

R300m debt fund to boost township entrepreneurs

Gauteng plan to grow businesses

By **Penwell Dlamini**

Small businesses in Gauteng townships and other underdeveloped areas have received a boost as the province has now introduced a R300m debt fund to help grow their enterprises.

The fund was officially launched in Tembisa, on the East Rand, yesterday.

The Gauteng government formed the SMME Crisis Fund in partnership with the Industrial Development Cor-

poration (IDC) and the SA SME Fund, with each of the partners contributing R100m.

By the time it was launched, it had already committed to six intermediaries, with a seventh in the pipeline.

Three intermediaries have already signed agreements to provide working capital and asset finance to hundreds of small businesses and entrepreneurs.

Among them is Indlu Living, which provides backyard developers in townships with an all-in-one rental management software, finance and property development solu-

tion. This allows landowners to fund the building of beautifully designed and rentable backyard rooms, and for the loan to be paid off from the rental income.

The new fund will double Indlu Living's loan book, enabling it to create between 60 and 70 new property entrepreneurs.

Gauteng MEC for economic development Parks Tau said the fund would grow entrepreneurship in the township.

"Today's launch of the SMME Crisis Partnership Fund is part of our deliberate

approach to reignite the township economy and elevate it to respond to the current needs of society.

"For many years township property owners have struggled to get flexible and risk-free funding to build backyard rental flats. We are working in partnership with Indlu Living to provide that assistance to property owners," Tau said.

The Gauteng Enterprise Propeller will be working hand in hand with SA SME and the IDC in ensuring the fund's success.

In April, the Township Economic Development Bill was

officially signed into law to enable the provincial government to designate more funding and support for township businesses.

The introduction of the SMME Crisis Fund is part of efforts to grow the small business sector in townships and other areas that have seen a decline in economic activity over the years.

The SA SME Fund was established by the CEO Initiative and works to support the small business sector in a partnership between corporate CEOs and the government.

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