

BA-PHALABORWA MUNICIPALITY

DRAFT MSME DEVELOPMENT AND SUPPORT POLICY

1. PREAMBLE

1.1 Ba-Phalaborwa Municipality recognises the important role of Micro, Small and Medium Enterprises (MSMEs) in stimulating local economic development, promoting inclusive participation, creating employment and strengthening local value chains.

1.2 This Policy establishes a transparent, fair and legislatively compliant framework for the selection and support of MSMEs participating in municipal programmes.

2. LEGISLATIVE FRAMEWORK

This Policy is aligned with:

- 2.1 Constitution of the Republic of South Africa
- 2.2 Local Government: Municipal Systems Act
- 2.3 Local Government: Municipal Finance Management Act
- 2.4 Preferential Procurement Policy Framework Act
- 2.5 Broad-Based Black Economic Empowerment Act
- 2.6 National Small Enterprise Act
- 2.7 Prevention and Combating of Corrupt Activities Act

3. PURPOSE

The Policy aims to:

- 3.1 Ensure transparent and objective MSME selection;
- 3.2 Promote inclusive economic participation;
- 3.3 Strengthen audit compliance;
- 3.4 Prevent favouritism and political interference;
- 3.5 Support sustainable enterprise growth.

4. SCOPE

4.1 This Policy applies to municipal markets and exhibitions, trade shows and other economic platforms, enterprise development and incubation programmes, capacity-building initiatives, as well as the allocation of municipal economic opportunities.

4.2 The Policy governs non-procurement MSME support interventions implemented under the Municipality's Local Economic Development mandate. It does not apply to formal procurement processes, which remain regulated and administered in accordance with the Municipality's Supply Chain Management (SCM) policy and applicable legislation.

5. GUIDING PRINCIPLES

MSME development and support shall be guided by:

- 5.1 Transparency
- 5.2 Fairness
- 5.3 Equity
- 5.4 Accountability
- 5.5 Inclusivity
- 5.6 Sustainability
- 5.7 Rotation and broad participation

6. ELIGIBILITY CRITERIA

6.1 Applicants must be legally registered, where applicable, in terms of the relevant South African regulatory framework. This includes registration with the Companies and Intellectual Property Commission (CIPC) for companies and close corporations, or appropriate registration for sole proprietors, cooperatives, or partnerships. Where formal registration is not legally required due to the nature or size of the enterprise, proof of lawful operation must be provided (e.g Informal Traders Permit)

6.2 Applicants must have a valid tax compliance status with the South African Revenue Service (SARS) at the time of application and throughout the period of support. The Municipality reserves the right to verify tax compliance using the applicant's Tax Compliance Status (TCS) PIN or other legally recognised verification methods.

6.3 Applicants must possess all licences, permits, certifications, or approvals required for the lawful operation of their business activities. This may include, but is not limited to, municipal business licences, health and safety certificates, food handling certification, zoning compliance approvals, environmental authorisations, and sector-specific regulatory approvals depending on the nature of the enterprise.

6.4 Where local preference applies, applicants must operate within the jurisdiction of Ba-Phalaborwa Municipality and provide verifiable proof of business address. This may include a municipal account, lease agreement, property ownership documentation, or confirmation letter from a recognised authority.

6.5 Applicants must comply with all applicable sector regulations and industry standards relevant to their line of business. This includes adherence to health and safety regulations, labour legislation, consumer protection requirements, and any professional or statutory body regulations governing the specific sector. Failure to comply with applicable regulatory requirements may result in disqualification or withdrawal of support.

6.6 Preference may be given to youth, women and persons with disabilities.

7. PUBLIC CALL FOR APPLICATIONS

7.1 All MSME support opportunities shall be publicly advertised in a manner that ensures maximum visibility and accessibility to all eligible enterprises within the municipal area.

Advertisements may be placed on the Municipality's website, social media platforms, community notice boards, and other channels deemed appropriate to reach potential applicants.

7.2 The public call must clearly outline the eligibility criteria, specifying the minimum requirements for participation.

7.3 The advertisement must also list the required documentation and any other supporting evidence needed to complete the application.

7.4 Closing dates for submissions shall be clearly stated, including the time and date by which applications must be received. Late or incomplete submissions shall not be considered. This will promote transparency, accountability, and procedural fairness.

7.5 The evaluation criteria must be clearly communicated in the advertisement, including the scoring methodology, weighting of assessment areas (such as business viability, ownership profile, locality, sector relevance, and rotation principles) and minimum qualifying scores. This will ensure that applicants are aware of how their submissions will be assessed and reduces potential disputes.

7.6 The advertisement shall indicate the programme duration, including the start and end dates, and any provisions for multi-year participation, such as the two-year consecutive support framework (first year for exposure and second year for maximisation).

8. EVALUATION COMMITTEE

The Evaluation Committee shall be appointed by the Municipal Manager. The committee shall consist of a minimum of the following core members, who will be responsible for the evaluation, scoring, and recommendation of MSME applications:

8.1 Manager: Economic Development (Chairperson)

The Economic Development Manager shall serve as the Chairperson of the Evaluation Committee and is responsible for:

- a) Providing strategic oversight of the evaluation process;
- b) Ensuring that all procedures are conducted in accordance with this Policy and applicable legislation;
- c) Facilitating deliberations during committee meetings;
- d) Ensuring that decisions are fair, transparent, and well-documented;
- e) Submission of final recommendations for submission to the Municipal Manager for approval.

8.2 Additional LED Official (Secretariat)

An appointed LED Official shall serve as the Secretariat to the Committee and is responsible for:

- a) Managing and maintaining all application records;
- b) Coordinating committee meetings, including scheduling and sending notices;
- c) Recording minutes of all deliberations;

- d) Collecting, organising, and safeguarding all scoring sheets, conflict of interest declarations, and supporting documentation;
- e) Ensuring that all documentation is audit-ready and in compliance with municipal record-keeping requirements.

8.3 SCM Representative

A representative from Supply Chain Management shall be included on a risk-based basis, particularly when the programme involves the allocation of municipal resources, financial support, or has potential links to future procurement. Responsibilities include:

- a) Providing compliance oversight to ensure procedural fairness and transparency;
- b) Advising on adherence to relevant municipal policies, legislative frameworks, and risk management protocols;
- c) Assisting with evaluation methodology where required to strengthen audit compliance;
- d) Serving as a non-voting observer in cases where no financial or procurement risk is involved.

8.4 External Stakeholders

The District Development Model promotes integrated planning, budgeting and implementation across local, district and provincial spheres of government under the “One District, One Plan” approach. In this context, the Municipality may invite external stakeholders to participate in the Evaluation Committee in an advisory capacity to ensure alignment with district and provincial economic priorities. External stakeholders may include:

- a) Mopani District Municipality Local Economic Development Officials, to ensure alignment with the District’s Growth and Development Strategy and the One District Plan;
- b) Limpopo Economic Development Agency (LEDA), to strengthen enterprise support linkages and access to provincial programmes;
- c) Recognised and formally constituted Business Associations within Ba-Phalaborwa, to provide sector insights and market-based perspectives.

The Committee shall proceed even if invited external stakeholders do not attend, provided quorum is met.

9. EVALUATION PROCESS

Stage 1: Compliance (Pass/Fail)

Stage 2: Functional Evaluation (100 Points):

Criteria	Weight
Locality	20
Ownership Profile	20
Business Viability	20
Sector Relevance	20
Rotation & Previous Support	20

Minimum qualifying score: 60/100.

10. ROTATION AND DURATION OF SUPPORT

10.1 Consecutive Year Support Provision

To promote both exposure and sustainability, an MSME may be supported for a maximum of two (2) consecutive years on the same programme, subject to:

- a) Continued compliance with eligibility requirements;
- b) Satisfactory performance during the first year;
- c) Availability of space and budget;
- d) Achievement of minimum qualifying score during re-application.

10.2 Rationale

The first year shall serve as an exposure phase focused on providing MSMEs with market access, brand visibility and customer testing opportunities. The second year shall serve as a maximization phase aimed at supporting revenue growth, business consolidation and the scaling of operations.

11. CONFLICT OF INTEREST

11.1 All Committee members shall complete and sign Conflict of Interest Declarations prior to evaluation.

11.2 Members must recuse themselves where conflicts exist.

12. MONITORING AND REPORTING

12.1 Reports shall be submitted to Council after each programme implementation and shall reflect the total number of MSMEs supported.

12.2 The reports shall include demographic information (youth, women and persons with disabilities).

12.3 The reports shall indicate first- and second-year participants in line with the two-year support framework,

12.4 The reports shall provide a brief summary of the overall programme impact.

ANNEXURE A

MSME SUPPORT PROGRAMME – EVALUATION SCORING SHEET

Programme Name: _____

Date of Evaluation: _____

Applicant Name: _____

Application Reference No.: _____

STAGE 1: COMPLIANCE CHECK (PASS / FAIL)

Requirement	Yes	No	Comments
Business Registration (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Valid Tax Compliance Status	<input type="checkbox"/>	<input type="checkbox"/>	
Business Operating Licence	<input type="checkbox"/>	<input type="checkbox"/>	
Proof of Business Address	<input type="checkbox"/>	<input type="checkbox"/>	
Required Supporting Documents Submitted	<input type="checkbox"/>	<input type="checkbox"/>	

Compliance Outcome:

Responsive (Proceed to Functional Evaluation)

Non-Responsive (Disqualified)

STAGE 2: MSME EVALUATION CRITERIA

Total Points: 100

Minimum Qualifying Score: 60

Criteria	Maximum Points	Scoring Description	Example / Notes
1. Locality	20	Assesses whether the business operates within Ba-Phalaborwa Municipality to promote local economic development.	<p>20 points: Business is fully within municipal jurisdiction</p> <p>10 points: Business operates partially within municipal area</p> <p>0 points: Business operates outside municipal area.</p>
2. Ownership Profile	20	Evaluates inclusive ownership by youth, women, and persons with disabilities (PWD). Points are cumulative but capped at 20.	<p>6 points: Youth-owned only</p> <p>6 points: Women-owned only</p> <p>8 points: PWD-owned only</p> <p>10-15 points: Combined ownership (e.g., Youth + Women)</p> <p>0-5 points: No target ownership</p>
3. Business Viability	20	Measures operational capacity, sustainability, and potential to deliver results.	<p>20 points: Clear business plan, proven operations, financial statements showing viability</p> <p>10 points: Partial evidence of viability;</p> <p>0 points: No evidence of operational capacity</p>
4. Sector Relevance	20	Alignment with programme objectives, municipal development priorities, or sector-specific opportunities.	<p>20 points: Directly aligned with programme goals (e.g., agriculture, tourism, local manufacturing)</p> <p>10 points: Partially aligned</p> <p>0 points: Not relevant to programme.</p>

5. Rotation / Previous Support	20	Considers previous participation to ensure fairness, with the two-year consecutive support framework.	20 points: New Applicant 20 points: Year 1 (Exposure) 10 points: Year 2 (Maximisation) 0 points: Beyond 2 consecutive years
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