

Sukuma Relief Programme

Presentation to Portfolio Committee on Small Business Development



Agenda

1. Genesis of Sukuma
2. Sukuma principles
3. Progress to date
4. Impact and Gratitude
5. Advisory panel and support
6. Future of Sukuma



1. Genesis of Sukuma



Our SMEs were dealt a bad hand

- Worldwide, the Covid-19 pandemic left small and medium enterprises with an uncertain future.
- Here in SA, our SMEs already faced:
 - A low growth environment,
 - A technical recession, and
 - A ratings downgrade to sub-investment grade by Moody's.
- The lockdown economy was devastating to South African small businesses



Answering the call for emergency support

- Sukuma was founded with a R1 billion donation by the Rupert family and Remgro Limited to help small businesses in South Africa survive a devastating economic crisis due to the Covid 19 pandemic.
- In addition to the **R1 billion** from the Rupert Family and Remgro Ltd, a further R35m has been received from several independent donors.
- Sukuma funding is administered for no fee by Business Partners Limited.



A rescue mission for small businesses in crisis

The Sukuma Fund is a rescue mission for small businesses in crisis. Similar to the well-established traditions of other rescue organisations, like the Red Cross, Sukuma is focused on **crisis relief work.**

We come to the aid of small businesses **when there is a crisis of survival due to circumstances beyond their control.**



Sukuma Programme Format

- The relief takes the form of an immediate non-repayable R25 000 survival grant to all small businesses that qualify
- Soft loans to qualifying SMEs ranging from R250 000 to R1 million. The loans bear no interest charge nor require the repayment of capital for the first 12 months. Thereafter, interest is charged at the prime rate, lower than businesses would pay for commercial loans.
- The repayments of these soft loans are structured over four years so that businesses that manage to recover from the pandemic will provide funds for future crisis funding of SMEs in South Africa.



2. The Sukuma Principles



The Sukuma principles

As a relief programme, Sukuma adheres to principles common to other relief organisations:

1. **Humanity** - a spirit of compassion, recognising that small businesses are the creations of people
2. **Impartiality** - Sukuma stands on the side of small businesses with fairness and equal treatment
3. **Independence** - respond to the needs of small businesses in distress by its own lights and vision.
4. **Unity** - strive for cohesion of purpose and a spirit of partnership in conducting relief work
5. **Neutrality** – objectivity and a focus solely on the relief for small businesses in distress



3. Sukuma progress to date



Survival grants

- As at 17th August 2020, Sukuma has allocated **3 432** survival grants to:
 - **2 208** sole proprietors, and
 - **1 224** SMEs.
- This represents a total value of **R85 800 000**:
 - **R55 200 000** to sole proprietors, and
 - **R30 600 000** to SMEs.

Note: These numbers were updated on 17 August 2020.



Soft loans

- We have approved **1 224** soft loans to SMEs.
 - These have a combined value of **R680 912 000**.
- A total 3432 small businesses have been assisted in the amount of R766,7m comprising sole proprietors and SMEs.

Note: These numbers were updated on 17 August 2020.



Salient Elements

- The location of the applicants to a large extent, tracked the distribution of GDP across the country
- Applications are across all sectors of the economy and incredibly diverse
- Women comprised 40% of the applications
- So far, **31 000** jobs have been saved
 - These jobs provide an income that supports an estimated **155 000** people



4. Impact and Gratitude



 **David Van Rensburg** ▸ Sukuma Relief Programme 1d · 🌐

To the Sukuma Relief Programme. Thank you so much for your timely assistance, it is really appreciated! We will, to the best of our ability, pay this forward where ever and when ever we can. Thank you once again. 🙏

 Sukuma Relief Programme

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 **Roro Malebs** ▸ Sukuma Relief Programme 1d · 🌐

Your prompt consideration assisted me and my company to relief some of the heavy load experienced due to lockdown. Thank you thank you once more. Looking forward to a more fruitful journey together, truly we are in this together. Keep up the great work of alleviating stress and putting smile on multiple businesses.

 Sukuma Relief Programme

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 **Hendry Greyvenstein** 📌 recommends Sukuma Relief Programme. 7 August · 🌐

i previously applied for funds but was closed, Sukuma than contacted me when they opened again via email. i supplied them with the required documents and they advised they will come back to me within 7 days. Wow!!! within the 7 days funds paid to my account. Thank you Sukuma Relief Programme it came in the time I needed it the most. Thanks for your awesome service.

 Start a private conversation with Hendry Greyvenstein in Messenger.

 Sukuma Relief Programme 1 comment

 **Wendy Christien** ▸ Sukuma Relief Programme 5d · 🌐


Thank you so much to the Sukuma Relief Fund! I didn't quite believe that it would materialize, but they were super efficient and paid out as promised. I am so grateful for the small business assistance in these very difficult times.

 Sukuma Relief Programme


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 **Rootz Creationz** Thank you to the Sukuma Relief Fund for the grant for Rootz Creationz. Our small but vital business of 25 years which feeds into the tourism sector has had no orders since March. Livelihoods of our network of Beaders and Craft artisans have been hugely affected by this. This grant will assist us to keep pushing forward to ensure livelihoods are sustained. We are positive and hopeful that the tourism sector will recover and the vibrant and creative people will be able to sustain themselves through sharing the beauty of Africa. 🇿🇦❤️

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 **Andrew McDonald** ▸ Sukuma Relief Programme 8 August · 🌐

Thank you SUKUMA for the survival grant, you guys are certainly doing your bit(actually much more) for SA, this country needs a lot more people and organizations like you? Thank you for setting an example, all we need is for others to follow!

 Sukuma Relief Programme

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 **Kelvin Phillips** ▸ Sukuma Relief Programme 5 August · 🌐

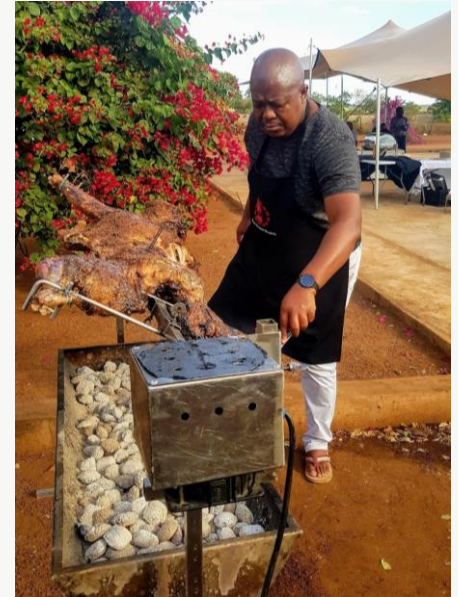
I am very grateful for the money received from the fund thank you very much

 Sukuma Relief Programme

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Woza.com Communications

- “Some payments that were due at the end of March didn’t come through, so the grant made it possible for me to pay the rent on our warehouse in Durban and our office space, and to pay my staff’s salaries.”
 - ***Mfundo Molloh Simelane, Owner***



5. Advisory Panel & Support



Expert Advice & Support

- An advisory panel of experts.
 - These independent, outspoken public figures advise us.
 - They offer us moral and practical leadership, and support our aims and principles.
- Reach out to industry bodies and membership organisations including:
 - The Black Business Council.
 - Nafcoc
 - IDF Capital.



Our advisory panel of experts



Cas Coovadia



Dr Thabi Leoka



Archbishop Thabo Makgoba



Dr Thami Mazwai

6. Future of Sukuma



Key considerations

1. The fund will be fully committed by September
2. Research has been commissioned to gauge and inform next steps
3. Formalise learnings and shape how to handle future crises
4. Consider mobilizing further capital through a donor drive

Thank you



Progress to Date

A total 3432 small businesses have been assisted in the amount of R766,7m comprising:

	Total		SMEs		FSPs	
<i>Amounts in R'000</i>	#	Amount	#	Amount	#	Amount
Applications Completed	10 502	3 618 284	6 128	3 508 934	4 374	109 350
Applications Approved	3 432	766 712	1 224	711 512	2 208	55 200

Demographic Composition

Race	Total		SMEs		FSPs	
	%	Number	%	Number	%	Number
African	19.4%	1 841	20.3%	1 244	13.6%	597
Indian	12.58%	1 194	14.2%	870	7.4%	324
Coloured	6.61%	627	6.3%	389	5.4%	238
White	61.41%	5 828	59.2%	3 625	50.4%	2 203
TOTAL		9 490		6 128		3 362

Gender Composition:

Female # 40% Male # 60%

