Western Cape Government

Executive Summary Report

1. Project Description & Strategic Case

Project Name	Creation of a regulatory sandbox to position the Western Cape as a Global Hub for Drone Innovation.
Location	Saldanha Bay Local Municipality
Sector	Technology
Department	Department of Economic Development and Tourism
Project Owner	Fernel Abrahams Hendrickse
Project Manager	Fernel Abrahams Hendrickse

1.1 Project Scope

The scope of work for the WC Drone and UAV Regulatory Sandbox covers the full lifecycle of designing, establishing, operating, and scaling a mission-oriented regulatory innovation platform. The project includes structured stakeholder engagement with regulators, industry, municipalities, research institutions, and communities, supported by a documented engagement plan and research methodology. It entails close collaboration with nationel aviation authorities to define sandbox-specific regulatory frameworks, trial authorisations, and alternative compliance mechanisms aligned with risk-based aviation principles. The scope further includes technical planning for ground and airspace requirements, enabling phased operations from VLOS and EVLOS to BVLOS and future Unmanned Traffic Management integration. A comprehensive site identification and feasibility process underpins the selection of viable locations, alongside infrastructure planning for a minimum viable sandbox with scalable expansion capability. Governance and institutional arrangements are established through multi-stakeholder oversight bodies and an operational management team. The project also includes operationalisation of sandbox activities, digital compliance and monitoring systems, financial and comercial structuring, performance tracking, and a phased transition towards public-private partnership models and long-term operational sustainability.

1.2 Justification

The Western Cape Government (WCG) is establishing a Regulatory Sandbox for Drones and UAVs to position the Province as a global hub for drone innovation. This initiative, aligned with the Growth for Jobs (G4J) strategy and WCIF 2050 Principles, aims to provide a controlled environment for testing, regulatory adaptation, and commercialisation of unmanned aviation technologies.

Spanning 2024 to 2025, the project follows a six-phase development model that includes stakeholder engagement, technical requirements, site selection, operational design, and governance finalisation. Viable locations such as Saldanha, Atlantis, and George have been shortlisted based on airspace, infrastructure, and community impact criteria.

The sandbox supports a phased implementation model, progressing from VLOS and EVLOS to BVLOS and UTM-integrated operations, with a long-term goal of enabling fully functional drone corridors. It offers direct engagement with SACAA, ATNS, DoT, and includes frameworks for trial authorisations, exemptions, and real-time compliance monitoring.

The project is designed to de-risk investment and attract participation from drone operators, manufacturers, technology firms, and research institutions. It also supports job creation, STEM education, and inclusive economic growth through gender responsive procurement and local enterprise development.

As the sandbox transitions into a public-private partnership (PPP), investors are offered clear pathways to co-develop infrastructure, manage operations, and commercialise drone services. With regulatory alignment, scalable infrastructure, and structured governance in place, the sandbox presents a compelling investment opportunity to lead Africa's drone innovation landscape.

1.3 Sector Specific Analysis

- **Technology & Regulatory features**

  Interaction between technology, regulation, and public safety

1.4 Market Size And Demand Analysis

1.4.1 Total Addressable Market (TAM)

- **Population served by a transport corridor**
  Primary Population Served

  1. Drone and UAV Operators

  Commercial drone operators (VLOS, EVLOS, BVLOS)
  Start-ups and SMMEs entering the unmanned aviation market
  Established firms testing advanced operations
  Firms requiring regulatory validation before commercial deployment

  This group represents the core demand base for the regulatory sandbox.

  2. Technology Developers and Service Providers

  Drone manufacturers and hardware developers
  Software, data analytics, and sensing companies
  Unmanned Traffic Management (UTM) solution providers
  Safety, detect-and-avoid, and compliance technology firms
  These users require real-world testing, validation, and regulatory learning environments.

  3. Investors and Private Sector Partners

  Venture capital and strategic investors

  Infrastructure and technology investors
  Firms interested in PPP participation or concessions
  The sandbox serves them by reducing regulatory and operational risk, improving investment readiness.

- **Data sources**
  - **Geographic**

    Site Selection and Geographic Analysis
    - Assessment of six candidate sites and shortlisting of three viable locations.
    - Consideration of:
      - Proximity to industrial zones
      - Innovation ecosystems
      - Research institutions
      - Logistics and infrastructure nodes
    - This informed the **geographic scope of the TAM** (provincial, scalable nationally).
  - **Other Data sources Methods**
    The Total Addressable Market was determined through a combination of stakeholder engagement, sector and value-chain analysis, regulatory assessment, site feasibility analysis, and policy alignment, rather than through a standalone quantitative market sizing exercise. Demand is defined by ecosystem participation and regulatory need rather than consumer volumes.

1.4.2 Served Available Market (SAM)

- **Location**

  Location

  - The project's SAM is geographically constrained by the availability of suitable airspace and compatible land use.
  - Six sites were assessed; three locations shortlisted (Saldanha, Atlantis, George).
  - Location determines:
    - Type of operations permitted (VLOS, EVLOS, BVLOS)
    - Proximity to controlled airspace
    - Environmental and community constraints
  - As a result, only operators and use cases compatible with these locations are immediately serviceable.

  Conclusion: Location is a primary determinant of the Served Available Market.

- **Capacity**

  Capacity

  - The sandbox is designed as a Minimum Viable Sandbox (MVS) initially.
  - Capacity is constrained by:
    - Available airspace slots and time windows
    - Operational management capacity
    - Safety and regulatory oversight limits
  - The number of concurrent tests, operators, and trials is therefore finite and managed.
  - Capacity expands over time through phased scaling and potential PPP transition.

  Conclusion: Capacity constrains the SAM in early phases, with planned scalability.

- **Are there any envisaged Operational constraints?**

  Operational Constraints

  - Operations are constrained by:
    - Aviation safety rules and approval conditions
    - Phased progression (VLOS ? EVLOS ? BVLOS)
    - Environmental and community impact limits
    - Availability of regulatory oversight and monitoring systems
  - Not all technologies or use cases can be accommodated simultaneously or immediately.

  Conclusion: Operational constraints are central to defining which market segments are serviceable at each phase.

- **Which of the following criteria is being used to support this analysis in terms of Segmentation?**

  - **Region**

    Region
    Region is explicitly used to support the scale and complexity analysis.

    - The project is segmented by geographic location, with:
      - Six candidate sites assessed
      - Three shortlisted regions (Saldanha, Atlantis, George)
    - Regional characteristics affect:
      - Airspace availability
      - Environmental constraints
      - Municipal readiness
      - Community impact
    - The sandbox is designed as multi-site and scalable, making regional segmentation central to understanding complexity.

    Conclusion: Region is a core segmentation lens.

  - **Service level**

Service Level
Service level is explicitly used, through phased operational capability.

- The project segments users and operations by:
  - VLOS
  - EVLOS
  - BVLOS
  - Future corridor and UTM-enabled operations
- Each service level has different:
  - Regulatory requirements
  - Safety constraints
  - Infrastructure needs
  - Market accessibility

This segmentation explains:

- Why the project must be phased
- Why complexity increases over time
- Why not all users can be served simultaneously

Conclusion: Service level is a key segmentation driver.

- **Regulatory risk, user type, maturity**
  Regulatory Complexity / Risk Profile Segmentation by: Risk level of operations Safety-critical vs low-risk use cases This directly informs: Approval processes Operational sequencing Governance intensity b) User Type / Market Role Operators Technology developers Regulators Researchers Public-sector users c) Operational Readiness / Maturity Early-stage innovators vs advanced operators Trial-stage vs near-commercial deployments

1.4.3 Demand Forecasting

- **Projections of usage over time**
  - **Phased Operational Capability**
    Usage growth is directly linked to the phased expansion of permitted operations: Initial phase: VLOS / EVLOS Subsequent phases: BVLOS Longer term: corridors and UTM-enabled operations Each phase unlocks new user segments and use cases, driving step-changes in demand rather than linear growth.
  - **Regulatory Readiness and Approval Throughput**
    Number of trial authorisations that can be processed and overseen safely. Maturity of sandbox regulatory processes and digital systems. Increasing confidence of regulators in approving more complex operations. Demand increases as regulatory throughput and certainty improve.
  - **Capacity Constraints**
    Available airspace slots and time windows. Operational management and monitoring capacity. Safety oversight limits. Demand forecasts must reflect managed capacity ceilings, especially in early years.
- **Informed by**
  - **Stakeholder Engagement Data**
    Results from the initial stakeholder engagement survey and consultations with: Drone operators Technology developers Industry bodies Regulators and research institutions This data provides: Indications of latent demand Types of operations sought (VLOS, EVLOS, BVLOS) Expected frequency and intensity of sandbox usage
  - **Operational Phasing Assumptions**
    Defined project phases (Minimum Viable Sandbox ? expanded operations ? PPP model). Each phase introduces: New service levels Increased operational capacity Broader user eligibility These phasing milestones serve as anchors for step-change increases in usage.

2. Project Status & Implementation

2.1 Regulatory & Environmental Approvals

2.1.1 National Level

2.1.2 Provincial and Local Levels

- Provincial Environmental Departments: Implement and enforce environmental regulations within provinces
- Municipalities: Play a role in environmental management, especially in land-use planning and development applications

2.1.3 Other Relevant Entities

- Council for Scientific and Industrial Research (CSIR)
- UAS Sandbox Task Force (UAS-SB-TF)

2.2 Identify Key Stakeholders

2.2.1 Government

- Department Of Infrastructure
- Provincial Treasury
- Local Government
- Department of Mobility
- Government Motor Transport
- Department of Premier
- Department of Environmental Affairs and Development Planning
- Western Cape Government
- Department of Economic Development and Tourism
- City of Cape Town – Local planning, building plan approval
- Provincial Regulatory Authority (Transport)
- South African Civil Aviation Authority
- Air Traffic and Navigation Services
- Department of Transport

2.2.2 State-Owned Entities

- **Air Traffic and Navigation Services (ATNS)**
  National airspace management Coordination of airspace access and segregation Engagement on dynamic airspace and future UTM integration Critical to community assurance around aviation safety
- **South African Civil Aviation Authority (SACAA)**
  Aviation safety regulation and oversight Trial authorisations, exemptions, and alternative compliance mechanisms Central to regulatory credibility and stakeholder trust
- **Council for Scientific and Industrial Research (CSIR)**
  Technical expertise and safety assurance Research and evidence generation for regulatory learning Support to detect-and-avoid, UTM concepts, and operational testing Enhances credibility with communities and regulators

2.2.3 Private Sector

- **Drone and UAV Operators (Core Stakeholders)**
  Role in engagement: Primary users of the sandbox Direct participants in testing and trial activities Provide feedback on regulatory processes, safety requirements, and operational feasibility Includes: Commercial drone operators Start-ups and SMMEs Established aviation and technology firms
- **Technology Developers and Solution Providers**
  Role in engagement: Testing and validation of hardware and software solutions Collaboration on detect-and-avoid, command-and-control, and safety systems Input into technical standards and interoperability requirements Includes: Drone and UAV manufacturers Sensor and payload developers Software, data analytics, and AI solution providers Unmanned Traffic Management (UTM) technology firms
- **Investors and Financial Stakeholders**
  Role in engagement: Early market sounding for investment and PPP participation Feedback on commercial viability, risk allocation, and scaling pathways Support for investment readiness and capital mobilisation Includes: Venture capital and private equity investors Strategic corporate investors Infrastructure and technology-focused funds

- Financial Institutions

2.2.4 Civil Society

- **Civil society organizations advocating for community needs**
  Role in engagement:
  - Represent residents and land users in and around shortlisted sites
  - Provide input on noise, safety, visual impact, and local concerns
  - Support social acceptance and community trust

  Includes:
  - Ward committees
  - Community forums
  - Local civic associations
  - Residents' associations near sandbox sites
- **Environmental and Conservation Organisations**
  Role in engagement: Advise on environmental sensitivity, biodiversity protection, and disturbance avoidance Support transparency in environmental screening and mitigation Build public confidence in environmentally responsible operations Includes: Environmental NGOs Conservation and biodiversity advocacy groups Local environmental forums
- **Skills, Youth, and Innovation NGOs**
  Role in engagement: Support inclusion of youth and emerging talent Promote access to STEM, technology, and innovation pathways Assist with outreach and awareness programmes Includes: Youth development organisations STEM and innovation-focused NGOs Skills development and entrepreneurship support organisations

2.2.5 Other Stakeholders

3. Governance, Policy & Enabling environment

3.1 Legal and Regulatory Framework

3.1.1 Financial Feasibility

- Capex and Opex by phase
- PPP option analysis and risk allocation

3.1.2 Legal and Regulatory Feasibility

- Site-specific aviation approvals and airspace declarations
- Zoning, land-use rights, servitudes, and municipal approvals
- PPP legal structuring and procurement compliance

3.1.3 Environmental and Land Use Planning

- Environmental Impact Assessment (EIA)
- Western Cape Land Use Planning Act (LUPA)

3.2 Governance policies

- National Development Plan (NDP)
- Infrastructure South Africa (ISA)
- Western Cape Infrastructure Framework 2050 (WCIF 2050); Western Cape Infrastructure Strategy (WCIS)
- Provincial Land Transport Framework (PLTF)
- Growth for Jobs (G4J)
- Relevant Integrated Development Plans (IDPs)

- Aviation and Airspace Regulatory Frameworks
- Innovation and Industrial Policy [White Paper on Science, Technology and Innovation (STI) (2019)]

3.3 Investment Needs

3.3.1 Infrastructure Development

- Digital and Operational Infrastructure
- Logistics & Commercial Precinct Infrastructure

3.3.2 Education

- STEM education support
- Research and innovation capacity
- Industry–academia collaboration

3.3.3 Green Economy

- Low-Carbon and Resource-Efficient Mobility
- Green Innovation and Technology Development
- Digitisation-Enabled Environmental Efficiency
- Climate Resilience and Adaptation Support
- Green Finance & ESG Alignment

3.3.4 SMME and Entrepreneurship Support

- Lowering Barriers to Market Entry
- De-Risking Early-Stage Innovation
- Access to Shared Infrastructure
- Market Validation and Credibility
- Pathways to Commercialisation
- Regional and Spatial Inclusion of Enterprises

3.4 Policy Incentives

3.3.1 Sector-Focused Incentives

- Technology and Innovation: Support for ICT hubs, fintech, and digital startups.
- Inclusive Infrastructure Development
- Public-Private Partnerships (PPP)
- Economic Inclusion
- Advanced Manufacturing & Aerospace
- Freight logistics and export competitiveness incentives

3.3.2 Investment Ecosystem Support

- Western Cape Infrastructure Pipeline / DOI support
- Provincial Treasury PPP and project preparation support
- WCIF 2050 Panoptic Evaluation framework
- Development finance institution (DFI) technical assistance
- National PSP and rail reform support mechanisms

3.3.3 Business Support and Facilitation

- Site selection assistance
- Regulatory guidance
- PPP and concession advisory support
- Stakeholder coordination
- Internal project preparation and pipeline support
- Regulatory sandbox facilitation
- Development Finance Institution (DFI) Engagement

3.3.4 National Incentives Accessible in the Western Cape Via the Department of Trade, Industry and Competition (DTIC)

- Indirect DTIC Alignment (Not Incentive-Based) [around inclusive economic participation, formalisation of informal sectors, SMME participation through procurement and concessions]

- Technology and Innovation Support
- ational rail reform and open-access policy enablement

3.3.5 Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

4. Financial requirements & Funding strategies

4.1 Cost-Effectiveness Analysis (CEA)

4.2 Cost-Benefit Analysis (CBA)

4.3 Risk Evaluation

Risk Category	Likelihood	Impact Severity	Risk Score	Timeframe
Regulatory and Policy Risk	3	4	12	Planning and Operation
Technical and Safety Risk	3	5	15	Planning and Operation (with highest exposure during live operations and scaling to advanced service levels)
Operational Risk	3	4	12	Operation (with preparatory elements during Planning)
Financial and Commercial Risk	3	4	12	Planning and Operation (with heightened relevance during scaling and PPP transition)
Market and Demand Risk	3	3	9	Planning and Operation (particularly relevant during early implementation and scaling decisions)
Environmental and Social Risk	3	4	12	Planning and Operation (with heightened sensitivity during site selection and early operations)
Institutional and Governance Risk	3	4	12	Planning and Operation (with increased relevance during scaling and handover phases)
Legal and Liability Risk	2	5	10	Planning and Operation (with primary exposure during live operational phases)

4.4 Economic Multipliers

Sector / Scenario	GDP Impact	Employment Impact	Key Drivers	Notes
Tertiary Sector - Innovation and Technology Spillover Multiplier	Moderate to High	Moderate - Employment growth is driven by high-skill, high-productivity jobs	Regulatory de-risking enabling private investment	Regulatory de-risking enabling private investment & Human capital development
Tertiary Sector - SMME and Entrepreneurship Multiplier	Moderate (Medium to Long Term)	Moderate to High	Lower regulatory barriers to entry & access to shared infrastructure and airspace	Most effective in stimulating broad growth

Tertiary Sector - Skills and Human Capital Multiplier	Moderate to High (Long Term)	Moderate	Real-world skills development in drone ops & data + STEM exposure & advanced technical training	Human capital development
Primary Sector - Productivity and Cost-Efficiency Multiplier	Moderate to High (Long Term)	Low to Moderate	Reduced cost & time for inspection, monitoring, & data collection	Boosts productivity and connectivity
Tertiary Sector - Investment Attraction and Crowding-In Multiplier	High	Moderate to High	Reduced regulatory and operational risk + Improved investor confidence and deal flow	Most effective in stimulating broad growth
Tertiary Sector - Regional Development and Spatial Multiplier	Moderate (Long Term)	Moderate	Location in regional and industrial nodes + Improved access to advanced tech outside major metros	Most effective in stimulating broad growth
Primary Sector - Green Economy and Resilience Multiplier	Moderate (Long Term)	Moderate	Use of drones for environmental monitoring/compliance + Improved disaster preparedness & response	Boosts productivity and connectivity

4.5 Macro-Economic Benefits

Benefit Category	Estimated Impact	Sectoral Relevance	Policy Alignment
GDP Growth	Moderate, Long-Term GDP Impact	Cross-Sectoral, with Strong Tertiary-Sector Emphasis	NDP, ERRP & Broader National Policy Direction
Employment Creation	Moderate Employment Impact	Cross-Sectoral, with Concentration in Services and Technology	Policy Alignment (NDP, ERRP, and Related Frameworks)
Sectoral Spillover - generating value beyond the the sector	High, Long-Term Impact	Strongly Cross-Sectoral	Policy Alignment (NDP, ERRP, and Related Frameworks)
Investment Crowding-In - reducing regulatory & ops uncertainty, enabling private capital to enter	High, Long-Term Investment Impact	Primarily Tertiary, with Cross-Sector Spillovers	Policy Alignment (NDP, ERRP, and Related Frameworks)

5. Financial requirements & Funding strategies

5.1 Project Guestimate

Estimated Cost	R 2.1M

5.2 Total Project cost breakdown

5.2.1 Capital Expenditure (CAPEX)

Description	Estimated Cost (ZAR)	Notes
Land Acquisition & Site Prep	R 0	
Design & Engineering	R 0	
Construction & Civil Works	R 0	
Equipment & Materials	R 0	
Utility Connections	R 0	
Contingency	R 0	

5.2.2 Development Costs

Description	Estimated Cost (ZAR)	Notes
Feasibility Studies	R 0	
Legal & Regulatory Compliance	R 0	
Stakeholder Engagement	R 0	
Project Management	R 0	

5.2.3 Operational Expenditure (OPEX)

Description	Estimated Cost (ZAR)	Notes
Staffing & Operations	R 0	
Maintenance & Repairs	R 0	
Utilities & Consumables	R 0	
Insurance & Monitoring	R 0	

5.2.4 Financing Costs

Description	Estimated Cost (ZAR)	Notes
Interest During Construction	R 0	
Financial Fees	R 0	

5.2.5 Lifecycle & Decommissioning

Description	Estimated Cost (ZAR)	Notes
Asset Replacement	R 0	
Decommissioning	R 0	

5.2.6 Inflation & Escalation

Description	Estimated Cost (ZAR)	Notes
Adjustments based on Treasury guidelines	R 0	

5.3 Funding sources

Funding Strategy Guide for Infrastructure Projects

5.4 Revenue Model

5.4 Innovative financing mechanisms

Innovative Financing Mechanisms for Infrastructure Projects

6. Project feasibility, approvals & infrastructure planning

6.1 Technical Feasibility

The **technical feasibility** of the project is considered **high**, as it relies on existing and proven drone technologies, operational concepts, and digital systems, rather than the development of untested infrastructure. The sandbox is designed to support phased operations, beginning with lower-risk activities and progressively enabling more advanced use cases as regulatory and technical readiness increases. Required technical components—such as airspace management coordination, operational procedures, safety oversight, and digital monitoring systems—are modular and scalable. This phased, risk-based approach ensures that technical complexity is manageable and aligned with regulatory capability and demand.

6.2 Master plan integration

The **master plan integration** of the project is considered **feasible and appropriate**, as the regulatory sandbox does not require large-scale greenfield development or heavy physical infrastructure. The project is designed to integrate within existing provincial and municipal spatial frameworks by utilising suitable government or industrial sites and controlled airspace, minimising disruption to established land-use plans. Its modular and flexible design allows alignment with long-term provincial infrastructure, economic development, and innovation strategies, enabling the sandbox to complement, rather than compete with, existing master plans while supporting future-oriented infrastructure planning.

6.3 Alternative Evaluation

The **alternative evaluation** confirms that the regulatory sandbox approach is **technically preferable** to alternative options such as fully commercial test sites or purely desk-based regulatory reform. Unlike commercial-only facilities, the sandbox allows controlled real-world testing under regulatory oversight without requiring extensive bespoke infrastructure. Compared to policy-only interventions, it provides practical operational evidence to inform regulation. The phased, site-based sandbox model offers the most technically feasible balance between safety, flexibility, scalability, and learning, while avoiding the complexity and cost of large-scale permanent infrastructure development.

6.4 Infrastructure Planning Prioritization

The **infrastructure plan** for the project is **technically feasible and proportionate** to its objectives, as it prioritises minimal, modular, and scalable infrastructure rather than capital-intensive assets. The sandbox relies primarily on existing sites, controlled airspace, and digital systems to enable operations, with only limited physical infrastructure required for operational coordination, safety oversight, and monitoring. This approach allows infrastructure components to be deployed incrementally, aligned with demand and regulatory readiness, while avoiding over-investment and ensuring flexibility to adapt as operational requirements evolve.
Document(s):
1. 2025 February 21 WC SANDBOX SteerCom v2

7. Delivery Mechanism & procurement strategy

7.1 WCG Sector Priorities

Outcomes	Social	Energy & Water	Economic	Technology	Ecological
Households have increased access to basic services and improved shelter				Short Term 1-5 YRS	

7.2 Community Participation

7.3 Procurement methods

- **Procurement Strategy**

  The **procurement strategy** for the project is **fit-for-purpose and feasible**, as it emphasises flexibility, proportionality, and value-for-money rather than large, upfront capital procurement. Early procurement focuses on specialised professional and technical services, such as operational design, regulatory support, and digital systems, using competitive, transparent processes aligned with public procurement requirements. As operational maturity and demand increase, the strategy allows for market testing and potential transition to a PPP or concession-based model. This staged approach reduces risk, supports competitive participation, and ensures procurement remains aligned with evolving project needs.

- **Bidding Process**

  The **bidding process** is designed to be **transparent, competitive, and proportionate** to the scale and risk profile of each project phase. In early stages, bidding focuses on procuring specialised technical, regulatory, and operational services through open and competitive processes that prioritise capability, experience, and compliance rather than lowest cost alone. Clear evaluation criteria are applied to ensure value-for-money and risk mitigation. As the project matures, the bidding process can evolve to include competitive market sounding and structured PPP or concession bidding, informed by operational evidence and proven demand.

- **Supplier Selection**

  The **supplier selection** approach is **technically appropriate and risk-aware**, as it prioritises capability, experience, and compliance over scale or asset ownership. Suppliers are selected based on demonstrated expertise in aviation operations, regulatory compliance, digital systems, and safety-critical environments, with weighting given to proven performance in complex, multi-stakeholder contexts. The selection process allows for participation by both established firms and specialised SMMEs, supporting innovation and inclusion. Clear technical, governance, and performance criteria ensure that selected suppliers can operate within evolving regulatory conditions and support phased delivery without creating long-term dependency or lock-in.

7.4 Risk sharing mechanisms

The **risk sharing strategy** for the project is designed to be **progressive, balanced, and mission-oriented**, aligning risk allocation with each party's ability to manage it effectively. In early phases, the public sector assumes a greater share of regulatory, coordination, and initial operational risk to de-risk innovation and enable market entry. As the sandbox matures and demand stabilises, operational and commercial risks are increasingly transferred to private operators and potential PPP partners through contractual arrangements, service-level agreements, and performance-based mechanisms. This staged risk-sharing approach avoids premature risk transfer, supports value-for-money, and ensures that risks and rewards evolve in line with capability, maturity, and demonstrated performance.

8. Special (eg. gender) procurement actions and social impact

8.1 Social Benefits

8.1.1 Inclusive Economic Development

- Supports SMMEs, women- and youth-owned enterprises

8.1.2 Public Participation and Equity

- Ensures community involvement in planning and decision-making

8.1.3 Expanded Public Works Programme (EPWP)

- Targets vulnerable groups including youth, women, and persons with disabilities

8.2 Sustainability And Environmental Compliance

8.2.1 Environmental and Land Use Planning

- Environmental Impact Assessment (EIA)
- Western Cape Land Use Planning Act (LUPA)