

9.10. That **Council APPROVE** the amended **Policies** and **By-Laws** as contained in **Annexure E** to guide the implementation of the municipality's annual budget.

POLICIES

Annexure E1	Medium – Term Budget Statement Policy (Reviewed).....
Annexure E2	Pricing Policy Statement (Reviewed).....
Annexure E3	Property Rates Policy (Reviewed).....
Annexure E4.1	Provision of Free Basic Electricity Policy (Reviewed).....
Annexure E4.2	Provision of free Basic Water supply services (Reviewed).....
Annexure E5	Waste Management Tariff Policy (Reviewed).....
Annexure E6	Consumer Deposit Policy (Reviewed).....
Annexure E7	Indigent Support Policy (Reviewed).....
Annexure E8	Credit Control & Debt Collection Policy (Reviewed).....
Annexure E9	Provision for Doubtful Debt and Debt Write-Off Policy) (Reviewed)
Annexure E10	Budget Implementation and Monitoring Policy (Reviewed).....
Annexure E11	Municipal Entity Financial Support Policy (Reviewed).....
Annexure E12	Accounting Policy (Reviewed).....
Annexure E13	Electricity Metering for Residential and business Customers (Reviewed)...
Annexure E14	Policy for the vending of pre-paid electricity (Reviewed).....
Annexure E15	Policy for the Estimation and Correction of Energy or Demand Meter Reading and Billing Data (Reviewed).....
Annexure E16	Electricity Tariff Policy (Reviewed).....
Annexure E17	Virements Policy (Reviewed).....
Annexure E18	Consumer Agreement Policy (Reviewed).....
Annexure E19	Supply Chain Management Policy (Reviewed).....
Annexure E20	Treasury Policy (Reviewed).....
Annexure E21	Expanded Public Works Programme Policy (Reviewed).....
Annexure E22	Asset Management Policy (Reviewed).....
Annexure E23	Cost Containment Policy (Reviewed).....
Annexure E24	Policy for the wheeling of Electricity (Reviewed).....
Annexure E25	Policy for Embedded Generation Ekurhuleni (Reviewed).....
Annexure E26	Ekurhuleni Community Enterprise Development Fund Policy (Reviewed).....
Annexure E27	Long Term Financial Strategy 2020/21-2029/30 (Reviewed).....
Annexure E28	Ekurhuleni Public Employment Programme & Implementation Framework Policy (Reviewed).....
Annexure E29	CoE Inventory Management Policy (Reviewed)
Annexure E30	Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy (UIFW) (Reviewed).....
Annexure E31	Investment Support Package for Developers Policy (Reviewed).....

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

Contents

1. DEFINITIONS	2
2. LEGAL FRAMEWORK	4
3. SCOPE OF COVERAGE.....	5
4. TARGETED AREAS OF IMPACT.....	5
5. PRIORITY AREAS	5
6. EVALUATION AND ADJUDICATION PRINCIPLE	6
7. TARGETTED BENEFICIARIES	6
8. FUNDING ALLOCATION PRINCIPLE OF THE EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND	7
9. FUNDING ALLOCATION CONDITIONS: Ximilani	8
10. FUNDING ALLOCATION CONDITIONS: FETOLA	11
11. GENERAL GUIDELINES, CONDITIONS AND EXCLUSIONS	12
12. PUBLIC CALL FOR PROPOSALS AND APPLICATION PROCESS	15
13. POLICY REVIEW AND AMENDMENTS	20
14. CONSEQUENCE MANAGEMENT	20

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

PREAMBLE

HAVING realized the imperative that the City of Ekurhuleni Metropolitan Municipality is the engine of economic development,

growth and transformation, the City has resolved to demonstrate stronger commitment to enable service delivery levels that are responsive to local economic development needs.

WHEREAS the approach enables the City to unlock and open the economy to non-traditional economic players who in turn would trigger economic activity and enable the economy to be more dynamic, competitive and inclusive.

WHEREAS the Community Enterprise Development (CED) function aims to support and develop community enterprises through the stimulation of the CED Ecosystem and Value Chain in order to heed the call made through section 152 (1) (c) of the Constitution of South Africa, Act 108 of 1996 which states that; “The objects of local government are to promote social & economic development”; and section 153(a), which stipulates that the City should structure & manage its administration, budgeting and planning processes to, amongst others, promote social and economic development of the community.

WHEREAS section 67 of the Local Government: Municipal Finance Management Act no. 56 of 2003 provide a platform to transfer funds to organisations outside any sphere of government, subject to compliance with criterion and conditions being met.

AND WHEREAS the ECEDF policy intends to enable the City of Ekurhuleni to support, partner and leverage categories of organisations within and outside its municipal boundaries as outlined in this policy document as follows:

1. DEFINITIONS

In this Policy, unless the context otherwise indicates, the following meaning to be given to the words /terms:

“Act” refers to the Local Government: Municipal Finance Management Act, 56 of 2003.

“Council” refers to the highest decision-making body in the City of Ekurhuleni Metropolitan Municipality.

“CoE” refers to the City of Ekurhuleni

“Ekurhuleni Community Enterprise Development” (ECED) refers to a City of Ekurhuleni programme that provides financial and non-financial support to empower entrepreneurs.

“Ekurhuleni Community Enterprise Development Fund” refers to discretionary financial assistance or grant or allocation, as referred to in Section 17(3)(j)(iv) of the MFMA, made by the Municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

municipality in fulfilling the Constitutional mandates including social development and arts and culture as set out therein.

"Entrepreneur" refers to persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.

"Local Institution" refers to an institution based and operating within the Ekurhuleni Municipal Jurisdiction

"Service Level Agreement or Memorandum of Agreement" refers to the agreement entered into between the municipality and any organisation or body which receives a ECED Fund in terms of this Policy.

"NGO" refers to non-governmental organisations that is a legally constituted non-profit organisation that operates independently from any form of government.

"SMME" refers to small, medium and micro enterprises, namely Exempted Micro Enterprises and Qualifying Small Enterprises.

"Cooperative" refers to a business or organisation which is owned and run jointly by its members who share the profits or benefits.

"Black Industrialists" refers to high level South African black ownership (50+1), directly involved in the origination, creation, management and operation of industrial enterprises that derive value from the manufacturing of goods and services at a large scale.

"EME" refers to an Exempted Micro Enterprise with an annual total revenue of R5 million or less, or is a recently formed or incorporated entity that has been in operation for less than one year (start-up enterprise).

"QSE" refers to a Qualifying Small Enterprise having a turnover more than R10 million and less than R50 million.

"Beneficiaries" refers to Ximilani and Fetola fund recipients who are Entrepreneurs, Cooperatives, SMMEs, Organized Business Fora, Industry Association, Programme Implementers, Chambers of Commerce, Local and International Development Finance Institutions and Private Sector Corporates.

Ximilani and Fetola refers to targeted beneficiaries on section 7 of the policy.

"Black People" refers to *Black people is a generic term which means Africans, Coloureds and Indians–*

- *Who are citizens of the Republic of South Africa by birth or descent; or*

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

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- *Who became citizens of the Republic of South Africa by naturalization-*
 - *Before 27 April 2014; or*
 - *On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date."*

On 18 June 2008, the Chinese Association of South Africa approached the High Court with a request that South African Chinese people be included in the definition of "black people". This relief was granted and, as such, "black people" for purposes of Broad-Based Black Economic Empowerment (B-BBEE) now refers to Africans, Coloureds, Indians and Chinese people.

2. LEGAL FRAMEWORK

- 2.1 The Ekurhuleni Community Enterprise Development Fund is informed by section 156 of the Constitution, read with section 8 of the Local Government: Municipal Systems Act no. 32 of 2000.
- 2.2 The powers and functions of municipalities are set out in **section 156 of the Constitution**, read with **part B of Schedules 4 and 5 to the Constitution**. The Framework that regulates the ECED fund is provided for in:

Section 15 - a municipality may incur expenditure only –

- (a) in terms of an approved budget; and
- (b) within the limits of the amounts appropriated for the different votes in an approved budget.

Section 17(3) - when an annual budget is tabled in terms of **Section 16(2)**, it must be accompanied

by the following documents:

- (a) Particulars of any proposed allocations or grants by the municipality to-
- (b) any organizations or bodies referred to in **section 67 (1)**.

Section 67 (1) - before transferring funds of the municipality to an organization or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the Accounting Officer must be satisfied that the organization or body:

- (a) has the capacity and has agreed –
 - (i) to comply with any agreement with the municipality.
 - (ii) for the period of the agreement to comply with all reporting financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer;
 - (iv) to submit its audited financial statements for its financial year to the Accounting Officer promptly.

Section 67 (4), subsection (1) (a) does not apply to an organization or body serving the poor or used by government as an agency to serve the poor, provided –

- (a) that the transfer does not exceed a prescribed limit as determined by the City of Ekurhuleni; and
- (b) that the Accounting Officer –
 - (i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds, and

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

- (ii) certifies to the Auditor-General that compliance by that organization or body with **subsection (1)(a)** is uneconomical or unreasonable.

3. SCOPE OF COVERAGE

The ECED Fund seeks to enable the syndication of Enterprise, Suppliers & Incubation Development interventions through non-financial & financial interventions by mobilizing and leveraging the following services in favour of the entrepreneur:

- i. Business Support Services (i.e. Entrepreneurship Competencies, Coaching, Mentorship, Incubation, Financial Literacy Programmes, Pitching Boosters, etc.);
- ii. Technical Support (i.e. Equipment, Raw Materials, Technology, Motor Body Repairs, etc.);
- iii. Co-Funding (i.e. Syndicated funding, Grants, Financing & Crowd Funding);
- iv. Business Linkages Support (i.e. Market Place Portal, PPPFA opportunities, Expos, Export Promotion Missions, CSI linkages, etc.); and
- v. Business Infrastructure Support.
- vi. Compliance support (tax, CIPC , COIDA)

4. TARGETED AREAS OF IMPACT

The ECED Fund shall focus on the following segments of the economic landscape in favour of the entrepreneur:

- i. Township Economies: Trade, Retail, Wholesale and related Initiatives;
- ii. Black Industrialization: Manufacturing, Fourth Industrial Revolution Programmes, Smart;
- iii. Industries, Aerospace & Aviation, Agro-processing and related Initiatives;
- iv. Services: Hospitality, Tourism, Catering & Foods, Transport, Logistics, Digitalization, ICT, Innovation and related Initiatives;
- v. Environmental: Primary & Commercial Agriculture, Green Economy, Recycling, Buy Back and related Initiatives;
- vi. Human Development: Enterprise and Supplier Development, Business Support;
- vii. Incubation, Mentorship, Skills Development & Training, Auto Body Repairs, Training, Youth Employment Services and related Initiatives, and
- viii. Built Environment .

5. PRIORITY AREAS

Disciplines	Interventions
Township Economies:	Stock, Raw materials, Machinery, Equipment, Business Infrastructure, and any other business requirement that are deemed relevant.
Industrialization:	Stock, Raw materials, Machinery, Equipment, Business Infrastructure, Tools, and any other business requirement that are deemed relevant.
Built Environment and Construction:	Learner Contractor Development, incubating and mentoring emerging contractors into fully-fledged contractors and site supervisors with adequate administrative, technical, contractual, managerial and entrepreneurial skills that enables them to operate sustainable business entities.

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

Services:	Commercial Vehicles, Technology, Uniforms, PPE, Machinery, Equipment, Business Infrastructure, and any other business requirement that are deemed relevant.
Environmental:	Stock, Raw materials, Seedling, Chicks, Abattoir Equipment, Machinery, Equipment, Business Infrastructure, and any other business requirement that are deemed relevant.
Human Development:	Training, Technology, Subject matter Experts, Study Materials, Office Equipment, Machinery, Equipment, Business Infrastructure, and any other business requirement that are deemed relevant.

6. EVALUATION AND ADJUDICATION PRINCIPLE

The ECED Fund shall apply the following allocation principle which shall be conducted over a three-stage evaluation, inspection and adjudication process in respect of Group 1 and 2 beneficiaries as follows:

Activities	Weighting	Points
Step 1 Back Office Business Plan Evaluation	40%	240
Step 2 Business Inspection and Verification	20%	120
Step 3 Business Proposal Interviews and/or Pitching Session	40%	240
Total Point System	100%	600

7. TARGETTED BENEFICIARIES

The ECED Fund shall prioritise the following Groups of beneficiaries as defined below:

Ximilani:

The ECED Fund shall focus on reputable and registered Business Development Entities, SED Event Management Companies, Organized Business Formations, Associations and/or Chambers of Commerce whose aim is to mobilize, advocate, support entrepreneurship and implement supplier development programme for the benefit of their members, the SED eco-system and the community as follows:

- i. Organized Business Formations (including Chambers of Commerce).
- ii. Organized Industry Associations.
- iii. Organized Business Incubation Organizations.
- iv. Organized Business Support Organizations.
- v. Organized Supplier Development Practitioner Organizations.
- vi. Organized Tourism Development Organizations.
- vii. Organized Skills Development Organizations.
- viii. Organized Black Industrialist Formations.
- ix. State Owned Agencies that are involved in Small Business Development.
- x. Event Management Organizations that are involved in Small Business Development.
- xi. Incubators, Enterprise & Supplier Development Concept Originators and/or Right Owners.
- xii. Tourism Product Owners and Event Management Companies.
- xiii. Contractor Development Incubators

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

Fetola:

The ECED Fund shall focus on reputable and registered Financial Intermediaries, Development Finance Institutions, Corporate Social Investments, Corporate Foundations and Corporate Funds whose aim is to enable entrepreneurship and supplier development programme for the benefit of the SED eco-system and the community.

8. FUNDING ALLOCATION PRINCIPLE OF THE EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND

8.1 The funding principle of the Ekurhuleni Community Enterprise Development Fund shall be characterized by the following elements which seeks to maximize the impact to Ekurhuleni Communities as follows:

Intervention s	Focus Areas	Funding Structure	% Allocation
Ximilani: CoE Business Support to Local Entrepreneurs, Businesses, Organizations & Associations.	Organized Business Formations and SED Companies (Ximilani)	Business Seed Funding: - Third Party Funding - Direct Funding - Economic Relief Funding	70% of MTREF Budget for Ximilani: Funding mechanism: 100% = Monetary Transfers
Fetola Development Finance Institution and Private Sector SED Funds	Organized Business, SED Practitioners, Concept & Programme Owners & Implementers, Business Support Services & DFIs	Direct transfer to DFI & CSI administered fund on 50:50 basis as per SL&FA	30% of MTREF Budget for Fetola B Funding mechanism: 100% = Monetary Transfers

8.2 ECEDF Principle Thresholds: In order to effectively manage the allocation of funding to Ximilani, the following thresholds shall apply:

8.3

Targeted Beneficiary	Threshold Per Annum
• DFIs and Black Industrialists	R 100 000 to R 5 million
• Business Incubators	R 100 000 to R 5 million
• Soft, Technical & Business Skills Development Providers	
• Women, Youth & PWD Development Formations	
• Chambers of Commerce & Industry	R 100 000 to R 5 million
• Entrepreneurship Development & Event Management Co.	
• Industry Sector Association	R 100 000 to R5 million
• Innovation Promotion & Development Formations	
• Agriculture Development & Incubation Organisations	R 100 000 to R 5 million
• Entrepreneurship Pitching Boosters	R 100 000 to R 5 million

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

• Tourism Development Product Owners & Event Organisers	R 100 000 to R 5 million
• Agriculture Emerging Farmers	R 50 000 to R 5 million
• Contractor Development Incubators	R100 000 to R5 million

9. FUNDING ALLOCATION CONDITIONS: Ximilani

9.1 The following Funding Proposal Point Scoring Sheet shall be applied in the Evaluation of Ximilani Applicants:

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

CRITERIA	POINTS	WEIGHTING	COMMENTS
Company Experience	Relevant experience of the company in organising similar events in the past: 0-1 year = 5 points 1-2 years = 10 points 2-3 years = 15 points 3-4 years = 20 points 4 years and above = 25 points	25	
Project Leader	Relevant experience of project leader and/or key team members in organising similar projects /programmes 0-1 year = 5 points 1-2 years = 10 points 2-3 years = 15 points 3-4 years = 20 points 4 years and above = 25 points	25	
Project sustainability	Demonstrates how the programme/project proposed will be sustainable, 1 example = 10 points 2 examples = 20 points 3 examples = 30 points	30	
Project Value Add	Demonstrate how will the project assist municipality to create jobs /facilitate economic development Strongly 1.meets expectations - 15 2.significantly exceeds expectations= 20 3. outstandingly exceeds expectations= 35	35	
BEE status	BEE level 1 = 20 points BEE level 2 = 15 points BEE level3 = 10 points BEE level 4 = 5 points	20	
TOTAL		140	

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

Evaluation Criteria	Point Scale						Max Scored Points
	Weighting	20	40	60	80	100	
Job Creation (New Employees) created by the program	20%	<10	10-15	16-20	21-25	26+	20
Skills Development (External candidates benefiting excluding own personnel)	10%	<10	10-15	16-20	21-25	26+	10
Economic Empowerment (Ownership = % of women, youth, PWD)	10%	20%	50%	60%	80%	100%	10
Residential Location (as per latest demarcations)	5%	Region A	Region B	Region C	Region D	Region E & F	5
Labour Intensity (percentage of work requiring labour)	5%	5-10%	11-20%	21-30%	31-40%	41%+	5
Industry Sector	5%	Trade/ Services	Transportation/ Logistics	Built Environment/ Construction	Manufacturing	Agriculture	5
Own Funding (R'value of Investment or equity equivalent as a percentage of own funding)	10%	0-10%	11-15%	16-20%	21-25%	25%+	10
Enterprise Development Initiative. (% of funding that will be spent on other SMME's through procurement)	5%	5% >	10%>	15%>	20%>	25%>	5
Private Infrastructure Provision (rand value of own infrastructure to be utilised)	5%	10-20k	21-30k	31-40k	41-50k	50k +	5
Local Sources (% of proposal value, within CoE)	5%	5-15%	16-25%	26-35%	36-45%	45%+	5
Youth Development (No of youth developed by the programme)	10%	10	20	30	40	50+	10
Inclusiveness & Social Cohesion (Demographics-population of impact)	10%	+50% White (+ R600K)	White (<R600k combined income)	+50% Indian	+50% Coloured	+50% African	10

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

	Total Score	100
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9.2 *Five Bonus points shall be allocated to entity applicants that are majority-owned and/or support & empower certified Persons Living with Disabilities.*

9.3 The Funding Allocation for Ximilani Applicants shall be informed by the following Funding Principles;

Score	Proposed Funding
90-100 %	100% of funding subject to budget availability
80-89 %	90% of funding subject to budget availability
70-79 %	80% of funding subject to budget availability

9.4 Ximilani Funding Applicants must submit the following Certified Documentation:

- (i) Section 67 Application Form;
- (ii) Concept proposal;
- (iii) Declaration of Interest (Form MBD 4);
- (iv) Copy of Company Registration Document;
- (v) Valid Tax Clearance Certificate / Proof of Tax Clearance System (TCS);
- (vi) Cancelled cheque or Bank account confirmation letter;
- (vii) B-BBEE Certificate or Sworn Affidavit;
- (viii) Copy of ID documents of members/shareholders;
- (ix) Latest Rates and Taxes Statement or lease agreement (Municipal Account);
- (x) Central Suppliers Database (CSD) Registration;
- (xi) Business & Residential References; and
- (xii) Proof of Accreditation to the relevant body (where applicable)

10. FUNDING ALLOCATION CONDITIONS: FETOLA

10.1 The ECED Fund shall focus on partnership programmes which focuses on the development of black business enterprises. In this regard, the Fund shall prioritize registered Financial Intermediaries, Development Finance Institutions, Foundations and Corporate Funds whose aim is to enable entrepreneurship and supplier development programme for the benefit of the SED eco-system and the community. The ideal partners are those organizations that exist for the sole purpose of developing black businesses (and particularly black industrialists) in manufacturing, Media and printing services, financial services, distribution services, tourism, retail and wholesale, automotive sectors, including established and emerging black farmers, etc.

10.2 The ECED Fund shall focus on Entrepreneurship and Empowerment Enabling Partnership as per Fetola as follows:

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

Development Finance Institutions	
State Enterprise Development & Innovation Promotion Funding Organizations	Any legally and appropriately registered Trusts; Not-for-Profit Companies; Companies; Cooperatives and Black-owned businesses.
Corporate Supplier Development Programmes & Corporate Social Investment Initiatives.	
Corporate Enterprise Development Funds, Financial Institutions and Programmes	
Non-State Development Finance & Innovation Promotion Organizations	

10.3 The ECED Fund shall consider funding and financing collaboration from third party organizations that shall be subject to agreed funding criterion as provided for in the Service Level & Funding Agreement between CoE and the third party entity;

10.4 CoE and the signed third party entity, shall establish a Joint Pre-Selection Steering Committee to review all applications;

10.5 No funding will be disbursed by partnering third party entity without the consent of the Joint Pre-Selection Committee;

10.6 The ECED Fund shall consider collaboration subject to the following Conditions which shall be applicable to Fetola applicants;

- (i) Comprehensive Partnership Proposal;
- (ii) 50:50 Co-funding Confirmation;
- (iii) Service Level Agreement;
- (iv) Non-Disclosure Agreement; and
- (v) Economic Impact Report.

10.7 The Funding principle for Fetola shall be subject to signing of Partnership Agreements by the Head of Department: Economic Development or Nominee on behalf of the City Manager annually on a case-by-case basis.

10.8 The Head of Department: Economic Development with the concurrence of the City Manager shall reserve the right to adjust the above thresholds and/or funding allocations per category on a case-by-case basis.

11 GENERAL GUIDELINES, CONDITIONS AND EXCLUSIONS

- (a) The funding of applications shall proceed on the basis listed below in response to an advertisement issued by the Municipality after the expiry of the relevant period associated with the specific priority categories, after a compulsory application process and the required documentation have been submitted by the applicants and vetted by the Municipality, subject to each qualifying beneficiary signing a MoA or SLA, undertaking to comply with section 67 of the Act.

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

- (b) The Policy applies to all transfers of funds made by the Municipality restricted to deserving organisations and bodies serving the SED Ecosystem, especially those working with the poor / marginalized / aged / youth / disabled / women or otherwise vulnerable people, as per the eligible Categories in 5.
- (c) Receiving ECED Fund, irrespective of the amount granted is a privilege AND not a right, allocation of the ECED Fund is strictly subject to compliance with this policy and budget availability.
- (d) Funding of application will largely be considered on an annual basis in response to the annual call for proposal to invite applications for the ECED Fund.
- (e) No ECED Fund applicant shall receive more than one fund allocation per financial year.
- (f) The submission of a fully completed application form and required documentation is a prerequisite for consideration for the allocation of funding.
- (g) Ximilani Applicants must submit their most recent audited financial statements.
- (h) Fetola Applicants must submit their most recent audited financial statements.
- (i) All ECEDF applicants must satisfy the EDD in their submissions about the cost-effectiveness of the project to be funded and a demonstration of their ability to execute such project successfully.

12.1 Special Conditions

- (a) The applicant's key functional areas shall be those that are aligned to the responsibility of the Municipality, i.e. the applicant must be a corporate, non-profit institution / organization / body that is serving entrepreneurs, regulated in terms of section 67(4) of the *Act*, engaging in activities that support the municipality's Strategic Plan and Priorities, functioning in the fields where the Municipality itself is not actively or sufficiently engaged and where it is considered capable of delivering more effectively in terms of civic empowerment and value for money than the municipality could. Should this not be the case, the applicant will be advised to direct the application to the correct authority, e.g. the State, Provincial Government or other body;
- (b) The Head of Department: Economic Development reserves the right to refer ECEDF applications interchangeably within Ximilani and Fetola where the application is considered to meet funding requirements and implementation;
- (c) The applicant must be an institution/organisation that is located or operating in Gauteng and/or within Ekurhuleni municipal boundaries that contributes and/or that will contribute to the local community;
- (d) A regional institution/organization that will contribute to any future commitment that may be imposed on the Municipality may also be considered;
- (e) The allocation of the ECED Fund should further the rendering of equitable services throughout all communities of the Municipality to the extent appropriate;

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

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- (f) A copy of the applicant's Constitution, Memorandum of Association and any related documentation, latest financial statements (certified if it is a registered organisation) or management accounts, annual reports, business plan and budget estimates (to be submitted by all applicants) which clearly indicate the benefit to the historically disadvantaged within the Community in the form of Development Programmes, etc., to be attached to the application. Failure to attach the abovementioned document will result in such an application not being processed for consideration;
- (g) The applicant must submit a copy of their latest Municipal Services Account or obtain a certified letter from the Chief Financial Officer reflecting the status of the applicant's Municipal services account / debt repayment arrangement or a copy of their lease agreement of business address.
- (h) Ximilani and Fetola applicants are to provide relevant experience of the project leader; and detailed Curriculum Vitae's of directors and team members;
- (i) All applications shall first be considered by the relevant allocating Committee on the basis of a set criteria, in line with their individual strategic plan, inter alia, approved on this basis by the ECED Fund Committee and is accordingly submitted to the City Manager for approval;
- (j) All the recipients of ECED Fund shall in terms of section 67 of the Act be required to submit:
- i. **monthly progress reports** on how the fund allocation was spent, subject to the proviso that:
 - (a) if the project is such that the expenditure is incurred once-off, then the expenditure report must be submitted immediately once the funds are exhausted and if the funds are expended as the implementation of the project progresses, monthly reporting is peremptory until the funds are all spent.
 - ii. **a final closing report** be submitted not later than the end of the financial year of receiving the ECED Fund, to be collated and submitted to the City Manager. Failure to submit progress reports / applying the fund for a purpose different from the one its allocated may result in blacklisting and no consideration being given to future applications for the fund and/or the Municipality taking legal action to recover the fund allocated;
- (k) Any outstanding expenditure report on a previously allocated fund will automatically disqualify such applicant for consideration for the ECED Fund.

11.3 Exclusions - Funding will not be considered in the following circumstances: -

- (a) If in Council's opinion an applicant receives sufficient funds from other sources to sustain its activities or the project applied for;
- (b) Applicants with Municipal services accounts in arrears for more than three months, in excess of R5000.00 are automatically disqualified from any future ECED Fund until such time that the applicant's municipal services account is properly managed (*prior arrangement made with Finance to pay off arrears less than R5000.00*) or the applicant is a youth owned business residing with parents/guardians on the said premises.
- (c) Applicants who fail to submit their audited financial statements shall be automatically

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

disqualified.

- (d) Where projects fall outside the Municipal boundaries, unless the project benefits the Ekurhuleni community or a specific group within the Municipal boundaries;
- (e) Where only one individual will benefit from the funded project (unless proof of job-creation and community benefit / impact is attached);
- (f) Where subsequent requests for ECED Fund are to cover unauthorised overspending on projects;
- (g) Council reserves the right not to award any funding allocation to an organisation that cannot account for the expenditure of a previously awarded ECED Fund;
- (h) Where the application form was not completed in full by the applicant and not all documentation provided without a reasonable explanation;
- (i) Funding for a bursary or other related activities / reasons / resources.
- (j) For the purposes of disaster relief;
- (k) Indigent Grants;
- (l) Housing development subsidies;
- (m) Originations/Bodies receiving any other financial assistance offered by CoE;
- (n) Donation of assets, moveable or immovable;
- (o) Rewards and Awards;
- (p) Conditional Grants received by the Municipality, which are in turn awarded to outside organizations to perform the service function;
- (q) Inter-governmental Grants;
- (r) Political organisations and Civic Organisation, Rate Payers' Association or for any religious purposes;
- (s) Where expenses have already been incurred;
- (t) Subsidies for municipal rates/housing billing subsidies;
- (u) No ECED Fund award to an organisation that cannot account for the expenditure of a previous ECED Funding within the prescribed period;
- (v) No subsequent requests for ECED Fund are to cover unauthorised overspending on projects;
- (w) Where the application does not meet with the priorities, strategies and objectives set out in the IDP of the Municipality;
- (x) Funds to support transportation costs, salaries and other overhead costs, *and*,
- (y) No funding will be allocated under this Policy, to an organisation/body in cases where a member of Council or an Official of the Municipality or close relatives of the said individual stands to receive any financial or other gain.

12 PUBLIC CALL FOR PROPOSALS AND APPLICATION PROCESS

The City Manager or Nominee must, within three (3) months after the approval of the annual budget or an adjustment budget (in the event that additional funds becoming available), place a public advertisement in the main local, or a provincial newspapers distributed in the municipal area or social media platforms, calling for Proposals / Applications to be submitted", the advert on the **Request for Proposals for the ECED Fund** will be run with the following specifics;

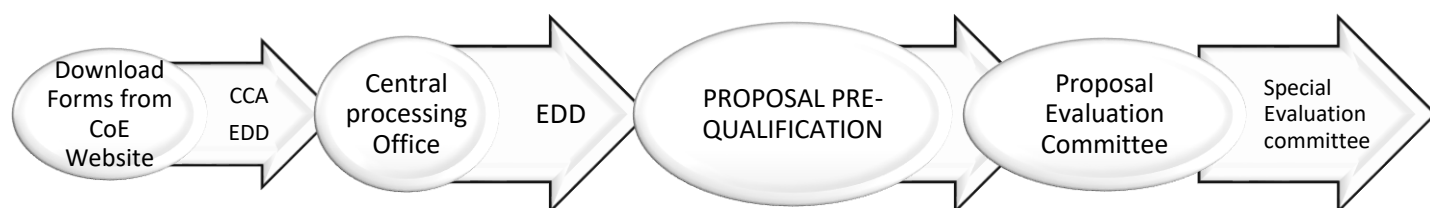
- a) The Advertisement should clearly specify;
 - (i) The categories for which Proposals are called;
 - (ii) The closing date for submitting applications;

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

- (iii) Who the applications should be addressed to;
 - (iv) Where and how to obtain the relevant application forms;
 - (v) That Council reserves the right not to make any award;
 - (vi) That organisations that have received funding in the previous financial year(s) must first submit a final close-up report on the projects previously funded; and
 - (vii) That only duly completed applications on the prescribed forms will be considered.
 - (viii) Funds may not be transferred to any organisation or body that has not submitted a Proposal in response to the public advertisement.
 - (ix) Non-compliance on the submission of the required documents will result in automatic disqualification.
 - (x) Applicants who have not received any correspondence after three (3) months of the closing date should assume that their application has been unsuccessful.
- b) Standard Application process**
- Applications shall be made on the original prescribed form;
 - Applications must be signed by the Head of the Organisation or body and must include the following information:
 - (i) Date of application;
 - (ii) Contact details of the organisation or body;
 - (iii) Date established;
 - (iv) Type of organization;
 - (v) Registration number;
 - (vi) Details of previous funding received from the Municipality;
 - (vii) Details of other funding received from the Municipality;
 - (viii) Purpose or aim of funding;
 - (ix) Detailed description of project to be implemented utilising the funding;
 - (x) Detailed breakdown of projected costs;
 - (xi) Details of sources of income and funding;
 - (xii) Banking details;
 - (xiii) Business and Residential references;
 - (xiv) Certification of details provided by senior person of organization;
 - (xv) Checklist of supporting documentation; and
 - (xvi) Declaration by the head of the organisation or nominee to the satisfaction of the City Manager that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with the requirements of similar transfer of funds

(c) Application Framework

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK



Exclusions to the ECED Fund Applicants:

- (i) Applications for ECED Fund Applications ***Ximilani*** are open to South African organizations who are located in Ekurhuleni and the Gauteng Province ONLY; and
- (ii) Applications for ECED Fund Applications Fetola 2 are open to South African organizations who are located in Ekurhuleni, Gauteng Province and other provinces for the purpose of implementing programmes in the CoE.

d) Screening process

The screening shall be conducted by the relevant and duly appointed ECED Fund Committee members as appointed by the HoD: EDD, who should assess the proposal of the following:

- a) Compliance with the criteria contained in the Policy;
- b) Viability of the project;
- c) Sustainability of the project;
- d) That the project will be completed within the available funds;
- e) That sufficient evidence of proper financial control will be exercised;
- f) That applicants have demonstrated that it meets the goals of the IDP and other City' strategic objectives;
- g) Individual applicants to assert / attach proof how the funded project will contribute towards job-creation and/or community benefit.
- h) That applicants have demonstrated cost-effective measures and ability to execute project successfully, achieve clearly defined outputs or outcomes and the ability to manage funds effectively;
- i) That the applicants have agreed to:
 - a) Report monthly to the Accounting Officer on actual expenditure;
 - b) Submit audited financial statements for its financial year;
 - c) Implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
 - d) Have in respect of previous similar transfers complied with all requirements (if any).
- j) Ad hoc applications may be considered in the case of partnerships under Group 3 as part of and in terms of the Council Annual Budget Adjustment process.
- k) Site inspections conducted (verifying the existence of the organization)

*Through the HoD: Economic Development Department, the ECED Fund Committee will make final allocation recommendations to the City Manager for Noting and Approval.

- a) Administration Committee shall be responsible for;
 - i. capturing of the master list of all applications received,
 - ii. screening of applications as per approved checklist,
 - iii. sorting of applications determining whether or not all pre-requirements as per the policy, the advert, and the application form have been met,
 - iv. capturing of the master list of all applications received,
 - v. presenting the recommended applicants to the Evaluation Committee,
 - vi. Conducting site-verification visits,

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

- vii. Elimination/recommendation of applications based on site-visits findings,
- b) Evaluation Committee shall be responsible for
 - i. evaluation of the business plans/profiles/proposals,
 - ii. scoring of business plans/profiles/proposals based on Return on Investment (RoI) on funds requested, i.e. job creation, skills development, enterprise development, geographic allocation, industry sector, etc
 - iii. recommendation of applications based on GEYODI elements (Gender, Youth and Disability) to ensure inclusiveness and social cohesion, and alignment to departmental priority areas.
 - iv. Conducting site visits verification and scoring in comparison to the business plan/profiles/proposals
 - v. Elimination/recommendation of applications based on business plan/profiles/ proposals evaluation and site-visits findings,

e) Approval Process

The City Manager shall consider the recommendations of the ECED Fund Committee, as recommended subject to the following conditions:

- (i) Compliance with the ECED Fund Policy criteria;
- (ii) Allocations being within the approved budgeted funds;
- (iii) Compliance with the provisions of section 67 of the MFMA; and
- (iv) Applicants' municipal accounts are up to date or if in arrears by an amount below five thousand Rands (R5000.00), prior arrangements for payment have been made with the Finance Department.

f) Adjudication Committees for the ECED Fund

- (i) The Adjudication Committee shall be responsible for conducting interviews on the shortlisted and evaluated applicants;
- (ii) The Adjudication Committee shall also be responsible for the finalisation of the Award process as referred to point (h) below.

g) Declaration of Interest: Committee Members / Officials Involved in the ECED Fund Process

- i. Each Committee member/Official involved in the ECED Fund is required to sign a declaration of interest independence regarding the following: -
 - That he/she does not hold a position of Directorship/Partnership with any beneficiary organization awarded a Fund.
 - That he/she is not associated with the Directors/Partners of a Fund beneficiary organization.
 - That there is no conflict of interest between his/her personal interests as a Committee member/Official carrying out his duties on behalf of Council and, the interests of the beneficiary organization.
 - That the Official / Committee member warrants that he/she is not in any way whatsoever related to or associated with any of the funded beneficiaries.

h) Award process

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

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- i. Only successful applicants shall be informed in writing of the outcome of their applications by the ECED Fund Administrator in Economic Development Department.
 - ii. All applicants that have not been contacted after three months of submitting the application, such should consider that their application was unsuccessful.
 - iii. Successful applicants will sign the Memorandum of Agreement and/or a Service Level Agreement with CoE within 30 days of being informed of the result of their application.
 - iv. Over and above the afore mentioned requirements, the following conditions and directives shall be applied for ECED Fund applicants;
 - v. CoE reserves the right to conduct site inspections of the Applicant's business premises pre and post the award.
 - vi. CoE reserves the right not to award and/or to withdraw and award and/or to make corrections to an award in the event that a mistake is discovered.

i) Transfer Process

Tranche payments of funding allocations shall be transferred to the Bank account/and or third-party suppliers of the applicant in such instalments as agreed to in writing in the signed MOA/and or SLA as well as the payment agreement, approved in terms of the applicable delegated authority.

- (i) **ECED Fund Beneficiaries Ximilani:** Awards/disbursement to successful applicants shall be made in cash batches of Batch1: 20%; Batch2: 40% and Batch3: 40% subject to performance & adherence to approved award conditions.
- (ii) **ECED Fund Beneficiaries Fetola:** Awards/disbursement to successful applicants shall be made directly to the beneficiary account subject to adherence to approved award conditions.

j) Monitoring, Evaluation and Reporting

The Economic Development Department shall ensure that the following reports are submitted:

- Quarterly Performance and Financial Reports to the City Manager.
- Annual Report to Mayoral Committee.
- Annual Audit Report to Audit Committee and Mayoral Committee.
- Annual Economic Impact Report.

Risk Management and Fraud Prevention:

- Fraud & misrepresentation
- Fronting
- Misuse of funds

Mitigation Tools:

- Pre and post -funding verification
- Asset tagging for funded equipment
- Sanctions and Recovery processes

EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY AND IMPLEMENTATION FRAMEWORK

13 POLICY REVIEW AND AMENDMENTS

The ECED Fund **Policy will be reviewed on an annual basis**, concurrently with the budget-related Policies of the Municipality and all the particulars of funding must be reflected in the budget and any adjustment budgets in accordance with section 17(3)(j) of the Act. Before transferring funds in terms of the ECED Fund Policy, the provisions of section 67 of the Act must be complied with.

14 CONSEQUENCE MANAGEMENT

Any funding made in contravention of this policy framework shall be considered as irregular expenditure and/or fruitless expenditure or unauthorized expenditure and may attract consequence management upon any official that has misled, misrepresented, recommended, caused, induced and/or can be attributed to their action or lack of. Where negligence and sabotage or opportunistic behaviour can be established, such irregularly dispersed funds shall be **recovered** from the person that has caused, induced or enabled the loss in terms of **section 32 of the Act**.

