



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

MEDIA STATEMENT FOR THE NOTIFICATION ON THE AMENDMENTS TO THE NATIONAL TREASURY REGULATIONS 16 AND MUNICIPAL PUBLIC PRIVATE PARTNERSHIP REGULATIONS

National Treasury has drafted amendments to the Treasury Regulations 16 and key elements of municipal legislation in line with the recommendations of the completed review of the Public Private Partnerships (PPP) framework. This is in line with the announcement made by the Minister of Finance in the 2023 Medium Term Budget Policy Statement that the publication of amendments to the respective Regulations, will be communicated in the 2024 Budget. On 19 February 2024, National Treasury published the amendments to the National Treasury Regulation 16 and the Municipal PPP Regulations for public comments.

The proposed amendments are expected to reduce the processes required for planning and procuring of PPPs, resulting in simpler regulations that align with project size and complexity. The proposed new regulations clarify the institutional arrangements in terms of who is responsible for what across the PPP project cycle. Further, the proposed amendments make it easier for the private sector to engage with investment opportunities while taking account of the risks that come with PPPs.

The proposed amendments to the PPP regulations are summarised as follow:

Legislative amendments to NTR 16 and Municipal PPP Framework:

- The regulations are amended to simplify the procurement of PPP projects by making the procurement process less complex. The amendments will make provision for the setting up of two pathways for PPPs – one for high value projects and a simplified version for low value (<R2 billion) projects.
- The regulations are being amended to improve the discipline in project execution by limiting the ability of accounting officers to cancel good projects while providing greater security to investors.
- The regulations are amended to provide clarity on the institutional roles and strengthening capacity (technical/advisory and regulatory mandates). This will improve compliance clarity and help stakeholders to discharge their duties.

Unsolicited Proposals (USPs)

- The NTR 16 is amended with the provision for USPs. This is to provide a clear framework which will enable the private sector to pursue projects under clear rules - a deliberate policy



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level that signal that South Africa is open to private sector participation in infrastructure development.

Management of fiscal risk and contingent liabilities related to PPPs.

- The regulations are amended to enable the identification, management and reporting of fiscal commitments and contingent liabilities given the expected opening up of the PPP market. A structured PPP disclosure regime is necessary.

The National Treasury is inviting practitioners on PPPs and non-practitioners, in the public and private sectors, to provide comments on the published amendments to the PPP Regulations. Written comments on the proposed amendments should be submitted to CommentsPPPDraftLegislation@treasury.gov.za within 30 days after the date of publication of the Notices. A detailed explanatory note on the amendments can be found on the National Treasury website: <https://www.treasury.gov.za>.

For enquiries email media@treasury.gov.za

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