

**PART 6 – FINANCING SOCIAL INFRASTRUCTURE
DIFFERENTLY**

GAUTENG SCHOOLS

6 OCTOBER

THE PIPELINE SERIES

SIDSS  21

OUTLINE

The Presentation covers the following

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- 1 High Level Project Information
- 2 Investment Plan and Financing Gap
- 3 Capital Required
- 4 Project Risks and Mitigation
- 5 Project Implementation Milestones
- 6 Q&A



PROJECT

Gauteng Schools Project

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Project Scope

57 new Schools (20 Greenfield and 37 Brownfield across the Gauteng Province)

Developmental Impact

Providing learners of compulsory school-going age access to schools.

Provide School infrastructure that will be conducive to the delivery of quality teaching and learning – as a Basic Human Right as enshrined in the Constitution. Demolition and rebuilding of unacceptable structures (dilapidated and asbestos structures) posing a threat to occupants' health and safety.

Improving educational outcomes.

Project Sponsor(s)

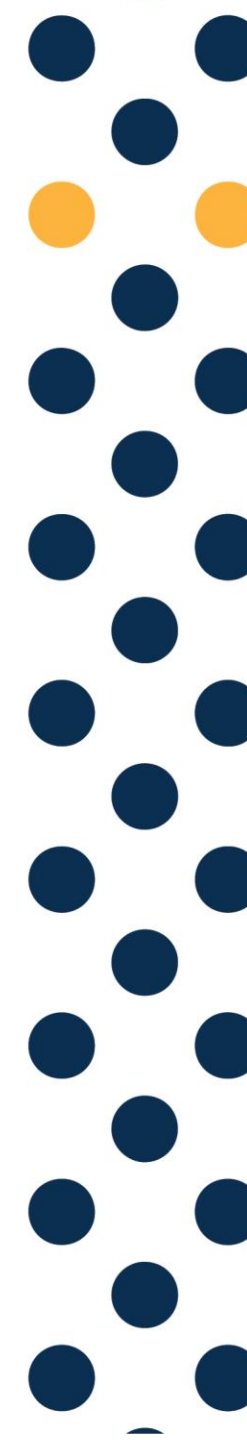
Gauteng Department of Education

Implementing Agent

Gauteng Education Department – supported by Gauteng Infrastructure Financing Agency (GIFA)

Other Key Stakeholders

Gauteng Department of Education, School Governing Bodies Representing parents of learners) ,Labour Unions, Local Government Structures, Local school communities, Various Construction Stakeholders, Funders.



INVESTMENT PLAN AND FINANCING GAP

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Estimated Capital Cost R4,5 bn

Funding Gap

R2 bn

R4,5 billion capital – Capital Grant to reduce Unitary Payment (UP). As a “government-pays” PPP, the entire UP will have to

Funding needs:

Preparation/ Technical assistance etc.) – Project Preparation costs up to current project stage covered by National Treasury (NT) and Gauteng Provincial Government (GPG)

Implementation funding: GDE (GPG) can only afford Unitary Payment from 2025/2026

Estimated costs – UP of R 411m (in year 1) over 20 year contract assuming a R2 billion Capital Contribution from government.

Sources of Funding		Uses	
Equity - TBC	R'm	Project Identification	None
Feasibility, Procurement, Financial Close (funded by GPG)		Project Development	R 35 m
		Bank Debt Process	PPP
Grant Funding - None		Project Management	PMU to be funded by GDE
TOTAL		TOTAL	

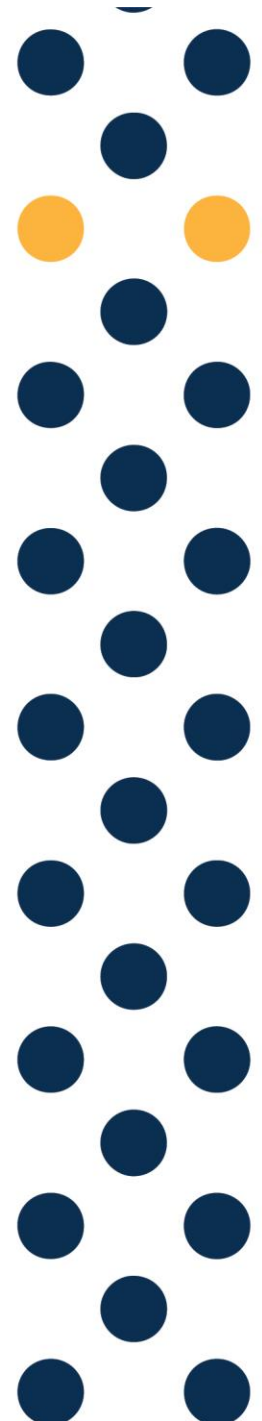
CAPITAL REQUIRED

- Project Preparation funded by the **Gauteng Provincial Government** – through the Gauteng Infrastructure Financing Agency (GIFA)
- Feasibility Study portion co-funded by National Treasury (R2 million)...
- Capital Grant Funding required to reduce Unitary Payment

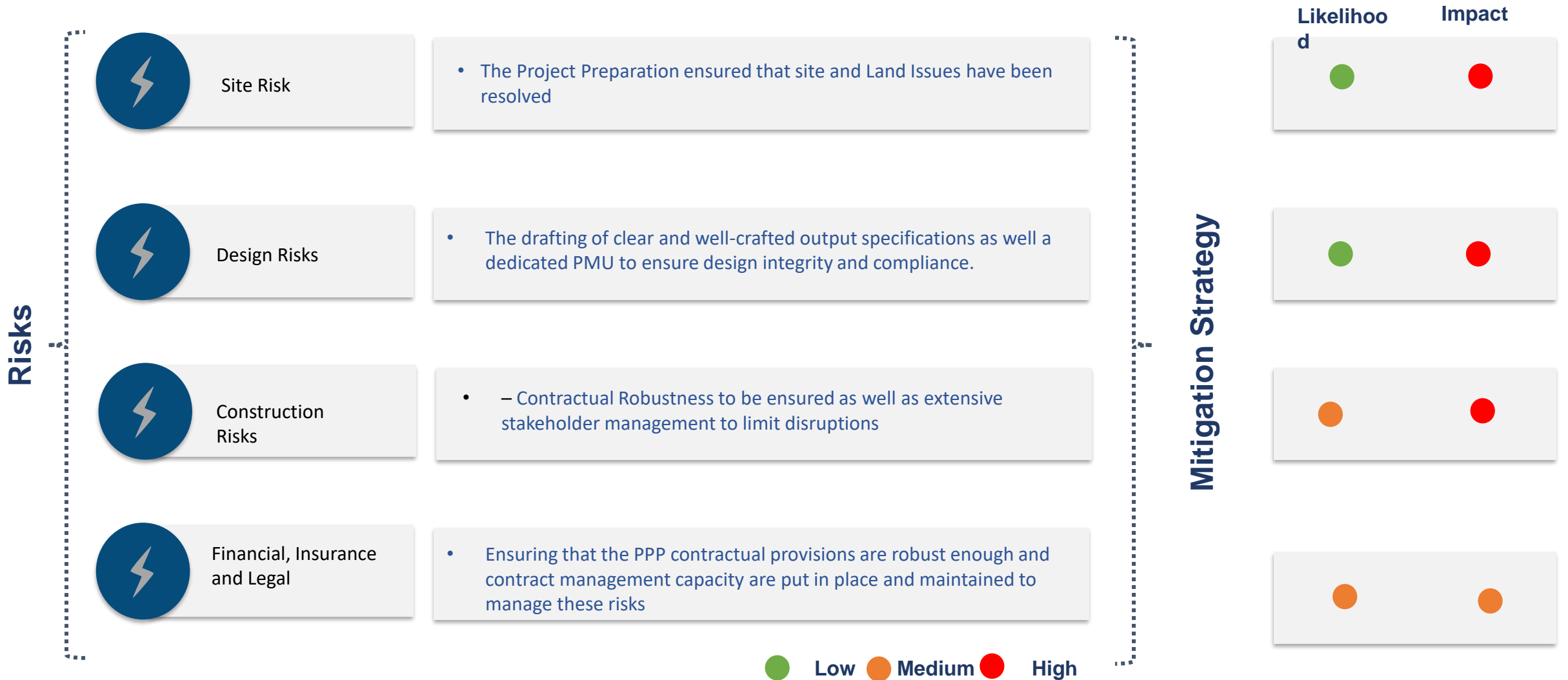
Budget Phasing	2020/21: R TBD	2021/22: R TBD	2022/23: R TBD
Utilisation of Funds

	<u>ACTIVITY</u>		<u>TOTAL</u>
	Feasibility Study (done)		R8m (Paid GPG)
	Sub Total (R'm)		R 8m
	<u>Procurement Preparation</u>		R'm
	RFP & PPP Agreement and Procurement Support		R4 million (Funded by GPG)
	Sub Total (R'm)		R'm
	<u>Negotiations</u>		R'm (To be expended – funded by GPG)
	<u>Financial Close</u>		R'm (To be funded by GPG)

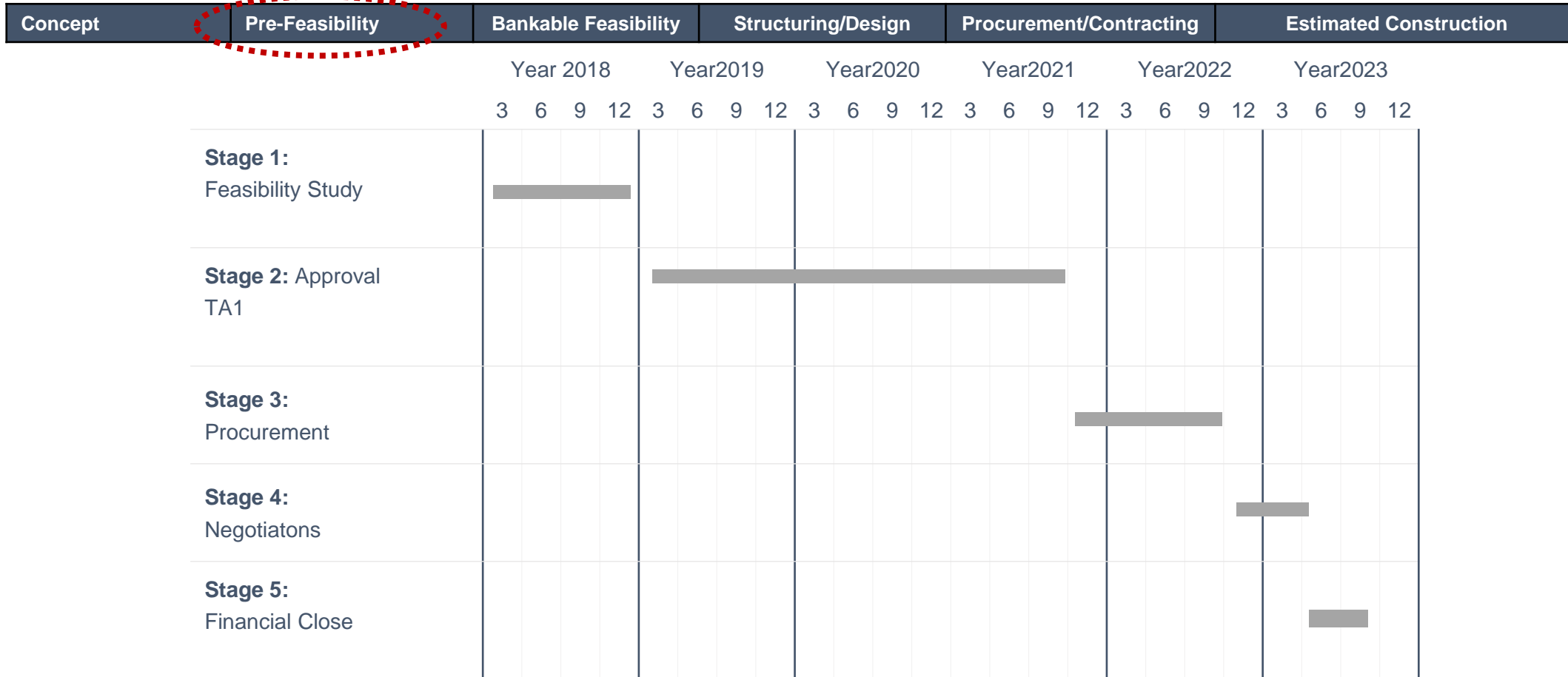
Project Prep Funding Required



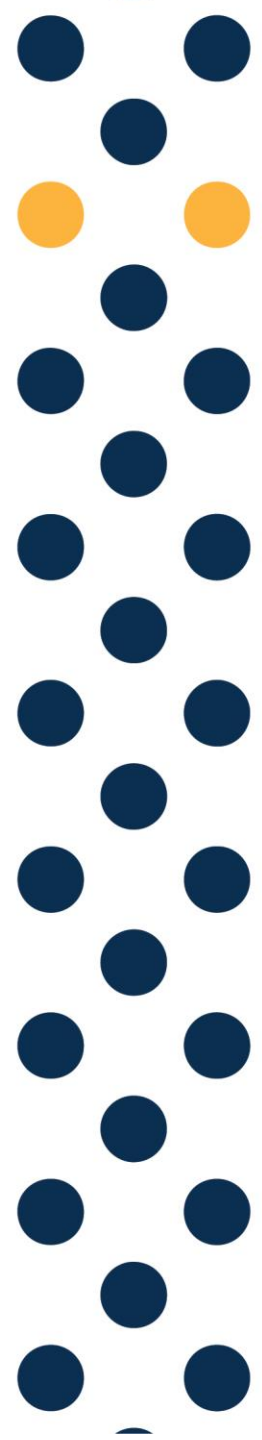
PROJECT RISKS AND MITIGATION



PROJECT IMPLEMENTATION MILESTONES



It is estimated that Financial Close will be reached in (September 2023)



THANK YOU
Q&A

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