

POLICY ON INFRASTRUCTURE INVESTMENTS AND CAPITAL PROJECTS



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1. Introduction

This Policy is hereby proposed to guide iLembe District Municipality's Infrastructure investments and Capital Projects. The environment is dynamic and the policy will have to be reviewed and refined as and when required to give effect to changing circumstances. Sources of funding are generally scarce and needs are boundless which will always result in prioritization of projects.

2. IDP

The Integrated Development Plan of iLembe District Municipality which is prepared after extensive community consultations embodies the community needs which are then translated into projects. This document, when adopted, becomes the main driver of investments in infrastructure and other capital projects. The IDP's of local municipalities integrate into a District IDP and all District IDP's integrate into Provincial and all Provincial into National. The infrastructure investments and capital projects by Provincial and National Authorities are hence driven by the integrated IDPs.

3. MIG – Water and Sanitation Services

Municipal Infrastructure grants for water and sanitation as well as other services are applied and approved by Provincial and National Government based on the Areas integrated development plan and statistical information on facilities around the District's area of jurisdiction.

4. Housing

The Department of Human Settlements also bases their allocations of grants for the provision of housing on the identified needs in terms of the Integrated Development Plan of the various regions and the District is required to provide basic water and sanitation infrastructure.

5. Civic Buildings

The need for capital investments in buildings for administration purposes, motor vehicle licensing and testing, clinics, libraries, government sector departments such as school's facilities, hospitals, correctional services, agricultural departments etc., are assessed on an ongoing basis and any water and sanitation infrastructure arising are fully motivated and included in the capital budget.

6. Other Capital Projects

All other capital projects, based on the IDP, are prioritised and included in the Capital requests. As much of the requests as possible are accepted and based on availability of funding, placed on the multi year budget.

7. Funding

9.1 Grant Funding Projects

Approved and Gazetted grant funding is incorporated into the capital budget for water and sanitation services and other infrastructure requirements.

7.2 External Loans

This source of funding is utilised for long life assets where the repayment period of the loan approximates the life of the asset. The cash flow generated from depreciation is used to amortise the loan.

7.3 Internal Funding

Net cash resources available from operations are used for lower value, short life assets which are necessary for day to day operations as well as funding any capital funding shortfall.