



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



QUICK GUIDE TO THE APPLICATION PROCESS: COMPETITIVENESS IMPROVEMENT PROGRAMME (CIP)

VERSION 2



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IMPORTANT MATTERS TO NOTE

1. The **Quick Guide** to the CIP is meant to serve as a simplified, quick reference to some of the key requirements of the programme and is not intended to replace the current Programme Guidelines of the CIP, which refer.
2. An **8-stage process flow** from enquiry to claim processing has been included in the Quick Guide to provide a simplified overview of the programme's processes or stages. Certain documentation checklists also indicate what documentation is required at the different stages.
3. The application will be regarded as incomplete if the required documents are outstanding. The date of application will be regarded as the date of receipt of all required documents.
4. A **revised checklist** for the required documentation at the **enquiry** and **application stages (Stage 1 & 2)** has been included.
5. FICA is **valid for two years on condition that the IDC receives an affidavit from the cluster within 12 months of the last FICA approval confirming that there are no FICA changes. For lapsed FICA, clusters shall be required to submit new documents.** It is the cluster's responsibility to keep the IDC up to date in terms of any changes in FICA.
6. The CTCP website (www.ctcp.co.za) will have the latest versions of the CIP Quick Guide and Guidelines – please ensure you are working from the latest versions when preparing your CIP application or claim.
7. **The CTCP desk will only disclose information pertaining to an application or claim to the applicant directly, unless otherwise authorised in writing.**



CIP PROCESS FLOW DIAGRAM

STAGE	PROCESS	OUTCOMES
1	Enquiry	Enquiry received and logged, as per current CIP Guidelines and this Quick Guide (see www.ctcp.co.za).
2	Application	Completed written, <i>original</i> application shall be sent to the IDC records department - copies of applications and emails cannot be accepted. We shall require all FICA and other compliance documentation to be submitted with your application or it shall be considered incomplete and may thus be rejected. The IDC shall acknowledge receipt of your application within 2 working days
3	Basic Assessment	The IDC CTCP Desk will appoint an Account Manager and / or Consultant who will assess your application within 5 working days.
4	Due Diligence	The Account Manager and / or appointed consultant shall communicate in advance how the Due Diligence shall be undertaken and shall then evaluate the applicants business and programme 'on site' against the Programme Guidelines. Documentation requirements and environmental, labour or other audit requirements shall be confirmed.
5	Report Writing	The Account Manager and / or appointed consultant shall confirm the expected application process timeline with the applicant and compile a report for consideration by the Projects Approval Panel (PAP).
6	Panel Decision:	The PAP shall consider the application and the applicant will be advised by the relevant Account Manager of the outcome within 2 working days of the PAP meeting. The application may be: <ul style="list-style-type: none"> • Approved (possibly with conditions), • Declined, or • The applicant may be asked to resubmit a modified proposal.
7	Legal Agreements	The IDC shall compile legal documents which shall be sent to the client. Signed original legal documents including other required documentation are to be returned to the IDC within 7 working days. The IDC shall sign and return legal documentation. Once the CTCP Desk has confirmed all Conditions Precedent have been met, the applicant may submit a Claim Form to the Programme Manager.
8	Claim Processing	Please send your completed IDC Claim Form to the Programme Manager, Mr Joy Balepile. Your Post Investment Account Manager shall correspond with you on any additional supporting documentation that is to be submitted, as described in the current CIP Guidelines and as detailed herein.



Enquiry and Application Documentation Checklist (STAGE 1 & 2)

If you answer "No" to any of the questions which follow, please provide supporting comments in the space provided with tables 1 and 2 on the next page.

	YES	NO
1. Complete FICA, bank and registration documentation for the cluster Non Profit Company (NPC), as per tables 1 and 2, which follow hereafter.	<input type="checkbox"/>	<input type="checkbox"/>
2. Valid Tax Clearance Certificates for cluster and all participating cluster members.	<input type="checkbox"/>	<input type="checkbox"/>
3. Valid Confirmation of Bargaining Council Compliance for all participating cluster members (where applicable) or a letter from the Department of Labour indicating that the members are compliant with all labour regulations.	<input type="checkbox"/>	<input type="checkbox"/>
4. Constitutional Documents of all participating cluster members	<input type="checkbox"/>	<input type="checkbox"/>
5. A Memorandum Of Agreement (MOA) between each cluster member and the cluster NPC detailing their roles, rights and obligations	<input type="checkbox"/>	<input type="checkbox"/>
6. Proof of compliance to Environmental Regulations for all participating Cluster members, where applicable.	<input type="checkbox"/>	<input type="checkbox"/>
7. Audited Financial Statements (AFS) dated within 6 months after the financial year end of the cluster and all participating cluster members. These should be certified copies of originals or original documents. Although AFS are not statutory requirements for CC's, the dti requires financial statements to be audited by an independent auditor for this programme.	<input type="checkbox"/>	<input type="checkbox"/>
8. Latest management accounts (which are not older than 3 months) for the cluster and all participating cluster members at payment stage.	<input type="checkbox"/>	<input type="checkbox"/>
9. Completed Monitoring and Evaluation Forms (see Forms 3 and 4 on website) for all participating cluster members as well as operational and financial benchmarking results of all participating members prior to intervention.	<input type="checkbox"/>	<input type="checkbox"/>
10. Employment Statistics and / or Employment Equity Plan as submitted to the Department of Labour (EEA2 forms) for all participating cluster members	<input type="checkbox"/>	<input type="checkbox"/>
11. Brief Business Profile: Outlining cluster background and history; describing the cluster objectives, goals and strategy; cluster, management and governance structures; clearly defined base and phased projection of targeted measures; indicators and planned outcomes per phase based on benchmarking; undertaken prior to intervention which shall be measured throughout the project and detailed Milestone activities, projected outcomes and budget for the full period of the project- see CIP guidelines for details.	<input type="checkbox"/>	<input type="checkbox"/>



TYPICAL WORLD CLASS MANUFACTURING (WCM) MEASURES

FINANCIAL INDICATORS	
Indicator	Measure
Turnover	Annual company turnover in Rand value
Value added	Value added in Rand value
Number of employees	Number of employees at (choose a particular date for all)
Cost of sales breakdown	COS contribution divided into overheads, material, and labour
Operating Profit	Profit from operations
Capital investments	Capital investment as a % of sales Return on investments (ROI)
OPERATIONAL INDICATORS	
Market drivers	Operational performance measures
Cost control	Total inventory holding Raw materials inventory holding Work in progress inventory holding Finished goods inventory holding
Quality	Customer return rates Internal rework rates Return rates to suppliers
Value chain flexibility	Customer lead times ex-production Manufacturing throughput times Production downtime due to machine, line, style or quality change over (or merges)
Value chain reliability	On time and in full delivery to customers - Delivery reliability on in-full delivery to customers Downtime due to machine breakdowns Downtime due to materials and people unavailability
Human resource development	Training spend as % remuneration Absenteeism rates Labour turnover rates

COMMENTS

PLEASE NOTE THAT: THE LATEST CIP GUIDELINES AS PUBLISHED ON OUR WEBSITE (WWW.CTCP.CO.ZA) REFER – THIS DOCUMENT SUPPLEMENTS, BUT DOES NOT REPLACE OR SUPERSEDE THAT DOCUMENT. WE ARE UNABLE TO PROCEED WITH YOUR APPLICATION UNLESS ALL REQUIRED DOCUMENTATION IS PROVIDED TO THE IDC AS OUTLINED IN THE SCHEDULE ABOVE. YOUR PROVIDING APPROPRIATE PROOF OF BARGAINING COUNCIL, TAX, FICA AND OTHER COMPLIANCE WILL BE REQUIRED PRIOR TO YOUR APPLICATION BEING CONSIDERED.



**TABLE 1: DOCUMENTATION REQUIRED AT APPLICATION
FOR CLUSTER & MEMBERS**

REQUIREMENTS PER CLUSTER TYPE		Cluster NPC	Each Participating Member (PM)					Each Non Participating Member (NPM)
			PM 1	PM 2	PM 3	PM 4	PM 5	
ALL CLUSTERS	<i>FICA of Cluster NPC (see table 2 for details)</i>		n/a	n/a	n/a	n/a	n/a	n/a
	<i>Tax Clearance Certificate</i>							n/a
	Bargaining Council Compliance							n/a
	Constitutional Incorporation documents							n/a
	Formation of NPC & opening bank account		n/a	n/a	n/a	n/a	n/a	n/a
	MOA between Cluster NPC & all Participating Members							
NATIONAL / SUBNATIONAL	Letter from the dti confirming support of concept		n/a	n/a	n/a	n/a	n/a	n/a
	MOA between National and Subnational Clusters		n/a	n/a	n/a	n/a	n/a	n/a

Notes:



TABLE 2: FICA CHECKLIST

The table below list the documents required by the IDC for FICA purposes for a section 21 cluster organisation. Please contact the CTCP desk for clarification. PLEASE NOTE THAT FICA NEEDS TO BE COMPLETED AT APPLICATION STAGE.

Kindly note: The IDC only accepts original documents or originally certified copies of documents.

For 'KYC' (Know Your Client) purposes, certified documents should meet the following requirements:

- The document must contain the Commissioner of Oaths' or Notary Public's:
 - Full name/s and surname;
 - Designations; and
 - Physical address
- The IDC only accepts originally certified copies of documents, duly stamped and signed. The IDC does not accept hand written certification
- The Commissioner of Oaths' or Notary Public should record on the copy that it is "certified copy of the original".
- Copies of certified documents and copies of faxed documents are not acceptable.
- A certified copy of a previously certified copy of a document will not be acceptable.
- The IDC only accepts utility bills that are not older than three months.
- Tax Clearance Certificates or any other SARS-generated document cannot be older than 12 months.
- Utility bills, Company Letterheads and affidavits must show the physical address of the person or the Company, and not the PO Box address.

Section 21 Company Information

Document to verify information	Attached
Constitutional Documents - CM1, CM22 and CM9 (if applicable) In respect of companies registered on or after 1 May 2011 – Form CoR 14.1 and Form CoR 14.3	
Proof of physical address of the Company by way of a Signed Company Letterhead, a utility bill or an affidavit.	
Tax Clearance Certificate (a document issued by SARS including Income Tax and VAT numbers) when applying. If this document is still valid at the time when FICA must be done, it shall be accepted. If the Tax Clearance Certificate has expired, submit either a new Tax Clearance Certificate or a SARS document verifying tax numbers.	
ID document of the Company Representative.	
Proof of physical address of the Company Representative, by way of a utility bill, or an affidavit.	
Resolution signed by all the Directors or certified a true extract of the minutes of the meeting held by the Board of Directors which is signed by the Company Secretary, or an affidavit confirming authority to act on behalf of the Company.	