Western Cape Government

Executive Summary Report

1. Project Description & Strategic Case

Project Name	South Africa Economic Growth & Local Development Programme (EG-LDP)
Location	Bitou Local Municipality
Sector	Economic
Department	Local Government
Project Owner	Poonam Yawalkar
Project Manager	Poonam Yawalkar

Project Scope

The Scope of Work (SoW) defines the activities, deliverables, and responsibilities required to implement the Economic Development Project. The project includes infrastructure development, skills training, enterprise support, investment promotion, and monitoring to drive sustainable economic growth in targeted regions of South Africa.

1. Infrastructure Development
1.1 Transport & Connectivity Upgrades
Upgrade and rehabilitate priority roads, bridges, and transportation routes.
Improve access to industrial zones, agricultural hubs, markets, and communities.
Enhance logistics efficiency through improved mobility networks.

1.2 Utility & Service Infrastructure
Improve access to reliable electricity, water supply, and sanitation systems.
Support energy enhancements to reduce load-shedding impact on local businesses.Upgrade stormwater and waste management systems to support economic activity.

1.3 Digital & ICT Infrastructure
Expand broadband connectivity in rural and township areas.
Establish digital access hubs for SMMEs and youth.
Enhance municipal ICT capabilities for improved service delivery and e-governance.

2. Skills Development & Employment Creation
2.1 Training Programmes
Implement vocational and technical training aligned with key economic sectors.
Provide certification programmes for local youth and unemployed individuals.

2.2 Enterprise & Workforce Skills
Train SMMEs on business management, financial literacy, and market readiness.
Provide digital skills training to enhance employability.

2.3 Employment Opportunities

Enforce local labour participation on all project-related construction and development works.

Facilitate apprenticeships, learnerships, and on-site training opportunities.

3. SMME & Enterprise Development
3.1 Business Incubation & Support

Establish or strengthen local business incubation centres.

Provide mentorship, coaching, and operational support for emerging entrepreneurs.

3.2 Access to Finance

Facilitate linkages to government funding schemes (SEFA, SEDA, NYDA).

Support micro-enterprises with grant/loan readiness assistance.

3.3 Market Access

Link SMMEs to value chains, procurement opportunities, and supply networks.

Promote township and rural economy enterprises through targeted initiatives.

4. Investment Promotion & Economic Growth Initiatives
4.1 Investment Readiness

Develop investment profiles for districts and municipalities.

Identify priority sectors for targeted investment attraction (tourism, agri-processing, manufacturing).

4.2 Public–Private Partnerships

Engage private sector stakeholders to co-fund or co-develop projects.

Support PPP feasibility studies and negotiations.

4.3 Economic Zone Development

Strengthen industrial parks, Special Economic Zones (SEZs), and agri-hubs.

Coordinate incentives and infrastructure improvements to support industrial growth.

5. Stakeholder Engagement & Community Participation
5.1 Stakeholder Coordination

Coordinate planning with national departments, provincial government, municipalities, and agencies.

Facilitate integrated development planning via the District Development Model (DDM).

5.2 Community Consultations

Conduct public participation meetings to identify local needs and ensure community benefit.

Incorporate community feedback into project implementation.

6. Monitoring, Reporting & Evaluation
6.1 Project Performance Tracking

Develop monitoring tools and indicators for economic output, jobs created, and infrastructure progress.

Conduct regular site visits and assessments.

6.2 Impact Evaluation

Perform socio-economic impact assessments to measure long-term outcomes.

Evaluate SMME support results, employment effectiveness, and infrastructure utilisation.

6.3 Reporting

Prepare progress reports, financial reports, and updates to stakeholders.

Ensure compliance with national and municipal regulations.

7. Deliverables

Infrastructure upgrade plans & completed construction works

Digital connectivity solutions implemented

Skills training programmes delivered and certified

SMME development reports & support programmes

Investment profiles and promotion strategies

Community participation reports

Monitoring & evaluation framework

Final project completion report

Justification

Background

South Africa continues to face persistent economic challenges marked by slow GDP growth, high unemployment rates, structural inequality, and uneven regional development. Many municipalities struggle with ageing infrastructure, inadequate service delivery, limited investment attraction, and insufficient support for emerging enterprises. These socio-economic constraints weaken local economic resilience and reduce opportunities for community upliftment.

In response, the Government of South Africa has prioritised economic reconstruction, infrastructure-led growth, and inclusive development. National frameworks such as the **National Development Plan (NDP 2030)**, the **Economic Reconstruction and Recovery Plan (ERRP)**, and the **District Development Model (DDM)** place strong emphasis on improving local economies, strengthening municipal capabilities, and fostering public-private partnerships.Accelerating local economic activity, building regional value chains, promoting SMMEs, and enabling job creation are essential to transforming the economic landscape and improving quality of life. The proposed project aims to address these systemic issues through coordinated interventions in infrastructure, skills development, enterprise support, and investment promotion.

Justification

The project is justified based on the following critical needs:

1. Economic Recovery and Growth

The country requires targeted investment to stimulate growth, improve productivity, and diversify local economies. Strategic interventions in infrastructure and industry development are necessary to attract investors and unlock economic potential in underdeveloped areas.

2. High Unemployment

With unemployment rates—particularly among youth—remaining extremely high, there is an urgent need for labour-absorbing programmes and skills development initiatives. The project provides immediate and long-term employment opportunities while building a skilled workforce.

3. Infrastructure Deficits

Ageing, unreliable, or inadequate infrastructure continues to limit industrial activity, hinder logistics efficiency, and reduce investor confidence. Improving transport networks, digital connectivity, and essential services will create an enabling environment for economic activity.

4. SMME and Informal Sector Support

Small businesses and informal enterprises are essential for job creation but often lack access to finance, infrastructure, and markets. The project introduces targeted support mechanisms to strengthen these sectors and promote inclusive growth.

5. Reducing Inequality & Spatial Imbalance

Many rural and township areas remain economically marginalised. Enhancing connectivity, improving service delivery, and promoting local economic development directly address spatial inequality and align with national priorities.

6. Alignment with National Priorities

The project supports government commitments outlined in:

- NDP 2030
- ERRP
- DDM
- Provincial Growth and Development Strategies
- Municipal IDPs
  This alignment ensures intergovernmental cooperation and maximises developmental impact.

Sector Specific Analysis

- **Lack of access to water**

  Communities face insufficient or unreliable water supply, impacting public health, livelihoods, and economic productivity.

- **Inadequate transportation infrastructure**

  Poor road networks, limited public transport, and inadequate logistics systems restrict mobility, increase travel costs, and hinder economic growth.

- **Limited digital connectivity**

  Low broadband coverage, weak mobile networks, and limited access to digital services reduce opportunities for education, business, and socio-economic inclusion.

- Additional service delivery challenges not listed above.

Market Size And Demand Analysis

1. Total Addressable Market (TAM)

- **Population served by a transport corridor**

  Represents the number of people who rely on or benefit from the transport route, including commuters, businesses, and surrounding communities.

- **Households needing water access**

  Indicates the number of households lacking reliable or safe access to water, informing service delivery priorities and infrastructure planning.

- **Data sources**

  - **Demographic**

    Population size, age distribution, household composition, migration patterns, and other characteristics relevant to service needs.

  - **Geographic**

    Spatial location, settlement patterns, land use, terrain, and accessibility data that influence planning and infrastructure design.

  - **Economic**

    Income levels, employment metrics, market activity, and economic capacity related to project feasibility and community impact.

  - Additional data types required for specialized assessments (e.g., social surveys, infrastructure audits).

- Secondary or supplementary data category for project-specific variables or technical inputs.

2. Served Available Market (SAM)

- **Location**

  Specify the geographical area or site where the service or infrastructure will be delivered. Includes regional context, accessibility, and strategic relevance.

- **Capacity**

  Indicates the operational or service capacity (e.g., volume, throughput, number of beneficiaries) that the infrastructure or system can support.

- **Are there any envisaged Operational constraints?**

Identify potential limitations such as:

- Technical or engineering constraints
- Resource shortages (water, energy, skilled staff)
- Regulatory restrictions
- Maintenance challenges
- Environmental or climatic risks

- **Which of the following criteria is being used to support this analysis in terms of Segmentation?**

  - **Income**

    Categorizes beneficiaries or users based on income levels to understand affordability, demand, and socio-economic impact.

  - **Region**

    Segments users by geographic area—urban, peri-urban, rural, or district/province—for targeted planning and service distribution.

  - **Service level**

    Classifies the type or quality of service being provided (e.g., basic, intermediate, premium, universal access).

  - Additional segmentation criteria relevant to the project but not listed above.

3. Demand Forecasting

- **Projections of usage over time**

  - **traffic volumes**

    Long-term forecasts showing how demand for the service or infrastructure is expected to grow or change. Includes annual, medium-term, and long-term projections based on population trends, economic growth, and service requirements.Estimated number of vehicles, commuters, or transport users expected to utilize the corridor or infrastructure. Helps determine capacity needs, congestion risks, and investment justification.

  - **energy consumption**

    Forecasted electricity or fuel usage based on anticipated demand, operational requirements, and user profiles. Supports planning for supply adequacy, peak loads, and sustainability targets.

  - **housing uptake**

    Projected number of housing units likely to be occupied, developed, or demanded within a given timeframe. Helps estimate service needs (water, energy, transport, social services).

  - Any additional demand or usage projection relevant to the project.
    Example:

        - Digital Service Uptake: Expected growth in broadband users in the region due to improved connectivity.
        - **Water Demand Growth:** Forecasted increase in daily water consumption in new settlement areas.

- **Informed by**

    - **historical data**

        Uses past performance, usage records, demographic trends, or infrastructure demand patterns to guide projections and planning.

    - **growth trends**

        Considers current and expected socio-economic growth, population expansion, urbanisation, and sector-specific demand increases.

    - **policy targets**

        Aligns projections with government strategies, national development plans, provincial priorities, and sector policies to ensure compliance and relevance.

    - Any additional sources or analytical inputs used to inform the projections or assumptions.

- **Demand Forecasting other**

    Additional demand-related considerations that may influence forecasting but are not captured in the primary categories.
    Examples include:

    - Seasonal Variations: Fluctuations in demand based on seasonal patterns or peak periods.
    - Technological Adoption: Increased usage resulting from digital transformation or new service platforms.
    - Economic Shocks: Impact of economic downturns, policy changes, or market disruptions.
    - Migration Patterns: Shifts in population movement affecting service demand.

2. Project Status & Implementation

Regulatory & Environmental Approvals

National Level	Provincial And Local Levels	Other Relevant Entities

• Department of Forestry, Fisheries and the Environment (DFFE): Responsible for environmental management, conservation, and protection in South Africa • South African National Biodiversity Institute (SANBI): Plays a leading role in biodiversity management and research • Environmental Management Inspectors (EMIs): Responsible for compliance and enforcement of environmental regulations • National Environmental Management Act (NEMA): Governs environmental management and authorization processes, including Environmental Authorizations (EAs) • Environmental Management Frameworks (EMFs): Strategic planning tools for land-use and environmental management decisions • Infrastructure Development Authority-other	• Provincial Environmental Departments: Implement and enforce environmental regulations within provinces • Municipalities: Play a role in environmental management, especially in land-use planning and development applications • City Engineering Department-other • Provincial Roads and Transport Authority-other • Approval for land use, zoning, and local development integration • Coordination and technical approval for provincial infrastructure integration-other	• Environmental Assessment Practitioners Association of South Africa (EAPASA): Voluntary certification body for Environmental Assessment Practitioners • • Councils for the Built Environment Professions (CBEP): Regulates professions involved in the built environment • Wildlife and Environment Society of South Africa (WESSA): Non-profit organization involved in environmental conservation and education • Recommendations on sustainability practices and biodiversity protection • Validation of structural design and quality assurance measures

Identify Key Stakeholders

Government

Name
Department of Agriculture
Department of Health
Department of Education
Department Of Infrastructure
Provincial Treasury
Local Government
Department of Mobility
Government Motor Transport
Department of Premier
Tourism, Environmental Affairs & Development Planning
Department of Social Development

State-Owned Entities

Name	Engagement Strategy

Development Bank of Southern Africa (DBSA)	The DBSA is a leading development finance institution focused on infrastructure development and socio-economic growth across South Africa and the SADC region. Key Roles • Provides long-term financing for large infrastructure projects • Supports municipal capacity building and planning • Funds energy, water, transport, ICT, and social infrastructure projects • Drives sustainable development and green economy initiatives
Industrial Development Corporation (IDC)	The IDC is a national development finance institution that promotes industrial development and job creation in South Africa. **Key Roles** • Provides loans, equity, and project finance to manufacturing, mining, agriculture, tourism, and technology sectors • Supports SMME's, black industrialists, and youth-owned enterprises • Helps establish new industries and expand existing businesses • Promotes localisation and export competitiveness

<table>
<tr><td>Eskom</td><td> Eskom is the state-owned electricity provider responsible for generating and distributing electricity nationwide. Role in development projects: Provides grid connections for new developments
Coordinates power supply for industrial and infrastructure projects
Implements electrification programmes
Critical stakeholder due to load-shedding impacts</td></tr>
</table>

Private Entities

<table>
<tr><th>Name</th><th>Engagement Strategy</th></tr>
<tr><td>Construction Companies</td><td> Construction companies are key implementation partners responsible for delivering the physical infrastructure components of the project. Roles & Responsibilities Execute civil works such as roads, bridges, buildings, and utility infrastructure
Ensure compliance with engineering standards, safety regulations, and quality management
Provide labour-intensive construction methods to promote local job creation
Work with municipalities and government departments during implementation
Deliver project outputs within defined timelines, budgets, and quality specification</td></tr>
</table>

<table>
<tr><th>Name</th><th>Engagement Strategy</th></tr>
<tr><td>Engineering Firms</td><td>Engineering firms provide technical expertise across design, planning, and implementation phases of the project.

Roles & Responsibilities

• Conduct feasibility studies, technical assessments, and cost estimations
• Prepare engineering designs, construction drawings, and tender documents
• Offer supervision and quality assurance during construction
• Provide expertise in structural, civil, electrical, mechanical, and environmental engineering
• Ensure that infrastructure solutions meet sustainability, safety, and regulatory standards</td></tr>
<tr><td>Financial Institutions</td><td>Financial institutions support the project through funding, investment, advisory services, and financial risk management.

Types of Institutions Involved

• Development finance institutions (DFIs): DBSA, IDC
• Commercial banks: FNB, Standard Bank, ABSA, Nedbank
• Private investment funds & PPP partners

Roles & Responsibilities

• Provide loans, grants, equity, or blended finance for infrastructure and enterprise development
• Support risk assessment and financial modelling</td></tr>
</table>

Civil Entities

Name	Engagement Strategy

<table>
<tr>
<td>Civil society organizations advocating for community needs</td>
<td>
Civil society organizations (CSOs) play a vital role in representing the interests, rights, and priorities of communities affected by development projects. These organizations help ensure that development is inclusive, equitable, transparent, and accountable, especially in economically marginalised and underserved areas.
Roles & Responsibilities
1. Community Representation

Act as the voice of local communities, especially vulnerable groups.
Communicate community needs, priorities, and concerns to government and project teams.
Advocate for fair and equitable access to project benefits.

2. Public Participation & Consultation

Facilitate community meetings, workshops, and dialogues.
Encourage community involvement during project planning, implementation, and monitoring.
Ensure that community feedback is incorporated into project decisions.

3. Social Accountability & Oversight

Monitor the transparency and integrity of project processes.
Advocate for ethical procurement, community protection, and good governance.
Ensure that environmental and social safeguards are followed.

</td>
</tr>
<tr>
<td>Local Communities and Residents:Other</td>
<td>Local communities and residents are the primary beneficiaries and directly affected stakeholders of the development project. Their participation, support, and cooperation are essential to ensure that the project delivers sustainable, equitable, and socially accepted outcomes.</td>
</tr>
</table>

Other Stakeholders

<table>
<tr><th>Name</th><th>Engagement Strategy</th></tr>
<tr><td>Local Development Finance Institutions (DFIs)</td><td>Local DFIs play a crucial role in providing development-focused funding, technical support, and economic investment to stimulate growth and infrastructure delivery. These institutions help bridge financial gaps, de-risk projects, and support sustainable development in South Africa.

Roles & Responsibilities
Provide concessional loans, grants, and blended finance for infrastructure and economic projects
Support feasibility studies, project preparation, and financial modelling
Partner with national and municipal government for large-scale development initiatives
Offer targeted funding for SMMEs, job creation, youth entrepreneurship, and rural development
Promote sustainable, inclusive, and long-term economic growth</td></tr>
<tr><td>Sustainable Infrastructure Development Symposium - South Africa (SIDSSA)</td><td>SIDSSA is a national platform established by the Presidency to coordinate, promote, and unlock investment in strategic infrastructure projects across South Africa.

Key Functions
Identifies and packages bankable infrastructure projects
Facilitates funding partnerships between government, DFIs, and the private sector
Supports the development of high-impact, catalytic projects in energy, transport, water, ICT, and human settlements
Provides guidance on infrastructure policy, planning, and investment frameworks
Serves as a showcase platform for investors at national and international levels</td></tr>
</table>

3. Governance, Policy & Enabling environment

Legal And Regulatory Framework

- Procurement and Supply Chain Management
  - Preferential Procurement Policy Framework Act (PPPFA)
  - Western Cape Procurement Regulations
  - Use of the Western Cape Supplier Evidence Bank (WCSEB)
  - Compliance with tender procedures and transparency requirements
  - Governs how preference points, B-BBEE criteria, and designated supplier categories are applied in public procurement to promote fairness and socio-economic development.

Gap (Please check other ,it will take a space and then print other description)

-
  - All project activities must adhere to waste handling, disposal, and recycling regulations, as well as biodiversity protection requirements, including conservation of natural habitats and species.

- Other Added for check
  - Added to check

- Environmental and Land Use Planning
  - Western Cape Land Use Planning Act (LUPA)
  - Environmental Impact Assessment (EIA)
  - Ensures supplier documentation—such as tax compliance, certification, and B-BBEE proofs—is centrally stored and verified to streamline and standardize procurement.

- Public Finance and Governance
  - Public Finance Management Act (PFMA)
  - Provincial Treasury Instructions and Budget Guidelines
  - Mandates adherence to open, fair, and auditable procurement processes, including proper documentation, competitive bidding, evaluation criteria, and public disclosure where applicable.

- Health and Social Services
  - National Health Act
  - Provincial health regulations
  - Governs how preference points, B-BBEE criteria, and designated supplier categories are applied in public procurement to promote fairness and socio-economic development.

- Education
  - South African Schools Act
  - Provincial education policies
  - Provides the legal framework for the organization, governance, and funding of schools in South Africa. Ensures access to quality basic education and outlines responsibilities of school governing bodies, educators, and the state.

- Transport and Infrastructure

    - Western Cape Road Traffic Act
    - Related transport regulations
    -
- Human Settlements and Housing
    - Housing Act
    - Provincial housing frameworks
    - Guidelines and regulations issued by provincial education departments to address local priorities, curriculum implementation, infrastructure standards, teacher deployment, and learner support within the province.

- Economic Development
    - Tourism
    - Agriculture
    - Enterprise development
    - Green Economy Strategy
    - Any additional education-related legislation, policy, or guideline relevant to the project.

- Environmental Compliance
    - Requires Environmental Impact Assessments (EIAs) for certain developments
    - Must comply with waste management and biodiversity regulations
    - Projects that may significantly affect the environment must undergo a formal EIA process to assess risks, propose mitigation measures, and ensure sustainable development in accordance with national legislation.

Governance Policies

- National Development Plan (NDP)
- Strategic Infrastructure Projects (SIPs)
- Relevant Integrated Development Plans (IDPs)
- Infrastructure South Africa (ISA)
- Budget Facility for Infrastructure (BFI)
- Local Municipality

Investment Needs

Sr	Name	Description
1	**Infrastructure Development**	• **Roads, bridges, and public transport systems.** • **Upgrades to water and sanitation infrastructure.** • **Renewable energy installations and grid improvements.** • **Supports urban and rural transformation with a low-carbon focus**

Sr	Name	Description
2	**Human Settlements**	• **Affordable housing projects.** • **Informal settlement upgrades.** • **Mixed-use urban development.**
3	**Healthcare**	• **Expansion and modernization of clinics and hospitals.** • **Digital health systems and telemedicine.** • **Medical equipment and pharmaceutical supply chains.**
4	**Education**	• **School infrastructure and maintenance.** • **Digital learning platforms and connectivity.** • **Teacher training and curriculum development.**
5	**Agriculture and Agri-processing**	• **Investment in climate-resilient farming.** • **Agro-logistics and cold chain infrastructure.** • **Support for emerging farmers and cooperatives.**
6	**Green Economy**	• **Renewable energy (solar, wind, bioenergy).** • **Waste-to-energy and recycling initiatives.** • **Water conservation and efficiency technologies.**
7	**SMME and Entrepreneurship Support**	• **Business incubators and innovation hubs.** • **Access to finance and market linkages.** • **Skills development and mentorship programs.**
8	**Tourism and Cultural Investment**	• **Infrastructure for eco-tourism and heritage sites.** • **Hospitality training and development.** • **Event hosting and destination marketing.**
9	**Investment Needs other**	• **Investment Needs Other Added**

4. Financial requirements & Funding strategies

Cost-Effectiveness Analysis (CEA)

Project Component	Intervention Type	Estimated Cost (ZAR)	Expected Outcome	Effectiveness Metric	Timeframe
Water systems	Upgrade	R 87,675	Households connected to water	Cost per km	6 month

Cost-Benefit Analysis (CBA)

Estimated Duration	5 Year(s) & 6 Month(s)							
Item / Activity	**Type**	**Category**	**Timeframe**	**Description**	**Amount**	**Discount Amt**	**Present Value (PV)**	**Net Benefit**
Item 1	Benefit	Operational	Year 1	Identifies potential financing mechanisms and assesses fiscal impact.	R 84,379,384	R 96,587	R 348,942,435	R 348,845,848

Risk Evaluation

Start Date	18 Dec 2025			
Sector / Scenario	**GDP Impact**	**Employment Impact**	**Key Drivers**	**Notes**
Tertiary Sector	0.60%	0.15%	Mining inputs (cement, steel, copper)	High demand for materials and labor
Primary Sector	0.60%	0.15%	Construction, manufacturing	Boosts productivity and connectivity

Macro-Economic Benefits

Benefit Category	Estimated Impact	Sectoral Relevance	Policy Alignment
Sectoral Spillovers	0.06% Employment increase	Utilities, Social Infrastructure, Construction	Economic Reconstruction and Recovery Plan (ERRP)

5. Financial requirements & Funding strategies

Project Guestimate

Estimated Cost	R 91,050,074

Total Project Cost Breakdown

1. Cost Category : Capital Expenditure (CAPEX)

Description	Estimated Cost (ZAR)	Notes
Land Acquisition & Site Prep	R 12,500	Includes purchase/lease of land, land clearing, grading, geotechnical investigations, and initial environmental compliance activities. Assumes no major land disputes.
Design & Engineering	R 32,450	Covers architectural designs, engineering drawings, technical specifications, environmental studies, planning approvals, and project management during design. Assumes a medium-complexity infrastructure project.

Description	Estimated Cost (ZAR)	Notes
Construction & Civil Works	R 78,900	Includes foundation works, structures, utilities installation, roads, drainage, building works, and on-site supervision. Assumes standard construction materials and moderate site complexity.
Equipment & Materials	R 12,890	Procurement of machinery, fixtures, specialised systems, operational equipment, and installation materials. Assumes equipment is locally sourced with some imported components.
Utility Connections	R 78,900	Includes installation and connection fees for electricity, water supply, sewage systems, stormwater drainage, telecommunications, and data networks. Assumes moderate distance to nearest service points and standard municipal tariffs.
Contingency	R 232,400	Allocated to cover unforeseen conditions, price escalations, design changes, and risk allowances. Assumes a 10–15% contingency based on project complexity and market volatility.

2. Cost Category : Development Costs

Description	Estimated Cost (ZAR)	Notes
Feasibility Studies	R 32,000	Includes technical feasibility, environmental and social impact assessments, economic and financial feasibility, and preliminary risk analysis. Assumes standard project complexity.
Legal & Regulatory Compliance	R 18,900	Covers legal consultations, permitting, statutory approvals, compliance with environmental, land, and municipal regulations. Assumes moderate regulatory requirements.
Stakeholder Engagement	R 15,000	Costs for community consultations, public meetings, workshops, awareness campaigns, and reporting. Assumes engagement across multiple affected communities.
Project Management	R 123,800	Covers project planning, coordination, monitoring, reporting, and administration for the pre-implementation and construction phases. Assumes dedicated project management office with qualified personnel.

3. Cost Category : Operational Expenditure (OPEX)

Description	Estimated Cost (ZAR)	Notes

Staffing & Operations	R 120,000	Includes salaries, wages, allowances, and operational costs for staff managing day-to-day operations. Assumes a team of qualified personnel and standard administrative overheads
Maintenance & Repairs	R 23,500	Covers routine and preventive maintenance, minor repairs, servicing of equipment, and infrastructure upkeep. Assumes standard lifecycle maintenance schedule.
Utilities & Consumables	R 45,700	Electricity, water, fuel, office consumables, and other recurring operational needs. Costs based on projected consumption and standard tariffs.
Insurance & Monitoring	R 678,900	Insurance premiums (property, liability, equipment) and monitoring/inspection costs to ensure operational compliance and risk management.

4. Cost Category : Financing Costs

Description	Estimated Cost (ZAR)	Notes
Interest During Construction	R 45,700	Interest incurred on loans or borrowed funds during the construction phase. Assumes a 5% annual interest rate over the estimated construction period of 3 years.
Financial Fees	R 12,500	Covers loan arrangement fees, banking charges, legal costs associated with financing, and transaction fees. Assumes standard commercial lending terms.

5. Cost Category : Lifecycle & Decommissioning

Description	Estimated Cost (ZAR)	Notes
Asset Replacement	R 800,000	Costs associated with replacement or major refurbishment of infrastructure, equipment, or systems over the project lifecycle (typically 10–20 years). Assumes standard depreciation and replacement schedule.
Decommissioning	R 35,000	Costs related to safely decommissioning or dismantling infrastructure at the end of its useful life, including site clearance, environmental remediation, and disposal of materials. Assumes standard environmental compliance requirements.

6. Cost Category : Inflation & Escalation

Description	Estimated Cost (ZAR)	Notes

Adjustments based on Treasury guidelines	R 45,000	Reflects projected increases in project costs due to inflation, price escalation, and market fluctuations. Assumes escalation rates as per National Treasury guidelines over the construction and early operational phases.

Funding Sources

Funding Strategy Guide for Infrastructure Projects

Innovative Financing Mechanisms

Innovative Financing Mechanisms for Infrastructure Projects

6. Project feasibility, approvals & infrastructure planning

Technical Feasibility

Evaluates whether the project is achievable from a technical and engineering perspective. This includes:

- Suitability of site conditions (geotechnical, hydrological, and topographical analysis)
- Availability of technology, equipment, and technical expertise
- Design and engineering complexity
- Construction methodology and technical risks
- Capacity to meet service standards and performance requirements

The outcome confirms whether the project can be executed safely, efficiently, and within required technical specifications.

Document	Link
south african schools act No 84 of 1996	https://gov-api.devdoi.platform.org.za/uploads/project_documents/151/south african schools act No 84 of 1996.pdf

Master Plan Integration

Assesses alignment of the project with existing regional, municipal, or national master plans, including:

- Land-use plans and urban development strategies
- Transport corridors and utility networks
- Social infrastructure distribution (schools, hospitals, public amenities)
- Compliance with long-term spatial planning goals

This ensures the project supports broader development objectives and avoids conflicts with other planned initiatives.

Document	Link

western-cape-provincial-school-education-amend-bills-b1-2018_final	https://gov-api.devdoi.platform.org.za/uploads/project_documents/151/western-cape-provincial-school-education-amend-bills-b1-2018_final.pdf

Alternative Evaluation

Compares different options for achieving the project objectives, including:

- Technical alternatives (design, materials, technologies)
- Location alternatives
- Phased vs full-scale implementation
- Cost-benefit and risk analysis of each alternative

Alternative evaluation identifies the preferred option that optimizes performance, cost-effectiveness, and sustainability.

Infrastructure Planning Prioritization

Provides a comprehensive plan for infrastructure development, covering:

- Detailed layouts, technical specifications, and engineering drawings
- Phased implementation schedules
- Integration with existing utilities and transport networks
- Identification of dependencies, interconnections, and risk mitigation measures

The infrastructure plan forms the basis for project execution, procurement, and monitoring.

Document	Link
e_pregnancy	https://gov-api.devdoi.platform.org.za/uploads/project_documents/151/e_pregnancy.pdf

7. Delivery Mechanism & procurement strategy

WCG Sector Priorities

Outcomes	Social	Energy & Water	Economic	Technology	Ecological
Households have increased access to basic services and improved shelter	Short Term 1-5 YRS	Short Term 1-5 YRS	Short Term 1-5 YRS		Short Term 1-5 YRS
Infrastructure investment drives spatial transformation and improves spatial resilience	Short Term 1-5 YRS	Long Term 15-30 YRS	Medium Term 5-15 YRS	Medium Term 5-15 YRS	

Investment in social infrastructure improves access to health, education, social development, and recreation opportunities	Medium Term 5-15 YRS	Medium Term 5-15 YRS	Short Term 1-5 YRS	Short Term 1-5 YRS	
Mobility systems and transportation corridors provide safe and efficient connectivity to opportunities, services, and facilities	Medium Term 5-15 YRS	Short Term 1-5 YRS	Medium Term 5-15 YRS		Medium Term 5-15 YRS

Community Participation

- **Initiation**

  The initiation phase establishes the foundation of the project. It involves identifying the problem or opportunity, defining the project’s purpose, and assessing its initial feasibility. During this phase, key stakeholders are identified, preliminary research is conducted, and a high-level concept or business case is developed.

  1] Phase-1
  Approval is then sought from the relevant authorities to proceed to the next stage.

- **Design**

  The design phase focuses on translating the project concept into detailed plans and technical specifications. This includes architectural and engineering designs, environmental assessments, spatial planning, and compliance reviews. Risk assessments and cost estimates are refined, ensuring the project aligns with regulatory requirements and stakeholder expectations.

  1] Phase-2
  The outcome is a clear and feasible design ready for development.

- **Develop**

  During the development phase, all preparations necessary for implementation are completed. This typically includes securing funding, completing procurement processes, finalizing contracts, and mobilizing resources Detailed project schedules, budgets, and implementation strategies are confirmed.

  1] Phase -3
  Any outstanding approvals—such as environmental permits or land clearances—are obtained before work begins on-site.

- **Implement**

  The implementation phase involves the actual execution of the project. Construction or deployment activities take place, guided by the approved plans and supervised for quality control. This phase includes ongoing monitoring of progress, coordination among contractors, compliance checks, and resolution of on-site challenges. Effective project management ensures time, cost, and quality standards are met.

  1] Phase-4
  Effective project management ensures time, cost, and quality standards are met.

- **Handover**

  Once implementation is complete, the project transitions into operation through a formal handover. This includes commissioning the infrastructure or system, conducting final inspections, ensuring all defects are addressed, and training operational staff. Documentation such as manuals, warranties, as-built drawings, and compliance certificates are delivered.

  1] Phase -5
  Ownership and responsibility shift to the operational or beneficiary entity.

- **Monitor & Evaluate**

  This phase ensures the project continues to perform as intended after completion. Monitoring involves tracking operational performance, usage levels, maintenance requirements, and stakeholder satisfaction. Evaluation assesses whether the project achieved its socio-economic, environmental, and financial objectives.

  1] Phase-6
  Lessons learned are documented to improve future projects and inform policy decisions.

Procurement Methods

1. **Procurement Strategy**

   The bidding process defines the method by which suppliers, contractors, and service providers are selected for the project. It ensures transparency, fairness, and value for money while promoting compliance with national and provincial procurement regulations.

   Key Components of the Bidding Process:

   1. **Procurement Method**

      - Open Tender: Publicly advertised, allowing broad competition.
      - Restricted Tender: Limited to pre-qualified suppliers or contractors.
      - Request for Proposal (RFP): Used for complex projects requiring detailed technical and financial submissions.
      - Public-Private Partnership (PPP): For large-scale infrastructure requiring collaboration between government and private entities.

   2. **Tender Documentation**

      - Preparation of technical specifications, scope of work, contract terms, and evaluation criteria.
      - Inclusion of B-BBEE, local content, and socio-economic compliance requirements.

   3. **Advertisement & Supplier Engagement**

      - Tender notices published via official government portals, local newspapers, and supplier databases such as the Western Cape Supplier Evidence Bank (WCSEB).
      - Pre-bid meetings or workshops to clarify project requirements and address queries.

4. **Submission & Evaluation**
    - Standardized format for bid submission, including technical, financial, and compliance information.
    - Evaluation by a committee based on pre-determined criteria, ensuring fairness and accountability.
    - Scoring may include strategic alignment, technical capability, value for money, and socio-economic factors.
5. **Award & Contracting**
    - Award recommendation based on evaluation results.
    - Contract preparation and signing, ensuring legal and regulatory compliance.
    - Communication of outcomes to all participants, with debriefing for unsuccessful bidders.
6. **Monitoring & Oversight**
    - Continuous oversight of the procurement process to prevent irregularities.
    - Adherence to **PPPFA**, **Western Cape Procurement Regulations**, and Treasury guidelines.

2. **Municipalities**
3. **Communities**

Risk Sharing Mechanisms

- Defines how risks are allocated among project stakeholders, partners, contractors, and government entities.
- Examples of strategies include:
- Contractual Risk Transfer: Allocating construction, technical, or operational risks to the contractor.
- Insurance & Guarantees: Transferring financial and asset-related risks to insurers.
- Public-Private Partnerships (PPP): Sharing financial and operational risks between government and private investors.
- Contingency Allowances: Reserving budget to manage unforeseen risks.
- Risk sharing ensures accountability, minimizes exposure to any single party, and encourages proactive risk management.

8. Special (eg. gender) procurement actions and social impact

Social Benefits

1. Department of Social Development Policies

- Focus on child protection, substance abuse prevention, disability inclusion, and older persons' welfare
- Promotes community-based care and support systems
- Other_1

2. Inclusive Economic Development

- Supports SMMEs, women- and youth-owned enterprises
- Encourages job creation through public procurement and infrastructure projects
- Other_1

3. Public Participation and Equity

- Ensures community involvement in planning and decision-making
- Promotes equitable access to services and opportunities
- Other_1

4. Expanded Public Works Programme (EPWP)

- Provides short-term employment and skills development
- Targets vulnerable groups including youth, women, and persons with disabilities
- Other_1

5. Social Considerations Other

- Social Considerations Other added
- Other_1