



CDE Webinar

29 April 2020

BUSINESS/PARTNERS

Investing in entrepreneurs

SUKUMA RELIEF PROGRAM



- Launched on 3 April 2020
- Offered assistance in the form of
 - Grants
 - Low interest loans (effective rate 2% -5% p.a)
- Targeted SMEs
 - Sole Proprietors
 - Close Corporations, Companies, Trusts
- By 6 April 2020
 - Oversubscribed almost 3 times
 - Almost 10 000 application registered

SUKUMA RELIEF PROGRAM



- In four days after the 6th of April
 - More than 30 000 entrepreneurs indicated a need to participate in future windows
- Completed the assessment of >90% of applications
- Lower than expected success rate
- Reasons for rejecting
 - Need is dire, obvious and clear but
 - Solvency
 - Compliance
 - Viability as at December 2019
- Surprisingly struggled with electronic submission of information

INSIGHTS FROM SUKUMA RELIEF



- Criteria developed for a lockdown scenario
- Criteria perhaps too stringent
- Impact and devastation caused by COVID 19 universal
 - Lockdown
 - Broader COVID 19 implications
- Aspirational objectives that were difficult to achieve
 - Limit ‘double dipping’
 - Leverage further assistance
- Clear need for coordination and alignment
- Wider support needed, not only funding

CHALLENGES FACING SMES



- Timing and decisions related to:
 - When to open for business again
 - Paying suppliers i.s.o. hoarding limited capital resources
 - How to manage (stretch) creditors
 - Dealing with staff and the various options to obtain relief
 - Delays in getting the relief if available
- Trauma and uncertainty
- Planning and getting ready for the Post COVID world



QUESTIONS?