

INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



IIPSA Grant funding for Drakenstein Local Municipality through:

1. Interest rate subsidy grant funding to the amount of ZAR23.34 million
2. Project preparation grant funding to the amount of ZAR27.9 million



With funding by the
European Union



KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

Provision of basic services to communities that did not have access to services, provide sustainable water and sanitation services and unlocking new development.

RELEVANT SDGs

SDG 6: Clean water and sanitation

GEOGRAPHICAL COVERAGE

Western Cape – South Africa

FUNDING SUMMARY

CRIS ref:	AFS/2013/333-157
Start/final dates:	January 2018
Total budget:	ZAR51.24 million
EU contribution:	
Total paid:	ZAR15.68 million

BENEFICIARIES

Drakenstein Local Municipality and communities within its jurisdiction.

Project objectives

- (i) Provision of basic service to communities that did not have access to basic service,
- (ii) Expand bulk infrastructure to provide sustainable services,
- (iii) Expand bulk infrastructure to unlock new development and increase the municipality's revenue streams.

Main project activities in brief

- Interest Rate Subsidy (IRS) grant funding was earmarked to assist the municipality with the debt servicing coverage ratio which was projected to deteriorate when the municipality raise debt.
- Project preparation was to assist the municipality to prepare projects from feasibility stage to bankability or implementation ready.

Main outcomes/impact/accomplishments to date

- IRS assisted the municipality to find it affordable to raise debt, without IIPSA support the municipality would have not be able to raise debt to the levels it did in the 2017/18 and 2018/19 municipal financial years.
- The municipality has managed to bring the detail planning for the infrastructure projects forward which would have taken two three years before the planning commence without IIPSA support due to funding constraints.



PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

Supporting the Polokwane Local Municipality with addressing challenges arising from existing aged Asbestos Cement (AC) pipe infrastructure to reduce water losses and maintain reliable water supply.

RELEVANT SDGs

SDG 6: Clean water and sanitation

GEOGRAPHICAL COVERAGE

Limpopo – South Africa

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157

Start/final dates: 10 March 2016

Total budget: ZAR25 million

Total paid: ZAR25 million

BENEFICIARIES

Residents of Polokwane Local Municipality.



IMPLEMENTING PARTNERS

Project sponsor – Polokwane Local Municipality
Consultants – Lilibara Projects & Jendza Capital



With funding by the
European Union



Project objectives

The existing water distribution pipelines, made out of Asbestos Cement (AC), in Polokwane CBD, Seshego and Annandale was installed more than 50 years ago. These AC pipes having reached the end of their design life and having created major operation and maintenance challenges and water losses led to the Polokwane Local Municipality implementing the AC Pipes Network Replacement Capital Expenditure Programme.

Main project activities in brief

- Technical feasibility studies and preliminary designs;
- Detail design, tender and procurement documentation;
- Procurement of consultants and contractors; and
- Construction implementation and supervision.

Main outcomes/impact/accomplishments to date

The AC Pipes Network Replacement Capital Expenditure Programme has complement PLM's Smart City Vision. The programme has helped to reduce the water distribution losses and provide infrastructure with adequate capacity to meet current and future water supply requirements.



PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



DHET Student Housing Feasibility Project

KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

Supporting the provision of safe, accessible, affordable and decent student housing for students across South Africa.

RELEVANT SDGs

SDG 4: Quality education

SDG 8: decent work and economic growth

SDG 10: Reduced inequalities

GEOGRAPHICAL COVERAGE

National (across South Africa)

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157

Start/final dates: August 2015

Total budget: ZAR30 million

Total paid: ZAR19.9 million

BENEFICIARIES

Department of Higher Education and Training (DHET)



IMPLEMENTING PARTNERS

Maya Innovate as Transaction Advisor to the DHET



With funding by the
European Union



Project objectives

- (i) Address the extensive backlog in student housing infrastructure across South Africa;
- (ii) Provide safe, accessible, affordable and decent student housing for students (especially in rural areas) affords them with the opportunity to focus on their studies, enhance their skills for them to realise their potential and contribute to the growth of the South African economy;
- (iii) Accelerate the planning and implementation of student housing projects across the post education and training sector; and
- (iv) Catalyses private sector investment into student housing infrastructure.

Main project activities in brief

The main purpose of the project was the development of student accommodation funding model through public private partnerships (PPPs) applicable to both affluent and historically disadvantaged institutions of higher learning.

Main outcomes/impact/accomplishments to date

A key benefit of conducting feasibility studies has been the inclusion of the projects in the DHET's applications for alternative grant funding from National Treasury which will accelerate the development of the specific student housing projects across South Africa.



PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



uMhlathuze Waste Water Reuse Project

KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

Supporting the City of uMhlathuze with augmenting their water supply to the local industries with reuse from available wastewater thereby increasing their security of potable water for domestic use.

RELEVANT SDGs

SDG 6: Clean water and sanitation

GEOGRAPHICAL COVERAGE

Richards Bay, KwaZulu-Natal – South Africa

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157

Start/final dates: 13 February 2017

Total budget: ZAR12.0 million

Total paid: ZAR1.55 million

BENEFICIARIES

Local Commercial Industries – Mondi, Eskom, Richards Bay Coal Terminal, South32, etc.



IMPLEMENTING PARTNERS

City of uMhlathuze – Project Sponsor

UPW Consortium – Transaction Advisor

National Treasury – PPP Advisor

Department of Water and Sanitation – Technical Advisor



With funding by the
European Union



Project objectives

The development of new wastewater treatment works to treat wastewater to an acceptable standard for industrial use. The City of uMhlathuze municipality intends to implement this project under PPP and registered the project with National Treasury.

Main project activities in brief

- Preparation of the feasibility study and approval by the municipality and National Treasury;
- Obtaining TVRI approval to allow the project to move into the procurement phase;
- Preparation and approval of the RFQ and RFP procurement documents for issue to market;
- Analysing, evaluating and shortlisting of received bids;
- RFP optimisation and TVR IIA of optimised draft RFP document and draft PPP agreement;
- Bid evaluation and TVR IIB approval;
- PPP negotiations; and
- TVR III and conclusion of PPP agreement.

Main outcomes/impact/accomplishments to date

The bankable feasibility study is ongoing. Should the project prove to be viable, it will enable the municipality to secure 75Mℓ/day of additional potable water for domestic use. The project will also provide security of treated wastewater to the local industries at an affordable tariff and further benefit the environment by limiting the discharge of wastewater in the sea.

PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region

IMPACT

Supporting the provision of alternative renewable energy sources to support economic growth and poverty alleviation in the Rustenburg area.

RELEVANT SDGs

SDG 7- Affordable and clean energy
SDG 13- Climate action

GEOGRAPHICAL COVERAGE

Rustenburg, North-West Province – South Africa

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157
Start/final dates: 16 May 2016
Total budget: ZAR66.4 million
Total paid: None

BENEFICIARIES

RBPlats Employee Homeowners Trust



IMPLEMENTING PARTNERS

Amandla Consortium as Transaction Advisor to the RBPlats Employee Homeowners Trust



With funding by the
European Union



Project objectives

- (i) Provision of local economic opportunities in the Rustenburg mining district and ensure maximisation of Local Economic Development programmes to promote greater economic growth
- (ii) Alleviation of poverty and unemployment within the surrounding community
- (iii) Increasing the economic sustainability of the employees and increase the disposable income per household through connected economic activity.

Main project activities in brief

Development of a Solar PV programme that will see the implementation of three Solar PV projects as outlined below for the benefit of the RBPlats Employee Homeowners' Trust:

- (a) Rooftop Solar at the Housing Estate – 5kVA rooftop installation based on assumed average usage per day per house of 25kWh per day resulting in an installation requirement of an estimated 25MWp.
- (b) 11MW Ground Mounted Solar Plant – ground mounted solar PV system with storage next to the housing estate to supplement the electricity requirement of the housing estate and for the balance of electricity to be transmitted and sold to surrounding Mines
- (c) 3x 36MW Solar PV plants – to supply renewable energy through a PPA to surrounding mines

Main outcomes/impact/accomplishments to date

The bankable feasibility study is ongoing.



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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



The Western and Northern Aqueducts

KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

Supporting the eThekweni Municipality with augmenting the increase in water demand in the western and northern regions with the implementation of the new bulk water Western and Northern Aqueduct Project.

RELEVANT SDGs

SDG 6: Clean water and sanitation

GEOGRAPHICAL COVERAGE

Durban, KwaZulu-Natal – South Africa

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157
Start/final dates: 10 July 2015
Total budget: ZAR105 million
Total paid: ZAR105 million

BENEFICIARIES

Residents of eThekweni Municipality.



With funding by the
European Union



Project objectives

The Western and Northern Aqueducts Project was commissioned to address the water capacity and old bulk water infrastructure challenges faced by eThekweni Metro.

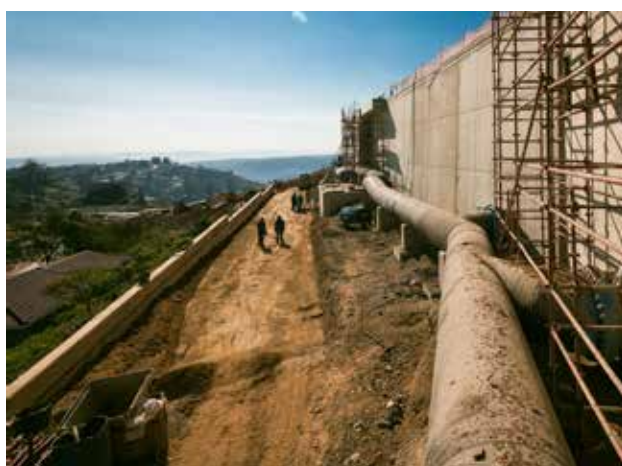
Main project activities in brief

- Technical feasibility studies and Environmental Impact Assessments (EIA);
- Detail final design and tender and procurement documentation;
- Procurement of consultants and contractors; and
- Construction implementation and supervision.

Main outcomes/impact/accomplishments to date

On completion, the Western and Northern Aqueduct project will result in an assured water supply to over a million previously disadvantaged people living in the Inanda, Ntuzuma and KwaMashu region who at present have to contend with daily water interruptions as a result of capacity problems in the existing supply system.

The project is in advanced construction stage and scheduled to be completed at the end of 2020.



IMPLEMENTING PARTNERS

Project sponsor – eThekweni Municipality
Consultants – Aurecon and Knight Piesold
Contractor – Esor

PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



KEY MESSAGE

Hidroeléctrica de Boroma S.A. is developing a 210 MW hydropower plant located in Boroma (in North near Tete) for the Republic of Mozambique.

IMPACT

Access to electricity is a significant engine for GDP growth and economic productivity. The renewable energy project will generate direct local jobs in skilled and unskilled labour during construction and indirect impact on the local economy through the catalytic effect on local SME businesses.

RELEVANT SDGs

SDG 7 – Ensure access to affordable, reliable, and sustainable energy for all.

SDG 8 – Promote sustained, inclusive and sustainable economic growth.

SDG 9 – Build resilient infrastructure.

SDG 10 – Reduce inequality within and among countries.

SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable.

GEOGRAPHICAL COVERAGE

Priority project for the Southern Africa Power Pool (SAPP) that supports electricity system among member utilities in the SADC region.

FUNDING SUMMARY

CRIS ref:	??
Start/final dates:	1 February 2018
Total budget:	US\$5.03 million
EU Contribution:	US\$ 5.03 million
Total paid:	None

BENEFICIARIES

The people, business and the Government of Mozambique.



With funding by the
European Union



Project objectives

- To improve energy security and support the country's Five-year Strategic Energy Plan
- Increased production of renewable energy.
- Improved electricity transmission network and interconnections.
- Socio-economic benefits – direct and indirect job creation potential during the construction phase.
- Economic development in the region as a result of increased demand for goods and services during the construction phase of Project, which is expected to last for a five year period.
- Potential to export power into the SAPP for consumption in neighbouring SADC countries, thus assisting with alleviating the power deficit in the region.
- Potential increase foreign exchange reserves because of exporting power.

Main project activities in brief

- Bankable Feasibility Studies to be completed.
- Support the implementation of the project until financial close.

Main outcomes/impact/accomplishments to date

- Procurement process complete.



IMPLEMENTING PARTNERS

Electricidade de Mocambique (EDM)

DBSA

SAPP

HBSA

PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA) BOTSWANA – SOUTH AFRICA (BOSA) INTERCONNECTOR



KEY MESSAGE

Enhancing sustainable economic growth and the delivery of key services affecting development in South Africa and in the SADC region.

IMPACT

The project entails approximately 210 km of 400kV transmission line between Watershed in South African (70%) and Isang in Botswana (30%). The transmission line will unlock the central corridor to enable regional power trading.

RELEVANT SDGs

SDG 8: Decent work and economic growth
SDG 9: Industry, innovation and infrastructure

GEOGRAPHICAL COVERAGE

Botswana and South Africa

FUNDING SUMMARY

CRIS ref: AFS/2013/333-157
Start/final dates: ??
Total budget: US\$2.6 million
EU Contribution: US\$2.6 million
Total paid: US\$876 512.30

BENEFICIARIES

Botswana Power Corporation (BPC)
Eskom



With funding by the European Union



Project objectives

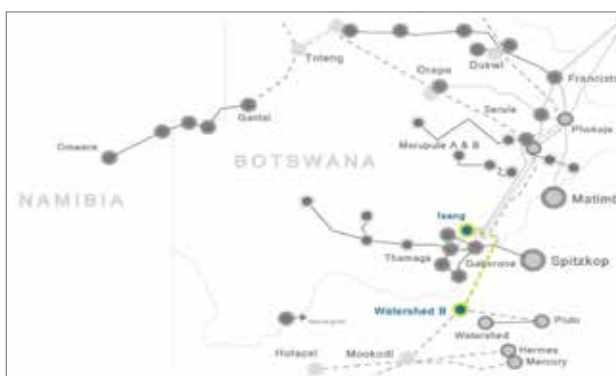
The intention is for this interconnector to transmit power generated from Zimbabwe and Namibia via ZIZABONA, DRC and Botswana. The transmission line will unlock the central corridor with surplus power that is available for trade to South Africa, including Botswana and other energy con-strained countries.

Main project activities in brief

- Part 1: Scoping study
- Part 2: Feasibility study to draft PIM
- Part 3: PIM to financial close

Main outcomes/impact/accomplishments to date

- Scoping and prefeasibility assessment
- Technical, economic, environmental and social impact assessment, legal and commercial feasibility studies.



IMPLEMENTING PARTNERS

Southern African Power Pool (SAPP)
Botswana Power Corporation (BPC)
Eskom

PROJECT MANAGER

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INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA (IIPSA)



KEY MESSAGE

IIPSA will subsidise the interest cost such that the interest rate offered to the municipality enhances the affordability to unlock much needed water infrastructure for the residents of Joe Gqabi District Municipality (JGDM).

IMPACT

Given the financial situation of JGDM and to minimise the risk of default by the municipality in servicing its debt annually, it is proposed that an interest rate subsidy be provided, to enable the municipality to accelerate the implementation of its key water projects.

Beneficiary households	Estimate number of jobs to be created	Estimate number of jobs to be created
Maclear Water Treatment Works and Associate Bulk Infrastructure	3 557	110
Bulk Sanitation Infrastructure Upgrade for Maclear (BSIUM)	3 826	144

RELEVANT SDGs

SDG 6 Clean, accessible water for all, SDG 10 Reduced Inequalities

GEOGRAPHICAL COVERAGE

Elundini, Eastern Cape – South Africa

FUNDING SUMMARY

CRIS ref:	??
Start/final dates:	31 July 2019
Total budget:	R145 million
EU contribution:	R10.4 million
Total Paid:	None

BENEFICIARIES

Indigent rural communities living in the Elundini municipal area.



IMPLEMENTING PARTNERS

Joe Gqabi District Municipality
DBSA



With funding by the European Union



Project objectives

- (i) JGDM is responsible for water and sanitation service delivery throughout the District and development and upkeep of the water and sanitation infrastructure and has a significant water and sanitation backlogs.
- (ii) The implementation of these key projects will complement the other infrastructure developments in other sectors such as human settlement and household electrification; and also contribute to the general hygiene and health, thereby curbing the outbreak of health epidemics like cholera, etc.
- (iii) Increased bulk water supply infrastructure to provide the residents of Elundini with adequate water supply of adequate quality as opposed to the current situation where the households rely (in some instances) on river streams water, which is below the required Blue Drop standards.
- (iv) The bulk sanitation project will lift the standard of living and improve hygiene and health of the Elundini rural communities

Main project activities in brief

- Interest Rate Subsidy Agreement signed with DBSA to subsidise loan required to implement projects.
- The DBSA technical team will observe the procurement process to comply with the municipality's Supply Chain Management (SCM) policy, its construction procurement strategy and the MFMA guidelines, and is-sue a non-objection confirming satisfactory completion of procuring processes prior to appointments being made.

Main outcomes/impact/accomplishments to date

- IIPSA approval of interest rate subsidy.



PROJECT MANAGER

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