



NBI PPP RESOURCE CENTRE

The National Business Initiative (NBI) has initiated a Public Private Partnership (PPP) Resource Centre. The overall objective of the PPP Resource Centre is to fulfil the need for local authorities to gain access to information on PPP's. The Centre co-ordinates the NBI's PPP capacity-building initiatives, serves as a platform for further understanding and popularisation of the concept and seeks to become the leading source of information on the topic in South Africa. Furthermore, the Centre will link the fragmented provision of PPP information in the country and will continuously strive to establish more secure links with the international PPP community.

The Resource Centre is partly funded by the International Republican Institute and focuses on the following areas:

TRAINING AND CAPACITY BUILDING

- The objective is to institutionalise PPP training courses at a number of tertiary training institutions in order to present such courses in future on a sustainable basis.
- Supporting demand-based PPP training for municipalities, based on the needs of individual municipalities regarding issues such as feasibility studies, financial modelling and contract management.
- A presentation of higher level, specialised courses on topics such as project finance, legal and labour issues and stakeholder consultation.

PROMOTION, ADVOCACY AND LINKAGE

- Outreach programmes and briefings to councils, including orientation workshops on PPP's.
- Facilitation of regular PPP discussion forums to debate the unfolding PPP process in South Africa.
- Organisation and facilitation of international and local conferences on PPP's.
- Facilitation of debate amongst the local stakeholders such as service providers, consultants, labour and local authorities.
- Organisation of site visits to successful PPP projects.
- Organisation of international exchange programmes.
- Publishing of articles and case studies.
- Participating in local and international PPP conferences.

INFORMATION PROVISION

- Housing of PPP material such as core books, periodicals, videos, etc.
- Provision of access to available international and local case studies, and PPP courses.
- Provision of access to draft/sample contracts and procurement procedures.
- Serves as a repository and up-to-date database of local and international experts, contacts, projects, etc.
- Provision of collaborative linkages, on-line document management and financial transactions.

HOW TO CONTACT:

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PPP QUARTERLY

PUBLIC PRIVATE PARTNERSHIPS

October 2000

Innovative infrastructure and service delivery for national and provincial government.

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**The PPP Unit:
 National
 Treasury**



Michael Schur
 Head: PPP Unit
 National Treasury

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Jabu Sindane
 Manager: PPP Resource
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Welcome to the first edition of *PPP Quarterly*, produced jointly by the newly-established Public Private Partnerships Unit in National Treasury and the Public Private Partnerships Resource Centre of the National Business Initiative.

PPP Quarterly will be bringing you up-to-date news and reviews of PPP projects in South African national and provincial government, and will keep you informed of valuable resource material, international best practice, PPPs in other African countries, and ongoing training courses that are available.

Our country is entering an exciting and challenging era of innovative service and infrastructure delivery through PPPs. Ensuring that these projects truly contribute to a better life for all – that they are affordable, sustainable and effective - requires special dedication and skill from all players. The PPP-support initiatives of National Treasury and the NBI are committed to ensuring that South Africa's PPPs draw from international experience and develop their own high standards of excellence and empowerment. We look forward to working with you in the years ahead.



PPP UNIT
 NATIONAL TREASURY



RESOURCE CENTRE
 A project of the NBI

THE PPP UNIT: NATIONAL TREASURY

Background

In April 1997, Cabinet approved the appointment of an inter-departmental Task Team on PPPs to develop a package of policy, legislative and institutional reforms to create an enabling environment for PPPs. Cabinet endorsed the resulting *Strategic Framework for Public Private Partnerships* in December 1999, and in April 2000, Treasury Regulations were published in terms of the Public Finance Management Act (PFMA) (Act 1 of 1999) to govern their implementation.

The PPP Unit was established in July 2000, and is funded from the budget of National Treasury and by international donors. The Unit presently comprises five professional and two administrative staff, and is due to increase its capacity next year.

Objective

The objective of the Unit is to create within national and provincial government an enabling environment for cost-effective infrastructure and service delivery through affordable and innovative Public Private Partnerships. The Unit's mandate is to ensure that PPP arrangements are procured in conformity with the PFMA and Treasury Regulations.



NBI
 NATIONAL BUSINESS INITIATIVE
 Enhancing the Business contribution
 to South Africa's success

PPP UNIT FUNCTIONS

- To enforce compliance with Treasury Regulations Chapter 16;
- To provide technical assistance to national and provincial departments/agencies throughout the PPP project cycle;
- To build the technical and implementation capacity of departments/agencies to structure, implement and monitor PPPs;
- To advise departments/agencies on the formulation/amendment of policy, rules, regulations and legislation that have a direct or indirect effect on PPPs;
- To issue National Treasury policy, guidelines, instructions, and best practice documents on the implementation of PPP transactions;
- To advise departments/agencies on the procurement of PPP consultants, advisors, service providers, lessors and concessionaires;
- To advise departments on post-award contract monitoring;
- To act as a national resource centre on PPPs and related matters;
- To promote public awareness of PPPs; and
- To take any other action necessary to implement effectively the relevant provisions of the Treasury Regulations.

POLICY AND GUIDELINE DOCUMENTS OF THE PPP UNIT TO DATE

- *A Strategic Framework for Delivering Public Services through Public Private Partnerships (April 2000)*
- *Guidelines for Public Private Partnerships (April 2000)*
- *An Introduction to Project Finance: A Manual for Managers of Public Private Partnerships (September 2000)*
- *Guidelines on Transaction Advisors (September 2000)*
- *Guidelines on Unsolicited Proposals (September 2000)*
- *Guidelines for Undertaking a Feasibility Study (October 2000)*
- *Guidelines for compiling Request for Proposals (October 2000)*
- *Glossary of Terms (October 2000)*

CURRENT PPP PROJECTS

- Hospitals
- Fleet management
- Forestry
- Dam construction
- Accommodation construction and maintenance
- Schools
- Railways
- Prisons
- ID systems
- Eco-tourism
- IT
- Mine water reclamation
- Toll roads

TRAINING PROGRAMMES

Building the capacity of government officials to plan and manage PPPs is a high priority for the Unit. To this end, a training programme is being constructed for the next three years.

COURSE CONTENT WILL COVER:

Introduction to PPPs:

the regulatory environment, the project cycle, project identification, planning, structuring, procurement, implementation, monitoring.

In-depth courses on the PPP Project Life Cycle:

how to conduct feasibility studies, appointing financial and legal advisors, how to structure an RFP, how to evaluate bids, critical elements of contracts, setting up monitoring mechanisms, etc.

Strategy-specific courses:

e.g. dealing with unsolicited bids, designing sound empowerment strategies, managing unregistered land rights, engaging labour, establishing community-PPPs, etc.

Sector-specific courses/ workshops:

using case-studies and accessing best practice models from both local and international experience, e.g. IT, health, education, nature reserves, fleet management, facilities management, etc.

Critical skills development:

e.g. project finance.

The first introductory course for officials from provincial and national departments is being held in October 2000. Forthcoming training programmes will be advertised in *PPP Quarterly*.

THE PPP PROJECT LIFE CYCLE AND THE ROLE OF NATIONAL TREASURY

This chart shows the process which provincial and national departments will follow in undertaking PPPs, and the three specific Treasury Authorisations that are required in the course of the work. Throughout the cycle, the PPP Unit plays a support and technical assistance role to ensure that the stipulations of Treasury Regulations are met and that departments are able to benefit from experience elsewhere.

