

REGULATORY SANDBOX FOR DRONES/UAVs

PROJECT SUMMARY



The Western Cape Government is implementing South Africa's first UAV/Drone Regulatory Sandbox in the Saldanha Bay municipal area. Aligned with the Western Cape Infrastructure Framework 2050 and the Growth for Jobs Strategy, the Sandbox is being developed as a controlled testing environment that will enable drone operators, technology companies, regulators, academia, and government agencies to test and validate drone technologies, operations, and regulatory approaches under real-world conditions.

The initiative is informed by a comprehensive Business Case and Economic Impact Assessment, both of which confirmed the strategic value of establishing a dedicated drone testing and regulatory innovation environment in the Western Cape. The Sandbox is intended to support innovation, investment attraction, skills development, regulatory modernisation, and the growth of new drone-enabled industries across sectors such as logistics, agriculture, infrastructure inspection, environmental management, emergency response, and advanced manufacturing.

By providing a structured pathway for Beyond Visual Line of Sight (BVLOS) operations, future drone corridors, and advanced airspace integration, the project will position the Western Cape as a leading African hub for drone innovation and emerging aviation technologies.

PROJECT STATUS



The project has successfully completed the Business Case, Economic Impact Assessment, and initial stakeholder engagement phases and is currently progressing through Stage 1: Pre Establishment. This phase focuses on securing the regulatory, governance, operational, and site-readiness requirements necessary to formally establish the Sandbox in Saldanha Bay.

The project has transitioned into implementation, with operational planning, regulatory enablement, municipal partnerships, and industry engagement progressing to support the launch of a Minimum Viable Sandbox and unlock future investment, innovation, and commercial drone opportunities in the Western Cape.

FINANCIAL NEEDS



The Economic Impact Assessment confirms that the Drone Regulatory Sandbox represents a strong public-sector investment opportunity with significant long-term economic returns. It demonstrates substantial public value through job creation, innovation, skills development, manufacturing growth, and regulatory advancement.

Key findings include:

Projected to generate R972 million in economic output, contribute R210 million to GDP, and support up to 174 jobs over 10 years.

Delivers a strong public-sector investment case, with an estimated NPV of R312 million, ROI of 390%, IRR of 60%, and Benefit-Cost Ratio of 3.90.

Expected to stimulate investment, manufacturing growth, skills development, and innovation across Saldanha Bay and broader Western Cape drone ecosystem.

Private investment is sought to scale operations, integrate advanced technologies and transition into a public-private sector partnership model. Cost categories include site infrastructure, staffing, digital platforms and airspace integration tools, with a revenue model based on user fees, tiered access and service partnerships.

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KEY MILESTONES (2026/27 - 2027)

Q2 2026/27 (JUL - SEP 2026)

SANDBOX SITE AND REGULATORY PATHWAY CONFIRMED

- Confirm and secure the Saldanha Bay site and ground footprint.
- Progress SACAA regulatory alignment, regulatory pathway, and Part 11 exemption requirements.

Q3 2026/27 (OCT - DEC 2026)

GOVERNANCE AND INSTITUTIONAL FRAMEWORK ESTABLISHED

- Formalise governance structures, stakeholder partnerships, and municipal arrangements.
- Conclude key collaboration agreements (including SBM and strategic partners).
- Establish the foundation for future operational and/or PPP arrangements.

Q4 2026/27 (JAN - MAR 2027)

MINIMUM VIABLE SANDBOX (MVS) OPERATIONAL READINESS ACHIEVED

- Complete operational design, CONOPS, SOPs, safety frameworks, and infrastructure planning.
- Establish operational procedures, testing zones, and compliance requirements.
- Confirm operational management arrangements and readiness for first use-case trials.

Q4 2026/27 (MARCH 2027)

MINISTERIAL SOFT LAUNCH AND INITIAL USE-CASE TESTING

- Ministerial launch of the UAV/Drone Regulatory Sandbox.
- Commencement of initial use-case trials involving academia, private sector operators, regulators, and government partners.
- Demonstrate operational capability and validate regulatory and safety frameworks.

Q1-Q2 2027/28 (APR - AUG 2027)

OPERATIONAL SUSTAINABILITY AND SCALE-UP PATHWAY FINALISED

- Complete compliance validation and operational readiness reviews.
- Finalise long-term operating model with Freeport Saldanha.
- Develop transition plan toward a PPP/hybrid model and future BVLOS, corridor, and advanced airspace integration capabilities.

SITE & REGULATORY ENABLEMENT → GOVERNANCE & PARTNERSHIPS →
OPERATIONAL READINESS → LAUNCH & TESTING → SUSTAINABILITY &
SCALE-UP