



Enquiries: FK Sandt

Ext: 1002

Date: 2 February 2024

Ref. No.: 12/2/5/3

Attention: All MSME's
Aspiring Entrepreneurs

Dear Sir/Madam

RE: NOTICE OF LOCAL AND REGIONAL ECONOMIC DEVELOPMENT FUND (LRED)

The Department of Economic Development Environmental Affairs and Tourism (DEDEAT) is the custodian of the LRED Fund and is responsible to administer the fund.

The objectives of the LRED Fund are to promote and administer sustainable economic development and employment creation by supporting Eastern Cape based entities that aim to stimulate economic growth of the Province.

The purpose is to provide grant funding to enterprises, which are not able to access funding from commercial banks and other developmental funding institutions to start-up new enterprises or expand existing enterprises. This inability to access funding from these institutions can be as a result of challenges of liquidity, lack of security or collateral, high gearing as well as a lack of credit history. Also to provide co-funding support for enterprises, in order for them to reduce the risk of loan funding affordability, thereby easing the debt burden for business viability and sustainability.

In order to apply for LRED support, an applicant must meet the following requirements:

- Successfully undergo the screening phase;
- Be a registered legal entity in South Africa in terms of CIPC (Close Corporation, Private Companies and Co-operatives);
- Be physically located and operate the economic activity in the Eastern Cape;
- Directors and / or Members must be South African citizens and reside in the Eastern Cape;
- The prospective applicant business enterprise must comprise of a shareholding capacity of at least 51% or more Historically Disadvantaged Individuals;
- Be tax compliant, and must submit a valid tax pin with at least 90 days to expiry date;
- Be compliant with Treasury requirements and must submit the latest full CSD report be registered on the Provincial CSD;
- Developmental agencies will only be considered when forming legally binding partnerships with the above listed legally registered entities stated in second bullet.

The LRED Funding will be targeting the following sectors:

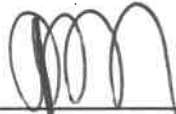
- Agri-industry value chain
- Automotive
- Manufacturing
- Oceans economy
- Sustainable energy
- Tourism
- Services/Retail
- Creative industry
- Information & Communication Technology Services
- Franchise

Against the aforesaid, we encourage potential applicants to screen their businesses in terms of compliance to become eligible for this funding.

Kindly respond by no later than 15 February 2024 as this will pave the way for the Information Sharing Workshop.

For more information please do not hesitate to contact Fernando Sandt during office hours at (051)653 0101/083 383 8450.

Yours faithfully



KHAYA GASHI
MUNICIPAL MANAGER