



INCENTIVES SA

Helping Your Business Grow

Critical Infrastructure Programme (CIP)

Description:

The Critical Infrastructure Programme (CIP) aims to leverage investment by supporting infrastructure that is deemed to be critical, thus lowering the cost of doing business. The South African Government is implementing the CIP to stimulate investment growth in line with the National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP).

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. 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.

Mandatory Requirements:

The applicant must be a registered legal entity in South Africa.

The project must be at least a level four Broad-Based Black Economic Empowerment (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.

For foreign direct investment (i.e. foreign investors incorporated in South Africa), 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.

For all projects, a grace period of 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.

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.



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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.

Grant Offerings:

The CIP offers a grant of 10% to 30% of the total qualifying infrastructural development costs, up to a maximum of R50 million, based on the achieved score in the Economic Benefit Criteria.

Agro-processing applicants and state-owned Aerospace and Defence National Strategic Testing Facilities: The CIP will offer a grant of 10% to 50% of the total infrastructural development costs, up to a maximum of R50 million.

Projects that alleviate water and/or electricity dependency on the national grid: The CIP will offer a grant of 10% to 50%, up to a maximum of R50 million.

Distressed municipalities and state-owned industrial parks: The CIP offers a maximum grant of up to 100%, capped at R50 million for infrastructural developmental. Applicants are encouraged to make a contribution according to their affordability.

To apply for this grant please contact Incentives SA on the following numbers:

Cape Town: 021 671 4400

Gauteng: 012 004 1819

KZN: 031 535 7282

www.incentivesa.co.za