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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

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Capital Projects Feasibility Programme

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Vision of the dti

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens".



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EMIA Group Offerings

Group Participation	Individual Participation	Project Funding
National Pavilions	Individual Exhibitions	Sector Specific Assistance
Outward Investment and Selling Missions	Foreign Direct Investment and Primary Market Research	<i>Capital Projects Feasibility Programme (CPFP)</i>
Inward Buying and Investment Missions	Individual Inward Missions	



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Programme Description

Capital Projects Feasibility Programme (CPFP)

is a cost-sharing scheme, providing a contribution to the cost of feasibility studies that are likely to lead to projects **outside** South Africa that will increase local exports and stimulate the markets for South African capital goods and services

The programme's contribution is in the form of a grant of up to

- 50% of the study costs for projects outside Africa and*
- 55% of the study costs for projects in Africa*
- to the maximum of R8 mil*



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Grant Approval

- The grant approval is calculated as a percentage of the total cost of the feasibility study and is payable according to completed milestones.
- The approval of the feasibility study is capped at a maximum of R 8 million (vat exclusive).
- The Adjudication Committee reserves the right to approve or reject revised milestones; should the milestones timeframes change the applicant has to send a formal request and a schedule of milestones activities.
- If approval is granted, the applicant will receive the approval letter with the terms and conditions which need to be signed and returned within 10 working days of deemed receipt. Failure to comply may result in the approved grant being withdrawn.
- **the dti**, or a duly appointed representative, reserves the right to carry out inspections from time to time, for activities of the approved applicant.



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Why CFPF?

- The South African government acknowledges the potential that the capital goods sector has in contributing to the country's development, job creation and attracting foreign investment. Supporting feasibility studies in the capital goods sector plays a critical role in attracting foreign investment through unlocking contract and project opportunities for the sector.
- Across the globe, emerging and developed economies recognise the potential contribution of the capital goods sector towards strengthening and fast-tracking the country's industrial and economic development. Government has, through New Growth Path (NGP), identified capital-intensive sector as a competitive sector that can achieve full employment over the long run. This can be achieved through improving South Africa's core strengths for capital equipment sector for construction and mining, metallurgy, heavy chemicals, pharmaceuticals, software, green technologies and biotechnology.
- As part of the government's continuous improvement of the country's economy, a systematic review of the South African Capital Projects Feasibility Programme (CFPF) was conducted and concluded with various key capital goods and services sector and industry stakeholders, hence the provision of the revised CFPF guidelines.
- Prospective investors interested in conducting feasibility studies especially within and outside Africa, which can lead to bankable projects, are invited to apply for the CFPF offerings as outlined in the guidelines.



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Programme Objectives

The primary objectives of the programme is to facilitate feasibility studies that are likely to lead to high-impact projects which will stimulate value-adding economic activities in South Africa as this will have greater impact on the country's industrial policy objectives. The secondary objectives of the programme include:

- Attracting high levels of domestic and foreign investments;
- Strengthening international competitiveness of South African capital goods sector and allied industries;
- Creating sustainable jobs in South Africa;
- Creating a long-term demand for South African capital goods and services;
- Stimulating project development in Africa and in particular the Southern African Development Community (SADC) countries as well as support for the objectives of the New Partnership for Africa's Development (Nepad);
- Stimulating upstream and downstream linkages with SMMEs and BEE firms.

The guidelines provide a criterion to assess applications and the process of applying for the incentive programme. The guidelines are approved and issued by the Minister of Trade and Industry for the purpose of ensuring clarity on the aim and requirements of the incentive programme.



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Eligibility Criteria

Study Promoter

- the dti will determine whether the feasibility study is eligible taking the following into account:
- Feasibility studies must be undertaken by a South African registered legal entity in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008; the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).
- Capital Projects Feasibility Programme Guidelines 4
- If a feasibility study is undertaken by a foreign entity, the application will only be considered if that entity partners with a South African Entity



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Eligibility Criteria

Project Criteria

- The project must fulfil the following non-financial criteria:
- New projects, expansion of existing projects and the rehabilitation of existing projects in the capital goods sector;
- The programme that is anticipated to emerge from the feasibility study must fulfil the objectives of the CPFPP programme;
- The minimum local content, depending of the nature of the project, must be 50% for goods and 70% for professional services; which remains at the discretion of the Adjudication Committee;
- Projects can be situated anywhere in the world (excluding South Africa);
- The project must have an adequate chance of being declared a success.



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Eligibility Criteria

Additional evaluation criteria

- The motivational factors which can be considered for the feasibility study can include the following aspects about the project which may result in:
- A positive impact on other developmental aspects including job creation, skills development, linkages with small, medium and micro enterprises as well as black business empowerment etc.
- A minimum of 10% of the total professional services involved during the feasibility study should be sub-contracted to South African black-owned professionals / entities;
- A clear detailed time period within which the project emanating from the feasibility study will be realised;
- Buy-in and other sources of funding from private and public sector organisation(s) to realise the project.



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Non Eligible Criteria

A feasibility study will not qualify if it is:

- Expected to result in a project which is not of capital goods and services in nature;
- Expected to result in a project which can be readily implemented without even conducting a feasibility study;
- Expected to result in a bankable document which cannot translate into an implementable project;
- Receiving government's funding for the same aspect of the same project.



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Documentation

<i>Application</i>	<i>Claim</i>
Completed Application Form	Completed Claim Form
Valid Tax Clearance Certificate	Copy of Approval Letter
Audited Financial Statements	Completed & Verified Credit Order Instruction Form
CV's of Core Study Team	Cancelled Cheque
Copy of Pre-Feasibility Report	Valid Tax Clearance Certificate
3 X Company References	Original/Certified Invoices or Timesheets (Signed by Financial Director)
Company Profile	Progress Report on Achieved Milestones
Copy of signed MoU / MoA / JV	Proof of Applicants Contribution Towards Milestone Claiming
Company Registration Document	



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Contact Details

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