



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

PROGRAMME GUIDELINES

TECHNOLOGY AND HUMAN RESOURCES FOR INDUSTRY PROGRAMME (THRIP)

Programme Manager: THRIP

Industrial Financing Branch (IFB)
Department of Trade, Industry and Competition
Private Bag X 84
PRETORIA, 0001
SOUTH AFRICA

Website: www.thedtic.gov.za

Call Centre: 00861 843 884

the dtic Campus
77 Meintjies Street
SUNNYSIDE
PRETORIA, 0002
SOUTH AFRICA

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List of Acronyms

B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
HEI	Higher Education Institution
IPR	Intellectual Property Right
PoE	Proof of Expenditure
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
SET	Science, Engineering and Technology
SETI	Science, Engineering and Technology Institution
SMME	Small, Medium & Micro Enterprise
SIC	Standard Industrial Classification
the dtic	The Department of Trade, Industry and Competition
THRIP	Technology and Human Resources for Industry Programme

THRIP Guidelines

1 Preamble

- 1.1 The purpose of this document is to provide the guidelines for the Technology and Human Resources for Industry Programme (THRIP).
- 1.2 The guidelines set out in this document are intended to enable enterprises to present their applications to **the dtic**, and provide a framework for **the dtic** to evaluate such applications and claims.
- 1.3 These guidelines may be amended from time to time, as deemed necessary, by **the dtic**. These amendments will be published on **the dtic** website and will be of effect on the date of publication.
- 1.4 Where the guidelines lend themselves to varying interpretations or do not deal with a specific subject matter, the interpretation of **the dtic** must be requested and such interpretation will be decisive and final subject to the decision review process as set out in section 13 of the guidelines.
- 1.5 Approval of applications will be subject to the availability of funds, compliance with the incentive guidelines and relevant provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

2. Services Delivered by the dtic

- 2.1 No fees or charges are levied by **the dtic** for the processing or evaluation of any THRIP applications or claims.
- 2.2 Applicants are welcome to contact **the dtic** directly and **the dtic** officials will provide guidance in order to complete compliant application or claim forms.
- 2.3 **the dtic** will not be accountable for any service delivered or failure thereto, by any other person or consultant who facilitates the application or claim forms on behalf of the enterprise.

3. Programme Description

- 3.1 The Technology and Human Resources for Industry Programme (THRIP) is intended to leverage collaborative partnerships between government and industry (working with academia), for applied research and development projects in science, engineering and technology on a cost-sharing basis, to produce highly skilled human resources and technology solutions, for improved industry and enterprise competitiveness.
- 3.2 The objective of the programme is to develop new technologies for industry application and subsequent industrialisation and commercialisation, through applied research and development. The objective will be achieved by implementing amongst others:
- 3.2.1 Improved knowledge exchange and technology transfer through increased interaction and mobility among researchers in Higher Education Institutions (HEIs) and Science, Engineering and Technology Institutions (SETIs) as well as technology personnel, in South African industries;
 - 3.2.2 An increase in investment by industry and government, in applied research and technology development; and
 - 3.2.3 Technology transfer and product or process improvement or development, through applied research collaboration between enterprises (large and small), HEIs and SETIs.
- 3.3 The incentive is awarded for the following:
- 3.3.1 Applied research and innovation projects as defined in Section 5 below.
- 3.4 In pursuing its objectives, THRIP will prioritise the following:
- 3.4.1 Support for projects within the priority sectors for development as identified by **the dtic** and aligned with master plans where new technology innovations will increase local content supply and employment;
 - 3.4.2 Achieving transformation with respect to beneficiaries from THRIP, specifically in terms of:
 - 3.4.2.1 Nationality and race of students; and/or;
 - 3.4.2.2 Previously disadvantaged higher education institutions; and
 - 3.4.2.3 Strengthening participation of Black-owned enterprises.

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3.4.3 Improving the prospects for industrialisation and commercialisation beyond the THRIP approved projects.

3.4.4 Strengthening participation of SMMEs in new technology innovations.

4. Mandatory Conditions

4.1 The applicant must:

4.1.1 Be a registered legal entity in South Africa in terms of any of the following legislation:

4.1.1.1 The Companies Act, 2008 (Act No. 71 of 2008) as amended; or

4.1.1.2 The Close Corporations Act, 1984 (Act No. 69 of 1984) as amended; or

4.1.1.3 The Co-operatives Act, 2005 (Act No. 14 of 2005) as amended; or

4.1.1.4 The Non-Profit Organisation Act, 1997 (Act 71 of 1997) as amended.

4.1.2 Have entered into a partnership agreement with at least one partner which should be one of the following South African Research Institutions:

4.1.2.1 South African Public Higher Education Institution (private HEIs are excluded);

4.1.2.2 Science, Engineering and Technology Institutions (SETI); or

4.1.2.3 A National Research Facility.

4.1.3 Have a partnership agreement equal to or longer than the period of the THRIP project and remain valid for the entire duration of the THRIP project. In cases where a National Research Facility is the main partner, the arrangement for student bursaries must be clearly stated in the partnership agreement.

4.1.4 Be cognisant that THRIP provides hundred percent (100%) bursaries to qualifying South African students at Honours/BTech and postgraduate level (Masters or Doctor of Philosophy, i.e. PhD or Doctorate), in compliance with section 3.1 and 3.2.

4.1.5 Ensure that at least fifty percent (50%) of the students participating in a THRIP project are Black South African citizens at each milestone claim and for the duration of the project.

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- 4.1.6 Maintain the configuration and the number of students approved in terms of level of study, for the duration of the project. However, the applicant can replace a student with a student at a higher qualification level provided they can prove that they are unable to source a student at the approved qualification levels. Any such change request must be done with the approved budget and the resulting changes cannot exceed 50 % of the number of students approved in year 1 of the project.
- 4.1.7 Possess a research leader that has the appropriate postgraduate qualification(s), e.g. a PhD, to supervise Masters' students, and have experience to lead the project, and supervise students up to postgraduate level.
- 4.1.8 Submit a valid B-BBEE certificate of compliance, as per the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) (B-BBEE Act), as amended and a valid tax clearance certificate and pin code.
- 4.1.9 Be a registered legal entity which has been in operation for at least one financial year and be able to indicate how the THRIP outputs will benefit the entity during and beyond the THRIP project duration.

5. Nature of Qualifying Projects

- 5.1 All projects must meet all criteria stated below in order to qualify for financial support from THRIP:
 - 5.1.1. The project must have clearly defined scientific and technology outputs, including human resource outputs, expected for each year of support; and
 - 5.1.2. The project must demonstrate all the following:
 - 5.1.2.1 Causality [demonstrable output(s) and outcome(s)];
 - 5.1.2.2 Implementation plan (the way in which the output or outcomes will be used by the applicant);
 - 5.1.2.3 Alignment with **the dtic** priorities of funding in paragraph 3.4.
- 5.2. The project must be applied research of which the output/s will directly benefit the applying entity in its competitiveness and business activities (no basic research will be considered).
- 5.3. The project application must clearly demonstrate the degree of innovation (new solution/product and/or improved solution/product) and level of technology readiness.

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- 5.4 A declaration must be submitted by the applicant confirming that the project was initiated by the applicant.

6. Funding Criteria

- 6.1 THRIP is a cost-sharing grant of up to **five million Rand (R5 million)** per annum for a maximum period of three (3) years for approved projects engaged in applied research and development in science, engineering and/or technology.
- 6.2 THRIP funds will be disbursed through pre-payment based claims for agreed milestones between **the dtic** and the applicant, over a maximum of three (3) years cycle (funding cycle).
- 6.2.1 The first disbursement may not exceed the thresholds outlined in paragraph 10.1;
- 6.2.2 The second and subsequent payment(s) will be subject to the satisfactory progress on the previous milestone outputs, and the use of funds as per the *approved* expenditure/cost plan, activities and deliverables;
- 6.2.3 The applicant will be allowed a 10% spending deficit variance of the total milestone budget for any milestone activity cost. Such deficit or portions thereof, must be offset in the ensuing milestone claim with the proviso that all actual expenditures are for previously approved activity costs.
- 6.2.4 Applicants are required to submit a complete and satisfactory annual report, specifically addressing the deliverables as indicated in the approved work-plan and budget;
- 6.2.5. Applicants are required to provide written assurance of the effectiveness and efficiency of their financial systems and internal controls by the designated company official or Chief Financial Officer in alignment with the PFMA section 38 (1) (j) requirement.
- 6.2.6 Applicants are required to submit proof of expenditure, own contributions and payment for all approved activities and costs, at each milestone claim.

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6.3 Projects will be funded according to the following funding formula¹:

APPLICANT(s)	CONTRIBUTION		
	THRIP	Large Enterprise	Small, Medium & Micro Enterprise
Large company(ies) or Registered Industry Association (IA)	50%	50%	-
SMMEs ²	75%	-	25%
SMMEs with level two (2) B-BBEE contributor status	80%	-	20%
SMMEs with level one (1) B-BBEE contributor status	90%	-	10%
Applicant partnering with a previously disadvantaged Black University as the main partner	90%		10%

NB. Where the B-BBEE level has regressed at claim stage, the above contribution levels will be amended accordingly before payment of that particular claim. The B-BBEE level at approval stage will endure for the duration of the project.

6.4 Funding is limited to a maximum of two (2) active concurrent projects per legal entity and or its principals.

6.5 If the THRIP project includes on average 60% or more Black and/or South African woman and/or South African youth and/or South African students with disabilities, over the duration of the project, **six thousand Rand (R 6 000)** per month per student actively involved in the THRIP project, can be claimed by the applicant entity. These amounts must be applied towards activities focused on technology prototyping,

¹ The grant % will be recalculated at claim stage if the BBBBE level regresses

² Please refer to Annexure B for a categorization of SMME's

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industrialisation and/or commercialisation planning or execution costs, to transition the THRIP outputs, into commercially viable innovations.

6.6 Graduates Placements

6.6.1 The placement of SET graduates in companies approved for THRIP funding will be limited to two (2) for the duration of the project up to a maximum of two (2) years, to work on the research or technology development projects within the entities or partnering research institutions in order to gain first hand relevant industrial experience.

6.6.2 These graduates should have a science, engineering or technology qualification aligned to the project.

7. Intellectual Property Rights (IPR) Funding

7.1 THRIP provides support of a once-off maximum grant of **fifty thousand Rand (R 50 000)** per project for the cost of legal advice on the development of an agreement on the treatment of intellectual property (IP) to approved SMME's.

7.2 The ownership and exploitation of intellectual property arising from a THRIP project must be regulated by the Intellectual Property Rights from Public Financed Research and Development Act, 2008 (Act No. 51 of 2008).

7.3 Intellectual Property Rights (IPR): IPR for the project must comply with project relevant provisions of the National Intellectual Property Management Office (NIPMO) and project relevant laws such as the Copyright Act, 1978 (Act No. 98 of 1978), the Designs Act, 1993 (Act No. 195 of 1993), the Intellectual Property Laws Amendment Act 2013, the Intellectual Property Laws Rationalisation Act, 1996 (Act No, 107 of 1996) and Intellectual Property Rights from Public Financed Research and Development Act, 2008 as referred to in Section 7.2 above.

7.4 The responsibility resides with the industry applicant to negotiate the commercial terms related to the THRIP project outputs with the relevant HEIs, to ensure equitable share of commercial benefits, post the THRIP project.

8. Qualifying Costs

8.1 Research and Development Personnel

8.1.1 Remuneration for the research leader, research assistants and post-doctoral fellow (non-bursary holders) at the HEI or SETI should not exceed twenty percent (20%) of the THRIP approved budget and it must be in accordance with the HR policies of the Institution.

8.1.2 The graduate (as defined in 6.6) shall be paid a cost sharing monthly stipend of **six thousand Rand (R6 000)** for NDip graduates, **eight thousand Rand (R8 000)** for BTech or BSc graduates, **ten thousand Rand (R10 000)** for fourth year BSc Engineering or BSc Honours graduates, **twelve thousand Rand (R12 000)** for MTech or MEng or MSc graduates and **fifteen thousand Rand (R15 000)** for DTech or PhD graduates. The THRIP contribution will be cost shared based on the amounts stated above, the approved relative funding contributions stated in paragraph 6.3 and based on a valid agreement outlining the roles and responsibilities between the parties.

8.2 Machinery and Equipment

8.2.1 A machinery and equipment management plan must be developed for all machinery and equipment valued at **five hundred thousand Rand (R500 000)** or more and submitted with the application indicating the installation location, terms of use, maintenance and ownership provisions.

8.3 Materials and consumables directly used in the approved project activities.

8.4 Local travel (including accommodation limited to government rates) up to a maximum of **thirty thousand Rand (R30 000)** per annum, where such travel costs are directly associated to the project outputs. The flight travel is limited to economy class.

8.5 THRIP will contribute non-cost sharing, hundred percent (100%) bursary grant amounts as follows:

8.5.1 For South African PhD students participating in the THRIP project, a **maximum of two hundred thousand Rand (R200 000)** per student for the total course. THRIP contribution may not exceed the total PhD cost at the HEI.

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- 8.5.2 For South African Masters students participating in the THRIP project, a maximum of **one hundred and fifty thousand Rand (R150 000)** per student for the total course.. THRIP contribution may not exceed the total Masters cost at the HEI.
- 8.5.3 For South African Honours/BTech students participating in the THRIP project, a maximum of **eighty thousand Rand (R80 000)** per student for the total course. THRIP contribution may not exceed the total Honours/BTech cost at the HEI.
- 8.6 A cost shared contribution by THRIP for prototyping, industrialisation and or commercialisation costs defined in paragraph 6.5, towards planning or executing activities directly related to improving the commercial benefit of the THRIP innovation outputs. This amount will be capped at **R240 000** per annum per project and the THRIP contribution will be cost shared based on the approved relative funding contributions stated in paragraph 6.3 and based on a valid agreements outlining the roles and responsibilities between the parties.
- 8.7 Costs of litigation such as patent disputes of strategic importance in terms of industrialisation and employment creation potential in the South African economy for SMME's and Black Industrialists, against large and international enterprises relevant to the approved application, shall be capped at **one million Rand (R1 000 000)**. This support must be applied for through a separate application as and when required, and is limited to one application.
- 8.8 Costs of registration of patents (THRIP industry approved applicants) capped at **one million Rand (R1 000 000)**. Applicants are precluded from applying to any other **dtic** incentive for these costs. Such patent registration must be undertaken within the existing approved project timeline and approved funding contributions as per paragraph 6.3.

9. Non-Qualifying Costs

- 9.1 VAT- All budget items must exclude VAT;
- 9.2 Rental of facilities of the HEI or SETI;
- 9.3 Journal or Literature subscription fees;
- 9.4 Stationery and printing;
- 9.5 Professional organisation subscription fees;
- 9.6 In-kind contributions;

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- 9.7 Contributions from companies owned wholly or partly ($\geq 25\%$) by the HEI or SETI receiving the grant;
- 9.8 Services and/or products (including salary costs) provided by the project's industrial partners and their shareholders and/or employees (except through **Graduates Placements**);
- 9.9 Any cost not deemed to be linked directly to the project activities, outputs and outcomes;
- 9.10 Overhead and facility maintenance costs exceeding ten percent (10%) of the total annual THRIP project costs, and or without specified invoices and proof of payment of the individual overhead cost items;
- 9.11 Costs for international license fees and or research and development activities;
- 9.12 All activity costs not specifically approved at application stage;
- 9.13 International travelling and accommodation costs.

10. Grant Disbursement and Reporting

- 10.1 The first disbursement calculation of forty percent (40%) of the year one approved budget excludes bursaries, **the dtic** portion of the **graduates' stipend** which will be disbursed based on approval for each full academic year (for both semesters).
 - 10.1.1 The first disbursement of forty percent (40%) may include the following costs:
 - 10.1.1.1 Researchers and technical personnel remuneration;
 - 10.1.1.2 Running costs (including materials) and overheads (renting of laboratory space and equipment owned by the private sector and not by the university or a public research institution);
 - 10.1.1.3 Traveling and accommodation costs;
 - 10.1.1.4 Equipment and machinery;
 - 10.1.1.5 Costs of legal advice for SMMEs; and
 - 10.1.1.6 Installing basic project governance controls and processes for SMMEs.

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- 10.2 The expenses incurred after project approval and before signing of the funding agreement in connection with the activities listed in the THRIP grant calculator or project plan and budget breakdown, can only be paid after the submission of evidence of the said incurred expenses and invoices, have been verified by **the dtic**.
- 10.3 The approved grant amount shall not be increased for any reason whatsoever except where there has been escalation of costs and **the dtic** is notified in writing, before the submission of the first claim and if **the dtic** agreed to entertain such cost increases, in writing.
- 10.4 The funds must be used exclusively for the purpose of activities as set out in the approved THRIP grant calculator or project plan and budget breakdown.
- 10.5 Should **the dtic** reasonably conclude, after consultation with the recipient/applicant, that any portion(s) or the whole amount of the funds will not be required to finance the research or for any other reason the funds are not used or will not be used, **the dtic** may by notice to the recipient require the approved applicant to repay any portion(s) or the whole amount that the applicant received, to **the dtic**.
- 10.6 THRIP funds will be disbursed according to approved milestones and activities between **the dtic** and the applicant over a maximum of a three (3) year cycle (funding cycle).
- 10.7 The milestone payments will be subject to the satisfactory progress on the preceding milestone activities and the use of funds as per the approved expenditure or cost plan thereof.
- 10.8 Applicants are required to submit the following documents and reports as outlined in the THRIP claim check sheet available on **the dtic** website:
- 10.8.1 Satisfactory milestone progress reports, specifically addressing the deliverables as indicated in the project budget breakdown;
- 10.8.2 Proof of expenditure against the project budget breakdown, invoices, valid tax clearance certificate, company registration, certified identity documents and proof of registration of students, student accounts and graduates' placements;
- 10.8.3 Financial statements not older than twelve (12) months as prescribed by the Companies Act, 2008 (Act No. 71 of 2008);

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- 10.8.4 A project closure report upon submission of the last claim detailing the scope of post project industrialisation and commercialisation potential and benefit to the approved entity enterprise or value chain;
- 10.8.5 A valid partnership agreement, including a bursary contract with each student to indicate/commit to spending hundred percent (100%) of the approved student bursary amounts;
- 10.8.6 Other reports that may be requested by **the dtic**; and
- 10.8.7 A valid B-BBEE certificate of compliance, as per the B-BBEE Act, as amended plus valid tax clearance certificate (TCC) and pin code and written confirmation in terms of section 38(1)(j) of the PFMA .
- 10.9 Failure to submit the first claim within three (3) months after the signing of the THRIP funding agreement, will lead to cancelation of the approval.
- 10.10 In cases where the actual investment by the approved applicants in the approved THRIP activities are less than those approved for specific outputs and deliverables, these can be offset against over expenditures for other approved R&D costs incurred for that particular milestone, if such total variance is less than 10 % of the approved R&D budget for that milestone.
- 10.11 Where the total bursary receiving student number has decreased with more than 50 % from the approved total in any year, the approved entity will need to submit a declaration on the feasibility of successfully concluding the THRIP project, before consideration of subsequent claims.

11. Exclusions and Limitations

- 11.1 Payments shall be made directly into a dedicated bank account of the approved applicant only. The company details, name and addresses of the account holder, must be the same as that of the approved applicant.
- 11.2 An exception to clause 11.1 can be made for large entities in that **the dtic** can consider making payments directly to the research partner's banking account if so agreed in the funding agreement.
- 11.3 Students who are beneficiaries of other bursaries, may not benefit concurrently from the THRIP bursary or for concurrent participation in more than one THRIP project.

12. Legal Conditions

- 12.1 The following are *inter alia* considered a circumvention of THRIP guidelines, and will lead to the rejection of an application or a claim:
- 12.1.1 Manipulation of inter-company assets, products, services and processes, or any other action that, in the sole discretion of **the dtic**, can be regarded as circumvention to allow the entity, which otherwise would not have qualified, to qualify or get a higher benefit; and
- 12.1.2 Any other action that, in the sole discretion of **the dtic**, can be regarded as circumvention to allow the entity, which otherwise would not have qualified or receive a higher benefit.
- 12.1.3 Any request to consider an increase or decrease or any other variance from approved qualifying assets or costs, project schedule, project structure, composition of student levels, activity scope and or HEI partnerships, shall be submitted to the dtic for consideration and approval in writing by the dtic, prior to incurring such costs and or implementing such changes.

13. Decision Review Process

- 13.1 Any dispute relating to a decision (including the rejection of an application and/or claim and/or cancellation of an approved project) by **the dtic** may be subjected to an internal appeal.
- 13.2 An appeal must be lodged within thirty (30) days of the date of issue as set out in the notification letter.
- 13.3 An applicant (hereinafter referred to as "the appellant) who is aggrieved by any decision taken by **the dtic** is limited to one (1) appeal in respect of that decision as the same matter may not be referred back for appeal unless the matter has been referred back for further information/investigation.
- 13.4 The appeal must be accompanied by a written explanation setting out the decision appealed against and the issues to be considered and any documentary evidence upon which the appeal is based.
- 13.5 Although there is no prescribed format for the submission for an appeal, the appeal must:

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- 13.5.1 Be submitted in duplicate, if submitted physically.
- 13.5.2 Attach a letter communicating the decision appealed against.
- 13.5.3 If longer than 15 typed pages (excluding annexures), contain an executive summary of no more than two pages, be indexed and paginated.
- 13.5.4 Be signed by and provide full details of the Appellant or his/her/its representative and, in the latter instance, include proof of mandate to lodge the appeal on behalf of the applicant.
- 13.6 An appeal must be lodged with the Director: Legal Services: Industrial Financing Branch at the following email Appeals@thedtic.gov.za or hand delivered at:
- DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION
- the dtic** Campus, 77 Meintjies Street
- Block A
- Sunnyside, Pretoria, 0002
- Attention: Director: Legal Services
- INDUSTRIAL FINANCING BRANCH
- 13.7 Receipt of the appeal will be acknowledged in writing within five (5) working days of such receipt.
- 13.8 The outcome of the appeal will be communicated to the Appellant.

14. Criminal, Misleading, Dishonest and/or Irregular Activities

- 14.1 **the dtic** may, upon the commission of an actual offence or reasonable suspicion of the contravention of any applicable act or upon the initiation of an investigation or the initiation of litigation as a result of criminal, misleading, dishonest and/or irregular activities suspend payments that may be due or become due to an applicant. In such event, **the dtic** shall not be liable for any damages occasioned by the suspension of such payments or interest, pending the finalisation of any forensic investigation and any criminal proceedings brought as a result of the investigation or conclusion or final judgment of any civil proceedings which may be brought against the Applicant.

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- 14.2 In the event that a forensic investigation was initiated, the findings of such forensic investigation which confirm such criminal, misleading, dishonest and/or irregular activities shall be sufficient to allow **the dtic** to cease all payments and reclaim any payments already made, with interest.
- 14.3 **the dtic** subscribes to the principles set out in the **Prevention and Combating of Corrupt Activities Act, 2004** (Act No. 12 of 2004). Applicants are required to contact **the dtic** fraud hotline on 0800 701 701 in order to report any suspicious behaviour.
- 14.4 Responsibility rests on the applicant and/any other person that may benefit from the scheme, to disclose everything that may have an influence on the adjudication of the application or assessment of a claim. Failure to do so, may lead to rejection or suspension of an application or termination, cancellation or suspension of the approved project or rejection of a claim and the initiation of criminal prosecution and/or civil action.

15. Monitoring, Evaluation and Reporting

- 15.1 All approved applicants may be monitored to assess how THRIP is contributing towards the strategic objectives of the grant and its intended outcomes.
- 15.2 Monitoring information required from applicants, will form part of the claim forms. Upon receiving the claim forms, **the dtic** may conduct site inspections with all the approved applicants to verify the requested information.
- 15.3 In addition to the site inspection at each claim stage, **the dtic** may conduct focus group sessions, rapid appraisals and evaluation studies, as and when required. Approved applicants are required to participate in these processes in order to inform how best to improve the effectiveness and efficiency of the incentive. These processes may occur up to 3 years after the final claim and the applicant may be required to provide supporting documentation as verification of the information.

Annexure A: Glossary of Terms and Definitions

Adjudication Committee	An independent body established by the Minister/Director General to adjudicate applications under the THRIP.
Applicant	An enterprise applying for the THRIP cost-sharing grant. Note that the word applicant is used interchangeably with enterprise depending on its appropriateness.
Applied Research	Investigation of the findings of pure or basic research, to determine if they could be used to develop new products or technologies.
Asset	A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.
Broad-Based Black Economic Empowerment	A Black empowered enterprise is the one that is at least 25.1% owned and managed by black people. Ownership refers to economic interest and management refers to executive directors. Source; "Summary Document on B-BBEE" from the dtic .
Employee	Person who works a minimum of forty (40) hours a week for the same employer and are on the employer's payroll i.e. direct jobs.
Full-Time Equivalent Employment	Refers to Contract/Seasonal/Temporary Employees, 1,920 hours worked per year will be an equivalent of one full-time employee,
Employment	Total number of employees or full-time equivalent of an enterprise.
Entity or Applicant	A business registered as a legal entity in South Africa. The word entity is used here to refer to a business applying or one that has qualified for the incentives, or is claiming THRIP incentives,
Independent External Auditor or Accredited Person	In relation to a COMPANY refers to its independent external auditor registered as an auditor with the Independent Regulatory Board of Auditors (IRBA) or where the company is exempt from the audit requirement members of the following professional bodies: South African Institute of Professional Accountants (SAIPA) South African institute of chartered accountants (SAICA) Association of certified chartered accountants. I.r.o a Close Corporation refers to Practicing members of the Commercial and Financial Accountants of Southern Africa (CFA); Practicing members and Associate general Accountants of the South African Institute of Chartered Accountants (CA(SA)), Practicing member of the South African Professional Accountants and/or AGA Individual or enterprise/practice registered as an auditor with the Independent Regulator Board for Auditors (IRBA)
In-kind	Time, expertise, access to facilities, services rendered, contributions of equipment (including computer software and/or materials)
Innovation	The creation of new knowledge or the application of existing knowledge in a new area.

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Prototype	A prototype can be a widget (an object, e.g., an engine) or a model (mathematical or other, e.g, a model describing a feeding system or management system) or a process (e.g. a manufacturing process of some kind - a chemical plant) or a procedure (e.g. a procedure for analysis of a water sample, or a procedure for growing GM crops)
Research Leader	<p>Refers to a responsible person within the institution or company entrusted to lead the project as a representative of that institution or company. A company involved in a specific project shall choose a title for its representative which in turn the representative for the institution shall be bound to use the other title to avoid confusion. The applicant shall submit the titles to the dtic with the application form.</p> <p>Note: The onus rests with the applicant (company) to negotiate with the institution as to which title is preferred to be used to call its project representative which in turn the institution shall use the remaining title. The title chosen shall remain with that representative(s) for the rest of the project duration.</p>
Student or Students	The meaning of the word “student” or “students” covers those who are South African citizens. (Honours/BTech, Masters, PHD, and Doctorate) as per sections 4.1.4, 4.1.5 and section 8.5.
Scientific and Technology Outputs	Scientific outputs include papers, patents, conference notes, theses, etc. Technology outputs include patents, models, descriptions, designs or blue prints of the technology.
SETI	Refers to those parastatals that conduct science, engineering and/or technology research (science councils, government laboratories and so forth).
Technology Transfer	This is the process of innovation (creation of new knowledge or application of existing knowledge in a new area) and its transfer to the industrial partner(s) for their benefit.

Annexure B: Categorisation of SMMEs

The table below presents the criteria for categorisation of SMMEs (sourced from the Government Gazette, March 2019)

Column 1	Column 2	Column 3	Column 4
Sectors or Sub-Sectors in Accordance with the Standard Industrial Classification (SIC)	Size or Class of Enterprise	Total Full-Time Equivalent of Paid Employees	Total Annual Turnover
Agriculture	Medium	51-250	≤ 35 million
	Small	11-50	≤ 17 million
	Micro	0-10	≤ 7 million
Mining and Quarrying	Medium	51-250	≤ 210 million
	Small	11-50	≤ 50 million
	Micro	0-10	≤ 15 million
Manufacturing	Medium	51-250	≤ 170 million
	Small	11-50	≤ 50 million
	Micro	0-10	≤ 10 million
Electricity, Gas and Water	Medium	51-250	≤ 180 million
	Small	11-50	≤ 60 million
	Micro	0-10	≤ 10 million
Construction	Medium	51-250	≤ 170 million
	Small	11-50	≤ 75 million
	Micro	0-10	≤ 10 million
Retail, Motor Trade and Repair Services	Medium	51-250	≤ 80 million
	Small	11-50	≤ 25 million
	Micro	0-10	≤ 7.5 million
Wholesale	Medium	51-250	≤ 220 million
	Small	11-50	≤ 80 million
	Micro	0-10	≤ 20 million
Catering, Accommodation and other Trade	Medium	51-250	≤ 40 million
	Small	11-50	≤ 15 million
	Micro	0-10	≤ 5 million
Transport, Storage and Communications	Medium	51-250	≤ 140 million
	Small	11-50	≤ 45 million
	Micro	0-10	≤ 7.5 million
Finance and Business Services	Medium	51-250	≤ 85 million
	Small	11-50	≤ 35 million

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	Micro	0-10	≤ 7.5 million
Community, Social and Personal Services	Medium	51-250	≤ 70 million
	Small	11-50	≤ 22 million
	Micro	0-10	≤ 5 million

Approved by:

Name: _____

Signature: _____

Position: _____

Date: _____