



Business Tax Incentives and Grants

SAIT Webinar
10 November 2022

YOUR KEY TO THE TAX COMMUNITY

Presenters:

Moeketsi Marumo: SAIT independent consultant

Bhavanesh Parbhoo: IDC

- Mr Bhavanesh is a programme manager in the IDC responsible for Social Employment Fund.
- He been in various roles within the IDC.
- He is a qualified CA and hold a Masters in business administration from GIBS business school

Agenda

- Background and Overview
- Outline of the Social Employment Fund
- Pillars of the SEF
- Case study of an existing Strategic Implementing Partner
- Funding Round 2
- Questions

Background and Overview:

- In October 2020, SA launched **Economic Reconstruction and Recovery Plan**
- As part of this plan, the **Presidential Employment Stimulus**
- To support a mix of public employment, livelihoods and job retention programmes

Presidential employment initiative - 2022 MTEF allocations					
Department	Name of initiative	2022/23		2023/24	
		Budget allocation (R thousand)	Targeted short-term jobs	Budget allocation (R thousand)	Targeted short-term jobs
National Treasury: neighbourhood development partnership grant	Metro Presidential Employment Programme Innovation Grant Placemaking in Townships, Informal Settlements and Inner Cities	800 000	33 000	855 600	33 000
Employment and Labour	Pathway management network	304 934	127 500	372 234	127 500
Trade, Industry and Competition	Social employment fund	861 566	33 000	787 941	35 000
National Treasury: provincial equitable share	Basic Education: presidential employment initiative	6 199 000	250 000	6 463 000	250 000
Higher Education and Training	Graduate placement in universities	94 500	3 000	99 225	3 000
Higher Education and Training	National Skills Fund: Pay for performance model	100 000	8 000	110 000	8 000
Sport, Arts and Culture	Creative sector support	440 000	24 405	462 000	24 405
Women, Youth and Persons with Disabilities	National youth service	200 000	35 000	250 000	35 000
Total		9 000 000	513 905	9 400 000	515 905



Outline of the Social Employment Fund

Profile

**Part of the
Presidential
Employment Stimulus**

**Collaboration between
the Presidency, dtic
and IDC**

**R800-mn to create
50,000 temporary
jobs in the Social and
Solidarity economy**

Mechanics

**Identify Strategic
Implementing Partners
(SIPs) to create work
programmes and hire
50,000 participants**

**80% of the grant is
allocated to wages;
20% of the grant is
allocated to non-wage
costs**

Roll-out

**Calls for proposals:
Nov-Dec 2021**

**Fund fully allocated:
Mar-22**

**SIPs commenced
work Jun-22**

Deployment of the Social Employment Fund

Deployment

**28 SIPs were
contracted with.**

**SIPs are performing
work in each of the 9
provinces.**

Theme	% Allocation	Example
Placemaking	17%	Violence Prevention through Urban Upgrading (VPUU); they work with 10 informal settlements and look to upgrade the living conditions within those settlements. Clearing of organic waste, planting of trees, installing of low-cost WiFi.
Health & Care	16%	Wits Health Hub training 2,000 participants in Soweto and Rustenburg to work with the communities tackling issues of physical ailments, mental health and environmental issues.
Action against GBV	6%	Hlanganisa Institute are working with 2,000 participants across 4 provinces; these participants will be trained as para-legals to help document cases of GBV and recommend appropriate cause of action to be taken
Food security	26%	Siyavuna Development Foundation working with 500 young smallholder farmers in KZN; these farmers are being taught good farming skills and techniques by the older generation of farmers.
Education	27%	Training and deployment of 1,650 art facilitators in schools throughout the country to encourage creative arts uptake amongst school goers. Where art is encouraged and facilitated, school attendance improves.
Other	10%	African Conservation Trust rock art monitoring and preservation in rural KZN as well as the upkeep and maintenance of hiking trails.



Pillars of the Social Employment Fund

Work for 'Common Good'

Work that contributes to public good as opposed to private goods.

Essential community services and needs must be met.

The State may not be best placed to meet these needs.

Work Skills

Unemployment at 34.5% and Youth unemployment at 66.5%.

How do we start getting this base of unemployed, used to the idea of working.

Certification

Banking / Savings / UIF.

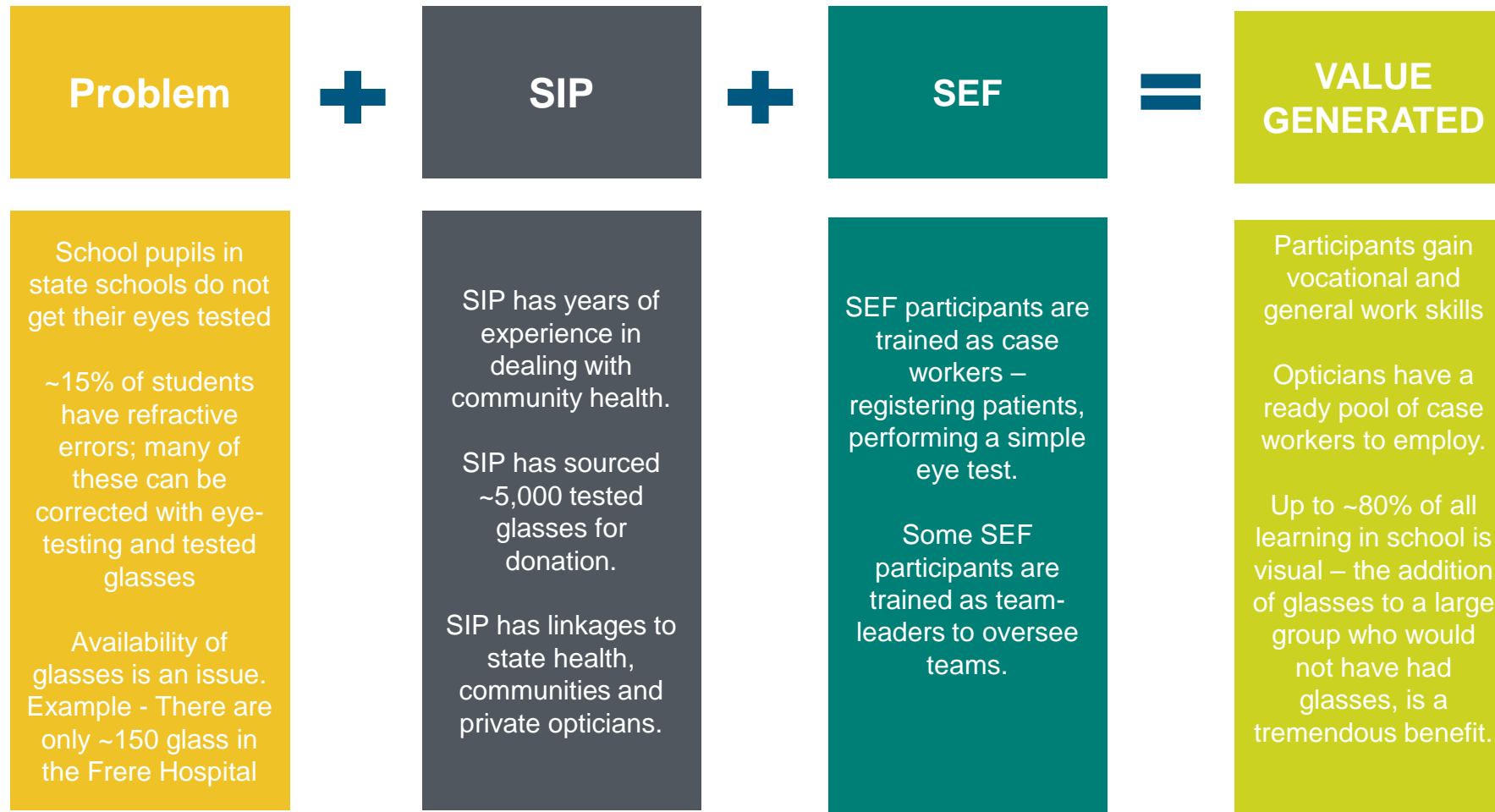
Validate SSE

Extensive impact study on the SEF at individual, community and organisation level.



Case Study : Small Projects Foundation

Problem statement: Basic public health care services are not adequate for large parts our population. These services can however be improved through simple measures which SPF specialize in.



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SEF participant performing a basic eye-test



These eye-testing devices are easy to use with basic training





Funding Round 2

Timelines

**Window Opened:
28 October 2022**

**Window Closes:
16 January 2023**

**Final Decisions:
31 March 2023**

**Work to commence:
June 2023**

What we are looking for

Social Innovation

Grassroots Involvement

Sustainability of outcomes

Payment System

**IDC provides the
payment system**

**SIPs must have the
capacity and ability to
manage onboarding
participants / tracking
time & attendance /
preparing payment
files**

Application process

- Applicants must carefully review the Terms of Reference and FAQs on our website (www.idc.co.za/SEF)
- Applicants must download and complete the key required documentation
- Know Your Client (KYC):
 - Those applicants who have been greenlit will be contacted for specific information
 - KYC requirements will be the standard requirements when applying to an Accountable Institution.
- An Account Manager will be assigned to your application. They will contact you if clarification is needed on your submission



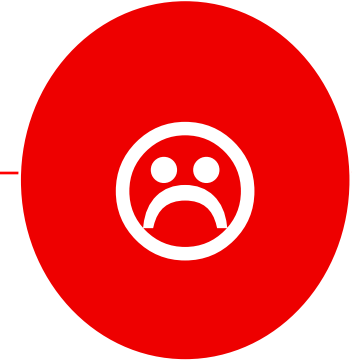
Track record

**Meet minimum
eligibility criteria**

**Embodies the spirit
of the Guiding
Principles**

**Proposals are
succinct, clear and
focused**

Innovation



**Little to no relevant
experience**

**Good plans with little
on the ground
delivery**

**Exorbitant overheads
and Fees**

**Misalignment with
the spirit of the SEF**

Questions

- Can SIP apply for more than 1 programme
- Can two programmes make up the minimum 1000 opportunities?
- How are the funds disbursed?
- When do SIP submit claims?
- What M&E systems does SIP need to have?
- SIP need to a separate bank account?



Thank you