

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 17/2022

THE PREMIER

THE MINISTER OF AGRICULTURE

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

THE MINISTER OF HEALTH

THE MINISTER OF INFRASTRUCTURE

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF MOBILITY

THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY

THE MINISTER OF SOCIAL DEVELOPMENT

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER R ALLEN)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (ADV. Y PILLAY)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH AND WELLNESS (DR K CLOETE)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS P MAYISELA)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR G GERBER)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR V DUBE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (MR S KAYE)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)

THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLLALL-SINGH)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. D HENDRICKS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR D GREEN)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (PROF. J KIRSTEN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS W STANDER)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR S SYMINGTON)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR P VOGES)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GCWABE)
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR M BOOYSEN) (ACTING)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

WESTERN CAPE PROJECT PREPARATION FACILITY

1. PURPOSE

- 1.1 The purpose of this Circular is to inform all Accounting Officers, Chief Executive Officers and Chief Financial Officers that the Western Cape Government Project Preparation Facility (WCG PPF) Guideline is hereby formally issued via this Circular for provincial departments and provincial public entities.

2. BACKGROUND/DISCUSSION

- 2.1 The WCG PPF was established by the Provincial Treasury (PT) to expand government's efforts to assist with the development of a credible long-term pipeline of infrastructure investment programmes and projects across provincial and local spheres in the Province. At this stage, the WCG PPF will only provide financial support to provincial departments and public entities.
- 2.2 Given that this is the first version of the WCG PPF it will not be applicable to municipalities in the 2022/23 financial year. However, it should be noted that funding has been allocated to the Department of Local Government for the Sustainable Infrastructure Development and Finance Facility that will benefit some municipalities. Applications for PPF by municipalities will be communicated in future circulars.
- 2.3 The financial support will expedite progress on projects/ programmes for Pre-feasibility and Feasibility Stages subject to a comprehensive project appraisal system. This will allow departments and public entities to improve and streamline public infrastructure programme and project preparation. Where appropriate, it will attract private sector financing and investment in the delivery of public infrastructure projects and programmes. Proposals submitted should meet the criteria as indicated in the "WCG PPF Guideline" attached.
- 2.4 Inherent in its approach is the minimising of duplication with similar initiatives, therefore, the WCG PPF will collaborate with other existing preparation initiatives as far as possible, and potentially refer projects or programmes to those initiatives where this is deemed to be applicable or more suitable.
- 2.5 PT issued Treasury Circular 12 of 2022: Budget Facility for Infrastructure which departments can refer to for details on the process to apply for funding for large scale infrastructure projects and programmes from National Treasury. Proposals submitted should meet the criteria as indicated in the "Guideline on Budget Submissions for Large Strategic Infrastructure Proposals". Additionally, the National Treasury issued the "Infrastructure Planning and Appraisal Guideline". The Guidelines' objectives are to assist public sector officials with the **methodology** of preparing and appraising an infrastructure investment project" The guidelines noted above can be accessed at <http://www.treasury.gov.za/publications/guidelines>.
- 2.6 The budget submission dates for applications for WCG PPF will be specified in the respective annual Budget Circulars.

3. ACTIONS REQUIRED

- 3.1 It is requested that the guidelines be studied, and the procedures be followed as indicated.
- 3.2 It is further requested that when the Project Champion (via a letter from the Accounting Officer or CEO of an Entity) applies, they need to provide details around the project information, level of support required, timeframes and workplan activities to be undertaken as indicates in the PPF Guideline.

3.3 If you have any enquiries on the contents of this Circular, please contact the officials below:

Ms Gertruida Bambies, telephone (021) 483 6718
Email: Gertruida.Bambies@westerncape.gov.za

Or

Mrs Sharon van Breda, telephone (021) 483 3803
Email: Sharon.VanBreda@westerncape.gov.za

Or

Mr Klaas Langenhoven, telephone (021) 483 6849 or cell 084 257 7170
Email: Klaas.Langenhoven@westerncape.gov.za

DR ROY HAVEMANN
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES



Western Cape
Government

WESTERN CAPE GOVERNMENT PROJECT PREPARATION FACILITY (PPF) GUIDELINE

Table of Contents

1. INTRODUCTION.....	1
2. PROJECT PREPARATION	2
3. WESTERN CAPE GOVERNMENT PROJECT PREPARATION FACILITY (WCG PPF)	5
4. RATIONALE FOR THE WCG PPF	5
5. ELIGIBILITY FOR WCG PPF SUPPORT.....	8
6. PIPELINE DEVELOPMENT	10
7. WCG PPF APPLICATION	11
8. REPORTING REQUIREMENTS	12
9. INSTITUTIONAL ARRANGEMENTS	12
10. OTHER PROJECT PREPARATION FACILITIES	13
ANNEXURE A: Template Application for the Western Cape Government Project Preparation Facility ("WCG PPF") Support	

ACRONYMS

BFI	Budget Facility for Infrastructure
BPC	Budget Policy Committee
CEO	Chief Executive Officer
CIPPPF	Cities Investment Programme Project Preparation Facility
DBSA	Development Bank of Southern Africa
EIA	Environmental Impact Assessment
FIDPM	Framework for Infrastructure Delivery and Procurement Management
GIAMA	Government Immovable Asset Management Act 19 of 2007
GTAC	Government Technical Advisory Services
HoD	Head of Department
IAMP	Infrastructure Asset Management Plan
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System
IDMS CC	Infrastructure Delivery Management Coordinating Committee
IDM Toolkit	Infrastructure Delivery Management Toolkit
IDP	Integrated Development Plan
IRM	Infrastructure Reporting Model
ISA	Infrastructure South Africa
MANCO	Management Committee as approved by the Cabinet of the WCG
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
MTBPC	Medium Term Budget Policy Committee
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
PFMA	Public Finance Management Act
PMC	Portfolio Management Committee
PT	Provincial Treasury
TAP	Technical Assessment Panel
TOR	Terms of Reference
U AMP	User Asset Management Plan
WC	Western Cape Province
WCG	Western Cape Government
WCG PPF	Western Cape Government Project Preparation Facility

DEFINITIONS

Department – Represents the departments of the Western Cape Government (WCG).

Framework for Infrastructure Delivery and Procurement Management (FIDPM) - Is primarily focused on governance decision-making points as well as alignment and functions to support good management of infrastructure delivery and procurement processes and it prescribes minimum requirements for effective governance of infrastructure delivery and procurement management.

Infrastructure Delivery Management System (IDMS) - Is defined as the management system that guides, directs, and enables infrastructure delivery in the public sector.

Institutions – Refers to the departments, public entities and municipalities in the Western Cape.

Municipalities – Represents the municipalities in the Western Cape.

Project Champion – The Project Champion is referred to as the representative applying on behalf of departments and public entities as defined in the Public Finance Management Act (PFMA) and municipalities as defined in the Municipal Finance Management Act (MFMA). The party ultimately responsible for the project or programme development who will be held accountable for the outcomes of the project or programme.

Western Cape Government Project Preparation Facility (“WCG PPF”) – The Project Preparation Facility was established in 2021 to expand WCG’s efforts to build a credible, long-term pipeline of infrastructure investment programmes and projects across provincial and municipal spheres in the WC.

Definitions of Terms used in Project Eligibility Criteria

Catalytic Projects¹ - catalytic development projects are initiatives that:

- a. “Are strategically located; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form.”
- b. “Require major infrastructure investment;”
- c. “Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment;”
- d. “Require specific skills across a number of professions and have multiple stakeholders;”
and
- e. ‘Can be integrated, that is mixed, and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems” and/or Economic or Social projects of such scale and intensity or impact that the executive authority/council regards them as catalytic.

¹ Catalytic project as defined in the Cities Investment Programme Project Preparation Facility (CIPPPF).

Infrastructure² (as defined in the Infrastructure Delivery Management System/Toolkit):

- a. Immovable assets, which are acquired, constructed, or result from construction operations; or
- b. Movable assets, which cannot function independently from purpose-built immovable assets.
- c. Infrastructure means any building, construction, or engineering works constructed for the betterment of the built environment, and includes maintenance works when referring to an infrastructure programme.

Though there is not a legislated definition of infrastructure, in practice, it includes the production of all physical assets (land, infrastructure and facilities) that serve as the platform for economic, social, and residential activities, by local investors and/ or international investors. The five³ categories of Infrastructure include Land Production, Core Infrastructure, Economic Infrastructure, Social Infrastructure, and Mixed-Use Infrastructure.

The following are, amongst other, regarded as Infrastructure Projects:

- a. *Land Production (or Enablement and Development)*, which includes land preparation (layout planning, rezoning, environmental approvals, design, landscaping, servicing of land and proclamation), land transactions (negotiations and legal agreements with private sector on land deals) and actual delivery/implementation of approved developments.
- b. *Core Infrastructure*, which includes construction or expansion of: Sewer or Water Treatment Works. Sewer or Water Trunk Mains, Water Reservoirs, Pump Stations, Electrical Substations, Alternative Energy Installations, Freeway Interchanges, Road Bridges, Arterial and Collector Roads, Public Transport Routes and Facilities and interchanges, Information and Communication Technology (ICT) infrastructure aimed at social or economic uses, Core Infrastructure projects include whatever associated statutory planning and environmental approvals are required (such as Water Use and Water Discharge Licences).
- c. *Economic Infrastructure* to facilitate investment in industry, retail, office, mining, agriculture, and which in addition to Land Production and Core Infrastructure projects may also include support or complementary projects which deal directly or indirectly with Strategic Infrastructure Project (SIP) projects, such as ports, airports, freight routes and other projects which are the competency of other spheres. Economic Infrastructure also includes Public Private Partnerships (PPP's) and site-sharing where public and private investments will result in a range of public and private services being offered on the same site (e.g., commercial, and social services being offered at transport interchanges). Economic Infrastructure projects include whatever associated planning, building and environmental approvals are required.

² Infrastructure as defined in the Draft 2018 IDMS Dictionary published on the IT platform as an interim measure to provide quick reference to baseline infrastructure related definitions for use by infrastructure practitioners.

³ Categories of infrastructure as defined in the Cities Investment Programme Project Preparation Facility (CIPPPF).

- d. *Social Infrastructure* to facilitate own investment and that of other spheres and the private sector (including households) in Land Production, Public Spaces, and Buildings for: residential uses; the provision of municipal social and emergency services, and the provision of other government services (particularly safety & security, all levels of education and health care, justice, social grants pay-points, basic recreation, clusters of social facilities (youth centres), and government malls).
- e. *Mixed Use Infrastructure* includes projects aimed at accommodating a mix of Economic and Social uses, either vertically or adjacent to each other, in either brownfields projects such as urban redevelopment, or in greenfields locations.

1. INTRODUCTION

The Western Cape Government places great emphasis on the importance of investment in infrastructure as this is critical to delivering growth, reducing poverty, and creating jobs. Spending on infrastructure can propel the Province through short-run stimulus to construction and through long-run improvements in the Province's growth potential. However, infrastructure expenditure, development and delivery are set against expected significant reductions in transfer from national government. The tight fiscal environment constrains the space for long-term investment in public infrastructure.

Therefore, it is imperative that departments and municipalities strategically plan and prioritise for infrastructure. Key to this is developing a credible pipeline of infrastructure projects that have been prepared in such a way that it can be delivered on time and within budget. This means that provincial departments/public entities and municipalities need to have robust planning processes, adequate project/programme preparation and packaging expertise, and credible appraisal processes in place. Furthermore, effective procurement processes and efficient project/programme execution and contract management capability are required. This will instil overall discipline in the public infrastructure delivery management system and inspire confidence by prospective investors.

The Infrastructure Delivery Management System (IDMS) prescribed by the National Treasury and which requires organs of state responsible for infrastructure delivery in South Africa to implement infrastructure projects, can be found in all three spheres of government, in the form of national and provincial government departments, municipalities or state-owned entities. These organs of state are required to develop and sustain the performance of their infrastructure assets needed for public service delivery.

During April 2022, National Treasury issued the Infrastructure Planning and Appraisal Guideline (the Guideline) to assist public sector officials with an actual methodology to prepare and appraise an infrastructure investment project. The Guideline is meant to support the public institutions, embarking on investment projects, to meet the requirements of the Framework for Infrastructure Delivery and Programme Management (FIDPM). The guideline focuses on the project appraisal stages (initiation and concept stages) that are prescribed by the FIDPM.

The Western Cape Project Preparation Facility are there to support the institutionalisation of the FIDPM, IDMS best practice Planning and Budgeting processes that are documented but have not been fully adopted and put into active practice by all stakeholders/ role players in government e.g., provincial departments, entities, and municipalities.

2. PROJECT PREPARATION

The need for project or programme preparation

The process of constructing a financially sustainable socio-economic plan for valuable public infrastructure investment involves programme or project identification and preparation; all of which require a multi-disciplinary team. These technical skills and expertise are applied to address programme development objectives, engineering design, regulatory issues, institutional arrangements, and financing options. Additionally, the technical preparation phase requires a robust process of technical oversight, appraisal, and approval to ensure that development objectives, design features, institutional and financing options, and preparation timelines are appropriate and acceptable.

In the context of the IDMS, the Infrastructure Asset Management Plan (IAMP) (called user asset management plan (U-AMP) in terms of Government Immovable Asset Management Act (GIAMA)) is developed to ensure there is an “approved project pipeline” and that “state of readiness (for implementation)” assessments are carried out for all approved programmes and projects (IDMS/IDM Toolkit Portfolio management: Module 6 and Programme management: Module 7). The responsibility to plan, prepare and develop projects lies with the Project Champion also referred to as either the client department, public entity, or municipality or alternatively in collaboration with the implementer⁴. Note that for the purposes of this document the term “Project Champion” also applies to “Programme Champion.”

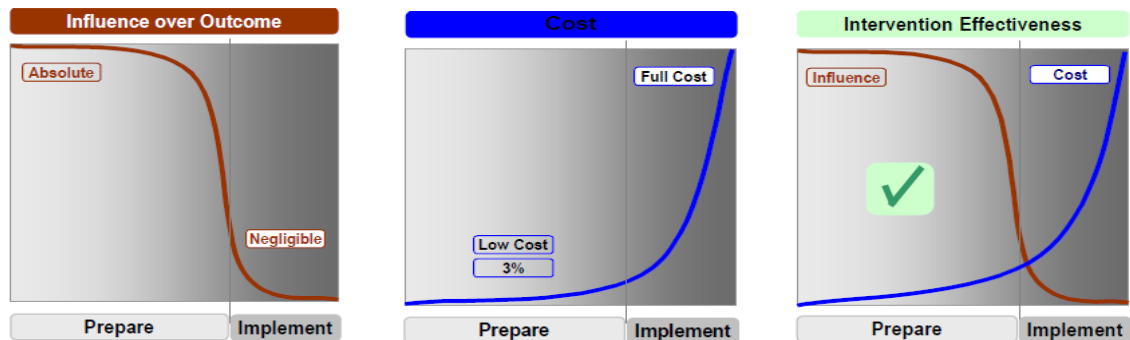
Whilst the IAMP has been compiled and an approved list of projects or programmes have been developed, some projects or programmes may require further preparation work for example, Environmental Impact Assessment (EIA) studies, land ownership issues, etc., to ensure that the programme/project progresses to the point of shovel ready or towards a stage of concept design or design development. It is acknowledged that serious challenges do exist in the project preparation (the identification, planning, and preparation of infrastructure projects especially mega and complex infrastructure projects). In some instances, there are also challenges in the oversight environment that approves the preparation process and holds it accountable. Thus, while there is a significant need for infrastructure investment, some projects are not ready to progress to Stage 3 (Design and Development). Some of the usual challenges with these projects are that they, if not planned effectively and efficiently, will experience cost overruns and time delays.

⁴ Implementer is defined in the IDM toolkit as “Organisation (organ of state)” that implements the funded infrastructure programme or project. Note: The Organisation may decide to allocate the responsibility of the implementation to another organ of state – generally referred to as an Implementing Agent.

The benefits of project preparation

Figure 1 below highlights the importance of proficient programme or project preparation.

Figure 1 Benefits of early intervention over outcomes and cost



Source: Project Preparation Facility (National Treasury)

The above figure shows that the project outcomes are achieved when the preparation of the project is effectively influenced during the early stages of the project which is also during that time when the cost of changes to project design is relatively low.

The costs associated with project preparation activities have been estimated to be between 2.5 – 10 per cent of total project cost (GTAC (National Treasury), PPF). Effective preparation leading to improved outcomes and cost savings are some of the reasons why project preparation is so highly emphasised. Changing the project outcomes closer to implementation stage sometimes results in the cost of the project increasing significantly than if the project outcomes were changed during the preparation stage. Hence, the opportunity to explore various options during the earliest stages of project preparation can ensure that the project outcomes achieve maximum impact, rather than the latter stages of the project when most ideas are already locked down and change is difficult.

Preparation is a critical Phase in the project cycle, because this Phase has very significant impact on how a project will come out, the consequences of error in Project Preparation can have massive impacts in the cost, quality, or duration of a project, it is at extremely low cost (approximately 3 per cent to end of Feasibility), compared to the total project value. Project Preparation may take longer to conclude than actual Implementation, but properly done, can lead to optimal project quality, cost savings and prompt construction. Project/Programme Preparation should be managed and resourced differently from Implementation.

Elements of Project Preparation

In this context of the WCG PPF, “Project Preparation/Planning” refers to the Project Initiation or Prefeasibility (Stage 1) and Concept or Feasibility (Stage 2) as described in of the One Infrastructure Delivery Management system (One IDMS). This will include activities/documents such as Pre-feasibility and a Feasibility Study, i.e., activities that conceptualise, appraise, test the feasibility of, obtain statutory approvals for, and raise in principle funding commitments for infrastructure projects.

The execution or delivery of the project will primarily be the responsibility of the respective departments/public entities and municipalities unless it is allocated to another institution for implementation.

Figure 2 Project Phases



Source: One IDMS

Initiation Report or Pre-feasibility Report

The pre-feasibility study seeks to assess the initial feasibility of the project/programme and to identify and assess more closely the risks and opportunities associated with the project/programme, and to formulate clear proposals. The pre-feasibility study, amongst others, covers the technical, financial, and institutional aspects of the project. A pre-feasibility study is required for all large/mega infrastructure projects as indicated in the FIDPM and the One IDMS.

Concept Report or Feasibility Report

In the context of the Project Preparation Facility (PPF), the Concept/Feasibility Report describes the project at a high level with enough information to test its viability in terms of demand, broad costs, risks and the main resources, activities and outcomes involved. The Project Concept/Feasibility covers the demand in the context of backlogs, opportunity (presented by the site and its location to meet demand), project risks (technical, financial, etc.), location, key development principles, the nature and scale of key structuring elements and the project yield in terms of capacity.

The feasibility study determines if the project is feasible and supported, what the design is and how much it will cost to implement and operate, and what socio-economic and other returns will be made or achieved. The aim of the feasibility study is to build on the pre-feasibility study by comprehensively confirming and demonstrating the technical, social, financial, and institutional feasibility of the project, and based on that, to obtain in principle agreement from decision makers to proceed with the project. The capacity of the institution to execute the projects must be demonstrated. The feasibility study is required for all large/mega infrastructure projects.

3. WESTERN CAPE GOVERNMENT PROJECT PREPARATION FACILITY (WCG PPF)

The WCG PPF has been established by the Western Cape Provincial Treasury (PT) to expand government's efforts to build a credible, long-term pipeline of infrastructure investment programmes and projects across provincial and local spheres in the WC. At this stage, the WCG PPF will only provide financial support to provincial departments, public entities, and municipalities.

This support will expedite progress on projects or programmes for pre-feasibility and feasibility stages subject to a comprehensive project appraisal system. This will allow departments and municipalities to improve and streamline public infrastructure programme and project preparation and, where appropriate, attract private sector financing and investment in the delivery of public infrastructure projects and programmes.

This initiative mobilises resources to support a wide range of initiatives including social infrastructure and economic projects and programmes as indicated above. Inherent in its approach is minimising duplication with similar initiatives and therefore, the WCG PPF will collaborate with other existing preparation initiatives as far as possible, and potentially refer projects or programmes to those initiatives where this is deemed to be applicable or more suitable.

Custodian of the WCG PPF

The WCG PPF is vested in the Provincial Revenue Fund. PT will provide financial and reporting oversight to Cabinet and Provincial Parliament. The governing mechanisms for the WCG PPF will be entrusted under the auspices of the Minister of Finance and Economic Opportunities and PT.

4. RATIONALE FOR THE WCG PPF

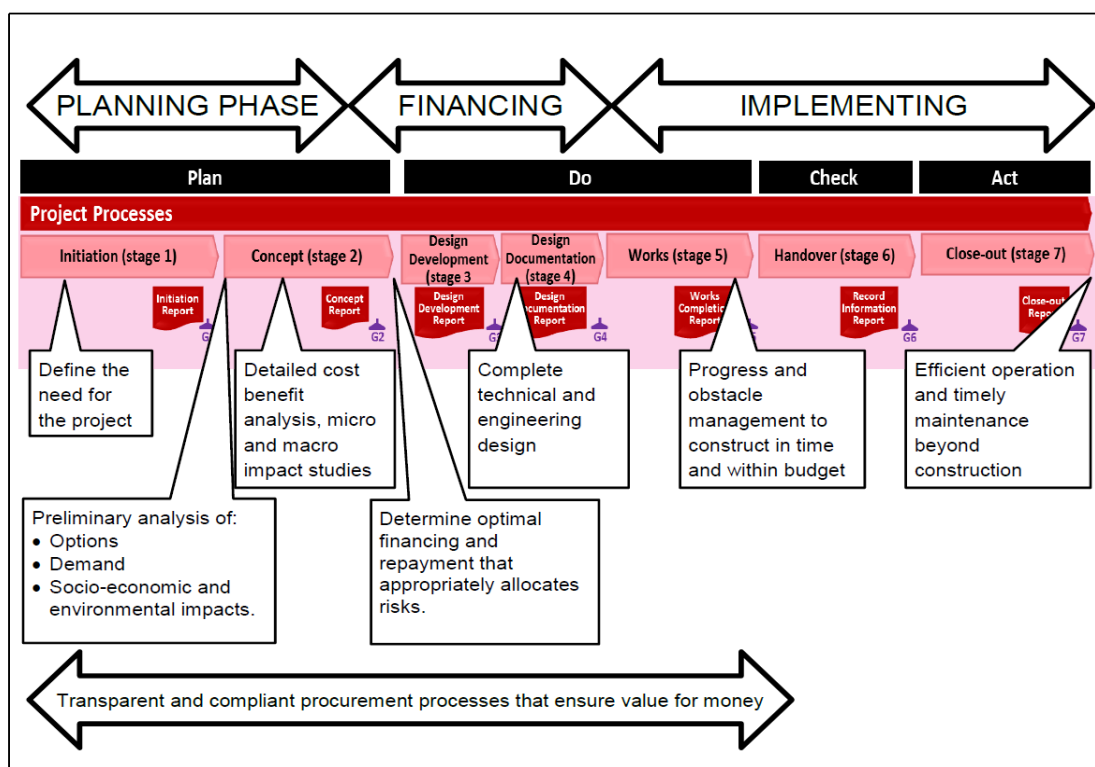
Problem statement

In the Western Cape, the investment in public infrastructure programmes has not kept up with population needs, as there are procedural weaknesses in adherence to the project preparation activities (for example, land issues timeously identified) and worsening fiscal constraints. The experience of infrastructure planning and investment is that some projects or programmes neither meet the requirements for long term funding, nor do they provide adequate value for money due to cost overruns and inefficient project development and implementation.

The framework which underpins the infrastructure project preparation value chain is standardised and adopted across multiple sectors. The Infrastructure Project Development Value Chain is depicted in Figure 3 below. It is imperative to clearly map and define the value chain, as this enables the logical progression of projects or programmes throughout the project life cycle. When clearly defining the sequence, this allows for amendments or termination of elements which are deemed to be sub-optimal or present unmanageable risk. All infrastructure programmes or projects face inherent challenges throughout the various activities along the value chain.

Failing to assess the progress of the project or programme throughout the planning, financing and implementation lifecycle will (most likely) lead to inefficiencies in expenditure, adherence to timeframes and overall outcomes which the project or programme seeks to achieve.

Figure 3 The Infrastructure Project Development Value Chain



The key challenges in project or programme preparation

The key systemic, sectoral, programme and institutional challenges can be summarised as follow:

- A lack of integrated asset management including fragmented/inadequate information systems and spatial planning results in sub-optimal project identification, poor intergovernmental coordination, and capacity.
- A lack of collaboration between various role players is an underlying and persistent challenge to project planning, as this splits the focus across various departments and sometimes municipalities rather than combining efforts to benefit from possible economies of scale.
- Delays due to late detections of specific studies required for the project such as heritage studies, Environmental Impact Assessment Studies, Land issues identification.
- Poor quality and incomplete project preparation practices are a product of inadequate project preparation systems, limited project management knowledge and insufficient project preparation skills. These shortfalls in preparation capacity results in infrastructure projects not materialising or being delayed. This is further

indicated by the way projects are presented for funding, often proposing biased solutions, over-optimistic forecasts and/or inaccurate information.

- Limited specialist preparation skills and technical support to prepare programmes or projects to an acceptable level to apply for funding for implementation.
- Adherence to tight timelines, inadequate procurement, design, and management skills, can lead to shortfalls in due processes associated with procurement.
- There is a lack of financial structuring and cash flow forecasting expertise, which results in poor multi-year project budgeting and life-cycle costing (inclusive of operating and planned maintenance costs).

The failure to address these challenges systematically will ultimately undermine socio-economic development across the Province. A partnership is required to address the above challenges in a mutually beneficial manner.

The intention with the WCG PPF is to address the problem statement stated above by providing financial support which allows departments, public entities, and municipalities to procure additional resources to conduct the various preparatory activities that will assist infrastructure projects that are reaching the required stages as per the IDMS and gets to project implementation without delays and huge cost overruns.

Objectives of the WCG PPF

The primary objectives of the WCG PPF are:

- a. To assist with the development of a credible pipeline of provincial/municipal priority, investment ready infrastructure projects.
- b. To create an enabling support for potential projects which should have a long-term impact in the Province.
- c. To enable support for departments, public entities, and municipalities to develop projects which could have catalytic development potentials.
- d. To unlock or crowd-in private sector investment or other public funding facilities.
- e. The allocation of an appropriate level of funding for project preparation activities, i.e., activities such as technical, financial, legal expertise, etc.

Secondary objectives include:

- a. Stimulating economic growth.
- b. Maximising opportunities for job creation.
- c. Addressing spatial planning challenges where possible.
- d. Optimal/better utilisation of WCG/municipal property where relevant.

5. ELIGIBILITY FOR WCG PPF SUPPORT

Departments, public entities, and municipalities who have infrastructure or catalytic projects which satisfy the below criteria can apply for the WCG PPF.

The acceptance of applications for the WCG PPF will be done in accordance with the following requirements:

- i. Infrastructure or catalytic projects, as defined in this document (see Definitions of Terms used in Project Eligibility Criteria for reference).
- ii. Infrastructure projects that have been declared a priority by the Cabinet of the WCG and/or by the council of the respective municipality.
- iii. It supports imperatives of the Integrated Development Plans (IDP) (municipalities) or the Provincial Growth and Development Plan/Economic Recovery Plan.
- iv. The project is a strategic intervention that assures substantial long-term impacts.
- v. Promote inclusive economic growth.
- vi. Promote social inclusion.
- vii. It has been referred back by the BFI for further preparation work.
- viii. Could have the opportunity to leverage substantial private financial participation/investment either directly or indirectly.
- ix. Are in or entering the Preparation Phase and require a selection of the Eligible Project Preparation Activities, as defined below.

Monetary value of projects⁵: The monetary value of the project, submitted for WCG PPF assistance, should have a total project cost of R50 million or more. However, should a project be less than R50 million, but satisfies the above criteria, the project can be submitted for assistance. The PPF support provided will be in the form of the initial preparation activities and the Project Champion should still make provision for the subsequent project activities and construction cost.

Eligible Project Preparation Activities

These project preparation activities are based on the Cities Investment Programme Project Preparation Facility, as the PPF supports consultancy services associated with it:

- a. Land transactions, including valuations; land-legal assessments; land negotiations; acquisition or disposal of land by way of sale, registerable lease, or expropriation; conclusion of land availability agreements, concessions, and agreements on development rights, and removal of restrictive conditions of title and deregistration of servitudes.
- b. Site studies, including geotechnical appraisals and surveys; topographic appraisals and survey and slope analyses; environmental and heritage surveys; modelling of flood-lines; modelling of shadow-lines, and condition and capacity appraisals/

⁵ The "monetary value of projects" refers to the total investment cost or total project cost.

assessments of on-site services and of off-site bulks and connector engineering infrastructure.

- c. Town planning approvals and site/project area planning studies, including block layouts; yield estimates; preliminary cadastral or sectional layouts; massing studies; development controls proposals; special consent applications; rezoning applications, and township establishment applications.
- d. Economic studies including economic surveys; cost-benefit analyses, cost effectiveness analysis and due diligence reports.
- e. Social studies, including social surveys, and establishment and operation of consultative processes.
- f. Building studies, including project briefs; schedules of accommodation; layout of site works; design of public spaces; sketch designs; measured drawings; submission drawings; building cost estimates and preliminary bills of quantities; structural assessments; preliminary design of foundations and superstructure; design of building services, and green building proposals.
- g. Engineering infrastructure studies, including sewer, water, electrical, alternative energy, and ICT layouts; roads, interchanges, bridges, and culverts designs; design of site platforms and embankments; design of sewer and water treatment works, pump-stations, and water storage facilities; design of electrical substations; design of alternative energy installations, and environmental applications, water use licences, water discharge licences associated with the engineering infrastructure.
- h. Traffic studies, including traffic impact appraisals and assessments of motorised and non-motorised movement, and public transport facilities.
- i. Project financing and institutional arrangements including institutional modelling; institutional and organogram planning; applications for grant funding, loan funding or equity support; investment brokering; transaction advice on concessions and PPP's, and conclusion of legal agreements.
- j. Project management of the preparation phase, including: establishing the work breakdown structure; compiling of cost, quality, scope, time, communications, and risk plans; briefing of project team members and assessment of their deliverables; compilation of project documents, including technical Pre-Feasibility/Feasibility Studies, cost and operating cost estimates, financing plan, and institutional plan; reporting to Municipality and Development Bank of Southern Africa (DBSA), and; support to Municipality in interaction with prospective project funders.

The PPF will not support Ineligible Project Preparation Activities, namely:

- a. Pre-project Activities, such as the User Asset Management Plans (U-AMPs), IDP's, Sector Plans, Development Strategies, high-level Spatial Strategies and Local Area Plans.
- b. Design Development (Stage 3) and Design Documentation (Stage 4); however, project financing/financial structuring and institutional arrangement as indicated in paragraph (i) above could be considered for funding from the PPF.
- c. Construction.
- d. Post-construction, including Handover, Close-out, Operations, and Maintenance.
- e. Open-ended processes for which no firm and credible budgets can be set.
- f. Compensation costs, legal proceedings, costs of court actions, arbitrations, or conciliations.
- g. Using funding from another source for the same project purpose without disclosing this ('double-dipping' as opposed to co-financing).
- h. Any additional activity deemed by the PPF to be ineligible.

6. PIPELINE DEVELOPMENT

The aim of any activities carried out in the WCG PPF is to contribute to building a pipeline of projects in the key infrastructure sectors that optimise the use of private sector funding and to manage the project pipeline by adopting a programmatic approach that scales up the momentum and enables the early financial closure of projects.

Each project or programme entering the WCG PPF will be subjected to a screening process for alignment with the WCG PPF requirements and to determine the extent of support needed.

Each project has its own unique project preparation activities to be completed to ensure the project is "investment-ready". The various stages that a project will need to follow are outlined in detail in the One IDMS, which includes the minimum requirements/activities that need to be performed to ensure that the Project Champion can approach funders (private or public). As indicated above the focus of the WCG PPF is applicable to Stages 1 and 2 of projects as per the One IDMS.

Preceding project preparation is the project inception phase comprising project identification, selection and prioritisation (within the institution), which follows pre-project activities including the articulation of need or demand, and the consideration of the development approach and strategy. Such a development approach or strategy must be articulated up-front. However, the ideal would be for the WCG PPF to be able to consider projects that are submitted to it by government departments, public entities, or municipalities. Each project that passes an initial screening, would then be subject to further levels of assessment, culminating in a full feasibility should it pass the various hurdles/milestones.

7. WCG PPF APPLICATION

How and when to apply for WCG PPF funding

Applications for funding must be submitted as part of annual provincial budget processes (main budget and adjustment budget). Applications must thus be submitted with budget documentation for Medium Term Expenditure Committee (**MTEC**) 1 and 2. The budget submission dates will be specified in the respective annual Budget Circulars. Municipalities should apply via the Department of Local Government.

Format for Application

The Project Champion (via a letter from the Accounting Officer/CEO of an Entity or Municipal Manager) will have to detail their interest to apply for the WCG PPF and explain the project information, level of support required, timeframes and workplan activities to be undertaken. Outline of the letter is attached as **Annexure A**. Supporting documentation as indicated in **Annexure A** must also be submitted with the request.

How funding for individual projects would flow to institutions

Funding for project preparation, on a per project basis, would be included in departments or public entities budgets through earmarked allocation during the main budget or adjusted budget process. In the case of municipalities, the funding will be allocated as conditional grants to them and will also be included in either the main budget or the adjusted budget of the specific municipality.

Funding will be released based on achieving specified milestones, (see Eligible Project Preparation Activities above) agreed between PT and the institution. These milestones/deliverables will be determined for each project, given the nature of the project, and based on the proposal by the institution. Should a project stall due to unforeseen circumstances or systemic challenges, the PT reserves the right to withdraw the funding and to re-allocate it to other deserving projects.

Funding allocated in the 2022 Budget from the WCG PPF

The PPF was allocated to the following projects in the 2022 Budget:

Description (R'000)	2022/23	2023/24	2024/25	Total
Department of Transport and Public Works: Stikland North	1 700	960	700	3 360
Department of Transport and Public Works: Oude Molen	700	1 200		1 900
Department of Transport and Public Works: Leeuwenhof	700	850	888	2 438
Department of Transport and Public Works: Leeuloop	3 000	3 000		6 000
Department of Transport and Public Works: Prestwich	2 130			2 130
Department of Transport and Public Works: Belhar Relocation Development Project	1 500			1 500
Department of Transport and Public Works: Caledon Office Block	2 350	4 269	2 792	9 411
Department of Transport and Public Works: Enablement: Planning, environmental and heritage legislative requirements	16 000	18 000	18 000	52 000
Department of Cultural Affairs and Sport: Cango Caves PPP: The feasibility study for the future management of the Cango Caves with the aim of increasing revenue generation to ensure future sustainability	1 000			1 000
Department of Cultural Affairs and Sport: Cango Caves PPP: A project preparation costing study needs to be done to determine the amount of funding required for the short, medium and long term maintenance of the Cango Caves and surrounding infrastructure.	500			500
Department of Cultural Affairs and Sport: Cultural Facility: Feasibility study for a potential PPP for Melkbos Oppiesee and Schoemanspoort to transform these facilities to a level which will allow private use in addition to our current public usage model.	1 500			1 500
Department of Local Government: New Municipal Financing Model Sustainable Infrastructure Development and Finance Facility (SIDAFF) project management support)	3 000	3 000		6 000
Total	34 080	31 279	22 380	87 739

8. REPORTING REQUIREMENTS

All projects funded by the WCG PPF must be recorded in the B5 schedules (published approved project list) of the budget documentation and on the Infrastructure Reporting Model (IRM) in the case of provincial departments/public entities. Projects funded by the WCG PPF in the context of municipalities, need to be recorded in an existing format as reported for municipal infrastructure projects. Municipal projects must also be captured in the IDP of the beneficiary Municipality.

Institutions will be required to submit quarterly progress reports to PT in a format to be prescribed by PT. PT will submit a consolidated quarterly progress report to the WCG's Cabinet.

9. INSTITUTIONAL ARRANGEMENTS

PT will receive the applications as will be indicated in the relevant Budget Circulars. PT will do an initial screening of the applications and submit it to an **independent Technical Assessment Panel (TAP)**.

The TAP shall constitute individuals with the necessary expertise, i.e., built environment professionals, legal, financial, amongst others, as well as knowledge regarding the scope of work to be appraised. This panel shall not include members of the institution

applying for funding from the WCG PPF. The Project Champion may be requested to do a presentation to the TAP.

The nominations for members of the TAP:

- i. May derive from the Project Champion; or
- ii. From the PT, on a project-by-project basis.

Should option (i) above be exercised, the PT will use its discretion to eliminate any potential conflict of interest that may arise during the selection process of panel members.

The TAP will make recommendations to the Portfolio Management Committee⁶ (PMC)/Infrastructure Delivery Management Coordinating Committee (IDMS CC)/ Management Committee (MANCO) for their consideration, i.e., the new proposed governance arrangement that is under consideration.

PMC/IDMS CC to make recommendations to the Head of Department Committee on Infrastructure (HOD Committee).

The projects will be presented to the Infrastructure MTEC who in turn will make recommendations to the Budget Policy Committee⁷ (BPC).

The BPC should consider, advise, and make recommendations to the Provincial Cabinet on the proposed budget allocations to be included in the Provincial Budget and the MTEF, considering the proposed areas of savings, alternative funding sources and the allocation of any available resources as part of the integrated planning and budgeting process.

10. OTHER PROJECT PREPARATION FACILITIES

The following preparation facilities can also be explored for large or catalytic projects and may be explored if the project falls outside the eligible requirements of the WCG PPF.

The other project preparation facilities that are currently available:

- **National Treasury Government Technical Advisory Centre (GTAC) Project Development Account (PDA or previously the PDF):** The Fund only makes provision for assistance to PPP projects towards co-financing or sole financing of Transaction Advisory (TA) services. These services can consist of technical, financial, legal, and other services as per their eligibility requirement of GTAC. Applications must be

⁶ The purpose of the PMC is to ensure overall portfolio management and support implementation, including:

- i. Supporting preparation
- ii. Financing options for the portfolio
- iii. Monitoring portfolio
- iv. Mediate the project continuation process
- v. Advising Medium Term Budget Policy Committees (MTBPCs) & MTECs on PPF applications

⁷ **BPC:** Chaired by the Provincial Minister of Finance and its members include the Premier, Minister of Environmental Affairs and Development Planning and Local Government, DG and the respective HODs.

submitted to the PDA's Evaluation Committee, with the first engagement via the Head of the GTAC PPP Unit through a **formal letter of application**.

- **DBSA Project Preparation Facility:** The Fund is an in-house facility which provides project preparation funds for developing infrastructure projects in the Energy, Water, Transport and Logistics and ICT infrastructure as well as Tourism. Application for access to the funding can be done online at <http://www.dbsa.org>.
- **Neighbourhood Development Partnership Grant (NDPG) (Technical Assistance):** To plan, catalyse, and invest in targeted locations to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, generally townships and rural towns; community safety programmes (Source: Division of Revenue Bill, 2021).

This grant can be accessed through an application to National Treasury. In terms of technical assistance part of the grant, the funding can be used for:

- "Preparation of township development strategies and plans;"
- "Development of a business case for identified projects (including the preparation of feasibility studies and business plans, etc.) for the release of capital grant funding in line with the aims and strategic intent of the NDPG;" and
- "Training, capacity building, facilitation, project management and knowledge management in the context of supporting capital investment (i.e., in combination with capital grant funding)" (Source: Briefing Note 2, GTAC).

Documents consulted

Cities Investment Programme Project Preparation Facility. Draft Policy Framework May 2020.

Division of Revenue Bill, 2021

Government Technical and Advisory Centre. Project Preparation Facility (PPF).

Government Technical and Advisory Centre. Natascha Trainor. Capital Projects Appraisal Unit. Briefing Note No. 2: Project Development (Preparation) Funding Sources.

One IDMS. IDM Toolkit Draft Module 6: Portfolio Management. 2021 (draft version).

One IDMS. IDM Toolkit Draft Module 7: Programme Management. 2021 (draft version).

One IDMS. IDM Toolkit Draft Module 9: Project Management. 2021 (draft version).

National Treasury. May 2019. National Treasury Instruction Number 3 of 2019/2020. Framework for Infrastructure Delivery and Procurement Management.

National Treasury. 2022. Infrastructure Planning and Appraisal Guideline [Online]. Available:

<http://www.treasury.gov.za/publications/guidelines/Infrastructure%20Planning%20and%20Appraisal%20Guideline.pdf>

**Template Application for the Western Cape Government
Project Preparation Facility (“WCG PPF”) Support**

Reference number:

The Head Official: Provincial Treasury
7 Wale Street
CAPE TOWN
8000

Dear Sir

**APPLICATION FOR FUNDING FOR PROJECT PREPARATION ACTIVITIES FOR:
(insert the project naming)**

1. The Project

- 1.1 Description of the project
- 1.2 Timeframes for the project
 - a) Project Preparation Activities
 - b) Anticipated construction and start dates

2. Financial Implications

- 2.1 Estimated Project Cost
- 2.2 Estimated Project Preparation Activities Cost (provide a detailed breakdown)

3. Justification for the WCG PPF Application

4. Use of the Funding and for which Stage/s

5. Conclusion

HEAD OF DEPARTMENT/CEO OF PROVINCIAL ENTITY/MUNICIPAL MANAGER/
EXECUTIVE AUTHORITY

SIGNATURE:

DATE:

Any supporting documents must be attached to this letter:

- The Pre-feasibility/Feasibility Report
- BFI applications
- ISA applications
- Terms of Reference (ToR) for procuring Professional Service Providers (PSPs)