

## 7. SA GOVERNMENT FUNDING INSTRUMENTS

### 7.1. DTI

The dti provides financial support to qualifying companies in various sectors of the economy. Financial support is offered for various economic activities, including manufacturing, business competitiveness, export development and market access, as well as foreign direct investment.

#### APPLICATION PROCESS

[A Guide to the dti Incentive Schemes 2012/13](#)

<http://www.investmentincentives.co.za/>

#### SECTOR

Advanced Manufacturing	Mining	Health	ICT
Industrial Biotechnology	Agriculture	Energy	

#### FUNDING INSTRUMENTS

Funding Instrument	Comment
<a href="#">Aquaculture Development and Enhancement Programme (ADEP)</a>	To be completed
<a href="#">Automotive Investment Scheme (AIS)</a>	
<a href="#">Black Business Supplier Development Programme (BBSDP)</a>	
<a href="#">Business Process Services (BPS)</a>	
<a href="#">Capital Projects Feasibility Programme (CPFP)</a>	
<a href="#">Critical Infrastructure Programme (CIP)</a>	
<a href="#">Co-operative Incentive Scheme (CIS)</a>	

[Clothing and Textile Competitiveness Improvement Programme \(CTCIP\)](#)

[Employment Creation Fund \(ECF\)](#)

[Export Marketing and Investment Assistance \(EMIA\)](#)

[Film and Television Production Incentives](#)

[Incubation Support Programme \(ISP\)](#)

[Isivande Women's Fund](#)

[The Manufacturing Competitiveness Enhancement Programme \(MCEP\)](#)

[Manufacturing Investment Programme \(MIP\)](#)

[People-carrier Automotive Investment Scheme \(P-AIS\)](#)

[Production Incentive \(PI\)](#)

[Sector-Specific Assistance Scheme \(SSAS\)](#)

[Small Medium Enterprise Development Programme \(SMEDP\)](#)

[Tourism Support Programme \(TSP\)](#)

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## OTHER FUNDING INSTRUMENTS (with links to Paragraphs in this Report)

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Programme	Paragraph
<a href="#">Section 12I Tax Allowance Incentive (12I TAI)</a>	0
<a href="#">Technology and Human Resources for Industry Programme (THRIP)</a>	a)
<a href="#">Support Programme for Industrial Innovation (SPII)</a>	0
<a href="#">Seda Technology Programme (STP)</a>	Error! Reference source not found.

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## EU RELEVANCE

Co-funding required	YES	EU participation allowed	YES	IP Ownership	RSA
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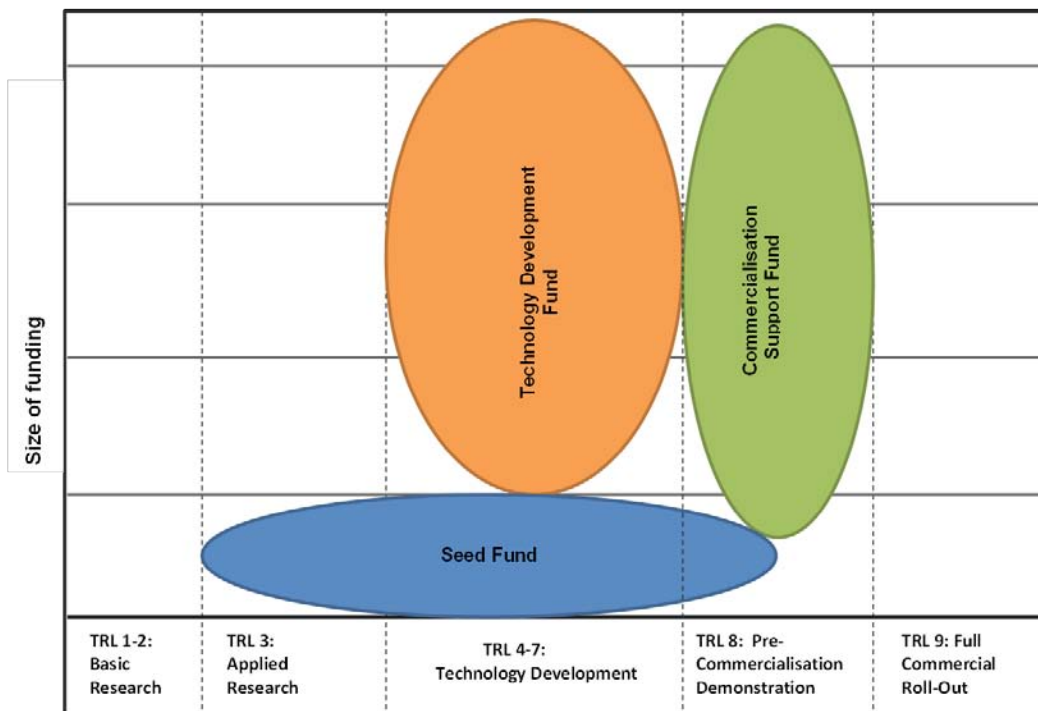
Opportunities	
Constraints	
Existing collaboration	EU

## 7.2. TIA

### APPLICATION PROCESS

<http://www.tia.org.za/Funding>

TIA offers three risk funding schemes aimed at directly financing technology development projects with commercial potential.



### FUNDING INSTRUMENTS

**Seed Fund-** To assist researchers from higher education institutions, science councils, technology entrepreneurs and SMMEs to advance their research outputs and ideas for proof of concept, development of prototypes and business cases that could be used for further development. In order to apply for Seed funding, innovators should contact the Tech Transfer Offices(TTOs) at the relevant university. Seed funding cannot be accessed by completing an online application on the TIA website.

Technology Development Fund - To assist innovators to advance technologies along the innovation value chain, from proof of concept to technology demonstration.

Commercialisation Support Fund - To prepare innovators for follow-on funding, through limited support for market testing and validation. In this instance, TIA's role is to connect technology innovators to onward business and investment opportunities.

## EU RELEVANCE

<b>Co-funding required</b>	YES	<b>EU participation allowed</b>	YES	<b>IP Ownership</b>		<b>RSA</b>	
<b>Opportunities</b>	<p>TIA invests in the all technology focus areas</p> <p>Average Project Funding: ~ R5 million</p> <p>University, science council and industry participation allowed</p> <p>Co-funding improves success rate</p> <p>Well established technology platforms around the country</p>						
<b>Constraints</b>	<p>IP to be owned by SA entity</p> <p>All investments or financial support instruments utilised by TIA are subject to the IPR Act and the beneficiary must therefore be a South African legal entity</p>						
<b>Existing collaboration</b>	<b>EU</b>	<p>Swiss South African Joint Research Programme (Innovation capacity building programmes)</p> <p>Newton Fund (Leaders in Innovation Programme; Institutional Links &amp; Commercialization Capacity Building Initiatives)</p> <p>French Embassy in South Africa - Young Enterprise Initiative (YEI) South Africa</p>					

### 7.3. IDC

[About Government Incentives](#)

<http://www.investmentincentives.co.za/>

**APPLICATION PROCESS** is outlined in the link above with the following links:

[Guide to investing in South Africa](#)

[Incentives for Capital Expenditure](#)

[Competitive Advantage incentives](#)[Incentives for Specific industries](#)

[Local & Provincial Govts](#)

[Research & Development Incentives](#)

**SECTOR: Strategic Business Units work in three distinct areas: the services sector; within the mining and manufacturing sector; and in the agro-processing and new industries environment**

Africa Unit	Agro-processing and Agriculture	Automotive and Transport Equipment	Basic Metal and Mining
Basic and Speciality Chemicals	Chemical Products and Pharmaceuticals	Heavy Manufacturing	Industrial Infrastructure
Light Manufacturing and Tourism	Machinery and Capital Equipment	Media and Motion Pictures	New Industries
Textiles and Clothing			

### FUNDING INSTRUMENTS

Funding Instrument	Comment
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<a href="#">Gro-E Youth Scheme</a>	
<a href="#">Manufacturing Competitiveness Enhancement Programme (MCEP)</a>	
<a href="#">AFD Green Energy Fund</a>	
<a href="#">Youth Pipeline Development Programme</a>	
<a href="#">Agro Processing Competitiveness Fund (APCF)</a>	
<a href="#">EIB SME and MIDCAPS Fund</a>	
<a href="#">Clothing and Textiles Competitiveness Programme (CTCP)</a>	
<a href="#">Technology Venture Capital Fund</a>	

### Other Funding Schemes

- [Clothing, Textiles, Leather and Footwear Competitiveness Scheme](#)
- Pro-Forestry Scheme

### EU RELEVANCE

Co-funding required	YES	EU allowed	participation	YES	IP Ownership	RSA
Opportunities						
Constraints						
Existing collaboration	EU					

### 7.4. SPII

### APPLICATION PROCESS

[http://www.spii.co.za/application\\_process.html](http://www.spii.co.za/application_process.html)

### SECTOR

Advanced Manufacturing	Mining	Health	ICT
Industrial Biotechnology	Agriculture	Energy	

## FUNDING INSTRUMENTS

Funding Instrument	Comment
The product process development scheme	
The Partnership Scheme	
The matching scheme	

### The product process development scheme:

Applicants	Scheme limit	0% – 25% BEE ownership	25.1% – 50% BEE ownership OR >50% ownership by women/people with disabilities	>50% BEE ownership
Provides financial assistance to small, very small and micro-enterprises and individuals in the form of a non-repayable grant.	R2 million (maximum grant)	50% of 'qualifying' costs incurred	75% of 'qualifying' costs incurred	85% of 'qualifying' costs incurred
A percentage of 'qualifying' costs incurred in the pre-competitive development activities associated with a specific project.				

### The matching scheme:

Applicants	Scheme limit	0% – 25% BEE ownership	25.1% – 50% BEE ownership OR >50% ownership by women/people with disabilities	>50% BEE ownership
A percentage of 'qualifying' costs incurred in the development activities of a specified development project.	R 5 million (maximum grant)	50% of 'qualifying' costs incurred	65% of 'qualifying' costs incurred	75% of 'qualifying' costs incurred

### The Partnership Scheme

Applicants	Scheme limit	0% – 25% BEE ownership	25.1% – 50% BEE ownership OR >50% ownership by women/people with disabilities	>50% BEE ownership
The levy-based grant is based on a percentage of sales over a fixed number of years.  The levy percentage and repayment period are established at the time of the grant.	R 10 million (minimum contribution)	50% of 'qualifying' costs incurred	50% of 'qualifying' costs incurred	50% of 'qualifying' costs incurred

The qualifying costs in SPII are as follows:



- Personnel Related Costs;
- Travel Expenses (defined maximum);
- Direct Material;
- Capital Items and Tooling (pro rata);
- Software (not general software);
- Documentation;
- Testing and Trials;
- Licensing Costs;
- Quality Assurance and Certification;
- Patent Costs; and
- Subcontracting and Consulting.
- The following are non qualifying costs:
  - Production and commercialisation related;
  - Marketing and administrative costs;
  - Product/process development for a single client;
  - Basic and applied research;
  - Projects which, at the time of application, are more than 50% (70% for PPD) complete; and
  - All costs incurred prior to submitting a duly completed application.

## EU RELEVANCE

<b>Co-funding required</b>	YES	<b>EU participation allowed</b>	YES	<b>IP Ownership</b>	RSA
<b>Opportunities</b>					
<b>Constraints</b>					
<b>Existing EU collaboration</b>					

## 7.5. MRC

## APPLICATION PROCESS

<http://innovation.mrc.ac.za/>

## SECTOR

Advanced Manufacturing	Mining	Health	ICT
Industrial Biotechnology	Agriculture	Energy	

## FUNDING INSTRUMENTS

Funding Instrument	Comment

## 7.6. WRC

## APPLICATION PROCESS

<http://www.wrc.org.za/Pages/Research.aspx>

## SECTOR

Advanced Manufacturing	Mining	Health	ICT
Industrial Biotechnology	Agriculture	Energy	

## FUNDING INSTRUMENTS

Funding Instrument	Comment