

Creating sustainable jobs through small business support

Mondi Zimele (MZ) has significantly upscaled its small business development activities with the establishment of a R140 million MZ Jobs Fund. The fund will be used to provide a range of small business support services and low interest loans to emerging small businesses operating within Mondi's value chain and beyond.



Community agriculture projects.

The focus of Mondi Zimele's Jobs Fund is the creation of sustainable jobs in areas where Mondi operates through the development of small businesses.

Mondi Zimele was established by Mondi in 2007 to provide small business support and funding for suppliers and contractors operating within the Mondi value chain. However, given the growing importance of local economic development and job creation, MZ has recently expanded its small business development activities to include any viable enterprise in the areas surrounding Mondi's operations.

Mondi Zimele successfully applied to the

Development Bank of SA for a R70m grant to expand the SME jobs programme. Mondi contributed a further R70 million to enable the establishment of the R140 million wholly owned subsidiary, Mondi Zimele Jobs Fund (Pty) Ltd.

The objective of the MZ Jobs Fund is the creation of long-term sustainable jobs by:

- › Facilitating empowerment and small enterprise development through the Mondi value chain.
- › Facilitating economic development and job creation enterprises in surrounding communities.
- › Facilitating the development of new

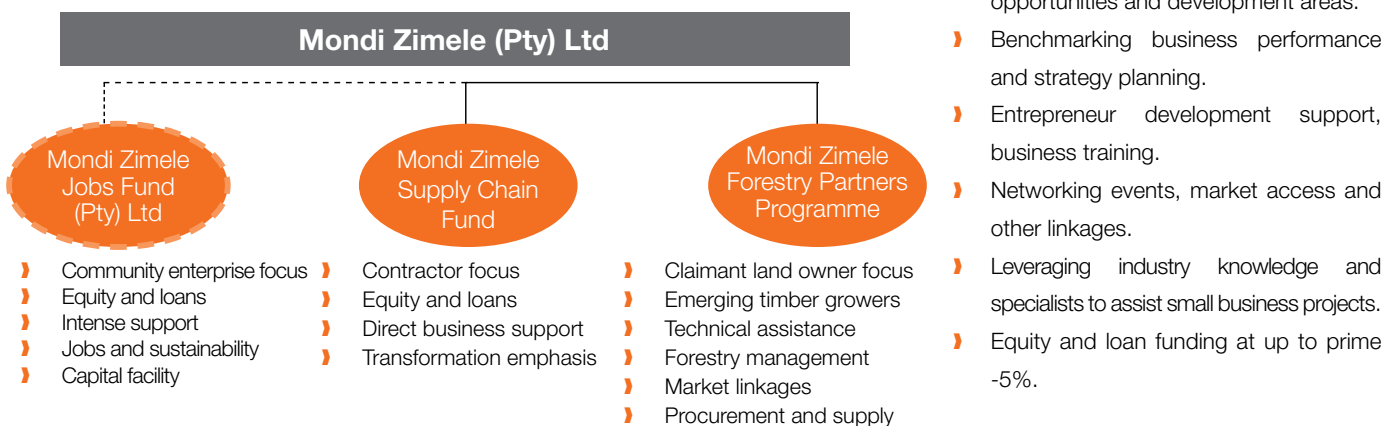
forestry enterprises and related agribusinesses.

This means in addition to the existing Mondi Zimele supply chain fund (supporting emerging forestry contractors) and Mondi Zimele's Forestry Partners Programme (supporting emerging forestry land owners), the MZ Jobs Fund will offer enterprises generating employment in Mondi's surrounding communities business, technical and capacity building support as well as funding in the form of equity and/or discounted loans. Special emphasis will be on the establishment and support of sustainable community businesses that generate employment for women and youth.

Mondi Zimele consists of a team of qualified business professionals who are able to assist prospective entrepreneurs to assess business opportunities, contribute to the finalisation of business plans and support the implementation and development of approved projects. All proposals are submitted to an Investment Committee which considers the application based on business viability, entrepreneurial capacity and overall empowerment and job creation potential.

Successful applicants have access to services, including:

- › Business plan development, opportunity assessments and business planning.
- › Business performance improvement using the MZ SME toolkit to identify opportunities and development areas.
- › Benchmarking business performance and strategy planning.
- › Entrepreneur development support, business training.
- › Networking events, market access and other linkages.
- › Leveraging industry knowledge and specialists to assist small business projects.
- › Equity and loan funding at up to prime -5%.





Hlalindela Gardening Service – a Mondi Zimele supported small business.

“Our model is not around the provision of discounted capital in isolation. Very rarely is funding the only barrier to emerging small business success,” said MZ CEO, Jason Smith. “Our focus is on assisting the entrepreneur to employ the right business management practices together with a clear market strategy to develop their business idea; the funding is the final enabler in this process.”

Jason said that MZ expects a minimum level of BBBEE participation in investee

businesses, but that the key emphasis is on employment creation and local economic development.

“The Mondi Zimele Jobs Fund is not a community social investment initiative, it’s about creating sustainable businesses and employment to break the cycle of dependency and enable long-term financial independence for entrepreneurs and community members,” said Jason.

Mondi Zimele has to date supported

more than 18 supply chain business projects in Mondi's value chain and over 40 community small business projects in the surrounding areas. These businesses have a collective turnover in excess of R300m per annum and an employment footprint of over 2 500 people. With the introduction of the MZ Jobs Fund, MZ is currently supporting an average of six new small business projects every month with additional growth planned over the course of the year. ■

Leveraging Employment Opportunities through SMEs

