

DEPARTMENT OF TRADE AND INDUSTRY

NO. 389

29 MARCH 2018

INVITATION FOR THE PUBLIC TO COMMENT ON THE DRAFT GUIDELINES ON THE PROCESSES AND PROCEDURES FOR THE PLANNING AND ESTABLISHMENT OF THE SPECIAL ECONOMIC ZONES PROGRAMME

I, Dr Rob Davies, Minister of Trade and Industry, having consulted the Advisory Board hereby publish the draft guidelines on the Processes and Procedures for the Planning and Establishment of the Special Economic Zones Programme in terms of Section 40 of the Special Economic Zones Act No.16 of 2014 for broader public comment.

Interested persons may submit written comments on the proposed guidelines no later than thirty (30) days from the date of publication of this notice to:

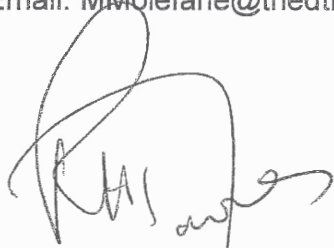
Attention: The SEZ Secretariat

Department of Trade and Industry
Private Bag X84
Pretoria
0001

Or hand delivery

77 Meintjies Street
Block B, Floor 1
Sunnyside
Pretoria

Tel: 012 394 5026
Email: MMolefane@thedti.gov.za



Dr Rob Davies, MP
Minister of Trade and Industry

14 February 2018

SPECIAL ECONOMIC ZONE PROGRAMME

PLANNING GUIDELINES

August 2017

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INTERPRETATION AND DEFINITIONS

In these Guidelines, any word or expression defined in the Special Economic Zones (SEZ) Act of 2014, bears the same meaning as in the Act unless the context indicates otherwise -

“cluster development”	development projects that are managed as collaborations between a number of interconnected enterprises, whether public or private, as a means to optimise synergies, to stimulate economic growth and increase the productivity with which those enterprises can compete in the local and international markets;
“Department”	unless the context indicates otherwise, means the Department of Trade and Industry;
“Director-General”	the Director-General of the Department of Trade and Industry;
“exceptional site preparation”	the preparation of – (a) a specialist infrastructure for the benefit of more than one business locating in that SEZ, which specialist infrastructure is limited to generic top structures with multi-purpose and shared service facilities that enhance the service capability and competitiveness of that SEZ; (b) specialised infrastructure that is specific to a single business locating in that SEZ which may include, infrastructure to provide access to sea water and infrastructure related to effluent removal; or (c) sector-specific specialised or critical infrastructure that might not be shared by all investors, but which is a key value proposition in securing a strategic and main anchor investor;
“existing business”	a business that at the time of application under any provision of the Act or these guidelines is conducting business for profit in the normal course of its operations;
“Fund”	the SEZ Fund established in terms of section 20 of the Act;
“Guidelines”	these guidelines developed in accordance with section 40 of the Act;
“IDZ Regulations”	the Industrial Development Zone Programme Regulations published under Government Gazette Notice R1224 in <i>Government Gazette</i> 21803 of 1 December 2000, as amended;

“manufacturing activities”	an activity where goods are made, produced, fabricated, assembled, processed or brought into existence by manual, mechanical, chemical or biochemical methods and having a distinctive name, character or use, and includes processes such as maintenance, repairs, re-engineering, decoration or improvement of such goods;
“physical infrastructure development”	land preparation including, <i>inter alia</i> the clearing and levelling of land; the installation of storm-water drainage; the connection and provision of access to roads, railways and sidings; the installation of electrical, communications, gas and effluent infrastructure; the construction of infrastructure for the storage, treatment and pumping of water and effluent; the installation of fencing and other fixed security infrastructure; the installation of lighting; the provision of landfills; the construction of infrastructure for the saving of energy or co-generation of energy from waste;
“a SEZ”	an identifiable portion of land that has been designated as a Special Economic Zone in terms of section 23 (6) of the Act;
“SEZ business enterprise status”	the legal status of a business that meets the criteria provided for in Regulation 13(1) and all other legal requirements to qualify for benefits under or in terms of the Act;
“site preparation”	the development, construction and installation of infrastructure and physical site preparation necessary to enable businesses to locate within the SEZ, including but not limited to enabling connections to bulk utility supplies;
“the Act”	the SEZ Act, 2014 (Act 16 of 2014); and
“Top structures”	structures that, although of a specialist nature, are sufficiently generic to be used by all investors that make use of that specialist infrastructure.

A. INTRODUCTION

1. Purpose of the Guidelines

1.1 This document serves to:

- 1.1.1 provide guideline processes and procedures for the planning and establishment of SEZs; and
- 1.1.2 provide criteria that will be applied for SEZ planning and designation by the SEZ Advisory Board when considering matters pertaining to the implementation of the SEZ Programme.

2. Application of the Guidelines

- 2.1 Nothing in these guidelines should be construed as diminishing or prohibiting any discretion and interpretation of the SEZ Act, as the SEZ Advisory Board and SEZ Secretariat may have in respect of evaluation of applications for designation, permits, transfer of permits, etc.
- 2.2 The SEZ Programme processes and mechanisms are continuously being reviewed to provide for changing policies and economic climate, as a result these guidelines may be amended from time to time.
- 2.3 It is incumbent upon the person who uses these guidelines to ensure that he or she has the latest version, as promulgated.
- 2.4 These guidelines should be read in conjunction with the SEZ Regulations.

B. STRATEGIC FRAMEWORK

1. Legal and Policy Framework

- 1.1 The SEZ Programme is administered by the Special Economic Zones and Economic Transformation (SEZ&ET) division of the dti and is implemented as a programme under the SEZ Act, 2014 (Act 16 of 2014).

2. Purpose and Objectives of the SEZ Programme

- 2.1 The SEZ Programme aims to promote the competitiveness of South African enterprises through leveraging investment in export-oriented manufacturing industries and the export of value-added manufactured products.
- 2.2 The key objectives of the SEZ Programme include -
 - a) Promoting the acquisition and development of targeted industrial capabilities within the framework of the Industrial Policy Action Plan (IPAP), New Growth Path (NGP) and National Development Plan (NDP);
 - b) Promoting beneficiation and value addition to the country's minerals and other natural resources;
 - c) Developing world-class infrastructure to support the development of targeted industrial activities;
 - d) Attracting relevant foreign and domestic direct investment;
 - e) Accelerating exports and economic growth and the creation of much-needed jobs; and
 - f) Contributing towards balanced regional development.

3. Rationale for the SEZ Planning Guidelines

The SEZ Planning Guidelines are intended to provide necessary information with regards to -

- a) Processes and procedures for the designation of a SEZ;
- b) What constitutes an application for designation as a SEZ to the Minister of Trade and Industry;
- c) Processes for the development of feasibility studies and strategies for a proposed SEZ; and
- d) Processes and procedures for the appointment of SEZ operators.

C. GUIDELINES FOR THE DESIGNATION OF SEZS

1. Regulation 2-5: SEZ Fund

Please refer to the latest version of the SEZ Fund Guidelines, which are available on the dti website (www.thedti.gov.za).

2. Regulation 6-7: Support measures for operators and businesses

Please refer to the latest version of the SARS guidelines, which are available on the SARS website (www.sars.gov.za).

3. Regulation 8: Application for designation

3.1 Who can apply

- 3.1.1 National government, provincial government, municipality, public or municipal entity, or public-private partnership (PPP), acting alone or jointly, may initiate the process of applying for a SEZ.

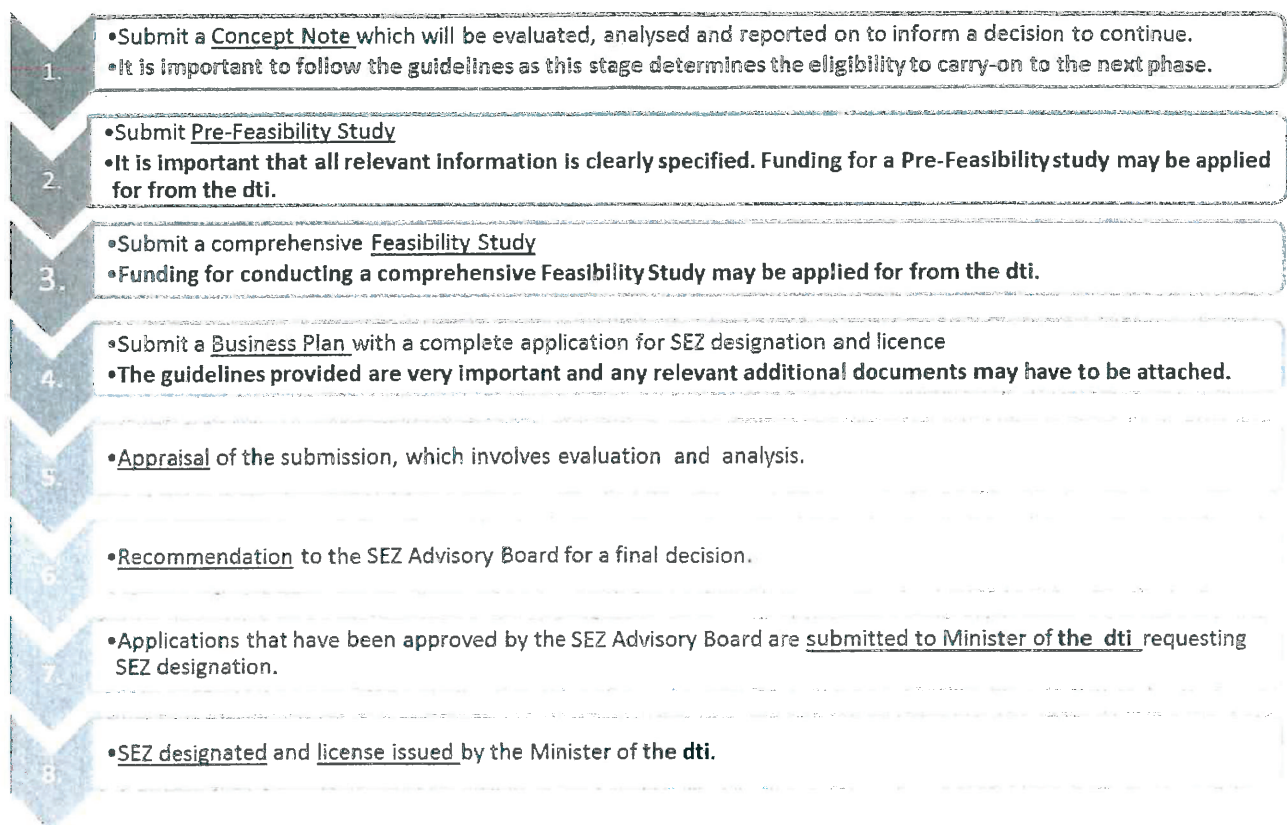
3.2 Application process and evaluation criteria

- 3.2.1 An application must conform to the following critical phases:

- a) Concept note;
- b) Pre-feasibility study;
- c) Feasibility study;
- d) Business plan;
- e) Appraisal of application and presentation to the SEZ Advisory Board;
- f) Recommendation to the SEZ Advisory Board;
- g) If recommended by the SEZ Advisory Board, a submission is forwarded to the Minister of Trade and Industry to approve and publish his/her intention to designate a SEZ in the *Government Gazette*;
- h) The published application will be allowed for public comment as such, for a period of not less than thirty (30) working days from date of publication or such period as the Minister may determine;

- i) After thirty (30) days the Secretariat to the SEZ Advisory Board will compile a report of public comments for the Minister's consideration;
- j) If the Minister is satisfied with the report, he/she will seek concurrence from the Minister of Finance;
- k) The Minister will make a presentation before Cabinet;
- l) Upon Cabinet approval, the SEZ will be designated and the Minister issues the licence; and
- m) The Minister will publish the issuance of the Licence by Notice in the *Government Gazette*.

The information relevant to each aspect is indicated as follows:



3.3 The concept note

- 3.3.1 The concept note sets out the fundamental rationale for the establishment of the proposed SEZ by briefly describing its credibility, feasibility and achievability. It may be submitted by the applicant to the SEZ Advisory Board Secretariat at the following address:

The Secretariat, SEZ Advisory Board

the dti

Special Economic Zones and Economic Transformation Division

SEZ: Policy and Planning Chief Directorate

the dti Campus

Block A, 2nd Floor

77 Meintjies Street, Sunnyside

Pretoria, 0002

OR

Private Bag X84, Pretoria, 0001

3.3.2 The following should be considered when submitting the concept note:

- a) It is the foremost document in the SEZ designation process because it determines the viability and potential of a proposed SEZ project, as well as eligibility to continue with the application process;
- b) It should be a high-level summary of the business case. In cases where other documents already exist, the concept note should include a summary of the information provided therein.
- c) It must not be longer than 10 A4 pages, with the exclusion of annexures;
- d) The following should be clearly stated, for the proposed SEZ to be considered by the Secretariat and proceed with the next phase of the application process:
 - i. A statement of intent, substantiating the purpose and objectives of the proposed SEZ;
 - ii. Policy fit – SEZs are tools for the implementation of the country's industrial policy. Accordingly, new SEZs must contribute to the national economic development goals as expressed in both the NGP and IPAP including, the expansion of the manufacturing sector, and focus on priority sectors that have significant potential for job creation;
 - iii. A socio-economic profile of the SEZ's geographic area;
 - iv. A brief business case (thematic focus, economic rationale, financial details, socio-economic and environmental considerations, projected costs, plans and timelines);
 - v. A distinct economic rationale for applying for a SEZ – why the concept should be considered for an SEZ and the improvement it would bring to the South African economy;
 - vi. Long-term economic viability, in that the SEZ should be primarily informed by the long-term economic viability of the targeted economic activities in the targeted regions. This criterion, however, can only be tested through a feasibility study;
 - vii. Socio -Economic impact – SEZs, by accelerating industrial and economic development, have to lead to increased economic growth; the creation of more sustainable jobs, increased foreign and domestic investments, and more value-added exports. This criterion, however, cannot be fully tested prior to a feasibility study;
 - viii. Equity – given the overconcentration of the national economy in a few regions, SEZs should be distributed among the various provinces and regions in a manner that promotes geographic equity;
 - ix. Summary of risks with technical/infrastructure, operational, environmental, market, political, strategic, regulatory and financial risk response strategies; and
 - x. Evidence of possible financial resources as well as a demonstration of affordability value for money drivers.

3.3.3 The concept note will be assessed by the SEZ Advisory Board. The decision whether the applicant can move on to the next phase of the application process will be conveyed to the applicant within thirty (30) days of receipt of the concept note.

3.3.4 Should the SEZ Advisory Board not recommend that the applicant proceed on to the next phase, its reasons and recommendations must be put in writing and conveyed to the applicant within twenty (20)

days of its decision. The applicant may then be allowed to resubmit the application should the sub-committee recommend such.

3.4 Pre-feasibility and feasibility study

The purpose of the pre-feasibility study is to conduct a preliminary investigation into the potential SEZ to determine whether it would be worthwhile to proceed to the feasibility study stage. The feasibility study aims to objectively and rationally determine the costs required and value to be attained.

The pre-feasibility and feasibility study should be in the following format, containing the listed information in the table below. The application will be evaluated by the SEZ Advisory Board Secretariat and Project Managers, using the listed criteria.

Application process and compliance evaluation criteria

Key deliverable	Description	Completed
Cover letter		
Name and address of applicant	An application letter duly signed by the Executive (e.g. MEC in the case of a province)	
Applicant	Province, municipality, national Government, PPP and details thereof, i.e. date of incorporation, mandate etc.	
Summary of key project details	a. Location; b. Area (size, contiguous or not); c. Sectorial focus; d. Summary/reference to the business case; e. Institutional arrangements and support for SEZ development; and f. Reference to documentation included in the application (list of supporting documentation).	
Document format	Letter on official letterhead	
Executive summary of the application		
Statement of intent	Substantiate the purpose and objectives of the proposed SEZ and how the SEZ designation will further Government's industrial development goals and national objectives, e.g. National Industrial Policy Framework (NIPF), NGP, IPAP and NDP. Also refer to the Integrated Development Plans (IDP) and Spatial Development Framework (SDF) of the area, and the SEZ Act and Regulations.	
Risk profile	Summary of risks with technical, operational and financial risk transfer/mitigation strategies	
Brief business case	Thematic focus (emanating from feasibility study): a. Socio-economic profile;	

	<ul style="list-style-type: none"> b. Economic rationale; c. Land and area description; d. Financial details; e. Sector development and investment pipeline f. Scope and plans; g. Institutional model; h. Timelines; and i. Reference to the socio-economic and economic profile and impact. 	
Pre-feasibility study/economic case		
Opportunity identification and analysis	<p>Identify and analyse the nature and extent of the niche economic opportunity driving the proposed SEZ including, but not limited to the following:</p> <ul style="list-style-type: none"> a. Identification and analysis of key industrial sectors and their value chain opportunities, and possible product lines (current vs future); b. Identification of comparative and competitive advantages; c. Availability and costs of raw materials, key networks or other drivers of opportunity including, intellectual property; d. Prioritisation of industrial sectors and value chains with high potential; e. Mapping and analysis of global trends for the prioritised industrial sectors and value chains; f. Strategies for each prioritised sector; g. Market analysis for each of the prioritised sectors; h. Determine long-term economic viability of the identified SEZ; i. Identification of key projects for the SEZ (e.g. for manufacturing and services); j. Identification of catalytic projects including, other local and regional projects that can add value to the SEZ initiative, particularly those linked to the Presidential Infrastructure Coordinating Commission (PICC) and Strategic Integrated Projects (SIPs); k. Potential threats; and l. Risks. 	
Key requirements	<p>Identification and analysis of the key requirements to unlock or realise the identified opportunity, including -</p> <ul style="list-style-type: none"> a. Policy and strategy alignment at national, provincial and regional levels; b. Investors and investor-readiness; c. Skills and human capital; d. Technology; e. Environmental matters including, sustainable development; 	

	<ul style="list-style-type: none"> f. Availability of land, land identification per Deeds Office references, identity of current owners (including, location of the land in terms of connectivity to transportation networks, proximity to the labour base, availability of public transportation, access to IT and communication networks, adequacy of space for growth); g. Stakeholder-readiness; and h. Bulk infrastructure (water, energy, waste, etc.). 	
Regional socio-economic analysis	<p>Provide a regional profile for the proposed SEZ including, but not limited to -</p> <ul style="list-style-type: none"> a. General socio-economic trends, economic growth (national, provincial and region; gross regional domestic product; export and import; local government finance; comparative and competitive advantages; employment; foreign direct investment and domestic investment; population and density; minimum regional/provincial wage etc.); b. General sectoral analysis (indicate performance and impact of key sectors identified for the SEZ in the region); c. Regional transportation data (national, provincial or local road network; main modes for cargo movement; transportation system, i.e. land, sea, air and ferry transportation; domestic and international load and unload etc. This should also factor planned projects that are being rolled out or included in Presidential Infrastructure Co-ordinating Commission (PICC); and d. Existing industrial infrastructure (assessment of the availability, costs, quality, functionality and appropriateness of existing infrastructure such as land, water supply, energy, information and communications technology, housing, waste water/solids, education and training etc. related to the envisaged SEZ development). 	
Economic Impact Assessment	<p>Identify and quantify the economic benefits that are likely to emerge from the zone development including, but not limited to the following:</p> <ul style="list-style-type: none"> a. Potential number of jobs to be created as a result of the zone – identify which jobs would be realised at the various stages; b. Potential value and number of investment to be attracted and developed as a result of the zone; c. Multiplier effects; d. Number and value of other economic activities to be created as a result of the zone; and e. General impact of the zone in the region (in terms of spin- 	

	offs from infrastructure development to the municipality and surrounding areas), the province and the country.	
Benchmark study	Provide a benchmark of key trends and strategies for the prioritised industrial sectors of selected leading players or regions (hubs) including, sector strategies etc.	
Key strategies	Outline key strategy options and their implications for exploiting the opportunity (e.g. public sector driven, PPP etc.) and recommended strategies. Mechanisms for ranking options: cost and benefit analysis/ratios etc. should be outlined.	
Business case	The pre-feasibility study should result in a detailed rationale and business case for the SEZ, built on the brief case provided in the concept note.	
Document format	There is no specification to limit and content of the document. A Word/pdf format including, annexures in support of the indicated components of the pre-feasibility study and two hard copies must be provided.	
Technical feasibility study		
Executive summary*	A statement of intent and summary of the feasibility must be provided.	
General overview*	General overview of the SEZ location with information on and detailed analysis of - <ul style="list-style-type: none"> a. Demographic profile of the population of the area and the impact thereof; b. Socio-economic profile of the area including, the rate of unemployment, education, health, human development profile and the impact thereof; c. Economic profile of the area including, an analysis of existing enterprises by size and sector within the municipal boundaries of the proposed SEZ and the impact thereof; and d. Availability of utilities and plans for future availability at municipal and provincial level. This should be more detailed than the pre-feasibility study and should build on the work done during the pre-feasibility stage.	
Socio-economic feasibility*	Economic rationale for the application for designation of a SEZ including, information on and analysis of - <ul style="list-style-type: none"> a. Projected outputs and expected key outcomes of the SEZ; b. Projected economic impact of the SEZ on the local, district, provincial and national economies; c. Projected employment to be created during the various phases of the establishment of the SEZ, the sectors within which employment will be created and the nature of the employment, which may be:- 	

	<ul style="list-style-type: none"> i. Permanent or temporary. ii. Direct or indirect. d. Industrial activity targeted by the SEZ, the sectors and information on what the targeted industrial activities will create in the economy including, a demonstration of - <p>Detailed industry and sector assessment studies:</p> <ul style="list-style-type: none"> i. Extent of export of value-added products; ii. Extent of import substitution; iii. Beneficiation of raw materials and mineral Resources; iv. Skills training and transfer; v. Innovation and intellectual property development Including, the scope for new markets and manufacturing or distribution innovations; vi. Alignment with existing initiatives on training, business development, retention and expansion, and infrastructure upgrades; and vii. Use of and impact on processing and manufacturing technologies. e. Nature and maturity of manufacturing technology to be used by businesses intending to locate in the SEZ. f. Localisation plan including - <ul style="list-style-type: none"> i. The impact on supplier development and potential to develop a cluster of enterprises to achieve commercial viability; and ii. Projected procurement including; the use of local materials, technologies and labour. g. Social impact of the proposed SEZ including, information on and analysis of - <ul style="list-style-type: none"> i. Housing; ii. Education; iii. Health care; iv. Access to public transportation; v. Safety and security; and vi. Availability of basic services. 	
Technical feasibility	<ul style="list-style-type: none"> a. Detailed geo-technical investigation of land portion. b. Traffic impact studies. c. Topographical surveys. d. Land availability, suitability, identification by erf number, current ownership and planning. e. Completion of civil engineering studies. f. Detailed land use zoning, site planning and design density, building design, vehicle movement and parking, landscape, 	

	<ul style="list-style-type: none"> signage, traffic control. g. Urban designs, landscape design and architectural design. h. Bulk infrastructure (water, energy, waste, ICTs etc.) i. Spatial Development Framework. 	
Financial feasibility	<ul style="list-style-type: none"> a. Financial modelling and scenario planning (including exploration on PPP, equity, state etc.) b. Financial forecasting: <ul style="list-style-type: none"> i. Sustainable revenue and sources of revenue; ii. Turnover and profit; iii. Operational financing; iv. Capital financing; and v. Land purchase costs and source of funds. 	
Legal and policy study	<ul style="list-style-type: none"> a. Detailed Environmental Impact Assessment (EIA); b. Public consultations; c. Contracts and agreements; d. Land ownership and use rights; e. Detailed land use zoning, site planning and design density, building design, vehicle movement and parking, landscape, signage, traffic control; and f. Labour relations and related. 	
Risk analysis	<ul style="list-style-type: none"> a. Identification and analysis of all risk factors (local, national and global); b. Risk monitoring and assessment; c. Risk responses (elimination, mitigation, prevention). d. Unforeseen and immediate risks; e. Risk contingency planning; and f. Risk tracking. 	
Document format	There is no specification to limit and content of the document. A Word/pdf format including, annexures in support of the indicated components of the feasibility study and two hard copies must be provided.	
Bankable Business Plan		
SEZ strategy*	<p>As with most other sections in the business plan, this should build on the work done in the feasibility and pre-feasibility study, such as the risk analysis and technical analysis. It should include, but not be limited to -</p> <ul style="list-style-type: none"> a. Mission statement; b. Goals and objectives; c. Performance indicators; d. SWOT (strengths, weaknesses, opportunities and threats) analysis and outcomes to achieve/avoid; and e. Value proposition. 	

	Provide the rationale behind the application for SEZ designation, also stating the sector/s that will operate within the SEZ (with letters of intent; letters of commitment; and other statutory documents).	
Socio-economic analysis	Provide detail based on work already conducted in the pre-feasibility and feasibility stages.	
Economic analysis	<p>Detailed economic analysis of the region with economic rationale for the establishment of a SEZ. Include the following:</p> <ol style="list-style-type: none"> The estimated employment opportunities (i.e. a distinction to be made between employment during construction and operational phase, direct and indirect employment, and permanent and temporary employment); The SEZ's potential contribution to regional and national GDP; Availability of natural endowments and infrastructure; The potential to develop a critical mass or cluster of enterprises required to achieve commercial viability; An analysis of existing infrastructure to support SEZ development including, access to land and municipal services and utilities; shortages identified with services and utilities and the estimated cost of addressing these shortages; and The SEZ's additions, which will be an added advantage, i.e. will the project be exporting products; will there be any export substitution, beneficiation or export-import substitution? 	
Spatial development plan	<p>Include the following:</p> <ol style="list-style-type: none"> Location and boundary of industries and services areas; Location and boundary of Customs Controlled Areas (CCAs); Security measures to ensure lawful operation of the proposed SEZ; and Nearby residential and commercial zones and developments. <p>Provide references to existing and relevant Integrated Development Plans (IDPs) and indicate how this integrates with the plans.</p>	
Infrastructure plan*	<p>Detailed demonstration of the SEZ intends to provide utilities, i.e. electricity, water, hazardous waste facilities, refuse disposal facilities, ICT etc. (indicate all written or verbal arrangements that have been made with the suppliers of such utilities) -</p> <ol style="list-style-type: none"> Physical master plan (current status, requirements, gaps identified, detailed plan to address this) of the proposed SEZ 	

	<p>including, its physical location, location and boundary of industries and services area, location and boundary of customs-controlled area;</p> <p>b. Geotechnical study, a basic assessment report and detailed scoping and EIA process, where necessary;</p> <p>c. Availability of natural resources and services;</p> <p>d. Availability and analysis of existing infrastructure to support SEZ development including, access to land, availability of municipal services, telecommunications services and utilities;</p> <p>e. Infrastructure development and construction plan within the SEZ;</p> <p>f. Project management methodology to monitor and control development of physical infrastructure within the SEZ; and</p> <p>g. The extent to which the applicant owns or controls the area to be considered for designation as a SEZ, needs to be clearly stated and supported by documentation. Where the area envisaged as a SEZ is not owned by the applicant, a clear statement of how the land will be acquired or control will be exercised over the land must be provided.</p>	
Construction plan (optional for application for designation)	Provide delivery timeframes, concept architectural drawings and designs and details regarding regulatory requirements for construction. This plan should outline the resources required for construction, list contracts that will be required, procurement processes, budget required, contingencies, risks, inspection schedules and breakdown of work packages for construction of any SEZ buildings that will be undertaken by the operator or entity.	
Financial plan*	<p>A financial analysis and projections for 20 years including, the budget for each of the first five (5) years and for every five-year period thereafter and a clear indication of the sources of funding, should be provided. The expected financial years for break-even and for a surplus must be indicated, as well as projected total cost of establishing the SEZ. It is important to demonstrate the project's value for money drivers. The plan should include -</p> <p>a. A detailed income statement, balance sheet, cash flow statement and break-even analysis;</p> <p>b. Projected total cost of establishing the SEZ including, cost of acquiring the land and the source of these funds;</p> <p>c. Projected return indicators on capital, e.g. internal rate of return (IRR), return on investment (ROI);</p> <p>d. Projected revenue and operational costs with break-even projections for various scenarios, e.g. low-road and middle-</p>	

	<p>road scenarios; and</p> <p>e. Indicate sources of funding to establish the SEZ. Include evidence of financial resources and access to such resources to prove that there will be sufficient access to establish and operate the SEZ sustainably (indicate access to financial resources equal to at least 20% of the development cost of the first phase of the proposed SEZ at the time of the conclusion of the SEZ operator agreement). A statement of affordability should be included. Access by the applicant to financial resources to fund operational expenditure of the SEZ for five (5) years and supporting documents demonstrating this should be included. If the owner is a provincial or municipal authority, a letter from the relevant budgeting authority acknowledging that they are aware of the project and its full cost, and will make provision in the budget to meet the financial commitment, should be included.</p>	
Market analysis*	<p>A detailed market analysis stating, but not limited to -</p> <ol style="list-style-type: none"> International and local trends and market size; SEZ risks; Strengths, weaknesses, opportunities/drivers, threats/constraints; Local and external clients; Competitors and local market players; Future growth prospects and potential; Potential markets; and Potential tenants (including the process to engage and attract them to the SEZ). 	
Marketing plan*	<p>Detail the channels and services to be used in sourcing foreign direct investment (FDI) and local investment (it will be an added advantage to include secured letters of intent with potential investors). This plan has to address investment promotion and facilitation (how business will be attracted to locate in the SEZ), advertising, branding and investment aftercare. It should include aspects such as -</p> <ol style="list-style-type: none"> Unique offering; Value proposition; Vision; Objectives; Performance measurements; Slogan/catch phrases; Identification of the market and market segments (size, trends, impact, growth, companies); Criteria to identify potential companies; Plans to engage these identified companies; 	

	<ul style="list-style-type: none"> j. Key messages to companies and key stakeholders; k. Targeted investments with timelines; l. Media plan (printed media, radio, TV, social media, web presence); and m. Business attraction and retention plan identifying the businesses that the applicant has attracted to locate within the SEZ with details including, contact details, main area of business, estimated investment value and signed letters of intent from businesses to locate within the SEZ. 	
Operational plan*	<p>Operational plan of SEZ development together with an indication of the date on which the initial phase of the SEZ is estimated to be operational as well as the anticipated implementation of subsequent phases of the proposed SEZ, i.e. business plan milestones. This should include -</p> <ul style="list-style-type: none"> a. How the applicant will develop, operate and maintain the SEZ; b. Identifying suppliers that will provide services necessary to operate the SEZ and contractual arrangements that will be entered into with service providers; c. Facility management arrangements and legal agreements, identifying engineering and development alignment gaps and priorities in infrastructure located outside the SEZ in relation to infrastructure to be located within the SEZ; d. A work breakdown structure with tasks and activities, delivery date and responsible person; and e. A Gantt chart showing all the deliverables and objectives of the business plan. 	
Governance plan and ownership model*	<p>Indicate ownership structure* (e.g. Schedule 3D status) of the licensee, supported by shareholders' agreement, indicating shareholding and percentages of shareholding. This should include, the institutional structure of the SEZ entity as well as commitment from the province to fund the operational costs.</p>	
Risk management plan*	<p>This is based on the already identified risk profile and should include a Risk Register and a Risk Matrix with sources, impact, probability and costs of technical, operational and financial risks indicated, and showing remedial (e.g. transfer and mitigation) actions. Risks to be addressed in the risk management plan include -</p> <ul style="list-style-type: none"> a. Operational; b. Financial; c. Market; d. Environmental and regulatory; e. Utilities, quality, costs and continuity management; and 	