

KZN youth-owned businesses to benefit from R90m fund

Fifty-nine youth-owned businesses are set to benefit from the R90m KwaZulu-Natal Youth Empowerment Fund.



Source: [Unsplash](#)

Announcing the youth businesses approved for funding during a ceremony held in Durban on Tuesday, KwaZulu-Natal Premier Nomusa Dube-Ncube said the event marks an important milestone in government's quest to push back the frontiers of the stubbornly high rate of youth unemployment in the province.

She said moment marks the fulfilment of a pledge made during the State of the Province Address earlier this year, which was delivered under the theme, 'Taking Decisive Action in the time of Renewal and Hope as we Rebuild a Better, Prosperous, and Resilient KwaZulu-Natal'.

The Youth Fund was established by the Office of the Premier in 2018 as part of government's concerted efforts to crank up youth development and empowerment in the province.

According to the fund structure, 90% of the fund received by each beneficiary is channelled to buy equipment in order to

lower their cost of business, while 10% is for working capital.

Dube-Ncube said during the first phase, R60m was disbursed to 51 youth-owned businesses. In the current phase, which was opened in July 2021, a total of 4,016 applications were received for funding.

“Of those applications, 2 854 were disqualified for various compliance and other reasons while 1 162 were processed by the KwaZulu-Natal Growth Fund, an entity of government that is responsible for the disbursement process and management of the Youth Fund.

“A further rigorous evaluation process was undertaken, and 352 applications were shortlisted for the due diligence stage. Ultimately, site visits were conducted, which resulted in the 59 [businesses] that are today the recipients of the funding. The funding ranges from R200,000 to R2m,” Dube-Ncube explained.

The Premier said youth-owned businesses that benefited from the current window operate in various strategic sectors, including water security, transport and logistics, farming technology, the digital economy, automotive and maritime industries.

“We could not have asked for a better present to mark the close of Women’s Month, as evidenced by the fact that 42% of the approved applicants are women. This is a significant improvement, if we consider that only 15% women applicants had benefitted previously.

“Our goal, moving forward, is to ensure at least a 50-50 access between men-owned and women-owned businesses,” the Premier said.

The Premier said they are encouraged by the fact that there is adequate geographic spread in terms of the distribution of beneficiaries as they come from across all the districts in the province.

She said the provincial government is decisively addressing the divide between urban and rural, the poor and affluent. They believe that all people must benefit equally from government’s interventions.

The Premier noted that the fund also approved businesses that are owned and managed by unemployed graduates and youths from professional sectors, including medical, engineering and accounting disciplines.

The Premier also announced that the new window (for R100m funding) will be opened soon.

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