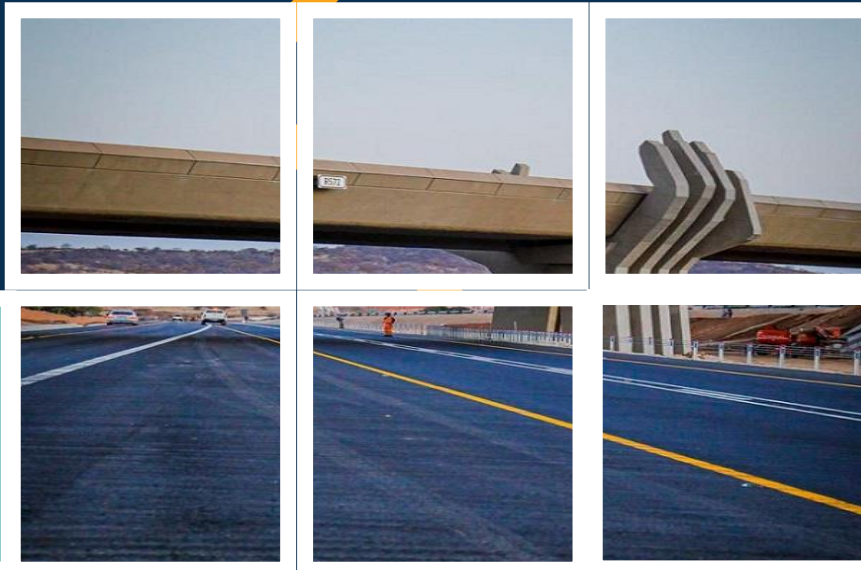


iNFRASTRUCTURE South Africa



TECHNICAL GUIDELINES FOR PROJECT PREPARATION SUPPORT (BID WINDOW 1)



TABLE OF CONTENTS

DEFINITIONS 3

INTRODUCTION..... 4

PROJECT PREPARATION OVERVIEW 5

PROJECT PREPARATION PROCESS 6

ELIGIBILITY CRITERIA 7

ADMISSION GUIDELINE 8

CRITICAL DATES 10



DEFINITIONS

TERM	DEFINITION
Bid Window	A designated period during which proposals are invited for consideration for ISA project preparation, occurring annually from September to November in each financial year
Infrastructure Investment Committee	The IIC, chaired by the Minister of Public Works and Infrastructure, oversees Infrastructure South Africa's (ISA's) progress and funding through evaluating projects and recommending them to the Presidential Infrastructure Coordinating Commission (PICC) Council for approval; ensuring projects align with national infrastructure goals and funding processes; and also approves projects and programs for National Treasury funding through the Budget Facility for Infrastructure (BFI),
Infrastructure Investment Review Committee	The IIRC, led by the Head of ISA, reports to the IIC. It formulates Infrastructure Prioritisation Frameworks, approves and monitors ISA Programmes and Projects, and recommends projects for funding and public sector approval processes. The IIRC supports private sector business cases and promotes state development goals through infrastructure development. It oversees and recommends infrastructure programs and projects, aligned with the objectives outlined in the Infrastructure Development Act
Infrastructure South Africa	Infrastructure South Africa (ISA) is a central government agency responsible for coordinating and driving the national infrastructure investment programme, with the intent of improving infrastructure investment and delivery. This is accomplished through, inter alia, the development and implementation of high-impact infrastructure projects. Infrastructure South Africa derives its legal mandate from the Infrastructure Development Act (IDA). The Infrastructure Development Act (Act 23 of 2014) is aimed at fast-tracking regulatory decision-making and speeding up the implementation processes of strategic infrastructure projects. ISA implements its mandate in partnership project owners.
Programme	A set of inter-related and inter-dependent projects which form an input into one long-term objective, thus enabling the efficient use of resources and wider impact.
Project	A management environment created by an organisation for the purpose of delivering one or more business products according to a specified business case.
Project Sponsor/Owner	Any organ of state, including national departments, provincial departments, municipalities, state-owned companies and public entities registered in South Africa with the mandate to execute the infrastructure project submitted to ISA.

INTRODUCTION

Infrastructure South Africa is established as a single point of entry for infrastructure planning, management and delivery. Infrastructure South Africa is a catalyst for closing the infrastructure investment gap and meeting the infrastructure target as set out in both the National Development Plan and the National Infrastructure Plan 2050. It provides best practises in project preparation, for national and provincial prioritised mega infrastructure projects and programmes.

As a central government agency responsible for coordinating and driving the infrastructure investment programme that will help fast-track the delivery of projects, ISA aims to:

- Expedite bankable project preparation in line with national objectives;
- Create visibility of the pipeline of strategic priority infrastructure projects by monitoring and reporting on the implementation thereof;
- Build private sector confidence in government's ability to deliver on projects;
- Identification of the right projects to drive economic development;
- Add visibility to the progress of projects and programme;
- Enhance the quality of the project preparation process;
- Close the funding gap by using alternative funding models, and engagement with the private sector; and
- Establish an enabling environment for integration between infrastructure participants through development and changing of policy and regulatory requirements.

ISA plays a crucial role in **facilitating the development of infrastructure projects** across the country through supporting **projects and programmes** that:

- **Can or have already secured private, development or related financing** – but require additional funding to address a viability gap,
- Have not yet secured private, development or related financing and **require support to structure a financing arrangement,**
- **Can leverage alternative funding and delivery mechanisms** such as Public Private Partnerships, Concessions, and similar structures.

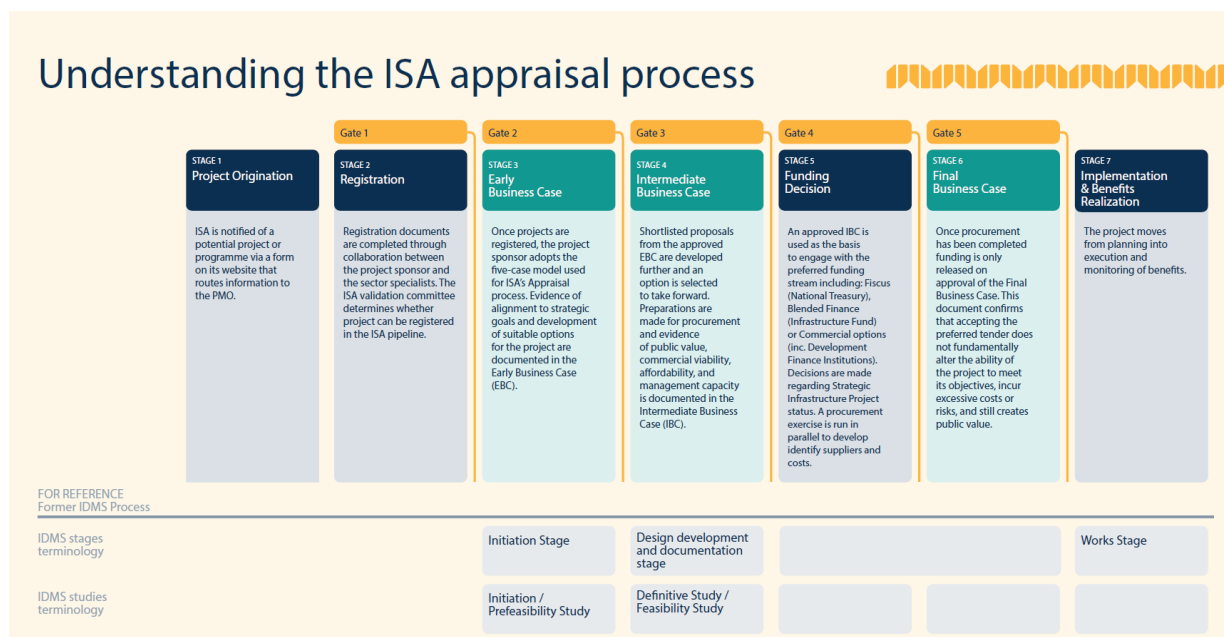
PROJECT PREPARATION OVERVIEW

A major contributing factor with infrastructure investment needs not being met is attributed to insufficient investment in project preparation. To address these challenges and unlock the potential of infrastructure investments in South Africa, the National Treasury has granted ISA a project preparation fund to support project development to accelerate the pace and quality of infrastructure delivery. ISA is further seeking to catalyse seed funding to blend with other project preparation facilities available to develop viable and bankable infrastructure projects.

The project preparation support categories include:

- **Funding/financial structuring support** – detailing of full project costs, identification of funding sources and support in funding application process;
- **Technical support** – technical studies, designs, and specifications;
- **Legal support** – project contracting structure, assessment of potential terms and conditions of relationships with potential service providers; and
- **Institutional / governance arrangements** – stakeholder identification and engagement, institutional capacity assessment, determination of how projects will be implemented.

The ISA Appraisal Process adapts the Five-Case Model (5CM) developed by the UK Treasury and recommended by the G20 to ensure the strategic fit, social and commercial viability, as well as deliverability of projects and programmes.



The ISA 5CM Appraisal Process reviews the rationale for pursuing the investment (the Strategic Case and Economic Case) as well as focusing on the implementation of the actual investment (assessment of the Financial, Commercial and Management cases). For those that require funding, the ISA Appraisal Process is structured to ensure projects are well prepared to engage successfully with other funding sources (more information on the 5CM Appraisal Process is available on the ISA website).

Project preparation is an integral part of this methodology and helps ISA to develop quality business cases. The business case is a living document developed incrementally to support decisions at several gateway reviews. These gateways allow ISA to guide the project development before the details become fixed.

PROJECT PREPARATION PROCESS

ISA works closely with the Project Sponsor/Owner to effectively conceptualise the project to achieve investment readiness. The project preparation process is undertaken through the following steps:

1. Call for proposals for consideration for ISA project preparation

ISA publishes a media statement to announce the opening of the bid window for submission of proposals. Project sponsors must submit project proposals for consideration by ISA within the prescribed bid window period.

2. Technical review and selection

ISA conducts technical review and evaluation of the received proposals which involves assessing the completeness and accuracy of submissions, and identification of gaps of additional information needed. Eligible proposals will be recommended by the Project Preparation Steering Committee.

3. Successful Proposals

ISA will communicate the outcomes of the selection process to all project sponsors. Successful proposals receiving project preparation funding support may be announced to the public through

the ISA website, media statements, or at the Sustainable Infrastructure Development Symposium South Africa (SIDSSA) at the sole discretion of ISA. Projects thereafter proceed to the development phase of the project preparation process.

The project preparation support entails utilising resources and funding allocated to ISA to execute the required scope to achieve the project's objectives, with the project sponsor's participation and oversight. Funding for project preparation is non-transferable. 100% of funding support is not always available. The discretion lies with ISA concerning the stage of Project Preparation Support it will assist with.

ELIGIBILITY CRITERIA

ISA is issuing this call for proposals to invite submissions from national and provincial government departments, State Owned Entities, public entities as well as municipalities. Infrastructure South Africa does not provide project preparation funding to private sector led infrastructure projects.

To be eligible, projects and programmes must meet the following criteria:

1. ISA Mandate Fit

Projects should be in alignment with ISA's mandate, which is to bridge the infrastructure investment gap outlined in the National Development Plan (NDP) and the National Infrastructure Plan 2050 (NIP) by aiding projects in their journey to achieve investment readiness. Priority sectors are the following:

- ❖ Energy,
- ❖ Water & Sanitation
- ❖ Transport (major roads, airports, ports and freight transport)
- ❖ Human Settlements (excluding student accommodation)
- ❖ Social Infrastructure (Education & Health)
- ❖ Municipal Infrastructure (focus will be on infrastructure projects that have potential to leverage private sector financing)

- ❖ Industrial Development Zones & Special Economic Zones (IDZ & SEZ)

2. Project Aims and Objectives

Projects' strategic aims and objectives should align with national priorities and actively contribute to the realisation of sustainable developmental goals.

3. Investment Potential

Projects' capital value should be in line with the ISA pipeline registration criteria (R1 billion+) and should have the potential to crowd in investment from alternative sources (e.g. Multilateral Development Banks, Development Finance Institutions) other than the fiscus (National Treasury).

4. Project Readiness

The project's status should be clearly outlined (including work executed to date) and the project preparation support gap fully identified. **The project sponsor will be responsible for developing the Terms of Reference for the project preparation scope of works, taking full accountability of the correctness of the identified gaps, and will be part of the project development and implementation.**

ADMISSION GUIDELINE

The following admission guideline should be completed by projects sponsors on the ISA website:

1. SPONSOR PROFILE

Project Owner/Sponsor	
Type of Entity	
Entity Registration Number	
Sponsor Address	
Delegated Official	<i>Delegated official who will be part of the entire project duration and take responsibility for decision making on behalf of Sponsor</i>
Designation	
Email	
Contact Number	

2. PROJECT BACKGROUND & OVERVIEW

Project/Programme Name	
Primary Sector	
Secondary Sector(s)	<i>Any additional sectors unlocked by the project if applicable</i>
Province	
District Municipality	
Local Municipality	
Project Capital Value	
Project Description	<i>Provide a detailed overview of the project including the main features, strategic aims and objectives, how it contributes to National priorities, its impact and output. Indicate the impact of project preparation to the development of the project.</i>
Current Project Progress	<i>Indicate the current stage/phase the project is in at the point of the bid window submission. Align to 5CM stages and motivate.</i>
Potential Project Funding Modality	<i>The project can leverage alternative funding and delivery mechanisms such as PPPs, BOTs, Concessions, and similar structures</i>
Overall Project Duration	<i>Insert estimated timeline for the overall development of the project (inception – operations)</i>
Previous/ Current Appointments & Work Underway/ Completed	<i>(Outline any works associated with the project completed or underway by others including any regulatory approvals granted/pending)</i>

3. REQUEST FOR PROJECT PREPARATION

Project Preparation Overview	
<i>Provide an overview of the preparation support required. List the applicable services required for the appointment, including any regulatory submissions and approvals. Further indicate the overall output of the project preparation support (e.g. specialist studies to contribute to pre-feasibility, investment pitching business case, etc.)</i>	
Estimated Project Preparation Value	
Estimated Project Preparation Duration	
Project Preparation Category <i>(Tick x on applicable category/categories)</i>	
Financial Structuring Support <input type="checkbox"/>	Legal Support <input type="checkbox"/>
Technical Support <input type="checkbox"/>	Institutional/Governance Arrangements <input type="checkbox"/>
Additional Comments/Notes	
<i>(Any additional notes about the project)</i>	

4. REQUIRED PROFESSIONAL / CONSULTANCY SERVICES

(Provide a detailed description of the type of consultancy services required for the project, including the applicable regulatory bodies for the services sought, if applicable)

CONSULTANT	DESCRIPTION OF SERVICES	REGULATORY BODIES

5. IDENTIFIED RISKS & LIMITATIONS

(Fully outline the identified project risks and limitations)

Risk/Limitation	Impact Level (RAG Status)	Mitigation Measure
1.	Low/ Medium/ High	
2.	Low/ Medium/ High	

6. ANNEXURES

(List and attach all applicable project documentation, studies, approvals completed to date)

CRITICAL DATES

ITEM	DATE
Bid Window: Call for Proposals	07 October 2024 - 06 December 2024
Project sponsors submit proposals	05 December 2024 (Deadline)
Technical Review and Evaluation of Proposals	December 2025 – February 2025
Selection of Shortlisted Programmes or Projects	February 2025
Approval by the ISA Governance Committees	March 2025
Letters issued to projects sponsors (detailing outcome of the submission)	March 2025
Procurement Process	April 2025 – May 2025
Project Preparation Execution	June 2025