

# Export Competitiveness Enhancement Programme (ECEP) Fund 2023

Call for proposals

May 2023

# 1. Purpose and scope

The Department of Economic Development and Tourism (DEDAT) requests individual companies and intermediaries currently assisting businesses that are exporting or export-ready but are facing technical challenges to access international markets to apply for financial assistance and support via Export Competitiveness Enhancement Programme (ECEP).

The programme aims to support businesses that are export-ready or working towards export readiness are prepared to meet international market requirements. The focus of the programme will be on developing and investing in the capacity of businesses to unlock export opportunities. The businesses will be developed through a structured process (business turnaround or business improvement) to ensure the business can move up the value chain. The programme focuses on improving the entrepreneur's skills and the business's competitive position (scale and efficiency). This will improve the business's competency and strategic management of the business. It will also position the business to expand into current markets as well as new market opportunities.

The Export Competitiveness Enhancement Programme (ECEP) Fund 2023 will provide support to businesses and organisations that implement programmes and projects that provide holistic support to their export initiatives. The Export Competitiveness Enhancement Programme (ECEP) is a support programme to develop and equip businesses to allow them to export effectively. Interventions target specific businesses and provide support mechanisms aimed at improving the capability, competitiveness, productivity, and export growth of these businesses. The Fund will provide support the following activities:

- Product reformulation and refinement.
- International packaging, labelling, and printing requirements.
- International product certification and standards for international market access.
- Product registration with relevant international bodies in export markets
- International nutritional analysis
- Specialised shipping requirements

A total of R5 million is available for disbursement to successful applicants.

All project components which will be funded by DEDAT must be completed by end March 2024.

# 2. Categories

- 2.1 Priority will be given to companies operating in the following industries with high export potential identified in the Western Cape economy, such as:
  - 1. Food manufacturing.
  - 2. Beverage manufacturing.
  - 3. Manufacturing of jewellery.
  - 4. Manufacture of other transport equipment.
  - 5. Manufacture of computer, electronic and optical products.
  - 6. Manufacture of rubber and plastic products.
  - 7. Manufacture of machinery and equipment.
  - 8. Manufacture of wearing apparel.
- 2.2 The financial support provided will be capped at R200 000.00 per company and per intervention. It is envisaged that each participating business will set aside a maximum of seven (7) months for the complete implementation of the identified interventions. The planned intervention intends to develop successful exporters meeting client needs in a professional manner.

### 3. Qualifying Criteria

Qualifying businesses and intermediaries/organisation must meet the minimum requirements listed below and **compulsory documents must be submitted** as part of the application process.

3.1 The business or intermediary/organisation must be a formally registered or incorporated legal entity within the Republic of South Africa and should have been trading for more than three (3) years. Business registration documents or documents of incorporation (NPO/NPC Registration Certificate, Partnership Agreements, Sole Proprietor Tax Certificate) clearly identifying the Director (s) of the company or intermediary must be submitted. Copies of the Identify Documents of the Directors should be included.

- 3.2 The business to be supported must have an export permit as well as:
  - 3.2.1 A proven track record of exporting; or
  - 3.2.2 A off-take agreement to export
- 3.3 The company must have obtained an unqualified audit opinion during the latest financial year period and audited financial statement for the last financial year must be submitted (the guidelines in the Companies Act will be strictly applied);
- 3.4 The business or intermediary/organisation must be tax compliant at the time of application. A valid tax compliant verification report ("TCS")/ tax clearance certificate that is not older than thirty (30) business days must be provided at the date of application as well as at the time of signing an agreement.
- 3.5 The business or intermediary/organisation must demonstrate that it provides match-funding for the requested amount or more for the specific intervention. A signed letter by the Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) or similar executive authority confirming the value of own funding committed for the implementation of the proposed intervention must be submitted.
- 3.6 The intermediary/organisation can be based in South Africa; however, the beneficiary businesses must be based in the Western Cape.
- 3.7 The applying business must be based within the geographic boundary of the Western Cape even if the main office is based in another province.
- 3.8 A valid B-BBEE certificate or B-BBEE Exempt Micro Enterprise sworn affidavit must be submitted.

### 4. Exclusions

The following costs will not be considered for support from the Export Competitiveness Enhancement Programme (ECEP):

- i) Operational and Working Capital.
- ii) Contributing to production costs or purchase of stock.
- iii) Building any kind of infrastructure.

# 5. Obligations of The Beneficiary

5.1 The Department will exercise a strict and robust approach to monitor the funds transferred to successful companies or intermediaries/organisations. The following will be required from the beneficiaries:

- 5.1.1 The beneficiary must create a separate bank account for Departmental Funds (only Departmental funds will be reflected in this bank account) or create a separate cost centre within their Financial Accounting System or provide a formal (on a letterhead) expenditure report/ management account signed by the Financial Accountant/ Bookkeeper.
- 5.1.2 Provide the Department with a signed expenditure report (signed by CHIEF Executive Officer (CEO)/Chief Financial Officer (CFO) together with the bank statement and source documents for all transactions as per the timelines agreed to in the signed agreement.
- 5.1.3 Regular project activity reports will be required based on key milestone achievements.
- 5.1.4 Grant the Department of Economic Development and Tourism (DEDAT) access to conduct physical site inspections.
- 5.1.5 The Department will enter into an agreement with the beneficiary to outline the terms and conditions.

# 6. Application process

Please follow the guidance and information provided below:

- 6.1 The application process is two-fold and entails (i) the completion of the required online information and (ii) the uploading of the required supporting documents.
- 6.2 Only applications submitted via the online process, before the closing date and time, will be considered. No emailed or hand-delivered applications will be considered.
- 6.3 The online system will automatically close for submission of applications at the closing time and date.
- 6.4 Completion of the online form is mandatory.
- 6.5 All documents requested in section 3 of this Call for Proposals are compulsory and must be submitted to complete your application. Please ensure that all documents submitted are legible. The application cannot be considered when documents are illegible, damaged, or corrupted.

- 6.6 The Department is unable to notify applicants of the correctness and completeness of the requisite information and documents submitted, nor can it request additional information. The onus is on the applicant to ensure that all the required information and the correct documents are timeously submitted.
- 6.7 The closing date for applications is **Friday**, **30 June 2023 at midday**. Submitting your application as early as possible is advisable as no late applications can be considered.

Enquiries can be directed to Mr. Goodwell Dingaan at <u>Goodwell.Dingaan@western-</u>cape.gov.za/021-483-9315.

# Annexure A: Template for the preparation of project proposals

Please use the below structure when preparing your submission. Where annexures are attached (e.g., timelines, budgets, cash flows) please clearly indicate this and number these. Failure to comply with the proposal template may result in your application not being considered.

Please note that the project proposal and all supporting documents must be uploaded to a folder when making the online submission. Document uploads must be completed by the time of the submission deadline as specified in this document.

### 1. COMPANY PROFILE (no more than two page)

The company profile must contain the following information:

- Date of establishment
- Core activities/mandate of the organisation
- Number of employees
- Experience implementing similar projects (Applies only to intermediaries/organisations)

## 2. DESCRIPTION OF THE PROJECT (no more than two pages)

Describe the project and highlight the key elements thereof:

- Describe the appropriate area of support for which funding is being applied for.
- What does the initiative seek to achieve?
- Who are the partners involved and what role will they play in the project?
- Describe the level of planning conducted to date e.g., market research, feasibility studies, business plans, impact assessments, etc. (Please attach any documents in support of your application).
- Describe any market trends that the initiative responds to.
- What are the project timelines?
- How will the funding be used?
- Describe the nature of the matching funding in place.
- What key activities will be undertaken to ensure the success of the project?
- Does the project require any statutory approvals before implementation can commence?
  Please describe these.

### 7 PROJECT IMPACT (no more than two pages)

- Has any market research been conducted? Please describe the findings.
- In the case of product development support initiatives, what markets or market trends



does the initiative respond to?

- Who are the beneficiaries of this project?
- How many jobs have been created since the inception of the initiative? Or how many will be created if a new project?
- How many beneficiaries will be supported through the intervention?
- Indicate how these jobs will be created/sustained.

### 8 MONITORING AND EVALUATION PLAN

- How will the project be monitored (meetings, site visits, financials etc)?
- What measurement metrics will be used? How will you determine that the project is on track? Key milestones should be noted.

### 9 IMPLEMENTATION PLAN WITH TIMELINES (Annexure)

• Provide a project implementation plan detailing all project activities.

# 10 CASH FLOW (Annexure)

Provide an activity-based cash flow detailing all activities (items) that will be funded by the
 Department through the fund.

# 11 DETAILED BUDGET BREAKDOWN (Annexure)

- Provide a project budget which clearly shows own funding, Export Competitiveness Enhancement Fund funding, funding from other organisations as well as other contributions.
- Has any market research been conducted? Please describe the findings.