



**EMIA  
EXPORT MARKETING & INVESTMENT  
ASSISTANCE**

**SECTOR SPECIFIC ASSISTANCE  
Guidelines**

**2004**

**Book Six  
Updated Bi-annually**

## 1. OBJECTIVES OF THE SECTOR SPECIFIC ASSISTANCE SCHEME (SSAS)

The purpose of the Sector Specific Assistance Scheme (SSAS) is to enable the funding of non-profit **business organizations** in sectors and sub-sectors of industry prioritised by **the dti**, in respect of **(i) generic funding** and **(ii) project funding** provided that the purpose of the organization and/or its proposed project aims to conform to **the dti's** objectives listed below (hereafter referred to as "**the dti's** objectives"):

- Develop an industry sector as a whole
- Develop new export markets
- Broaden the export base
- Propose solutions to factors inhibiting export growth
- Stimulate the participation of SME's in the export sector
- Promote Black Economic Empowerment (BEE)
- Promote Women Empowerment (WE)
- Stimulate job creation

## 2. QUALIFYING APPLICANTS

### 2.1. The categories of qualifying applicants

- 2.1.1 **Export Councils** that are established through application to **the dti**. An Export Council is a Section 21 (non-profit) company that represents the developmental and promotional objectives of a particular industry/industries on a national level.
- 2.1.2 Existing registered **Industry Associations** that are representative of sectors or sub-sectors of industry prioritised for development and promotion by **the dti**, as determined by the relevant Sector Desk.
- 2.1.3 Groups of three or more entities known as **Joint Action Groups (JAGS)** that seek to co-operate on a project in a particular sector or sub-sector of industry prioritised for development and promotion by **the dti**, where the aim of the project is to benefit the sector as whole in terms of **the dti** objectives listed in (1) above. A JAG is an interest group that has no formal structure. JAG's must provide cession letters from other members where payment is made to one member.

## 2.2. How to qualify as an applicant

- 2.2.1 The applicant is required to complete **SSAS Form A: Application for establishing an Export Council/ Joint Action Group** and submit the form to the Export Council Secretariat.
- 2.2.2 Applications to form Export Councils will be considered only once a year, and must reach the Export Council Secretariat by the 31<sup>st</sup> of January of each year.
- 2.2.3 Applications to form a Joint Action Group may be submitted throughout the year.
- 2.2.4 Existing registered Industry Associations do not need to go through a formal process of registration with **the dti**, but will be required to provide proof of registration.
- 2.2.5 The assistance offered by the SSAS does not necessarily apply equally to all the categories of applicants listed in (2.1) above. See (Table 1 below).
- 2.2.6 The application form **SSAS Form A: Application for establishing an Export Council/ Joint Action Group** is available from the Export Council Secretariat.

## 3. THE SECTOR SPECIFIC ASSISTANCE SCHEME (SSAS) AND ITS SERVICE OFFERINGS

Table 1:

| Categories of funding   | Amount of funding  | Qualifying applicants  |
|---|--|--|
| <b>Generic Funding</b>  |  |  |
| Grant for establishing an Export Council (registration fees, attorneys' and business consultant's fees) | R 50 000 grant   | Export Councils  |
| Matching grant based on <b>membership</b> income (for operational costs)                                | Up to a maximum of R 500 000 per annum                                     | Export Councils  |
| Advertising and publicity (media advertisements and other forms of promotion)                           | 50% of costs up to a maximum contribution of R 250 000 per annum from SSAS | Export Councils, Industry Associations, Joint Action Groups (JAGs) |
| Marketing Materials (export directories and brochures, videos and CD-Roms)                              | 50% of costs up to a maximum contribution of R 100 000 per annum from SSAS | Export Councils, Industry Associations, Joint Action Groups (JAGs) |
| Local exhibition assistance (rental of exhibition space and construction of exhibition stands)          | 50% of costs up to a maximum contribution of R 100 000 per annum from SSAS | Export Councils, Industry Associations, Joint Action Groups (JAGs) |

|                        |  |  |
|------------------------|--|--|
| <b>Project Funding</b> | Up to 80% of the cost of the project, but the dti reserves the right to determine the final percentage that will apply | Export Councils, Industry Associations, Joint Action Groups (JAGs) |
|------------------------|--|--|

#### 4. HOW TO APPLY FOR FINANCIAL ASSISTANCE UNDER THE SECTOR SPECIFIC ASSISTANCE SCHEME

##### 4.1 Submitting application forms

- 4.1.1 Application forms must be submitted for all the sub-schemes of the SSAS as shown in (Table 2) below.
- 4.1.2 Funding is not automatic, and **the dti** reserves the right to approve/reject all applications and to determine the percentage that will apply in respect of contributions to project funding.
- 4.1.3 All application forms are submitted to the Export Council Secretariat.
- 4.1.4 In forming an Export Council/Joint Action group, or in applying for projects, applicants are obliged to consult with the corresponding **dti** Sector Desk before submitting applications.

##### 4.2 The Approval Process

- 4.2.1 The applicant will send all applications to the Export Council Secretariat, with the exception of the application for Project Funding and the Application to Form an Export Council/Joint Action Group, which will be sent to the relevant Sector Desk. Consultations with the Sector Desk are necessary before submitting any applications.
- 4.2.2 The Export Council Secretariat will acknowledge receipt of your application, and propose your application to the SSAS Adjudication Committee that will make the final decision whether your project will be funded.
- 4.2.3 The SSAS Adjudication Committee may make recommendations regarding your application, which will be communicated to you by the relevant Sector Desk, and re-submitted by the Export Council Secretariat to the SSAS Adjudication Committee once the recommendations are complied with.
- 4.2.4 Once the project is approved, a **Letter of Approval for Funding under the Sector Specific Assistance Scheme** will be forwarded to applicants. **The dti** will not be liable for expenses incurred by applicants that have not received the afore-mentioned letter.

- 4.2.5 There is a right of appeal by the applicant to the CEO:TISA
- 4.2.6 **The dti** has a right to reject applications based on the availability of funding and the priorities of **dti**.
- 4.2.7 **The dti** will not be held responsible for delays resulting from the provision by the applicant of inadequate documentation or unclear cost breakdown structures.

### **4.3 The Nature of Payments**

- 4.3.1 Upfront payments are not allowed. Successful applicants must make all necessary payments and subsequently submit claims to the Export Council Secretariat.
- 4.3.2 All payments take place against an **invoice and proof of payment**, except for payments in respect of the Matching grant based on membership income that takes place against proof of income.
- 4.3.3 In respect of Project Funding, claimants may either claim according to budgeted amounts in respect of milestones achieved on a project, or otherwise on completion of the entire project. Any deviations/variances require a written explanation from the applicant to the Export Council Secretariat.
- 4.3.4 Payments to claimants are effected electronically into bona-fide bank accounts.

### **4.4 Cost breakdown structure**

- 4.4.1 A clear cost breakdown structure must be provided. Failure to provide clarity in this regard results in unnecessary delays and the possibility of the application being rejected.
- 4.4.2 If a third party service provider is being used, a cost breakdown structure in respect of each service being procured must be provided.

## 4.5 The use of third party service providers

- 4.5.1 Funds requested by applicants are likely to be used to pay third party service providers for a variety of goods and services, where such third party service providers would be the ultimate recipients of **dti** funding.
- 4.5.2 In terms of **the dti's** procurement regulations, any funds being paid to a third party service provider whether directly or indirectly, must be allocated in terms of a fair and transparent process, using a system of three quotes.
- 4.5.3 The applicant must therefore provide **three quotations** for every service used, with a **clear cost breakdown structure** from the service provider, together with a motivation of the reasons for the selection of the selected third party service provider/s.
- 4.5.4 The procurement of services above the amount of R 500 000 must go out on open tender. Legal agreements between **the dti** and applicants may be entered into to ensure good governance.
- 4.5.5 **The dti** reserves the right to reject any claims where it is found that the rates requested are clearly not market-related.
- 4.5.6 **The dti** reserves the right of ownership with respect to electronic databases/market research etc.
- 4.5.7 Annexure 1 will assist applicants in evaluating potential third party service providers.
- 4.5.8 Off-set payments need to be recuperated by **the dti**, and government funding cannot be associated with any personal gain/benefit.
- 4.5.9 For funding that relate to travel and freight costs, applicants must utilize **the dti's** preferred service providers. A list is obtainable from the Export Council Secretariat.

## 4.6 Claims

- 4.6.1 All claims should be made using in accordance with the required documentation listed in (Table 2) below.
- 4.6.2 Incomplete applications and claims, and documentation that is not verifiable results in delays in payment and or/ rejection of the applications/claims
- 4.6.3 All invoices are to be submitted within 14 days of payment.

**Table 2:**

| Categories of funding   | Application forms required  | Documents required when submitting claims   |
|---|---|---|
| <b>Generic Funding</b>  |   |   |
| Grant for establishing an Export Council (registration fees, attorneys' and business consultant's fees) | <ul style="list-style-type: none"> <li>• SSAS Form A: Application for establishing an Export Council/ Joint Action Group</li> <li>• SSAS Form B: Application for Generic Funding</li> </ul> | <ul style="list-style-type: none"> <li>• List of potential members</li> <li>• Minutes of inaugural meeting including a list of attendees</li> <li>• Original or certified copies of invoices and proof of payments.</li> <li>• An original tax clearance certificate from the South African Revenue Service (SARS)</li> <li>• Credit Order Instruction (Available from TISA) &amp; cancelled cheque.</li> </ul>   |
| Matching grant based on membership income (for operational costs)                                       | <ul style="list-style-type: none"> <li>• SSAS Form B: Application for Generic Funding</li> </ul>  | <ul style="list-style-type: none"> <li>• A list of members</li> <li>• Reconciliation statement of membership fees received and proof of membership income (loans from banks or other sources will not be considered as a membership contribution)</li> <li>• Proof of income, bank statements, list of members, amounts</li> <li>• An original tax clearance certificate from SARS</li> <li>• Credit Order Instruction (Available from TISA) &amp; cancelled cheque.</li> </ul> |
| Advertising and publicity (media advertisements and other forms of promotion)                           | <ul style="list-style-type: none"> <li>• SSAS Form B: Application for Generic Funding</li> </ul>  | <ul style="list-style-type: none"> <li>• Copy of promotional item</li> <li>• Original or certified copies of invoices and proof of payments.</li> <li>• Credit Order Instruction (Available from TISA) &amp; cancelled cheque.</li> <li>• An original tax clearance certificate from the South African Revenue Service (SARS)</li> </ul>  |

| Categories of funding  | Application forms required   | Documents required when submitting claims   |
|--|--|---|
| <b>Generic Funding</b>   |  |   |
| Marketing Materials (export directories and brochures, videos and CD-Roms) | <ul style="list-style-type: none"> <li>SSAS Form B: Application for Generic Funding</li> </ul> | <ul style="list-style-type: none"> <li>Copy of promotional item</li> <li>Original or certified copies of invoices and proof of payments.</li> <li>Credit Order Instruction (Available from TISA) &amp; cancelled cheque.</li> <li>An original tax clearance certificate from the South African Revenue Service (SARS)</li> </ul>  |
| Local exhibition assistance  | <ul style="list-style-type: none"> <li>SSAS Form B: Application for Generic Funding</li> </ul> | <ul style="list-style-type: none"> <li>Original or certified copies of invoices and proof of payments.</li> <li>Credit Order Instruction (Available from TISA) &amp; cancelled cheque.</li> <li>An original tax clearance certificate from the South African Revenue Service (SARS)</li> </ul>  |
| <b>Project Funding</b>   |  |   |
|  | <ul style="list-style-type: none"> <li>SSAS Form C: Application for Project Funding</li> </ul> | <ul style="list-style-type: none"> <li>Original or certified copies of invoices for goods and services provided</li> <li>An original tax clearance certificate from the South African Revenue Service (SARS)</li> <li>Project Business Plan</li> <li>Pro-forma Quotations</li> <li>Proof of Payment</li> <li>Schedule of draw-down payments</li> <li>Tax Clearance Certificate</li> <li>Credit Order Instruction (Available from TISA)</li> </ul> |

Annexure 1

**EVALUATION CRITERIA FOR THIRD PARTY SERVICE PROVIDERS**

| Article I. | TECHNICAL ELEMENT   | 0        | 1        | 2        | 3        | 4        | 5        | WEIGHT        | SCORE        |
|------------|---|----------|----------|----------|----------|----------|----------|---------------|--------------|
| 1          | Completeness & level of details of proposal                           |          |          |          |          |          |          | 15            |              |
| 2          | Demonstrated experience and competence in the specified field of work |          |          |          |          |          |          | 30            |              |
| 3          | Number of years in the industry                                       |          |          |          |          |          |          | 15            |              |
| 4          | List of similar projects undertaken with contactable references       |          |          |          |          |          |          | 15            |              |
| 5          | The firm's network to undertake these services                        |          |          |          |          |          |          | 10            |              |
| 6.         | Corporate governance track record                                     |          |          |          |          |          |          | 5             |              |
|            | <b>TECHNICAL WEIGHTING</b>  |          |          |          |          |          |          | <b>90</b>     |              |
|            | <b>EQUITY OWNERSHIP</b>   | <b>0</b> | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>WEIGHT</b> | <b>SCORE</b> |
| 1.         | BOE Equity Ownership  |          |          |          |          |          |          | 8             |              |
| 2.         | Women Equity Ownership  |          |          |          |          |          |          | 2             |              |
|            | <b>SPECIFIC GOALS WEIGHTING</b>                                       |          |          |          |          |          |          | <b>11</b>     |              |

|   |                |
|---|----------------|
| 0 | Non-compliance |
| 1 | Poor           |
| 2 | Average        |
| 3 | Good           |
| 4 | Very Good      |
| 5 | Excellent      |

The definition of a Black Owned Enterprise (BOE Enterprise) is a sole proprietorship, partnership, company, close corporation or entity, which is registered with the South African Revenue Services and which conducts an enterprise for profit capable of providing commercially viable function and which enterprise is at least 51% owned and controlled (directly and indirectly) by one or more black persons; and whose management and daily business operations are in the control of one or more black persons. Proof in the form of share holding must be provided as proof of BOE status. The **dti** reserves the right to verify all information supplied.