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Department of Public Works and Infrastructure

NO. 2142 2 June 2022

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE IDA REGULATIONS 2022 FOR NOTING

The Department of Public Works and Infrastructure ("DPWI") presents the final IDA Regulations per IDA, 2014 as amended for public to note and subsequent implementation therof.

The Regulations are presented for noting by the public as they shall be implemented after this gazetting. Should the public seek clarity on these Regulations, please contact:

a) Acting Deputy Director –General: Policy Mr Molatelo Mohwasa on molatelo.mohwasa@dpw.gov.za or nomfundo.kondile@dpw.gov.za

Infrastructure Development Regulations, 2022

Published Under

By virtue of the power vested in me by section 21(1) of the Infrastructure Development Act, 23 of 2014, I, Patricia De Lille, Minister of Public Works and Infrastructure, hereby make the regulations as set out below.

PATRICIA DE LILLE, MP

Minister of Public Works and Infrastructure

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1. **Definitions**

In these Regulations, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act must bear the meaning so assigned, and -

"Act" means the Infrastructure Development Act, 2014 (23 of 2014);

"best value-for-money" means the optimization of the return on investment in respect of a project or group of projects across their life cycle in relation to functional, financial, economic, environmental sustainability and social return;

"category" means a project or group of projects that either involve the entire infrastructure lifecycle, including implementation, operations and maintenance, refurbishment and rehabilitation, or repurpose and regeneration; or that focus on a specific section of the lifecycle;

"early business case" means the first business case developed by the project sponsor in accordance with the SIDS Methodology and submitted in the project plan;

"intergovernmental project" means a project that affects or cut across different spheres of governments;

"intermediate business case" means the second business case developed by a project sponsor, in accordance with the SIDS Methodology and submitted in terms of the steps detailed in the project plan;

"inter-regional project" means a project that affects or cuts across different districts and/or provincial and/or South African boundaries;

"intersectoral project" means a project that affects different sectors of the economy or different aspects of the society;

"Minister" means the Minister of Public Works and Infrastructure:

"monetary value" means the total projected monetary value of the SIP across all phases of the project life cycle, including the phases of planning, construction, operations and maintenance, as determined in the intermediate business case;

"project plan" means a detailed delivery roadmap prepared in accordance with the SIDS Methodology in regard to an infrastructure project and which is submitted by a project sponsor to a person delegated by the Minister in terms of the Act;

"project sponsor" means an organ of state or private entity that initiates and/or provides support to an infrastructure project; and

"SIDS Methodology" means the Sustainable Development Infrastructure System Methodology, which takes infrastructure projects through a series of gateways as stipulated in three business cases, ensuring that infrastructure delivery and the expedited implementation thereof is aligned with the strategic intent of government, as well as being both commercially and financially viable.

2. Applicability

These Regulations apply to both public and private sector projects subject to section 7(3) of the Act.

3. Significant Economic Importance Criteria

- (1) For a project or group of projects to qualify to be designated by the Commission to be a SIP of significant economic importance as envisaged in section 7(1)(b)(i) of the Act, it or they must -
 - (a) either be an intersectoral or intergovernmental, or inter-regional project; and
 - (b) demonstrate best value-for-money; and
 - (c) demonstrate transfer of skills or technological innovation in the implementation of the project.

4. Significant Social Importance Criteria

- (1) For a project or group of projects to qualify to be designated by the Commission to be a SIP of significant social importance as envisaged in section 7(1)(b)(i) of the Act, it or they must -
 - (a) either be an intersectoral or intergovernmental, or inter-regional project;and

- (b) demonstrate how it or they will address the historical spatial, economic, environmental, or governance inequalities and injustices that have manifested in the infrastructure of the identified area; and
- (c) demonstrate how the physical, health, environmental, and safety challenges in the identified area, as they relate to infrastructure across its lifecycle, are to be addressed.

5. Contribution to National Strategy or Policy Relating to Infrastructure Development

- (1) For a project or group of projects to qualify to be designated by the Commission to be a SIP that contributes substantially to any national strategy or policy relating to infrastructure development as contemplated in *section* 7(1)(b)(ii) of the Act, it must comply with any of the strategies or policies listed in Schedule A of these Regulations.
- (2) The Minister may from time to time update the list of strategy or policy documents listed in Schedule A to these Regulations, by notice in the Gazette.

6. Minimum Monetary Value of Projects

- (1) For a project or group of projects to qualify to be designated by the Commission to be a SIP on the basis of the monetary value as contemplated in *section* 7(1)(1)(iii) of the Act, it must have a monetary value stipulated in Schedule B of these Regulations.
- (2) The Minister may from time to time, review the monetary values as published in Schedule B of these Regulations, by notice in the Gazette.

7. Project Plan

To ensure compliance with the requirements of Regulations 3, 4, 5, and 6, a project sponsor of a project must submit a project plan which must include all the requirements as stipulated in the SIDS Methodology.

8. Approval of SIPs

(1) The Commission may only *Gazette* a SIP contemplated in section 8(1)(a) and (b) of the Act upon receipt of an approved project plan and if it is satisfied with the project's approved early business case and intermediate business case, as contained therein.

(2) A Gazetted SIP-

- (a) Must be prioritised and must be budgeted by all organs of state, together with identified funders, in accordance with the approved project plan, until the completion of the SIP, subject to the provisions of applicable laws; and
- (b) must be subject to the implementation process contemplated in section17 of the Act.
- (3) A *Gazetted* SIP's project plan must be used to manage and implement the SIP and to solicit investments.

9. Short title and commencement

These Regulations are called the Infrastructure Development Regulations, 2022, and come into operation on the date of publication in the *Government Gazette*.

SCHEDULE A

STRATEGY AND POLICY DOCUMENTS

(Section 7(1)(b)(ii) of the Act)

- 1. The National Development Plan 2030
- 2. South Africa's Infrastructure Investment Plan, 27 May 2020
- 3. South Africa's Economic Reconstruction and Recovery Plan, October 2020
- 4. National Infrastructure Plan 2050, 2022

SCHEDULE B

MONETARY VALUE CRITERIA

(Section 7(1)(b)(iii), read with Section 21(1)(c), of the Act)

- 1. In order for an infrastructure project to be designated as a SIP by the Commission in terms of *section* 7(1)(b)(iii) of the Act, it must have a monetary value of at least R400 million per annum, for a minimum of three consecutive financial years, or a total project value of at least R1 billion.
- 2. The monetary value of a SIP provided for in section 7(1)(b)(iii) read with section 21(1)(c) of the Act and set out in this Schedule 2, shall be adjusted annually in accordance with the published producer price index.

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