

# Economic development through collaboration

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Qhude Projects (Pty) Ltd, a KwaZulu-Natal based logistical services co-operative, is the latest enterprise to benefit from a R9m loan from Ithala Development Finance Corporation Limited (IDFC) as part of an enterprise and supplier development partnership signed in 2022 with Sappi Southern Africa.



Sappi and IDFC personnel celebrated with the team from Qhude Projects (Pty) Ltd, on receiving their new equipment

Since the signing of this MOU between Sappi and IDFC, four transactions amounting to R44.9m and resulting in a total of 144 direct jobs have been concluded. This includes the loan from IDFC to Qhude Projects (Pty) Ltd to acquire two rear tipper trucks, two side tipper trucks and two front-end loaders and which enables them to service a five-year contract with Sappi to manage a landfill site in northern KwaZulu-Natal, adjacent to the Sappi Tugela Mill. The equipment was handed over on Thursday, 31 August 2023. Both Sappi and the IDFC (Ithala) will provide ongoing support to the co-operative to ensure their success.

Qhude Projects (Pty) Ltd operates from Mandeni situated in the iLembe District Municipality and was started five months ago by Siyanda Thusi. To date the start-up has created a total of 15 direct jobs, 50% of these being held by members of the youth.

Ithala Development Finance Corporation's commitment to socio-economic transformation is borne out by concrete action of putting money where its vision is.



Precious Sibiya, IDFC board member shakes hands with Siyanda Thusi, while Vusi Zuma, procurement manager for Sappi Tugela, Pearl Bengu, Group CEO of IDFC and Zee Zeka Ngcamu, community lead for Sappi SA look on

“This is another rung in the ladder that we at IDFC have been constructing to change the lives of rural and township folks, a cause we have been championing for over 60 years,” said Pearl Bengu, group chief executive of IDFC. She also said: “No one should be left behind as our country pulls itself out of the legacy of apartheid.”

Lesiba Lamola, Sappi’s Regional ESD sourcing manager concurred by adding: “This partnership with IDFC supports our enterprise supplier development (ESD) objectives, that are aimed at building thriving local economies within the communities where we operate.”

As the province’s development financier and provider of commercial and industrial property, Ithala Development Finance Corporation (IDFC) has embarked on a strategic partnership initiative with the private and public sector to drive economic participation of emerging black entrepreneurs operating in all sectors of the economy, particularly those operating in rural and township areas.

“The past three years have been characterised by notable challenges in a number of different sectors of business activity across South Africa – including economic weakness and constrained fixed investment. These conditions have necessitated heightened efforts on our part in advancing the delivery of our developmental mandate. Remaining close to our customers and partnering with the private sector who share our values of driving socio-economic transformation in the province is a key ingredient in supporting the provincial government’s economic recovery plan. In addition to ensuring they are able to repay their loans, their success means capital repayments are reinvested in further lending operations, thus growing our economic impact,” said Mr Sihle Mkhize, IDFC chairman of the board of directors.

“We want to thank Sappi for entrusting us with the task of being a strategic partner in transforming the lives of ordinary citizens in our province. and look forward to a fruitful and mutually beneficial relationship,” said Mkhize.



It's thumbs up and smiles all round as the ESD partnership between Sappi and the IDFC yields yet another successful result, bringing the total value of the partnership to R44.9m, sustaining 144 jobs

“Since signing the MOU with IDFC, we have been encouraged by the progress that has been made and the boost it has given our capacity building programmes for SMEs. This partnership ensures that we also facilitate access to funding, which in turn provides access to essential infrastructure and resources that are necessary to ensure business sustainability and growth. With this in place, we can focus on providing access to markets, providing the essential business and technical skills development required and assist in building up sustainable, thriving enterprises,” said Lamola.

Through IDFC’s business finance solutions, coupled with Sappi Southern Africa’s ESD initiative, the partnership is committed to providing financial muscle and unlocking the full potential and entrepreneurial spirit of SMEs in KwaZulu-Natal.

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