



FROM NAFCOG FREE STATE

Office of the Chairperson

TO: Department of Small Business and Development

Department of Labour

Cc: Free State Department of Treasury

Free State Department of economic, small business development, tourism and environmental Affairs

Free State Office of the Premier

FROM: Tshepo Matsaba

SUBJECT: Nafcoc FS statement on the stimulus package meant to benefit small business in the province

Dated: 27 April 2020

Impact of a lockdown on small businesses

We acknowledge that there is health crisis across the globe and that it also has a negative on the world of business. As Nafcoc having a national footprint in South Africa, we believe as active role players in socio economic transformation agenda we need to play an active significant role in ensuring business continuity during the outbreak and beyond Covid-19. There is no doubt that the impact on small business will be huge and without speedily resolve on the relief, many businesses might not reopen after lockdown.

Relief Fund meant for SMME's

Nafcoc appreciates and supports the intervention by Pres. Ramaphosa and his government through the relief mechanism set in place. It is in our best interest as Nafcoc and are fully obliged to ensure that business continuity is realised during this time at which our country has fallen victim of Covid-19 pandemic.

Challenges faced in accessing Covid-19 relief interventions and funds

1. Online Application

The use of the internet in applying for relief has proven to be challenging to most of the SMME operating in our locations in particular those that are informal. The use of technology seems to be a barrier for access as some deserving business owners are not proficient in the use of technology.

2. Follow-up on application

There seems to be no follow-up mechanism in place for those who have applied to check the progress on their applications and also to know if their applications have been successful or not and the reasons thereof. Also the time frame for those applications to be made is still not clear.

3. **UIF submissions**

There is generally a lack of clarity as to when and how the Dept. of Labour will process and pay employees who are the beneficiaries of this fund as many employees who have applied are still to be paid.

Possible Solutions to the Challenges on Relief efforts

1. **Printing, Scanning and Sending Applications**

With the lack of access and knowledge of technology by most elderly informal businesses being a challenge we recommend that the use of application documents to be printed and sent be made an option together with the online applications.

2. **Monitoring and Reporting**

We propose a monitoring, evaluation and reporting mechanism be established as to track the progress of each and every application submitted. An sms and/or e-mail be sent to the applicant with the update of the application and time frames.

The same should be done for UIF applications.

3. **Processing of applications in the province**

Nafcoc proposes that all applications from the Free State be processed, approved and paid in the Free State to limit the backlog and encourage more businesses to apply.

Department of Small Business and Treasury be classified as essential work during the period of the lockdown.

4. **Covid-19 Business forum**

Nafcoc FS proposes that a provincial business forum be established which would include business, government and banks to oversee the process application as smooth, fair and reaching all vulnerable sectors in our society. This forum would also ensure that covid-19 related tenders gets distributed to those who need it the most and black business run companies are given an opportunity to participate.

5. **Issuing of Permits**

Business Chambers to become part of the municipal LED forums which should be given the mandate to oversee the issuing of permits. South African owned businesses must be given the priority and be allowed to operate within their own communities.

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