

PPP QUARTERLY

PUBLIC PRIVATE PARTNERSHIPS

Innovative infrastructure and service delivery by South African national and provincial government and public entities.

March 2004 Number 14

NEW PRECINCT PLANNED FOR GAUTENG PROVINCIAL GOVERNMENT

The Gauteng Provincial Government (GPG) has announced plans for a major precinct taking up 24 city blocks in the Johannesburg Central Business District (CBD), and the feasibility study on a PPP model for delivery of the serviced accommodation is currently with the National Treasury for approval. The province aims to achieve signing of a PPP contract within 18 months from the start of the bidding process.



NATIONAL TREASURY

PPP

unit



This significant project sets out to boost Gauteng public service delivery through providing a cost-effective working environment, interaction between departments, and good accessibility to the community. Empowerment, optimal city spatial planning, incorporation of heritage sites, and inner city rejuvenation are also identified as key outcomes.

Current GPG property arrangements provide inadequate public access and poor operational

linkages within and between departments, some of which are accommodated in different buildings scattered throughout the CBD.

The detailed space requirement analysis targets 150 000 square meters of required office accommodation. Fox Street and a portion of Main Street to the south; Pritchard Street to the north; Rissik Street to the east; and West Street to the west are the planned parameters of the new precinct. Whilst some buildings



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have been identified for upgrade or heritage protection measures, others have been identified for demolition to create appropriate public spaces.

"This project enables the GPG to become a landlord, instead of being a tenant. This will harness the expertise and finance of the public sector in a PPP arrangement," says Jack van der Merwe, Chief Executive of Gauteng's Department of Public Transport, Roads & Works. "The GPG is committed to the regeneration of the Johannesburg inner city. Furthermore, creating a government precinct will enhance the interface between the people and government, and even more importantly, government and the people."

The GPG departments to be housed within the proposed precinct include:

- Office of the Premier
- Public Transport, Roads & Works
- Finance and Economic Affairs
- Agriculture, Conservation, Environmental & Land Affairs
- Education
- Housing
- Health
- Provincial Safety & Liaison
- Development Planning & Local Government
- Social Services & Population Development
- Sports, Recreation, Arts & Culture

The project will consolidate GPG's long-term position in the Johannesburg CBD, and is expected to leverage further private sector investment in the city. Urban inner city tax incentives that are now in place also improve the viability of new developments in the Johannesburg CBD.



ACCOMMODATION PROJECTS ON THE MOVE: FOREIGN AFFAIRS TAKES A WORLD VIEW



Foreign Affairs Director General
Dr Ayanda Ntsaluba

Recently appointed Director General of Foreign Affairs, Dr Ayanda Ntsaluba has put a new spark of action into the long-awaited Pretoria headquarters for South Africa's foreign relations. And his vision does not stop at this significant Pretoria project.

Now also registered with the National Treasury's PPP Unit is a Department of Foreign Affairs (DFA) initiative to review all South Africa's foreign mission accommodation facilities, to identify optimal value solutions.

The world-wide feasibility study, using the PPP Unit's method, will get going with the selection of a transaction advice team in the forthcoming months. The brief will be to start with an options analysis of South Africa's foreign mission facilities per region: Africa, Asia, Middle East, Europe, America and South America. Detailed studies for identified projects will follow.

The high-priority Pretoria headquarters project was registered with National Treasury during October 2003 in terms of Treasury Regulation 16, and a full-time Project Officer will be appointed shortly as prescribed.

DFA's transaction advisor for the Pretoria project is SPP Project Solutions, a consortium comprising G5, Vela VKE, Resolve Group, Marsh, ME Corporation, Deneys Reitz and Sangena Investments. The feasibility study is well underway to identify the best procurement choice for a working environment that will meet the department's needs and align with its objectives. A number of potential sites are currently being assessed in collaboration with the City of Tshwane and the department of Public Works.

If a PPP is the chosen route, the feasibility study will be submitted to Treasury for approval in terms of Treasury Regulation 16, after which bid documents can be prepared.

The headquarters project is a key part of the DFA's strategic plan to 2005, and the department's committed management team is driving a timetable that aims for occupation of the new serviced facilities towards the end of 2006.

ROBUST FEASIBILITY STUDIES PUT PPP PROJECTS ON SOUND FOOTING

To decide whether a proposed PPP is in the best interests of government, Treasury Regulation 16 to the Public Finance Management Act (PFMA) requires the head of the relevant department or public entity to do a thorough feasibility study. Bidding documents may not be issued to the market unless Treasury has approved this study.

National Treasury's PPP Unit is finalising new guidance on how to do project feasibility studies. This will be published as a module in the new *PPP Manual* and issued as a Treasury Practice Note in terms of the PFMA.

The feasibility study involves eight stages:

- Needs analysis
- Options analysis
- Project due diligence
- Affordability, value-for-money and risk transfer assessment
- Economic evaluation
- Procurement and implementation plan
- Feasibility Study for Treasury approval
- Revisiting of the feasibility study throughout procurement

The identification and prioritisation of **needs** is the first stage. Here, the government institution must clarify its objectives, find budgets for the required services and/or infrastructure, analyse institutional and stakeholder factors, and then specify the outputs that the project wants to achieve. Getting the output specification right is key. It requires that government decides *what* it wants to achieve, not *how* it wants to achieve it. These outputs are costed later in the feasibility study models and are cornerstones of the project.

The **options analysis** stage enables the institution to explore a range of possible technical, legal and financial *options* for delivering the required service to the output specifications. A PPP is not itself an 'option' – rather, it may be a procurement choice for a preferred option. For example, a department needs a new head office. Its options may be three: to refurbish its existing building, or to rent another building, or to build a new one. The refurbishment and new build options could be achieved either by conventional procurement or via a PPP. However, the procurement choice is only made later in the feasibility study in the value-for-money assessment.

A thorough **due diligence** undertaking is stage three, in which all legal, project site, socio-economic and black economic empowerment (BEE) matters are investigated by the government institution to uncover anything that may impact on the project.

Stage four is pivotal in the feasibility study. It enables government to determine the best procurement choice for the project (PPP or other), using the three regulatory tests of affordability, value-for-money and risk transfer. The method involves a **comparative assessment** of delivering the outputs through public sector procurement (Public Sector Comparator) with delivering the same outputs through a PPP (the PPP Reference).

Detailed guidance is given on how to construct these models, each of which must

be risk-adjusted and calculated as a net present value. Risk is a central factor impacting on the value-for-money conclusions of this comparison, and a comprehensive risk matrix is required. Affordability remains the driving determinant of feasibility, and if this cannot be demonstrated, the institution must either adjust its output specifications or abandon the project. PPP types, BEE targets, project structure and sources of funding, and PPP payment mechanisms are all proposed at this stage.

Once the procurement choice conclusions are reached and the information verified, the study can move to stage five, an **economic valuation**, using established micro-economic techniques.

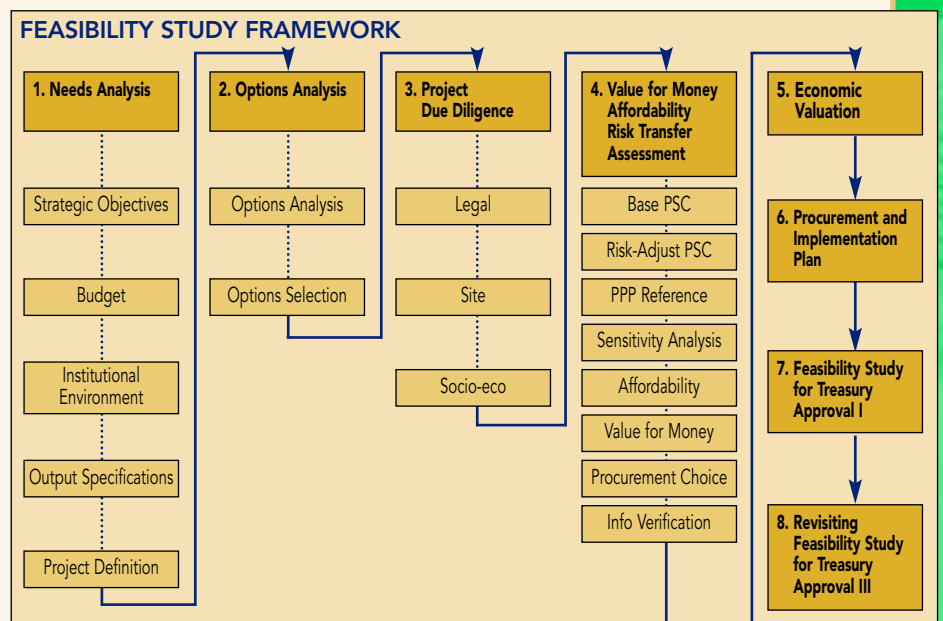
Stage six is the finalisation of a **procurement and implementation plan** that will demonstrate that the institution has the capacity and budget to undertake the project as envisaged.

A final **feasibility study report** is then compiled for submission to Treasury in the prescribed format, ensuring that the case for the project is comprehensively argued and that conclusions are justified.

The feasibility study becomes government's project handbook in every stage that follows its completion, enabling thorough procurement documents and draft contracts to be compiled, private sector bids to be evaluated against the feasibility benchmarks, negotiations to be conducted, and contracts to be managed.

If the project is procured as a PPP, the feasibility study is revisited as part of the final treasury approval prior to the signing of the PPP agreement with the private party. If at any stage during procurement or after the signing of a PPP agreement, the assumptions underlying the approved feasibility study are to be changed materially, the government institution is required to seek Treasury approval for such changes.

The new *National Treasury PPP Manual* will be available electronically on www.treasury.gov.za from April 2004. Published copies will be issued in June 2004.



MORE, SMARTER, FOCUSED: SECTORAL SPECIALISATION IN PPPs

Striding ahead following completion of the new National Treasury PPP Manual and Standardised PPP Provisions, the PPP Unit is now aiming to bring out specialised Sectoral Toolkits for PPPs. The initiative kick-starts this year with four PPP conferences for the health, fleet, IT and eco-tourism sectors.

Further conferences are planned for 2005 to assist the development of toolkits in the government office accommodation and schools sectors.

The National Business Initiative (NBI), in collaboration with the PPP Unit, will be securing private sponsorship for these conferences, and will handle logistics.

Who should attend?

- National, provincial and local government senior managers
- Private sector service providers and investors
- Financial institutions
- Project Officers of currently registered PPPs
- PPP transaction advisors

HEALTH PPPs CONFERENCE:

5-6 MAY 2004, BLOEMFONTEIN

Hosted by the Free State Health department, which led the way in South Africa's first co-location PPP in 2002, conference delegates will be invited to visit the operating PPP facilities at Pelanomi and Universitas hospitals. Top speakers in healthcare services from both the public and private sectors will share current local and international PPP experience.

What's on the agenda?

- Case study on Bloemfontein co-location hospitals
- Proposed pharmaceutical system for Eastern Cape
- Medical aid scheme for state employees
- Municipal health PPPs in the UK
- Using PPPs on a large scale
- Soft facilities management in KwaZulu-Natal
- Procuring and managing PPPs (with case study)
- Procuring and managing Transaction Advisors
- Military health facilities project
- Integrated information systems for hospitals
- PPPs in Western Cape Health department
- National vaccine PPP

GOVERNMENT FLEET PPPs CONFERENCE:

13-14 JULY 2004

With fleet PPPs rolling out in many provinces, local authorities and at national level, this conference will draw on a wealth of lessons learned to date by both private and public partners.

What's on the agenda?

- Case study on Eastern Cape fleet
- Pricing structures for fleet PPPs
- Legal framework
- Preparation of tender documents
- BEE in fleet PPPs
- Code of conduct for bidders and officials
- Contractual issues for fleet PPPs

INFORMATION TECHNOLOGY PPPs CONFERENCE:

17-18 AUGUST 2004

Seven major IT projects are in the PPP preparation pipeline, and the Labour department's partnership with Siemens Business Solutions is well underway. Optimising smart solutions is a high government priority, and deal innovation by both the public and private sectors is essential.

What's on the agenda?

- Case study on Labour department IT PPP
- Proposed Cash Hall management PPP for Justice department
- Smart Card, Back Record Conversion project in Home Affairs National Identification System (HANIS)
- Free State Social Development department's Grant Payment PPP
- Eastern Cape province-wide IT PPP
- Output vs Input in IT PPP agreements
- Definition of scope in IT projects
- Clauses specific to IT PPP agreements
- Private Finance Initiative and PPPs in IT: comparing UK and SA models
- Respective roles of SITA (ITAC) and its regulation for procurement, the Framework for Supply Chain Management, and Treasury Regulation 16 to the Public Finance Management Act

ECO-TOURISM PPPs CONFERENCE:

19-20 OCTOBER 2004

Numerous eco-tourism PPPs have been concluded by South Africa's conservation authorities in recent years. Processes followed and outcomes achieved are many and varied – and the opportunities for more, both big and small, continue to grow. A draft toolkit for the sector is in development, and will be debated at this conference prior to finalisation.

What's on the agenda?

- Reviews of existing eco-tourism PPPs from public sector perspective (case studies: SANParks, North West Parks, Western Cape, Greater St Lucia Wetlands, Limpopo)
- Private investors' and operators' experience to date (case studies)
- BEE in eco-tourism PPPs
- Working group sessions on each proposed module of the draft Eco-tourism PPPs Toolkit: feasibility studies, BEE, procurement processes, contractual issues, contract management.

To register as a delegate, contact Flo Mkwazi

Tel: 011-482 5100, e-mail: flo@nbi.org.za

To offer sponsorship, contact Nevina Smith

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Venues, prices and programmes will be confirmed on application to the NBI.

CLOSED DEALS UNDER PPP REGULATIONS (SINCE MAY 2000): AS AT MARCH 2004

PPP type indicated by combination of private party risk for: **D:** design; **F:** finance; **B:** build; **O:** operate; **T:** transfer of assets back to government
BEE: Black economic empowerment

Project and government institution	PPP type Contract duration Date Financial Close	Project Officer	Private Partner	BEE as % of equity and sub contracting	Financing and Arrangers	Transaction Advisors to government	Value to gvt (NPV of unitary charge)	NPV of benefit to government
1. Fleet Management Northern Cape Dept Transport, Roads and Public Works	DFO 5 years November 2001	Tshego Motaung (053) 839-2109	Pemberley Investments (Pty) Ltd comprising: Imperial Holdings and Africa Kosini	Equity: 25% Sub-c: 25%	Equity: 100%	Deloitte & Touche	R181 million	N/a
2. Inkosi Albert Luthuli Hospital KwaZulu-Natal Dept Health	DFBOT 15 years December 2001	Hermann Conradie (033) 395-2019	Impilo Consortium (Pty) Ltd comprising: Mbekane Health & Wellbeing, AME International, Vulindlela Holdings, Siemens, Drake & Skull, Omame	Equity: 40% Sub-c: 40%	Debt: 70% Equity: 20% Govt contribution: 10% Rand Merchant Bank	PricewaterhouseCoopers; White & Case; EC Harris; Aloecap; Hiltron	R4.5 billion	N/a
3. Eco-tourism Manyeleti, 3 sites. Limpopo Dept Finance, Economic Affairs, Tourism	DFBOT 30 years December 2001	Charles Maluleke (015) 288-0049	Koko Moya Wilderness Trail (Pty) Ltd; Tinswala Lodges (Pty) Ltd; Pungwe Game Reserve (Pty) Ltd	Equity: 30% 30%, 40% Sub-c: 30%, 30%, 40%	Equity: 100%	DBSA; White & Case	N/a	R25 million cash
4. Universitas and Pelonomi Hospitals co-location Free State Dept Health	DFBOT 16,5 years November 2002	Mr Shuping (051) 430-8989	Community Health Management/ Netcare consortium	Equity: 40% Sub-c: 40%	Equity: 100%	Ignis; Naude's Attorneys	N/a	R43 million cash plus R38 million in form of upgrade
5. Information Systems Department of Labour	DFBOT 10 years December 2002	Deon Haasbroek (012) 309-4551	Siemens Business Solutions Consortium	Equity: 30% Sub-c: 25%	Equity: 100%	KPMG	R1.5 billion	N/a
6. Chapman's Peak Drive toll road Western Cape Dept Transport	DF(part)BOT 30 years May 2003	Ben Veldman (021) 483-2004	Capstone 252 (Pty) Ltd comprising: Concor, Thebe Investments, Marib Holdings, Haw & Ingles	SPV: 30% Design & construct sub-c: 10% Ops & maintain sub-c: 50%	Debt: 44% Equity: 10% Govt Contribution: 46% Rand Merchant Bank	Ignis; Jeffares & Green; Hofmeyr; Herbstein & Gihwala; Intertoli; Decathlon	N/a	R450 million in form of capital works and operations
7. State Vaccine Institute Dept Health	Equity partnership 4 years April 2003	Gerrit Muller (021) 312-0717	Biovac Consortium	Equity: 15% Sub-c: n/a	Equity: 100%	PricewaterhouseCoopers; Deneys Reitz	N/a	R15 million systems investment; & NPV vfm of R60m over current spend
8. Humansdorp District Hospital Eastern Cape Dept Health	DFBOT 20 years June 2003	Eugene Jooste (040) 609-3702	Metro-Star Hospital (Pty) Ltd comprising: Metropal Hospital and Season Star Trading 123	Equity: 25% increasing to 40% Construct sub-c: 50% Ops & maintain sub-c: 40%	Equity: 90% Govt Contribution 10%	Ignis; PHI Attorneys	R18.9 million	R15 million upgrade plus R34 million cash
9. Fleet Management Eastern Cape Dept Transport	DFO 5 Years August 2003	Mr M Nkalane (043) 604-7425	Fleet Africa Eastern Cape (Pty) Ltd	Equity: 25% Sub-c: 25%	Debt: 100% Rand Merchant Bank	Deloitte & Touche	R553 million	N/a
10. Head Office Accommodation Dept of Trade & Industry	DFBOT 25 Years August 2003	Hamida Fakir (012) 310-1564	Rainprop Consortium comprising: WBHO, Atterbury Property Holdings, Parkdev S.A., Rebsene Facility Management, Propnet, Zwelinzima Holdings, Prop 5 Corp, Rainbow Construction, WDB Investment Holdings, PDSA	Equity: 55% Design & Construct sub-c: 43% Facilities Manage sub-c: 50%	Debt: 80% Equity: 8% Govt Contribution: 12% Standard Corporate & Merchant Bank	Ignis, Utho Capital, Ledwaba Mazwai/ Masons B.I. Assoc.	R870 million	N/A
11. Gradle of Humankind Interpretation Centre Complex Gauteng Dept Agriculture, Conservation, Environment and Land Affairs	DBOT 10 years October 2003	Michael Worsnip (011) 355-1400	Fumeaux Stewart Gapp consortium comprising: Stocks, Fikile, Thebe	Operating equity: 53% Construction sub-c: 40% Ops sub-c: 25%	Govt: 100% capex Equity: 100% opex	PricewaterhouseCoopers; White & Case	N/a	R39 million cash

PROJECTS IN DEVELOPMENT REGISTERED WITH NATIONAL TREASURY PPP UNIT – MARCH 2004

National Departments	Project Officer	Project	Status	Preferred bidder	Transaction Advisors
1. Dept Arts Culture Science & Technology	Peter Pedlar (012) 337-8587	Head Office Accommodation Services	Transaction Advisors to be appointed.		Not yet appointed
2. Dept Correctional Services	Mollet Ngubo (012) 307-2557/2487	Negotiation of two existing PPP prison contracts and feasibility 4 new prisons	Feasibility Study underway.		Kagiso Financial Services; Ledwaba Mazwai; Carter Gobel Lee; P D Naidoo
3. Dept Defence/Armcor	Kevin Hanafey (012) 428-3472	Simons Town Naval Dockyard	Pre-feasibility business case underway.		PricewaterhouseCoopers
4. Dept Defence South African Military Hospitals	Brig Gen H Wallis (012) 671-5244	Various hospitals	Treasury Approval l due March 2004.		Ignis; PHC Inc
5. Dept Education	Carmen Coetzee (012) 312-5661	Head Office Accommodation Services	Negotiations.	Sethekgo Consortium	KPMG
6. Dept Environmental Affairs & Tourism	Edwin Maseda (012) 310-3750	Sustainable Working Environment Service Delivery	Project re-registered. Inception. Transaction Advisors to be appointed.		Not yet appointed
7. Dept Foreign Affairs	Peter Bolinck (012) 351-1910	Sustainable Working Environment Service Delivery	Project re-registered. Feasibility Study underway.		Deney's Reitz; G5; Vela VKE; ME Corporation
8. Dept Foreign Affairs	Peter Bolinck (012) 351-1910	Missions Accommodation Services	Inception.		Not yet appointed
9. Dept of Home Affairs	Gareth Warner (083) 257-0275	IT-HANIS	Feasibility Study completed.		PricewaterhouseCoopers; AloeCap; White & Case
10. Dept Justice	Alan Mackenzie (012) 315-1019	IT Cash Hall Payment System	Feasibility Study underway.		Ernst & Young; CSIR
11. Dept Land Affairs	Thizza Tsoanyane (012) 312-8286	Head Office Accommodation Services	Transaction Advisors to be appointed.		Not yet appointed
12. Dept Social Development	Selwyn Jehoma (012) 312-7647	IT SOCPEN System	Transaction Advisors to be appointed.		Not yet appointed
13. Dept Transport	Themba Nkosi (012) 309-3597	IT Road traffic offences system	Feasibility Study underway.		Deloitte & Touche
14. Dept Transport	Nashree Sewpisesadh (012) 309-3165	Fleet Management for National Departments	Transaction Advisors to be appointed.		Not yet appointed
15. Dept Water Affairs & Forestry	Christo Marais (021) 405-2200	Working for Water: secondary industries	Revised Treasury Approval I and IIA pending.		KPMG; Stellenbosch University; Edward, Nathan & Friedland; Nosipho
Provincial Departments	Project Officer	Project	Status	Preferred bidder	Transaction Advisors
16. Eastern Cape Dept Health	Lulu Peteni (040) 609-3763	Pharmaceutical Management & Distribution	Feasibility Study complete.		PricewaterhouseCoopers; White & Case; Utho Capital; LEAP Architects
17. Eastern Cape Dept Health	Eugene Jooste (040) 609-3581	Grahamstown & Port Alfred Co-location	Completion of Feasibility Study delayed to March 2004.		Ignis; PHI; EC Harris; Annette van der Merwe; Peter De Boere
18. Eastern Cape Provincial Administration	Ian Assam (082) 578-1891	IT System for Eastern Cape Province	Transaction Advisor to be appointed.		Not yet appointed
19. Free State Dept Education	Kevin Abrahams (051) 430-8989	Schools	Feasibility Study underway.		KPMG; Ashira; HLM-SV Architects; Africon
20. Free State Dept Health	Mr. Shuping (051) 405-4818	New build hospitals in Trompsburg and Lady Brand	Completion of Feasibility Study March 2004.		Ignis; EC Harris; PHI
21. Free State Dept Transport	Strover Maganedisa (051) 405-4697	Fleet Management	New RFP to be issued.		Deloitte & Touche
22. Free State Dept Social Development	Dr. Shirley Havenga (051) 409-0635	IT Grants payment system	TAII application received.		Ernst & Young
23. Gauteng Dept Public Works & Transport	Nicolette Hulubwa-Mitrofan (011) 355-2686	Gauteng Kopanong Precinct Working environment service delivery	Feasibility Study underway.		Kagiso Financial Services; Ledwaba Mazwai; PD Naidoo
24. Gauteng Dept Transport	Gautrans (011) 355-7300	Gautrain Rapid Rail Link	Bid evaluation underway.		Khuthalele; Arcus Gibb; Kagiso Financial Services

INCEPTION

FEASIBILITY

PROCUREMENT

NEGOTIATIONS

National Departments		Project Officer		Project		Status		Preferred bidder		Transaction Advisors	
25.	Kwa-Zulu Natal Dept Economic Development and Tourism	Mel Clark (031) 310-5400	Dube Trade Port	Feasibility Study underway.		PricewaterhouseCoopers; EC Harris; SDG; Siwendu & Partners					
26.	Kwa-Zulu Natal Dept Health	Hermann Conradie (033) 395-2019	Soft FM for Health Facilities	Transaction Advisor appointed.		PricewaterhouseCoopers; White & Case; Turner & Townsend; Siwendu, Gasa, L Msimang					
27.	Kwa-Zulu Natal Dept Transport	James Mlawu (082) 803-7779	Vukuzakhe Plant Park Depot	Transaction Advisor to be appointed.		Not yet appointed					
28.	Limpopo Dept Health	Clifford Motsepe (015) 295-8163	Polokwane hospital Renal Dialysis. Ellisras, Phalaborwa & Duiwelskloop Co-location	Transaction Advisor appointed.		Ignis; Munyai Malaka; SPP; Phatshoane Henney Inc; Vele VKE; Care Clear; Resolve Workplace Solutions					
29.	Limpopo Dept Health	Clifford Motsepe (015) 295-8163	Provincial Linen Management Services	Transaction Advisors appointed.		Ignis; Munyai Malaka; SPP; Phatshoane Henney Inc; Vele VKE; Care Clear; Resolve Workplace Solutions					
30.	Limpopo Dept Health	Clifford Motsepe (015) 295-8163	Accommodation for clinical staff at various hospitals	Transaction Advisors appointed.		Procurement Dynamics; Turner & Townsend; Nalane Manaka Attorneys; SAB&T					
31.	Limpopo Dept Transport	R Kgosana (015) 295-1014	Emergency Vehicles Management Services	Transaction Advisors to be appointed.		Not yet appointed					
32.	Mpumalanga Dept Education	Jan Kriel (013) 766-5122	Schools	Transaction Advisors to be appointed.		Not yet appointed					
33.	Northern Cape Dept Housing & Local Govt and Dept Agriculture, Land Reform, Environment & Conservation	Peter Wakelin (082) 553-8692	Eco-tourism: 10 business sites	Transaction Advisors to be appointed.		Not yet appointed					
34.	Northern Cape Dept Public Works & Transport	Pat Mokhali (053) 839-2107	Provincial Government Office Accommodation Services	Treasury Approval IIA – March 2004.		Ignis					
35.	North West Dept Health	Dr TKG Oosthuizen	Victoria Hospital	Inception.		Not yet appointed					
36.	North West Dept of Transport	Teboho Molaba (018) 387-4709	Fleet Management	Draft Feasibility Study.		Deloitte & Touche					
37.	Western Cape Dept Health	Japie Du Toit (021) 483-5844	Hermanus hospital co-location project	Negotiations.	Mediclinic Holdings	Ignis					
38.	Western Cape Dept Health	Japie du Toit (021) 483-5844	Swellendam hospital co-location project	Treasury Approval I application delayed.		Ignis; PHI					
39.	Western Cape Dept Health	Japie du Toit (021) 483-5844	Conradie Hospital replacement	Treasury Approval I application due March 2004.		KPMG; Africon; Deneys Reitz Consortium					
40.	Western Cape Dept Health	Japie du Toit (021) 483-5844	Eerste River Hospital-Facility Management	Treasury Approval I delayed pending resolution of HR issues.		Ignis; EC Harris; PHI attorneys					
Public Entities		Project Officer		Project		Status		Transaction Advisors		Transaction Advisors	
41.	Eastern Cape Mayibuye Transport Corporation	Andr� de Vries (043) 604-7424	Bus company restructuring	RFP in review.		Deloitte & Touche					
42.	Greater St Lucia Wetlands Park Authority	Terri Castis (083) 309-3587	Eco-tourism: 14 business sites	Negotiations underway.		White & Case; Delano Caras					
43.	Ezemvelo KZN Wildlife	Derek Potter (033) 845-1513	Black Rhino conservation	Transaction Advisor to be appointed.		Not yet appointed					
44.	Mpumalanga Parks Board	Abe Sibiyi (013) 759-5307	Eco-tourism: 21 business sites	Transaction Advisors to be appointed.		Not yet appointed					
45.	National Housing Finance Corporation	Luthando Yutula (011) 644-9872	Rental Housing	Feasibility Study underway.		Not yet appointed					
46.	South African Revenue Services	Roger Khouri (012) 422-5200	IT-Container inspection	Options analysis completed.		Deloitte & Touche					
47.	Western Cape Nature Conservation Board	Adnaan Abrahams (021) 483-4874	Eco-tourism: 15 business sites	Negotiations underway.		Dynacon Technologies; Bell, Dewar & Hall; Busico.					
		INCEPTION		FEASIBILITY		PROCUREMENT		NEGOTIATIONS			

2004 SEES EXCITING DEVELOPMENTS FOR TREASURY'S PPP UNIT

Uven Bunsee has been appointed acting Head of the PPP Unit at National Treasury, taking the reins from Aijaz Ahmad at the start of 2004. Advocate Bunsee was formerly head of the PPP Unit's legal desk, having driven the production of Standardised PPP Provisions during 2003.

Ahmad takes up the position of Chief Advisor to the PPP Unit, focusing on strategic planning for the medium and long-term.

The year will see the PPP Unit expanding its capacity to regulate the growing number of PPPs in the pipeline, and to provide quality technical advice and support to projects. With some 50 national and provincial projects registered with the Unit, the demands on the PPP Unit's eight professional staff are significant.

"The PPP Unit's small inception team has established high standards for PPPs in South Africa, produced comprehensive PPP guidelines, done extensive training, and facilitated eleven deals to closure in the last three years. More and more departments and public entities are seeing the value that can be achieved for quality public service delivery through PPPs," says Bunsee. "We will be growing our team to ensure that the best possible project solutions are achieved."

National Treasury's current mandate to regulate PPPs is in the national and provincial spheres of government in terms of the Public Finance Manage-



*Advocate Uven Bunsee, Acting Head
PPP Unit National Treasury*

ment Act. The Municipal Finance Management Bill, soon to become law, makes explicit provisions for PPPs at municipal level, and requires that the National Treasury take a view on their feasibility.

"We are reviewing the responsibility this places on National Treasury in respect of municipal PPPs and will be recommending a comprehensive strategy to ensure that they are given the technical support necessary for success", says Ahmad.

In addition to its growing regulatory and technical assistance roles to South African government institutions, the PPP Unit responds to numerous enquiries from other governments exploring their options for PPPs. Calls come mainly from African countries, but also from South America and from the former eastern Europe.

NEVINA SMITH JOINS NBI'S PPP TEAM



With an academic background in education, training and development (RAU) and a previous position as Project Manager for the NBI's Colleges Collaboration Fund (CCF), Nevina is well placed in her new capacity as Project Manager for the NBI's PPP programme.

Since her appointment in October 2003, Nevina has been focusing on

co-ordination and delivery of PPP training programmes for National Treasury's PPP Unit; delivering, with the South Africa Banking Council as a technical partner, a capacity building programme on behalf of the SADC Banking Association to the public and private sectors in all SADC countries; and raising sponsorship.

Nevina's appointment once again shows the NBI's commitment to PPPs in SA.

PPP FOUNDATION TRAINING 2004

Dates: 9-10 March
1-2 June
14-15 September
24-25 November
Place: Johannesburg
Cost: R2 300 +VAT

Travel and accommodation not included in price.

This acclaimed introduction to South African PPPs has been run by the PPP Unit and the NBI since 2001, attracting over 1000 people to date, and it continues to be booked up in advance. The practical two-day session is packed with useful and inspiring material. Enthusiastic presenters explain the regulatory framework for PPPs, how to appoint and manage advisors, how to do a PPP feasibility study, how to run sound PPP procurement, how to structure empowerment in PPPs, gives a short introduction to project finance, explains key PPP contracting terms, and introduces PPP contract management principles. The two days are interspersed with current South African case studies presented by speakers who have done the deals, and participants are given short assignments to consolidate learning.



To book contact:

Faye Dolley at NBI
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PPP Transaction Advisor workshop in demand

The PPP Unit's first Transaction Advisor workshop in February was oversubscribed 100%, and two repeats have been scheduled. The one-day session is for professional consultants who want to be Transaction Advisors to government for PPP projects in terms of Treasury Regulation 16 to the Public Finance Management Act. Guidance is provided on how to prepare bids.

Dates: 16 March and 20 July 2004
Time: 1000 – 1600
Place: National Treasury,
240 Vermeulen St, Pretoria

To book, email: nelisiwe.mtsweni@treasury.gov.za

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