

Aquaculture Development and Enhancement Programme (ADEP)

Stimulating investment in the aquaculture sector

Funded by the Department of Trade and Industry (dti), the Aquaculture Development and Enhancement Programme (ADEP) is a cost-sharing grant available to South African registered entities engaged in primary, secondary and ancillary aquaculture activities in both marine and freshwater environments.



Aquaculture activity classifications applicable to ADEP:

SIC 132 (fish hatcheries and fish farms)
SIC 301 and 3012 (production, processing and preservation of fish)

The programme offers a reimbursable cost-sharing grant of up to a maximum of R30 million qualifying costs in:

- Machinery and equipment
- Bulk infrastructure
- Owned land and/or buildings
- Leasehold improvements
- Aquaculture feed
- Commercial vehicles
- Workboats
- Competitiveness improvement activities
- Aquaculture-related research and development
- Environmental impact assessments (emerging black farmers only)
- Mentorship (emerging black farmers only)

The objective of the ADEP is to stimulate investment in new, upgrade or expansion projects in the aquaculture sector to develop emerging farmers, increase production, sustain and create jobs and encourage the geographical spread of aquaculture activities

Please go to https://www.thedti.gov.za/DownloadFileAction?id=1107&filename=ADEP_Guidelines.pdf (ADEP Programme Guidelines) for detailed information. All relevant links are available at the end of this fact sheet.

Qualifying projects: Aquaculture operational categories

Primary

- Brood stock operations
- Seed production operations
- Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities
- Aquaponics (a system combining conventional aquaculture with hydroponics in a symbiotic environment)
- On-growing operations, including rafts, net closures, net pens, cages, tanks, raceways and ponds

Secondary

- Primary processing (post-harvest handling, eviscerating, packing and quick freezing)
- Secondary processing (filleting, portioning and packaging)
- Tertiary processing (value adding: such as curing; brining; smoking and producing terrines, roulades and patés)
- Waste stream handling (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds and animal feeds)

Ancillary

- Feed manufacturing
- Research and development projects (related to aquaculture)
- Privately owned aquaculture veterinary services (conducting, amongst others, farm inspections, disease surveillance and control, and histopathological analyses)

Emerging black farmers

ADEP's definition of an emerging black farmer considers the following characteristics:

- An operation with a high level of black ownership (>51%);
- A person exercising control over a business; and
- A person making a long-term commitment to a business as a medium- to long-term investor.

“Black” refers to African, Coloured and Indian persons who are:

- Citizens of the Republic of South Africa by birth or descent; or
- Citizens of the Republic of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa Act of 1993.

ADEP offers a cost-sharing incentive of up 80% to qualifying emerging black farmers for new, upgrading or expansion projects (as determined by the qualifying criteria in the ADEP Programme Guidelines).

Evaluation criteria

Qualifying for an ADEP grant requires a project to achieve a minimum score of four (4) in the following economic benefit criteria:

Criteria	Score
Capital investment	
o < R5m	1
o ≥ R5m < R30m	2
o ≥ R30m to R200m	3
New full-time job creation	
o 1 job per R1 million investment	1
o >1 to 2 jobs per R1 million investment	2
o >2 or more jobs per R1 million investment	3
Geographical spread	
o Aquaculture operations in areas with unemployment above 25%	1
o Aquaculture Development Zones and Special Economic Zones (IDZs, Industrial Parks, etc.)	2
o Aquaculture Development Zones and Special Economic Zones (IDZs, Industrial Parks etc.) in areas with unemployment above 25%	3

Criteria	Score
Contribution to Broad-Based Black Economic Empowerment (B-BBEE)	
o B-BBEE scoring from ≥ 80 but < 90 (Level 4 contributor)	1
o B-BBEE scoring from ≥ 90 but < 95 (Level 3 contributor)	2
o B-BBEE scoring from ≥ 95 but < 100 (Level 2 contributor)	3
o B-BBEE scoring ≥ 100 (Level 1 contributor)	4
Emerging black farmer	
o As determined by the definition in section 5 of the ADEP Programme	4

Important note:

The ADEP Programme Guidelines should be checked for additional evaluation criteria which may apply.

Incentive calculation

Capped at a maximum of thirty million rand (R30 000 000), the investment grant is offered as follows:

	Minimum score – 4: Economic benefit criteria	Minimum score – 8: Economic benefit criteria	Maximum grant
Enterprise size: Qualifying assets determined as follows:	Incentive percentage	Incentive percentage	Cap
< R5m	40%	45%	R2,25 million
\geq R5m < R30m	30%	35%	R9 million
\geq R30m – R200m	20%	25%	R30 million

The investment incentive is offered to emerging black farmers as follows:

	Minimum score – 4: Economic benefit criteria	Minimum score – 8: Economic benefit criteria	Maximum grant
Enterprise size: Qualifying assets determined as follows:	Incentive percentage	Incentive percentage	Cap
< R5m	60%	80%	R4 million
\geq R5m < R30m	40%	50%	R12 million
\geq R30m – R200m	30%	40%	R30 million

Links to detailed information at www.thedti.gov.za:

- ADEP Guidelines
https://www.thedti.gov.za/DownloadFileAction?id=1107&filename=ADEP_Guidelines.pdf
- Schedule of Terms
https://www.thedti.gov.za/DownloadFileAction?id=716&filename=schedule_of_terms.pdf
- Declaration by Consultant and Claimant
<https://www.thedti.gov.za/DownloadFileAction?id=802&filename=Declaration by Consultant - Claims.doc>
- Credit Order Instruction Form
https://www.thedti.gov.za/DownloadFileAction?id=804&filename=Credit_order_form.xls
- ADEP Claim Form
https://www.thedti.gov.za/DownloadFileAction?id=950&filename=ADEP_Claim_form.doc
- Report of Factual Findings
https://www.thedti.gov.za/DownloadFileAction?id=951&filename=ADEP_report of factual findings.doc
- ADEP Application Form
https://www.thedti.gov.za/DownloadFileAction?id=1199&filename=ADEP_Application_Form.xlsm
- Frequently Asked Questions
https://www.thedti.gov.za/financial_assistance/docs/FAQs_ADEP.pdf

Internet search *Aquaculture Development and Enhancement Programme (ADEP)*
Alternatively, call the Department of Trade and Industry at 012 394 5815 and ask to speak to
an advisor who specialises in the programme

Or, contact a consultancy firm specialising in incentives and grants

Disclaimer:

The information provided in this fact sheet is, at best, of a general nature and cannot substitute for the advice of a specialist. You are advised to contact a suitable professional to obtain the latest information and who can apply the information to the particular circumstances of your case. Neither Eskom nor any of its employees can take any responsibility for the results or consequences of any attempt to use or adopt any of the information presented herein.

