

Strategic Partnership Programme (SPP) MEMSA session

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- **IDAD incentive suite context**
- **SPP Overview**
- **Eligibility criteria**
- **Qualifying costs**
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Mission

- To stimulate and facilitate the **development of sustainable, competitive enterprises** through efficient provision of effective and accessible funding mechanisms (i.e. incentive schemes) that support national priorities

Strategic Objective

- Facilitate **transformation** in the economy, to promote industrial development, **investment, competitiveness** and **employment** creation

Full scale **industrialisation** and inclusive **growth**

**Grow sustainable,
competitive enterprises
through accessible and
effective project based
financial support**

Manufacturing investment

Competitiveness enhancement

Infrastructure Development

Services investment

Export support

Transformation

Industrial Innovation

Capital
goods and
service suppliers

Capital Projects Feasibility Programme (CPFP)

Aspiring & existing
exporters

EMIA Primary Market Research (PMR & R)

Aspiring
exporters

Sector Specific Assistance Scheme (SSAS)

Seasoned
exporters

EMIA Individual Exhibition Assistance (EI)

Large
corporates

Strategic Partnership Program – ESD (SPP)

Cluster member
competitiveness

Cluster Development Program (CDP)

Export
Sales growth

Supply capability
& competitiveness
improvement

EMIA I

- **Individual entities** wanting to grow exports through recognised exhibitions abroad where Trade and Investment South Africa (TISA) does not provide a national pavilion.

PMR

- Developing new export markets and to recruit new foreign direct investment into S.A through **primary research** in foreign countries.

SSAS

- Sector focussed **groups** of emerging exporters developing into seasoned exporters.
- Sector focused market development/research **projects**

CPFP

- Capital **projects** that will increase SA exports and stimulate the growth of local capital goods and services sector and allied industries

- Enhance **competitiveness of enterprises within a cluster** through collaborative projects in production, productivity and market growth

- Large **private sector enterprise partnerships** with government to support, nurture and develop SMEs within the partner supply chain or sector

Objectives

- Encourage large private sector enterprises in partnership with government to **support, nurture and develop SMEs** within the partner's supply chain or sector;
- Funding partnership focused on **improving the sustainability of manufacturers of goods and suppliers**;

Intended value

- Enhances the **manufacturing and services supply capacity and capability of suppliers** with linkages to the strategic partner's supply chains, industries or sectors;
- Encouraging businesses to **strengthen the ESD element** in the Codes of Good Practice;
- **Leverages the ESD budget** of the strategic

Offering

- **Cost-sharing grant** to a maximum of R15m per annum towards the total qualifying costs (based on the number of participating suppliers on a 50:50 cost sharing basis

The Strategic Partner can either be:

- A South African **registered legal entity** with a minimum **turnover of R100m** per annum for at least 2 consecutive years at application stage confirmed by the latest available Audited Financial Statements;
- An **Industry Association** representing interests of member manufacturing companies.

The Strategic Partner must be:

- A taxpayer in good standing and must in this regard provide a **valid tax clearance certificate**
- In compliance with the requirements of B-BBEE and must in this regard provide a **valid certificate of B-BBEE compliance.**
- 60% of the total SME's supported by the strategic partner should at least be **51% owned by Black South African citizen(s)** with Black owners exercising dominant ownership and management control over the business.
- The SME's supported by the strategic partner must be involved in **Manufacturing, Agro-processing, Mineral beneficiation and Manufacturing related services** sectors of the economy.

QUALIFYING COSTS

- **Machinery, equipment and tools;**
- **Infrastructure linked to the strategic partner's supplier development initiative (owned/leased buildings, leasehold improvements);**
- **Product or service development;**
- **Information and Communication Technology (ICT);**
- **Operational costs;**
- **Business development services limited to:**
 - **Product design, improvement and conformity assessments and certifications**
 - **Process improvement that enhances the competitiveness of the supplier**
 - **Quality management improvements and accreditation**
- **Investment project preparation costs (feasibility studies) will be limited to a maximum of 2% of the total approved grant amount capped to a maximum cost sharing grant of R450 000**
- **Management fees including travel and accommodation expenses for the strategic partner are limited to 3% per annum of the total approved annual grant amount.**

GRANT SUPPORT REQUIREMENTS

- Applicants must engage the dti before submitting their applications;
- Grant approval based on projections for the first year at application stage;
- Approval for subsequent year(s) will be accepted in principle and be reviewed annually subject to actual performance in the preceding year(s) against agreed milestones;
- All payments made directly either to the primary bank account of the strategic partner SPCV or set-up cost Centre.
- For projects that are not in the manufacturing sector, but however support manufacturing supply chain related services and are deemed strategic by the dti, the programme offers a cost-sharing support of 70:30 where the strategic partner contributes 70% and the dti contributes 30% towards the total approved amount.
- Maximum grant amounts per financial year are:

Number of SME's	Maximum Grant Amount
3-5	R 5 Million
6-8	R 7.5 Million
9-15	R 10 Million
16-24	R 12 Million
25 and above	R 15 Million

COMMITMENTS FROM THE STRATEGIC PARTNER


- **Detailed proposal** consisting of an executive summary, supplier development strategy, business model, marketing plan, operational plan, organizational plan, financial plan and performance measurement process and;
 - Should be submitted in the form of a Business Plan;
 - Must indicate developmental plan including activities and timeframes towards sustainability of SME's over time;
 - Must demonstrate technical skills and experience of human resources from the strategic-partner dedicated to the partnership.
- **Financial contribution** from the strategic partner to the project can be:
 - Cash transferred to the primary bank account of the strategic partner(s) established SPCV or the cost center for the sole purpose of the strategic-partnership;
 - Machinery and Equipment (valued and a plan in place for the transfer or post-use of the assets by the SME's at the end of the strategic-partnership);
 - Commercial vehicles (valued and a plan in place for the transfer or post-use of the assets by the SME's at the end of the strategic-partnership).

SPP CONTACTS



the dti

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Thank You

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