



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

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## Critical Infrastructure Programme

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## List of Acronyms

AC	Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
CIP	Critical Infrastructure Programme
DEA	Department of Environmental Affairs
IDAD	Incentive Development and Administration Division
IPAP <sup>1</sup>	Industrial Policy Action Plan - includes the following sectors: <ul style="list-style-type: none"><li>• Clothing, Textiles, Leather and Footwear</li><li>• Automotive</li><li>• Metal fabrication</li><li>• Capital and rail transport equipment</li><li>• Mineral beneficiation (upstream and downstream)</li><li>• Agro-processing</li><li>• Forestry, timber, paper, pulp and furniture</li><li>• Biofuels</li><li>• Plastics, pharmaceuticals, chemicals and cosmetics</li><li>• Business Process Services</li><li>• Upstream and midstream oil and gas</li><li>• Boatbuilding and associated services industry</li><li>• Nuclear energy</li><li>• Advanced manufacturing</li><li>• Aerospace and defence</li><li>• South African software industry</li><li>• Public residential electrification programme for low cost housing</li><li>• Electronics industry support</li><li>• White goods</li></ul>
NIPF	National Industrial Policy Framework
PFMA	Public Finance Management Act
SARS	South African Revenue Services
SMME	Small, Medium and Micro Enterprises
<b>the dti</b>	The Department of Trade and Industry
VAT	Value Added Tax

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<sup>1</sup> Available on **the dti's** website, publications tab, Industrial Policy Action Plan 2015. Critical Infrastructure Programme (CIP) Guidelines

## 1. Preamble

- 1.1 The purpose of this document is to provide the guidelines is to provide guidelines for the Critical Infrastructure Programme<sup>2</sup> (CIP), a programme that aims to support enterprises and state-owned Aerospace and Defence National Strategic Testing Facilities by stimulating and encouraging private sector investment through efforts of lowering infrastructure costs.
- 1.2 The guidelines set out in this document are intended to enable enterprises and state-owned Aerospace and Defence National Strategic Testing Facilities to present their applications to **the dti** and provide a framework for **the dti** to evaluate such applications.
- 1.3 The application will be approved only for projects that meet the criteria of the CIP as interpreted by these guidelines. To qualify for the incentive, eligible projects have to apply and receive approval from **the dti**, and any such decision will be final.
- 1.4 These guidelines may be amended from time to time, as deemed necessary by **the dti**. Amendments will be published on **the dti** website and will be of immediate effect upon publication.
- 1.5 Where the guidelines are subject to varying interpretations or do not deal with specific subject matter, the interpretation of **the dti** must be requested and such interpretation will be decisive and final.
- 1.6 Approval of applications will be subject to the availability of funds; compliance with the programme guidelines, the relevant provisions of the Public Finance Management Act, (Act No.1 of 1999) and any other relevant legislation. .

## 2. Services Delivered by the dti

- 2.1 No fees or charges are levied by **the dti** for the processing or evaluation of any CIP applications or claims.
- 2.2 Applicants are welcome to contact **the dti** directly and **the dti** officials will provide guidance on how to complete the application or claim forms.
- 2.3 **the dti** will not be held 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 applicant.

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<sup>2</sup> The infrastructure is deemed "critical" to the investment if:

- such investment would not take place without the said infrastructure; or
- the said investment would not operate optimally.

### 3. Programme Description

- 3.1 The Critical Infrastructure Programme aims to leverage investment by supporting infrastructure that is deemed to be critical thus lowering the cost of doing business.
- 3.2 The programme is one of the investment incentives that the South African government is implementing to stimulate investment growth in line with the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP).
- 3.3 The CIP is a cost-sharing incentive that is available to the approved applicant/s or infrastructure project/s upon the completion of verifiable milestones or as may be approved by the Adjudication Committee (AC).
- 3.4 The CIP supports the following type of projects:
  - 3.4.1 Construction or provision of the infrastructure including but limited to testing machinery and equipment that enables the investor to undertake a defined fixed investment, or the expansion or sustain, refurbishment of the existing fixed investment.
  - 3.4.2 Construction or provision of infrastructure that enables the establishment of new or upgrading (revamping/resuscitating) infrastructure and fencing of state-owned industrial parks
  - 3.4.3 Infrastructure for renewable energy projects that are not under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP).
  - 3.4.4 Construction or provision of infrastructure for investment that alleviates water and/or electricity dependency on the national grids. That is, investment that makes them less dependent on national supplies.
  - 3.4.5 Infrastructure development costs to distressed municipalities, state-owned Aerospace and Defence National Strategic Testing Facilities and state-owned industrial parks.

### 4. Grant Offerings

- 4.1 Applicant/s must submit a **complete** application at least 60 calendar days prior to commencement of infrastructure construction. If there is no response from **the dti** within 60 calendar days after submission of a **complete** application, applicant/s may continue to implement their plans but with an understanding that **the dti**'s approval may or may not be granted. The applicant should, however, notify **the dti** in writing of its intention to commence with the infrastructure construction before approval.
- 4.2 Reimbursement to approved applicants will be subject to submission of claims and their verification by **the dti**.

- 4.3 The CIP offers a minimum grant of ten percent (10%) to a maximum of thirty percent (30%) of the total qualifying infrastructural development costs up to a maximum of **fifty million rand (R50,000,000)**, based on achieved score in the Economic Benefit Criteria (see section 6.1).
- 4.3.1 For agro-processing applicants and state-owned Aerospace and Defence National Strategic Testing Facilities, the CIP will offer a minimum grant of ten percent (10%) to a maximum of fifty percent (50%) of the total infrastructural development costs up to a maximum of **fifty million rand (R50,000,000)**.
- 4.3.2 For projects that alleviate water and/or electricity dependency on the national grid (Investment that is less dependent on national grid), the CIP will also offer a minimum grant of ten percent (10%) to a maximum of fifty percent (50%) up to a maximum of **fifty million rand (R50,000,000)**.
- 4.3.3 The grant percentage will be calculated based on the score achieved in the Economic Benefit Criteria as indicated in section 7.1.
- 4.4 Distressed municipalities<sup>3</sup> and state-owned industrial parks
- 4.4.1 CIP offers a maximum grant of up to hundred percent (100%), capped at **fifty million rand (R50,000,000)**, for infrastructural developmental costs to distressed municipalities, and state-owned industrial parks. Applicants are encouraged to make a contribution according to their affordability.
- 4.4.2 For projects to be considered for a grant of up to hundred percent (100%), applicants must submit a motivation to the adjudication committee and also demonstrate the following:
- That the municipality has inadequate revenue streams to provide for the critical infrastructural needs of the municipality, or
  - That the Municipality is experiencing a decline in economic activity due to disinvestment in anchor manufacturing projects, mining activities resulting from the depletion of mineral resources or
- 4.4.3 CIP supports Aerospace and Defence National Strategic Testing Facilities that only provide services within the mandate of **the dti**.

## 5. Mandatory Requirements

- 5.1 The applicant must be a registered legal entity in South Africa in terms of the following:
- 5.1.1 Companies Act No. 71 of 2008 (as amended);
- 5.1.2 Close Corporations Act No. 69 of 1984 (as amended);
- 5.1.3 Co-operatives Act No.14 of 2005 (as amended);
- 5.1.4 Local governments (municipalities, excluding metropolitan municipalities);

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<sup>3</sup> A distressed municipality herein refers to a municipality that has an inadequate revenue streams to provide for its critical services; or that shows a decline in its economic activity due to disinvestment resulting from the depletion of mineral resources and mining activity.  
Critical Infrastructure Programme (CIP) Guidelines

- 5.1.5 Public institutions and provincial governments can contribute (financially or otherwise) towards projects but cannot be applicants except for provincial entities in the case of state-owned industrial parks.
- 5.1.5.1 Industrial parks within the boundaries of metropolitan municipalities are eligible to apply.
- 5.2 The project must be at least a level four (4) B-BBEE contributor in terms of the Codes of Good Practice for B-BBEE. This requirement takes into account the exemptions in terms of Qualifying Small Enterprises (QSEs) as set-out in terms of the Codes of Good Practice.
- 5.2.1 For foreign direct investment (i.e. foreign investors incorporated in SA), where it can be proven that such a foreign investor does not enter into any partnership arrangements in foreign countries, the Codes of Good Practice make a provision for the recognition of contributions in lieu of a direct sale of equity. Such contributions are referred to as Equity Equivalent (EE) contributions and count towards the ownership element of B-BBEE made by foreign investors. The value of these EE contributions may be measured against twenty-five percent (25%) of the value of the foreign investor's South African operations or may be measured against four percent (4%) of the total revenue from its South African operations annually over the period of continued measurement.
- 5.2.2 For all projects, a grace period of fifteen (15) months after date of submission of the application is given for them to comply. In all cases, a B-BBEE certificate should be submitted at claim stage.
- 5.2.3 The envisaged investment projects that may qualify for benefits under any investment incentive schemes offered by **the dti** are also eligible to apply for the CIP provided it is not for the same infrastructure activity items proposed by the project.
- 5.2.3.1 Projects that have applied for the Shared Economic Infrastructure Facility (SEIF) will not be funded or co-funded for the same infrastructure activity under CIP.

## 6. Eligibility Criteria

- 6.1 Applicant's state of financial viability
- 6.1.1 The applicant must demonstrate commitment to the planned infrastructure and project. To this end, **the dti** and its consideration of the application will evaluate and verify amongst others:
- Sources and uses of finance;
  - Evidence of commitment to fund the project from the financiers that form part of the funding structure of the project; and
  - Letter of commitment from the applicant.
- 6.2 Commitment to establish investment projects
- A written undertaking by the prospective investor or a local authority, in case of industrial parks and state-owned after date of submission of the application National Strategic Testing Facilities, that the infrastructure or project to be funded will:

- 6.2.1 Service new investment project(s) in South Africa that will contribute to the growth of the economy, and will create employment opportunities;
- 6.2.2 Service the expansion(s) of existing investment project(s) in S.A. that contribute to the growth of the economy, will sustain or retain current jobs and/or will create additional employment opportunities.
- 6.2.3 Service the upgrade of an existing investment that contributes towards the growth of the economy, will sustain or retain current jobs and/or will create additional employment opportunities.
- 6.2.4 For state-owned Aerospace and Defence National Strategic Testing Facilities Service products that are largely in the commercialisation phase or in the product development of the new generation.
- 6.3 Applicant's state of tax affairs
  - 6.3.1 A valid Tax Clearance Certificate of the applying entity, obtainable from the South African Revenue Services (SARS).
- 6.4 Compliance with all other statutory regulations, where applicable
  - 6.4.1 Environmental permits from the relevant authorities e.g. Department of Environmental Affairs;
  - 6.4.2 Permits or authorisation regarding land use;
  - 6.4.3 Technical drawings and designs (or at least preliminary designs) including details of capacity and technical specifications of the infrastructure, if required;
  - 6.4.4 Any other permits that may be applicable to the specific project; and,
  - 6.4.5 If in the process of acquiring the necessary permits and any other documentation, proof of consideration by the relevant authorities must be submitted.
- 6.5 Project budget plans
 

NB: Project plan(s) for the infrastructure project and the expected investment should contain the following details:

  - 6.5.1 The timeframe and infrastructure items associated with each main project activity;
  - 6.5.2 Description of each of the main project activities and sub-activities associated with the infrastructure project; and
  - 6.5.3 The financial cost and budget associated with each major project activity.
- 6.6 Other documents
  - 6.6.1 **the dti** reserves the right to request other documentation that may be relevant in its adjudication of the application.
- 6.7 All mandatory requirements must be met before any payment can be made.

## 7. Adjudication Criteria

This section is not applicable to distressed municipalities and state-owned industrial parks (i.e. section 3.4.5 above).

### 7.1 The Economic Benefit Criteria

7.1.1 The project must achieve a minimum score of fifty (50) for contribution to industrial policy objectives. This score relates to the achievement of economic benefit criteria as shown in Table 1 below:

**Table 1**

<b>CRITERION</b>	<b>DESCRIPTION</b>	<b>MAX POINTS</b>
<b>B-BBEE* Compliance Requirements<sup>4</sup></b>	Achieve the required status in terms of the B-BBEE Code of Good Practice as follows:	
	<ul style="list-style-type: none"> <li>Level four (4) contributor</li> </ul>	<b>25</b>
<b>Priority Sectors</b>	<ul style="list-style-type: none"> <li>Sectors as identified in IPAP;</li> <li>Projects in mineral beneficiation industries; agriculture and construction investments; mining and other labour absorbing sectors.</li> </ul>	<b>20</b>
<b>Investment Value</b>	<ul style="list-style-type: none"> <li>Total capital investment excluding infrastructure investment</li> </ul>	<b>30</b>
<b>Location</b>	<ul style="list-style-type: none"> <li>Projects in special localities such as industrial parks; agri-parks, Urban Renewal Development Nodes; Rural Development Nodes; business incubators and land for agricultural activities; or in any other area deemed to be economically depressed or with facilities that are classified as Aerospace and Defence National Strategic Testing Facilities required for the benefit of economic or sector growth.</li> </ul>	<b>25</b>
		<b>100</b>

\*Score as determined by the five (5) elements of B-BBEE Codes of Good Practice.

<sup>4</sup> Where municipalities and government-owned industrial parks are involved, the service provider will form part of the contract. In this case the BBBEE certificate will be required from the service provider.

### 7.1.2 Funding Matrix (for normal/standard infrastructure)

**Table 2**

<b>Total Points Scored</b>	<b>CIP Funding</b>	<b>Agro-Processing and Other Projects Funding as indicated in section 3.8.2</b>
0 - 49	0%	0%
50 -59	10%	15%
60 -69	15%	20%
70 – 79	20%	30%
80 – 89	25%	40%
90 – 100	30%	50%

## 8. Qualifying Infrastructure

8.1 This refers to the structural foundations, permanent network facilities or special localities via which enterprises or society in general receive or supply basic services such as transport, electrical infrastructure and bulk water supply, sanitation, telecommunications, place of trade operations etc.; any infrastructure that has implications of up-scaling the area's agro-production capacity through up-scaling the production demand in the area; and the business is likely to add competitiveness into the supply-chain and reduce the products being imported into the area.

8.1.1 Examples of infrastructure include roads, rail and bridges, electricity transmission lines, sewer connections, sanitation, storm water, telephone lines, fibre, runways, landing strips, bulk water infrastructure (generation, storage, purification and distribution), fencing (only available to state-owned industrial parks), silos and broad band works.

8.1.2 Refurbishment of existing buildings within industrial parks.

8.1.3 For aerospace and defence technical testing facilities **only**, this may include machinery and equipment limited to the quality and safety testing purposes of aerospace and defence products as required by the South African Bureau of Standards (SABS) and other statutory bodies.

## 9. Qualifying Costs

9.1 The costs that may qualify for the CIP grant are the following:

9.1.1 Costs incurred directly in the design, installation, construction and erection of the infrastructure.

9.1.2 Costs incurred by the applicant in payment of third parties contracted to undertake the project.

9.1.3 Infrastructure commissioning (quality assurance and certification) costs, but limited solely to the essential costs of commissioning officials and the test of equipment or machinery required.

9.1.4 Costs related to the refurbishment of buildings within industrial parks.

9.1.5 Any costs, which the Adjudication Committee in its sole discretion may deem as qualifying.

## 10. Non-qualifying Costs

- 10.1 Indirect costs such as cost elements that the applicant would have, in any case, incurred will not qualify for the grant. These include, but are not limited to the following:
  - 10.1.1 Work scoping, studies, plans and such cost elements that the applicant would have, in any case, incurred by way of payment of salaries or remuneration of permanently retained professional staff, including management;
  - 10.1.2 Equipment such as office business machines (computers, facsimile machines, printers, telephones and software tools or systems) and office furniture;
  - 10.1.3 Administrative buildings;
  - 10.1.4 Production machinery;
  - 10.1.5 Value Added Tax (VAT) payable in connection with the direct qualifying project costs;
  - 10.1.6 Maintenance and repair costs or any other costs incurred after the completion of the construction of the infrastructure and commissioning thereof;
  - 10.1.7 Costs associated with tendering documentation and the tendering process;
  - 10.1.8 Any other cost(s) that the Adjudication Committee, in its sole discretion, may deem as non-qualifying; and
  - 10.1.9 Tolloed infrastructure.

## 11. Grant Disbursement

- 11.1 Successful applicants will have to enter into a contract with **the dti**. Payments of claims to approved projects will be made based on verifiable infrastructure deliverables.
  - 11.1.1 In cases of approved distressed municipalities, the contract will be between the municipality and **the dti**, with the effect that **the dti** will pay the service provider based on the verifiable infrastructure deliverables.
- 11.2 For payments to be processed, the client has to submit the following documents that constitute a valid claim; verified by external auditors to the CIP Secretariat:
  - 11.2.1 A claim form;
  - 11.2.2 A signed activity progress report verified by an external auditor;
  - 11.2.3 Certified copies of invoices;
  - 11.2.4 Proof of payment (e.g. Bank statement);

- 11.2.5 A valid tax clearance certificate; and
  - 11.2.6 A valid level four (4) B-BBEE certificate or higher.
  - 11.2.7 And any other documents deemed necessary by **the dti**.
- 11.3 **the dti** reserves the right to verify the existence of the supported infrastructure and its quality.
- 11.4 All payments will be governed by the terms and conditions of the contract between the successful applicant and **the dti**.

## 12. General Conditions

- 12.1 Should there be any material changes related to the investment/infrastructure project **the dti** must be notified within a period of two (2) months.
- 12.2 **the dti** may under exceptional market or economic circumstances consider adjusting the requirements and conditions of the scheme or grant approval. Any such adjustments will be at the sole discretion of **the dti**. The decision of **the dti** will be final.
- 12.3 **the dti** will conduct a project monitoring progress report bi-annually and will require clients to complete and submit a project monitoring report at the end of each financial year to measure the outputs and outcomes of the project.
- 12.4 **the dti** has the right to request any information deemed necessary from the client.
- 12.5 In order to evaluate the impact of the programme, **the dti** requires that for a period of two (2) years after completion of the claim period, the client completes the project monitoring report annually. This requirement forms part of the legal agreement between **the dti** and the applicant.

## 13. Legal Conditions

- 13.1 The following are *inter alia* considered circumvention of CIP Guidelines and will lead to the rejection of an application or claim:
- 13.1.1 Changing the business set-up, composition, structure, operations or sector in order to make the project qualify;
  - 13.1.2 Manipulation of inter-company assets and infrastructure; and
  - 13.1.3 Any other action that, in the sole discretion of **the dti**, can be regarded as circumvention to allow the entity, which otherwise would not have qualified, to qualify.

## 14. Appeal Process

- 14.1 Any dispute relating to an application decision taken by **the dti** is limited to one decision review request per application lodged within 30 calendar days from the date of the approval/rejection letter to the Director General/Appeals Committee.
- 14.2 Only one claim decision review with material motivation will be allowed per claimant for the duration of the incentive period. In instances where the project does not meet the performance requirements and is cancelled, the written decision review request must be submitted to **the dti**,

no later than 30 calendar days from the date of the cancellation letter to the Director General, or the right to a decision review will be forfeited.

## 15. Criminal, Misleading, Dishonest and/or Irregular Activities

- 15.1 **the dti** may, upon alleged offence or suspicion of contravention of any act or pending litigation of any such activities, suspend payments that may be due or may become due to the applicant. **the dti** shall not be liable for any damages or interest, pending the finalisation of any investigation and any criminal proceedings brought as a result of the investigation.
- 15.2 Findings of a forensic investigation indicating such activities will be sufficient to enable **the dti** to cease all payments and reclaim any payments already made, with *mora* interest.
- 15.3 **the dti** subscribes to the principles set out in the Prevention and Combating of Corrupt Activities Act, 12 of 2004 (PRECCA). Applicants or any other persons should contact **the dti** fraud hotline on 0800 701 701 to report any suspicious behaviour.
- 15.4 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 and/or claim. Failure thereof will lead to termination/cancellation/suspension of the application/claim and criminal prosecution and any other civil claim.

## 16. Conclusion

These guidelines have been designed to provide interested parties with the information they will need in order to make an informed decision as to whether they should apply for funding. The guidelines represent **the dti**'s operational interpretation of Cabinet Memorandum: No. 18 of 2000.

## Annexure A

<b>Adjudication Committee</b>	An independent committee, according to Income Tax act No. 58 of 1962, comprising officials of the Department of <b>the dti</b> , National Treasury and any persons appointed by the Minister of Trade and Industry for the purpose of adjudicating, approving and monitoring of any application under the CIP.
<b>Applicant</b>	Entities that seek (apply for) CIP funding.
<b>Broad-Based Black Economic Empowerment (B-BBEE)</b>	<p>B-BBEE (Act 53 of 2003, as amended) is a specific government policy to advance economic transformation and enhance the economic participation of black people in the South African economy.</p> <p>The Amended Codes of Good Practice for Broad-Based Black Economic Empowerment, as issued in the Government Gazette, 11 October 2013 are due to come in effect on 1st May 2015.</p> <p>The vision of the BEE policy is to work towards ensuring, through equity and empowerment policies and strategic interventions, that the South African economy is restructured, to enable the meaningful participation of black people, women and rural or under-developed communities in the mainstream economy, in a manner that has a positive impact on employment, income redistribution, structural re-adjustment and economic growth.</p>
<b>Contract</b>	A binding written agreement between two or more persons or entities that is enforceable by law.
<b>Critical Infrastructure</b>	In terms of the CIP, the infrastructure is deemed “critical” to the investment if such investment would not take place without the said infrastructure or the said investment would not operate optimally
<b>Date of Approval</b>	The date on which the Adjudication Committee approves a project for funding under the CIP.
<b>(Economically) Distressed Area</b>	An area (town, community or other geographic area) that is designated as a distressed area by the department, based on indicators of economic distress or dislocation, including but not limited to unemployment, poverty and job losses.
<b>Distressed Municipality</b>	<p>A distressed municipality herein this document refers to a municipality whose revenue is totally from the National Treasury.</p> <p>A distressed municipality herein this document refers to a municipality that has an inadequate revenue streams to provide for its critical services; or that shows a decline in its economic activity due to disinvestments resulting from the depletion of mineral resources and mining activity.</p>
<b>Full-time Employment or Employees</b>	<p>Persons that work at least forty (40) hours a week for the same employer and receive wages that are in line with rates as determined by the Department of Labour.</p> <p><i>Equivalent to contract/ seasonal/ temporary employees, 1 920 hours worked per year will be an equivalent of one full-time employee.</i></p>
<b>Incentive Scheme (Programme)</b>	An instrument for policy implementation. Subsidies given by government and its agencies to a private/public sector commercial project, because of the expected public benefits arising from such projects.
<b>Infrastructure</b>	<p>Refers to the structural foundations or permanent network facilities via which enterprises and society in general receive or supply basic services such as transport, electricity and water, sanitation, telecommunications etc.</p> <p>Examples of infrastructure include roads, rail and bridges, electricity transmission lines, sewer connections, sanitation, storm water, telephone lines, fibre, runways, landing strips, bulk water infrastructure (generation, storage, purification and distribution), fencing (only</p>

	<p>available to state-owned industrial parks) silos and broad band works.</p> <p>Notwithstanding the above definition of infrastructure, the CIP will for the purposes of supporting new and expansion fixed investment <b><i>include the connection of the new investment project to an infrastructure network, scarce storage, and purification facilities that are part of the plant or enterprise, which will be freely accessible and utilised by other enterprises, where possible.</i></b></p>
<b>Industrial Park</b>	An area zoned and planned for the purpose of industrial development (as opposed to residential or commercial use). Industrial parks may contain oil refineries, ports, warehouses, distribution centres, chemical plants, plastics manufacturers, airports, food and beverage processors, and steel manufacturers, to name just a few examples.
<b>Investment Project</b>	Any private/public sector investment as per IPAP.
<b>Mega Projects</b>	Investment projects that are normally over R1 billion.
<b>Minister</b>	Shall mean the Minister of Trade and Industry, unless otherwise stated.
<b>Project</b>	<p>Certain activities that have a single definable <i>purpose, end-item or result</i>, usually specified in terms of cost, schedule and performance requirements. Every project is <i>unique</i>, and involves <i>temporary</i> activities, <i>uncertainty</i> and <i>risk</i>.</p> <p>It is a planned commercial undertaking, or a long-term task, which fulfills the criteria as discussed in Section 2.1-2.5 above. For the purpose of adjudication, a project can be considered as a set of activities that might be approved or rejected as a whole.</p>
<b>Public-Private Partnership</b>	<p>(As defined by the National Treasury) is a commercial transaction between an institution and a private party in terms of which:</p> <ol style="list-style-type: none"> <li>1. The private party performs an institutional function on behalf of the institution for a specified or indefinite period; or acquires the use of state property for its own commercial purposes for a specified or indefinite period;</li> <li>2. The private party receives a benefit for performing the function or by utilising state either by way of: <ol style="list-style-type: none"> <li>a) Compensation from a revenue fund;</li> <li>b) Charges or fees collected by the private party from users or customers of a service provided to them; or</li> <li>c) A combination of such compensation and such charges or fees.</li> </ol> </li> </ol>
<b>Secretariat</b>	CIP Secretariat consists of <b>the dti</b> officials, or such other persons as appointed by the Director-General for the purpose of management and administration of the CIP.
<b>Small, Medium and Micro-Enterprises</b>	The National Small Business Act (Act 102 of 1996 as amended) classifies SMMEs into four categories: micro which includes survivalist enterprises, very small, small, and medium. <b>SMMEs as used in this document exclude survivalist enterprises.</b>
<b>State-owned Aerospace and Defence National Strategic Testing Facility</b>	Means a publicly-owned aerospace and defence technical infrastructure facility that should test, calibrate, inspect, and evaluate industry products as per its stringent requirements. The technical infrastructure should keep-up with the industry's evolving innovations that are essential in giving it the competitive advantage and bringing in the much needed foreign revenue and be able to issue safety and quality certificates that are domestic and or international recognised.

Dr Rob Davies, MP  
Minister: **the dti**

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