Informal and Micro Enterprises Development Programme (IMEDP)
Disclaimer:

This Guidelines document provides the criteria for the assessment of proposals from potential Informal and Micro Enterprise Development Programme (IMEDP) interventions and details the application process for the incentive. The IMEDP Guidelines are approved and issued by the Minister of Small Business Development for purposes of ensuring clarity on the aims and requirements of the incentive programme. DSBD reserves the right to amend the guidelines as it deems appropriate. Furthermore, DSBD has the right, in its sole discretion, to provide decisions on the interpretation of these Guidelines in instances where they appear not to be specific. Amendments and interpretive decisions will be published on DSBD website and in the Government Gazette, and will become effective immediately upon publication on DSBD website.
# Abbreviations and Acronyms

<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>NIBUS</td>
<td>National Informal Business Upliftment Strategy</td>
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<td>SMME</td>
<td>Small, Medium and Micro Enterprise</td>
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<td>LED</td>
<td>Local Economic Development</td>
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<td>IMEDP</td>
<td>Informal and Micro Enterprises Development Programme</td>
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<tr>
<td>ID</td>
<td>Identity Document</td>
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<td>CIPC</td>
<td>Companies and Intellectual Property Commission</td>
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<td>AC</td>
<td>Adjudication Committee</td>
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<td>BBBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
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<td>PRECCA</td>
<td>Prevention and Combating of Corrupt Activities Act</td>
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<td>VAT</td>
<td>Value-added tax</td>
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<td>DSBD</td>
<td>Department of Small Business development</td>
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<td>BDS</td>
<td>Business Development Services</td>
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<td>CFI</td>
<td>Cooperative Financial Institutions</td>
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## Glossary

<table>
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<th>Term</th>
<th>Definition</th>
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<td><strong>Applicant</strong></td>
<td><strong>Means</strong> an enterprise applying for the IMEDP grant.</td>
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<td><strong>Batch System</strong></td>
<td><strong>Means</strong> a process where the execution of work is done in a set or “batch” of inputs, rather than a single input</td>
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<td><strong>Black enterprise</strong></td>
<td><strong>Means</strong> a business owned by at least 51% South African black people.</td>
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<td><strong>BDS</strong></td>
<td><strong>Means</strong> Business Development Services and refers to the interventions set out in clauses 4.1 (training programmes).</td>
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<td><strong>Intervention</strong></td>
<td><strong>Means</strong> a business development or training project/activity, or the purchase of tools, machinery and equipment, as the case may be.</td>
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<td><strong>Service provider</strong></td>
<td><strong>Means</strong> an individual or enterprise that renders a service (in terms of the approved interventions and/or activities to an approved IMEDP beneficiary) and ensures that the successful claim of an approved intervention is submitted.</td>
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<tr>
<td><strong>Informal Business</strong></td>
<td><strong>Means</strong> businesses that are not registered, taxed and monitored by any form of government. The activities are not included in the GDP and GNP</td>
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<tr>
<td><strong>Micro Business</strong></td>
<td><strong>Means</strong> a registered businesses with a turnover of less than R250 000 and fewer than 5 employees</td>
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1. Overview

1.1 The Informal and Micro Enterprises Development Programme was espoused from the National Informal Business Upliftment Strategy (NIBUS) that was developed in 2012 and 2013 to address the development void at the lower base of the Small, Medium and Micro Enterprise (SMME) Development strategy.

1.2 The NIBUS seeks to uplift informal businesses and render support to local chambers/business associations and municipal Local Economic Development offices to deliver and facilitate access to upliftment programmes. The focus is mainly on designated groups, i.e. Women, youth and people with disabilities, in townships and rural areas of South Africa.

1.3 The strategy specifically targets entrepreneurs in the informal economy. This sector has been identified as critical in addressing the key developmental goals of the government, namely sustainable livelihoods (poverty), job creation (unemployment) and equality (inequality).

1.4 I encourage entrepreneurs to make use of this facility and to grow their businesses to their full potential.

Edith Vries
Director-General: Department of Small Business Development
Date: 30 July 2018
2. Description of the IMEDP

2.1 The Informal and Micro Enterprises Development Programme (IMEDP) is a 100% grant offered to informal and micro enterprises from the minimum grant amount of five hundred rand (R500) up to the maximum of ten thousand rand (R10 000) to assist them in improving their competitiveness and sustainability;

NB: This amount may vary from year to year subject to the budget allocated to the incentive scheme in any given financial year. This variation will be communicated to the public as and when necessary

2.2 The objective of the Programme is to:

2.2.1 Provide developmental support to informal and micro businesses that are operating in urban centres (preferably townships) and rural areas of South Africa and owned by historically disadvantaged individuals (which implies being indigenous citizen of South Africa);

2.2.2 Develop and strengthen the capacity of credible Informal and or Micro Enterprises to be sustainable through the provision of access to information, business development support services, business infrastructure (machinery, tools, equipment, conversions, wet-works) and working capital (excluding input/raw materials, stock) to a maximum grant of ten thousand rand (R10 000) which includes training fees equalling up to 5% for eligible applicants. This percentage may vary from year to year depending on the allocated budget for a specific year; and

2.2.3 To facilitate the formalisation of Informal enterprises as a means of entering the economic mainstream.

2.3 The duration of the programme is five (5) years (01 April 2016 – 31 March 2021)

2.4 Applicants are welcome to apply directly, or through making use of DSBD agencies and partners (e.g. municipalities and chambers). A list of such agencies and partners will be made available on request and/or from time to time be listed on DSBD’s website: www.dsbd.gov.za.
3. **Eligible Enterprises**

To qualify for funding under the IMEDP an applicant must:

3.1 Be a black-owned informal and or micro enterprise;

3.2 Have the following:

- RSA identification document (certified);
- A valid (stamped) bank account (business or personal) e.g. Post Bank, Registered Cooperative Financial Institution (CFI) etc;
- Municipal trade permits (if applicable);
- CIPC registration documents (optional and applicable for micro enterprises);

3.3 Have been in operation and/or trading for at least six months.

3.4 Have a maximum turnover of Two Hundred Thousand Rand (R250 000) per annum.

4. **Eligible Interventions**

**Qualifying Interventions**

4.1 Business development service including a compulsory skills development (training) intervention to be eligible for below interventions;

4.2 Business Infrastructure (renovations, wet-works, alterations/conversions);

4.3 Tools, machinery or equipment that will improve the enterprise’s productivity and competitiveness (e.g. tile cutter, grass cutter machines, office furniture etc.);

5. **Eligible Expenditure**

5.1 An eligible applicant may apply for multiple interventions over the duration of the programme provided that the cumulative grants do not exceed the maximum grant of eighty thousand rand (R80 000);
5.2 An eligible applicant is not allowed to apply for funding for the same intervention more than once; special cases will be considered by the Adjudication Committee on merit;

5.3 Applicants should submit only one successful application over six (6) month’s period.

6. Exclusions and Limitations

6.1 The following are not eligible for funding:

6.1.1 Acquiring of land and buildings;
6.1.2 Operational costs: wages/salaries and rates (electricity, water, etc.);
6.1.3 Activities that have already been funded by other government or parastatal incentives or schemes (exceptions are technology-based improvements); and
6.1.4 Any other costs that the adjudication committee, at its sole discretion, can deem as non-qualifying.

7. Application Procedure

7.1 Documents required for the submission of applications to DSBD:

- Proof of ownership of the enterprise: (A registration certificate if any - optional)
- Certified ID copy of (representative) owner
- Stamped Bank Statements or Letter;
- A completed application form;
- At least three (3) competing and comparable quotations including delivery charges from different service providers who are either registered on CSD.
- In case where there are two or less quotation for the given interventions, the quotations will be sourced from suppliers registered on the central Supplier Database (CSD).
- DSBD shall provide cash payments to approved applicants to the value of approved intervention to be utilised for the sole purpose of the intervention.
NB: DSBD may at its sole discretion utilise other platforms for the procurement/provision of the applied for interventions as and when necessary.

7.2 Pre- and post-approval site visits

7.2.1 The IMEDP secretariat or its partners will undertake site visits or conduct telephonic interviews prior to presenting applications to the IMEDP Adjudication Committee, to verify the existence of the applicant’s business and complete a site visit or interview report.

7.2.2 The IMEDP secretariat or its partners will also conduct a post approval verifications to ascertain implementation of approved activity/activities.

7.3 Approvals of applications

7.3.1 Project summaries providing the background, motivation and recommendation will be presented to the adjudication committee for approval
7.3.2 The Secretariat shall ensure that all supporting documents and evidence is made available to the Adjudication Committee
7.3.3 The Adjudication Committee will consider applications for approval either presented in singular or batch format.
7.3.4 The Adjudication Committee will approve the intervention based on an estimated value of the equipment which shall not be more than the eligible budget allocated per individual enterprise.
7.3.5 The eligible interventions will be sourced (procured) by the applicant.

8. Calculation and Payment of Incentive Benefit

8.1 The minimum grant amount per enterprise is R500 per application up to the maximum of R10 000 and can be accessed or applied for 100% at once or in tranches.

8.2 A payment request with the necessary supporting documents should be prepared for the Finance Unit to disburse funds.

8.3 The proof of payment is then issued to the applicant to source equipment, collect and the intervention is implemented.
8.4 Confirmation of purchase of equipment is send to the Informal trader Organisation and the Department for record-keeping in the applicant's file.

8.5 Deliverable outputs, as per the approval letter, DSBD or its appointed representative/s may conduct site visits at each claim stage before payment may be effected;

9. Monitoring and Reporting

9.1 All approved interventions will be monitored to assess how the IMEDP is contributing to the stated development outcomes.

9.2 The DSBD M&E Unit will undertake post-approval site visits for progress reports. An Intervention Monitoring Report will be completed as part of this process.

10. Submission of Applications

Applications should be submitted to the following address:

Attention: IMEDP Secretariat,

Physical Address:
The dti Campus
Block G – 2nd Floor
77 Meintjies Street, Sunnyside,
Pretoria, 0002

Postal Address:
Private Bag X672
Pretoria, 0001

Email: imedp-applications@dsbd.gov.za
or through

DSBD agencies and partners
11. General Legal Stipulations

11.1 Any attempt to circumvent or actual circumvention of these guidelines which, at the sole discretion of DSBD, may allow an applicant who would otherwise not have qualified to qualify for this incentive, will lead to rejection of the application or claim.

11.2 DSBD may, upon suspicion of any criminal, misleading, dishonest and/or irregular activities, suspend payments that may be due or become due to a claimant. Further, DSBD shall not be liable for any damages or interest, pending the finalisation of any forensic investigations and any criminal proceedings emanating from such investigations.

11.3 Findings of a forensic investigation indicating any criminal, misleading, dishonest and/or irregular activities will be sufficient to allow DSBD to cease all payments and reclaim any payments already made, with MORA interest.

11.4 DSBD subscribes to the principles set out in the Prevention and Combating of Corrupt Activities Act (PRECCA), No. 12 of 2004. Applicants are requested to contact DSBD Fraud Hotline on 0800 701 701, should they wish to report any suspicious behaviour.

11.5 A duty rests on the applicant and any other person who may benefit from the IMEDP to disclose everything that may have an influence on the adjudication of the application and/or claim. Failure to do so will lead to the termination/cancellation/suspension of the application/claim.

11.6 DSBD reserves the right to publish success stories of successful candidates. The right to choose a successful candidate for publication will be at the sole discretion of DSBD and by applying for the IMEDP grant, the applicant provides his/her consent to such publication.

11.7 DSBD reserves the right to obtain independent quotations for any intervention proposed or claimed and to pay the lesser amount of the independent quote or the amount proposed or claimed. In this regard, DSBD may, where a certain type of intervention occurs regularly, set benchmarks or maximum amounts for such interventions, to ensure the fair and equitable treatment of all applicants.
11.8 Any relaxation of minimum requirements, conditions or terms in these guidelines will be based on merit and at the sole discretion of DSBD. In this regard, the decision of DSBD will be final.

**DSBD Customer Contact Centre bereavement**
National: 0861 843 384
International: +27 12 394 3919

**DSBD Website**
[www.dsbd.gov.za](http://www.dsbd.gov.za)

**DSBD Physical Address**
the dti Campus
Block G – 2nd Floor
77 Meintjies Street
Sunnyside, Pretoria

**DSBD Postal Address**
Department of Small Business Development
Private Bag X672
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