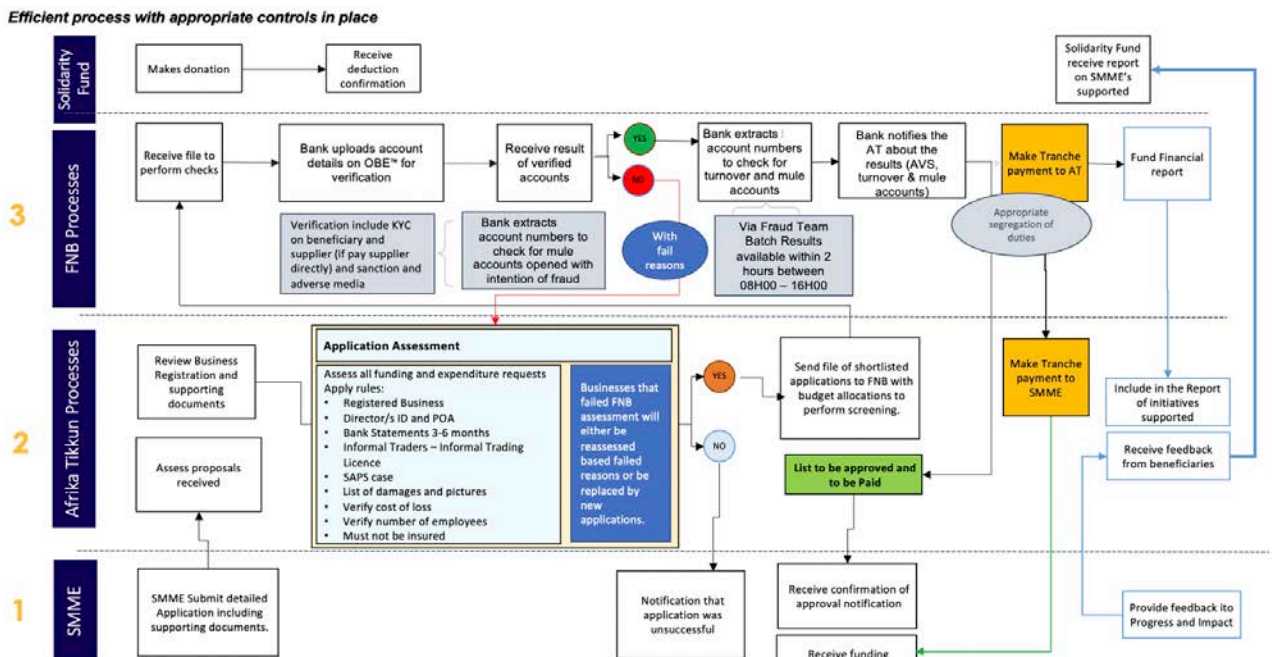
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GOVERNANCE

Each of the partners in the project had their individual governance processes that were strictly adhered to. No breaches of governance processes throughout the life of the project were recorded.

The project was implemented in line with the processes indicated hereunder.

Figure 5: SMME support funding and governance procedures



KEY CHALLENGES

The Project, initially due to commence in September 2021, was delayed due to contracting and administration constraints. After approval and resolution, however, the initial payment made to Afrika Tikkun occurred during December 2021, just before the festive break.

The delays contributed to many of the initial beneficiaries having received support from other sources by this time. The unavailability of staff due to the holiday period also caused some disruptions in the approval and disbursement process, placing further pressure onto the team.

Furthermore, many of the identified SMMEs in KZN resided outside Metropolitan nodes, in smaller towns across the province, and this necessitated a more robust and time-consuming vetting and approval process.

Many of the targeted SMMEs had technology or access constraints which further complicated matters. Internal approval criteria of both Afrika Tikkun and FNB, as appointed delivery agents, and the collaborative operational capacity between Afrika Tikkun and FNB created additional logistical issues, as well as the approval of bulk suppliers to ensure best value to the SMMEs.

In early 2022, urgent discussions were held with Afrika Tikkun to unlock additional SMME databases and speed up the approval and disbursement process. Partner entities were actively engaged and additional resources were unlocked at Afrika Tikkun to enable delivery.

A revised timeline, including the identification of other SMMEs, was developed to enable swift and timeous delivery of the grants. Concurrently the Afrika Tikkun and FNB team streamlined their approval processes and increased their engagement frequency.

The resultant Addendum with revised targets (down from 900 to 750) and revised average grant amount, slightly increased, enabled the Afrika Tikkun team with FNB to deliver on the revised target SMMEs and by 18 March 2022, all revised targets had been met.

Key lessons included management of expectations during administrative delays, a recognition of the impact of multiple partner vetting and approval systems, as well as complexity of time and distance with regards the physical distribution of impacted SMMEs.



CONCLUSION

The project was borne of a great need to support SMMEs in KwaZulu Natal and Gauteng and to ensure that people were able to access goods and services while also protecting jobs of some of the more vulnerable in society. SMMEs do not always have reserves of funding to tide them over in such situations.

As an additional offering to the participants, Afrika Tikkun's partnership with MyDough, empowered the SMMEs and entrepreneurs with skills, resources and training that would help them to compete in the marketplace for other opportunities while increasing their competitiveness and therefore profitability going forward.

The Impact of this grant programme will therefore be felt for many years. While it provided relief to many SMMEs across a range of sectors, and showcases the ability of the Solidarity Fund to support government and business initiatives to support economic recovery, it has helped to future proof the SMMEs to cope and respond to such situations (and others) going forward.

Most immediately the project helped to preserve jobs which has a multiplier effect in homes, families and communities. This cannot be underestimated and may have staved off rising levels of poverty and hunger in the wake of the unrest.

At the same time, the funding provided to a range of beneficiaries enabled them to restore their businesses to levels where they could commence, and continue, trading while they generate sufficient resources to build back to their intended levels. As with the jobs this would also have had a multiplier effect in homes and communities while also ensuring the continued delivery of goods and services.

