



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

KZN CRAFTERS' HUB PROGRAMME

CALL FOR PROPOSALS GUIDELINES

JULY 2023

Department of Economic Development, Tourism and Environmental Affairs

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1. ACRONYMS USED IN THIS DOCUMENT

B-BBEE	Broad-Based Black Economic Empowerment
SMMEs	Small Medium and Micro Enterprise
NGOs	Non-Governmental Organisations
NPOs	Non-Profit Organisations
CBOs	Community Based Organisations
VAT	Value Added Tax
EDTEA	Department of Economic Development, Tourism and Environmental Affairs
KZN	KwaZulu-Natal
PDIs	Previously Disadvantaged Individuals

2. BACKGROUND

2.1 The Department of Economic Development, Tourism and Environmental Affairs (EDTEA) is legislatively mandated to champion and promote sustainable economic growth in the province of KwaZulu- Natal (KZN). The foregoing, is pursued through the formulation of economic policies, facilitation of economic empowerment programs and the implementation of effective provincial development strategies;

2.2 The intended outcomes of various interventions include the stimulation of *economic development; growth; transformation and the eradication of poverty, inequality and unemployment*. These outcomes are in-line with vision of the Department which is to: “lead the attainment of inclusive growth for job creation and economic sustenance”;

2.3 EDTEA has therefore adopted (some of its strategic goals) for the period 2020-2025 in accordance with its Strategic Plan as follows:

- Integrated economic planning and development;
- Sustainable and inclusive economic growth for job creation;
- Achieve institutional excellence responsive to the needs of the country;

2.4 The creatives industry/ economy is one of the priority- sectors for the province of KwaZulu-Natal. According to the “*Creatives & Cultural Industries (CCI) Mapping Study*” conducted by the South African Cultural Observatory in 2022, the CCI sector contributed approximately 3% to the GDP of South Africa;

2.5 EDTEA recognizes the valuable and impactful contribution of the Cultural and Creatives Industries (CCI) in the provincial Gross Value Added (GVA) and the Gross Domestic Product (GDP) of the country;

2.6 As a sub-sector of the Cultural and Creative Industries (CCI), crafts continue to demonstrate inclusivity in terms of its ability to accommodate different role-players’ participation in its value-chain.

3. RATIONALE OF THE CALL FOR PROPOSALS

As a sub-sector of the Cultural and Creative Industries, crafts continue to demonstrate inclusivity in terms of its ability to accommodate different role-players' participation in its value-chain. In line with its pursuit of broadening the participation of the Previously Disadvantaged Individuals (PDIs) in the crafts sub-sector's value-chain, the department (EDTEA) has therefore prioritized the establishment and or support of "Crafters' Hub" within strategic regions/districts in the province through a KZN Crafts Hub Program.

The Department has therefore allocated funding towards the development of this sector, as a step towards achieving inclusive growth through product development; diversification and market access.

4. PURPOSE OF THE KZN CRAFTERS' HUB PROGRAMME

The main objective of the **KZN Crafters' Hub** program is to provide "one-stop-shop" facilities wherein crafters can deposit; showcase and trade their products - creating strong linkages for crafters with international buyers/markets is also key to the program.

The KZN Crafters Hub Program seeks to stimulate growth and development of the craft sub-sector within the townships and rural areas. It is therefore a targeted move to ensure that craft design and products from these areas (township and rural) are brought to the mainstream of the sector and exposed to global markets, thus creating more job opportunities within the creatives economy sector.

4.2 OVERALL OBJECTIVES

The KZN Crafters' Hub Program aims to achieve the following overall objectives:

4.2.1 Broaden KwaZulu-Natal's market-share of the craft supply in the country and globally;

4.2.2 To equip the beneficiaries (crafters) with knowledge and requisite skills in order to improve their design capabilities;

4.2.3 Enhance competitiveness, innovation and economic growth of the KZN craft sector;

4.2.4 Stimulate investment by public and private sector in the craft sub-sector;

- 4.2.4 Develop the design capabilities for product design differentiation to grow and diversify KZN Crafts' product offerings;
- 4.2.5 Create and instill an understanding of entrepreneurship amongst the crafters;
- 4.2.6 Create jobs, alleviate poverty; transform the sector and eradicate inequality;
- 4.2.7 Enhance research and development in the sector;
- 4.2.8 Capacity building and mentorship in digitally-influenced designs and curation of the craft products;
- 4.2.9 Create a conducive environment which promotes access to continental and global markets;
- 4.2.10 Grow and develop Small Medium and Micro Enterprises.

5. ELIGIBILITY TO SUBMIT PROPOSAL

5.1 The **KZN Crafters' Hub Programme** is primarily targeting design; quality; distribution and pricing of craft products and increasing market share of craft products from around KZN.

5.2 The following commodities: **Product Development Operations** will be targeted:

- Unique and innovative craft designs;
- Product development and value-addition;
- Product marketing;
- Increasing market share;
- Product quality;
- Product Distribution;
- Product pricing.

5.3 **Alignment with EDTEA mandate - Organisations eligible to apply:**

- Small, Medium and Micro-Enterprises (SMMEs) – (Pty) Ltd
- Cooperatives,
- Legally established Non-Governmental Organisations (NGO's) or Non-Profit Organisations (NPO), Community Based Organisations (CBO's) and Social Enterprises.

5.4 Proposal Aligned with EDTEA mandate:

- Create jobs (sustainable and temporary);
- Empowerment of historically disadvantaged groups – blacks, youth, women and disabled;
- Promoting value addition;
- Promoting innovation;
- Initiatives within KZN priority sectors – exceptions allowed;
- Alignment with municipal IDP/LED, provincial and national strategies;
- Partnerships with private sector which will assist in leveraging further funding;
- Promoting specific sectors and clusters of industry to increase equitable participation along value the chain;

5.5 Targeted beneficiaries:

- In line with the recommendations of the goals of NDP, the departmental policy has targeted to achieve the following quotas:
 - Women
 - Youth including graduates
 - People with disabilities
 - HDI (Black)
 - Cooperatives
 - Geographical Location
 - Local Content
- Across the above quotas, the beneficiaries should be 70% to black Africans.
- Black Africans in this call for proposals refers to African, Coloured and Indian persons who are natural persons and;
- Farm- dwellers
- LGBTQ;
- a) are citizens of the Republic of South Africa by birth or descent; or
- b) are citizens of the Republic of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa Act of 1996.

5.6 Location/Geographic Area:

All proposals have to be in respect of projects within the various districts in KZN province.

5.7 Eligible Applicant must:

- Be directly responsible for the preparation and management of the project, not acting as an intermediary;
- Demonstrate stable and sufficient financial resources to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it;
- Be able to demonstrate their capacity to manage activities corresponding with the size of the project for which the fund is requested;
- Act as the lead organisation and, if selected, be the contracting party;
- Research and Development costs that will be capped at 5% of the total EDTEA contribution;
- Market development and access costs that will be capped at 10% of the total EDTEA contribution;
- The following costs are not covered by the KZN Crafters' Hub Programme; Bulk Infrastructure, Business plans, Environmental Impact Assessments. *EDTEA reserves the right to exclude certain applications/costs which have not been specifically listed on the aquaculture call for proposal document.*
- Funding support will be provided in respect of the approved applications for projects aligned with the objectives of this program EDTEA shall utilize its own supply chain management processes for the purposes of contracting with the successful organization/s.
- This call for proposal and ensuing guidelines is effective for the 2023/2024 financial year ending on 31 March 2024.

NB. Preference will be given to project activities that will have a positive economic impact within the rural areas and townships of KZN. Furthermore, proposals that are either received from PDI's, Women, Youth, Disabled people and Cooperatives are for the sustainable benefit of the aforementioned groupings of individuals will positively influence the scores.

6. MANDATORY CONDITIONS

The applicants must:

- 6.1 Be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).
- 6.2 Be a taxpayer in good standing.
- 6.3 Be involved in starting a new or existing creatives economy/crafts project.
- 6.4 Be involved in a creatives/ crafters' project which should result in creating and or retaining direct employment.

7. QUALIFYING COSTS/AREAS OF SUPPORT

7.1 The Crafters' Hub Program offers support on the following assets/:

- **New Machinery and Equipment:** New machinery and related equipment (owned or capitalised financial lease) and tools at cost.
- **Marketing Material/Platforms:** Branding and packaging materials including digital platforms; labelling of products; marketing & packaging material).
- **Occupational Health and Safety**-training of beneficiaries on safety standards; establishment of safety protocols; appointment of safety officer and ensuring that the production of craft products adheres to health and safety regulations.
- **Product & factory certification**- ensuring that the factory and production lines comply and get certification in line with international accreditation including training on various compliance standards such as HACCP; GFSI; ISO 9001; ISO 22000; Global G.A.P; Local G.A.P.
- **Infrastructure Development/Refurbishment: Land and or Buildings:** This includes refining of old and existing buildings to be used for commercial purposes linked to the production/warehousing/ storage and exhibition process.
- **Competitiveness Improvement Costs:** This includes costs associated with skilled workforce, inexpensive raw materials, controlled costs, and

efficient operations to create maximum value to consumers (these may be capped at a certain percentage of total funding and will be different on a project by project basis).

8. EXCLUSIONS

- Pre-feasibility and feasibility proposal;
- Funding for training initiatives except where training is an ancillary component of the application;
- Research funding applications, excluding action research;
- Applications or activities whose outcomes are solely directed towards the interests of a single individual;
- Proposals from non-registered SA companies;
- Applications which have received grant funding from other government departments for the same proposal;
- Socially undesirable or illegal initiatives e.g. arms manufacture;
- Initiative promoting party political agenda;
- Proposals from businesses owned by all Government employees;
- Proposals for projects/initiatives located outside KZN;
- Procurement/ lease of land;
- Staff wages and salaries, and staff related costs incurred in implementing any of the above projects;
- VAT and finance charges on assets;
- Rates and Taxes;
- Costs incurred before approval
- Increase in investment cost as a result of exchange rate fluctuations and submitted after acknowledgement of the application.

9. APPLICATION PROCESS AND MONITORING

9.1 Applications/proposals will undergo intense administrative and technical assessments. EDTEA reserves the right to request further details, information and documentation from applicants.

9.2 An applicant must submit a business plan with detailed management costs such as budget plans and projected income statement and balance sheet, for a period of at least three (3) years for the project.

9.3 The proposal must be submitted within the designated application timeframe period, prior to commencement of the project or undertaking related activities applied for.

9.4 All approved projects will be monitored by the EDTEA's **Sector Development Directorate** in order to assess their performance.

9.5 Closing date and time

- Proposals window will be opened for 3 weeks from the date of the official placement of the advertisement of call for proposals (10 July to 28 July 2023).

9.6 Delivery address

Submissions may be posted to the following address:

**Department of Economic Development, Tourism and Environmental Affairs
Private Bag X915
Pietermaritzburg
3200**

Or hand delivered on the designated call for proposals box situated at:

**270 Jabu Ndlovu Street (Loop Street)
Foyer: Ground Floor
Pietermaritzburg**

9.7 Respondents are to ensure that their applications are complete, original or certified where necessary and delivered timeously to the correct address. Late applications will not be accepted or considered. The call for proposal submission box is open 8 hours a day, 5 days a week. Telephonic, telegraphic, telex, facsimile or e-mailed proposals will not be accepted.

10.LEGAL CONDITIONS

- 10.2. The following conditions among others are considered a breach of the funding agreement and will lead to a termination of the application.
- 10.3. Changing the business set-up, composition, structure or operations, processes or products in order to make the project qualify.
- 10.4. Manipulation of the company assets, products, services and processes.
- 10.5. Applicants receiving financial grant support from other government source(s) for the same project/program/activities.

11.DECISION TO REVIEW PROCESS

- 11.1 Any disagreement relating to a decision (including the dismissal of an application) taken by **EDTEA** is limited to one (1) request for decision review per application lodged, within thirty (15) calendar days of the date of issue of the notification letter by EDTEA.

12.REPORTING AND ADDITIONAL INFORMATION

- The guideline document for additional information & clarification as well as the requirements for addressing, delivery, closing and assessment of submissions can be obtained from: **Mr Mbongiseni Ndhlela** email address: mbongiseni.ndlela@kznedtea.gov.za
- All queries or requests for clarification or further information regarding this invitation must be submitted to the Department in writing at the latest five (5) working days prior to the invitation closing date.