

Enablis renames loan fund to Khula Enablis Loan Fund

Enablis Entrepreneurial Network has announced the re-naming of its loan guarantee fund to the Khula Enablis Loan Fund. This name change is reflective of the support that funding partner Khula Enterprise Finance has committed to supporting South African entrepreneurs.



Khula Enterprise Finance has been Enablis' funding partner since entry into South Africa in 2004. During this time, Khula has been an investor in the Khula Enablis Loan Fund and Khula Enablis SME Acceleration Fund, committing a total of R60 million in financing opportunities to entrepreneurs.

To date the loan fund has guaranteed loans to 62 entrepreneurs, of which 42 are black entrepreneurs and 11 are female entrepreneurs. This continued support demonstrates the enterprise's commitment, on behalf of the SA government, to the SME market and its capability to address unemployment.

"We are dedicated to the development and sustainability of small businesses in South Africa. We share the commitment to the economically vital SME sector and are proud to partner with them in the coupling of important capacity building and finance opportunities," said Khula Enterprise Finance chief operating officer Mkhululi Mazibuko.

Risk capital for new entrepreneurs

The loan fund allows entrepreneurs with viable and sustainable businesses to obtain risk funding under favourable terms. Loan amounts vary between R100 000 and R5 million. This guarantee is particularly important and relevant where the entrepreneur has no or limited financial resources and is at an early stage or expansion phase.

The SME acceleration fund is a fund that aims to provide risk capital to entrepreneurs with start-up and early-stage businesses. Loan amounts are in the R25 000 to R2,5 million range. Funding from this pre-venture capital facility is in the form of either equity and/or debt instruments.

"Small and medium businesses are responsible for 34% of the GDP and 54% of all employment in South Africa. Under the right conditions, entrepreneurs are uniquely capable of addressing the country's employment goals of creating five million

jobs by 2020," says Enablis South Africa country manager Victor Mzimela.

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