Gauteng Infrastructure Financing Agency 5-Year Strategic Plan

2024 - 2029

Executive Authority Statement

The year 2024 marked 30 years since the advent of our democracy and it is also the year that ushered the 7th Administration of government at national and provincial level. The Government of National Unity (GNU) is tasked with ensuring that government plans and actions are geared towards the achievement of the 2030 goals as espoused in the National Development Plan 2030 (NDP). In Gauteng Province, the priorities of the Government of Provincial Unity (GPU) as outlined in the Medium-Term Development Plan (MTDP), will underpin our strategic plans for the next term of 2024 – 2029. The three priorities are:

- Inclusive growth and job creation.
- Poverty reduction and tackle high cost of living.
- A capable, ethical and developmental state.

The three MTDP priorities are aligned to the National Development Plan 2030 (NDP). Its goals are; to eradicate poverty, reduce inequality, build social cohesion, reduce unemployment and increase economic growth.

There is a succinct realisation that the province of Gauteng is faced with distinct problems, which need to be solved earnestly to achieve the 2030 goals. The Premier of Gauteng, Hon. Panyaza Lesufi has pronounced on the 13 Problems, he termed the G13, which are:

G1. Water.
G2. Cable theft and vandalism.
G3. Non-functional traffic lights.
G4. Potholes.
G5. Crime and lawlessness.
G6. Mushrooming of informal settlements.
G7. Electricity in particular load shedding and load reduction.
G8. Increase in Gender Based Violence and Femicide.
G9. Drug abuse.
G10. Service at our hospitals and clinics.
G11. Lack of schools.
G12. Failing infrastructure and CBDs.
G13. Unemployment.

To support the provincial government to solve these G13 Problems, the Gauteng Infrastructure Financing Agency (GIFA), the Department of Infrastructure Development (DID) and the Department of Cooperative Governance and Traditional Affairs (COGTA) adopted an integrated approach of sharing resources, sharing plans, sharing knowledge and expertise and innovate to support the provincial government to solve these problems.

Together the entities identified 10 Priorities or 10 Integrates that will be central to their 5-year strategic plans during this term. The adopted priorities are:

- Priority 1: **Turnaround of Municipalities**
- Priority 2: **CBD Revitalisation**
- Priority 3: **Water Sustainability and Infrastructure**
- Priority 4: **Energy Strategy and Response Plan**
- Priority 5: **Indigent Register**
- Priority 6: **Bulk Infrastructure**
- Priority 7: **Optimising Government Strategic Assets**
- Priority 8: **Alexandra Renewal Project**
- Priority 9: **Cleaning and Waste Management**
- Priority 10: **Job Creation (Nasi'Ispani)**

The annual performance plans over the term period (2024 – 2029) will be underpinned by the implementation of these priorities. Systems and processes will be developed by the tri-partite entities to ensure that there is coordination and seamless operations towards achievement of these priorities. The whole process will be managed through effective monitoring and evaluation systems that will ensure informed decision making, and appropriate interventions to unlock any red-tape or blockages.

As the MEC for Infrastructure Development and Co-operative Governance and Traditional Affairs, I hereby endorse the GIFA's 5-year Strategic Plan, and I will provide support to ensure that it is implemented successfully.

Mr. J. Mamabolo
MEC: Infrastructure Development and Co-operative Governance and Traditional Affairs
Date: 2025/03/03

Accounting Officer Statement

The purpose of the Gauteng Infrastructure Financing Agency's Strategic Plan document is to set the key outcomes that will be driving the organisation's plans in the current term (2024-2029). The achievement of these outcomes is guided by the set targets and indicators that will ensure that the work of GIFA remains focussed and channelled accordingly. The two key outcomes of GIFA are:

- **Outcome 1:** *Bankable infrastructure projects prepared for alternative financing mechanisms.*
- ***Outcome 2:*** *Bankable infrastructure projects financed through capital investment raised from alternative sources of funding.*

The implementation of the 5-year strategic plan will be rolled-out on yearly basis through annual performance plans (APPs), that outline the outputs and yearly targets that will be implemented through detailed operational plans and project plans.

The development of the two outcomes took into consideration the alignment to the Gauteng Medium-Term Development Plan and GIFA contributes mainly to the priorities of the MTDP, which are, "*Inclusive economic growth* and job creation", "*Improved living conditions and enhanced health and wellbeing*" and lastly, "*A capable, ethical and developmental state*". The GIFA will strengthen its cooperation with GDID and COGTA and ensure that an integrated approach is adopted towards realising the achievement of the 10 Priorities.

The commitment of GIFA during this term (2024 -2029) is to provide leadership on the following three priorities of the 10 Integrates:

- Priority 6: **Bulk Infrastructure**
- Priority 7: **Optimising Government Strategic Assets**
- Priority 9: **Cleaning and Waste Management**

While the overall focus will be on these 10 priorities, the GIFA will take into cognisance the need to strategically focus on solving the 13 Problems identified by the Executive Council. During the course of this term, the GIFA will deliver its 5-year plan through three Programmes, which are:

- **Programme 1:** Administration
- **Programme 2:** Project Development and Compliance
- **Programme 3:** Structured Finance

The GIFA strives to become a centre of excellence in providing alternative financing solutions for strategic infrastructure projects in the province. Therefore, expertise and resources will be committed towards ensuring that GIFA provides value add and quality to the departments, municipalities and their agencies.

In conclusion, the outcomes and targets set out in this strategic plan have been developed through a process of consultation and working together with all within the GIFA and tri-partite partners at GDID and COGTA. These will be achieved through commitment by all to ensure that GIFA becomes a centre of excellence.

Signature: ______________________

Mr. P.H Seabi
Chief Executive Officer
Gauteng Infrastructure Financing Agency

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Gauteng Infrastructure Financing Agency under the guidance of MEC, Jacob Mamabolo;
- Takes into account all the relevant policies, legislation and other mandates for which the Gauteng Infrastructure Financing Agency is responsible;
- Accurately reflects the Impact, Outcomes and Outputs which the Gauteng Infrastructure Financing Agency will endeavour to achieve over the period 2024 - 2029.

DESIGNATION	NAME & SURNAME	SIGNATURE
Strategic Planning	Mr. L. Tladinyane Head: Strategy, M&E	
Financial Management	Mr. V. Molate CFO	
Programme 1: Administration	Ms. D. Londt Head: Corporate Services	
Programme 2: Project Development & Compliance	Mr. K. Ojageer Head: Project Development & Compliance	
Programme 3: Structured Finance	Mr. N. Munetsi Head: Structured Finance	

Signed by:

Mr. P.H Seabi: ____________________

Chief Executive Officer: Gauteng Infrastructure Financing Agency

Date: 27/02/2025

Approved by:

Mr. J. Mamabolo: ____________________

MEC: Infrastructure Development and Co-operative Governance and Traditional Affairs

Date: 2025/03/03

Acronyms and Abbreviations

BCM	Business Continuity Management
BCP	Business Continuity Plan
BRP	Business Re-Engineering Process
CEO	Chief Executive Officer
CFO	Chief Finance Officer
DR	Disaster Recovery
GDP	Gross Domestic Product
GIFA	Gauteng Infrastructure Financing Agency
GIIMP	Gauteng Integrated Infrastructure Master Plan
GMTDP	Gauteng Medium-Term Development Plan
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
HR	Human Resources
HRDM	Human Resource Development and Management
ICT	Information and Communication Technology
KPI	Key Performance Indicator
MEC	Member of Executive Council
M&E	Monitoring and Evaluations
MMS	Middle Management Services
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PPF	Public Provident Fund
PPP	Public-Private Partnership
PSA	Public Service Act
RFI	Request for Information
RWOPS	Remunerative Work Outside the Public Service
SDG	Sustainable Development Goals
SCM	Supply Chain Management
SMS	Senior Management Services

SCM	Supply Chain Management
SMS	Senior Management Services
TA	Transaction Advisor
TR	Treasury Regulations

Part A: Our Mandate

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Part A: Our Mandate

1. Constitutional Mandate

The Constitution of the Republic of South Africa (1996) is the supreme law of the land, containing the Bill of Rights, which binds the Legislature, executive, judiciary and organs of state. The state has a duty to respect, protect, promote and fulfil the rights contained in the Bill of Rights. The aforesaid rights find expression in various acts, detailing the rights, limitations, exceptions and applicability. Section 132(2) of the Constitution states that the Premier assigns the powers and functions to the Members of the Executive Council. Therefore, the mandate of GIFA is provided for by the MEC responsible for Infrastructure Development in accordance with the Administration and Operations as outlined in the General Notice 2269 of 2015 as a government component within the portfolio of the said MEC.

2. Legislative and policy mandate

The President of South Africa proclaimed the establishment of the Gauteng Infrastructure Financing Agency in terms of section 7 (5)(d) of the Public Service Act, 1994. The proclamation Notice No. 69, 2014 was published in the Government Gazette No. 38088, 17 October 2014. In 2015 the Premier of Gauteng Province proclaimed the Administration and Operations of GIFA, in the Notice No. 2269 of 2015 which was published on 8 July 2015 in the Government Gazette No. 295. The mandate of GIFA is detailed in the Administration and Operations Notice:

a) To serve all public institutions in Gauteng by supporting key infrastructure projects and ensuring their successful execution through partnerships and innovative financing solutions;
b) To institutionalise alternative funding models for the provincial government, including the development of strategies to attract private sector funding to provincial infrastructure projects;
c) To provide a Project Preparation Facility, the purpose of which is to assist provincial departments, local authorities, government-supported private initiatives and related infrastructure development institutions to prepare high quality, viable projects that are ready to attract financing from public and private sources;
d) To assist in minimising institutional blockages that hamper the rate of socio-

economic infrastructure development; and

e) To ensure cost efficiency and consolidation of resources for economies of scale within provincial government infrastructure projects and expenditure.

3. Institutional Policies and Strategies over the five year planning period

The National Development Plan 2030 of the South African government serves as a long-term plan for securing the future of South Africa as chartered in the Constitution. The key priority of the NDP is to ensure that there is reduction of poverty and inequality in South Africa and the aim is to ensure the achievement of a *"decent standard of living"* for all South Africans by 2030. These priorities are influenced by the 17 Sustainable Development Goals (SDGs), adopted by all United Nations Member States in 2015. The NDP has outlined seven (7) national priorities that should guide all public service plans. The planning process of government is integrated and aligned in a way that ensures that departments and entities at both national and its mandate from generic legislation that impact on it such as, the Public Finance Management Act, 1999 (Act No 1of 1999) and the Public Service Act of 1994.

In Gauteng Province, to ensure that there is concerted effort to achieve the national priorities, the Provincial Executive Council (EXCO) introduced the 10 Pillar Programme of Transformation, Modernisation and Re-Industrialisation (TMR) and *"Growing Gauteng Together: Our Roadmap to 2030"* (GGT 2030) in 2014 and 2019 respectively. In 2022, the new EXCO announced the Elevated Priorities of the GGT 2030. These plans have set out the policy imperatives which every provincial institution should commit towards over the past two terms of the 5th and 6th Administrations. To give these plans an impetus, the GGT2030 was modelled around the Indlulamithi Scenarios 2030, which were developed by a group of researchers and experts from universities and non-government organisations under the auspices of the Mapungubwe Institute for Strategic Reflection.

The policy imperatives of the GGT 2030 and the intent to achieve the NDP 2030 goals are still relevant in the current term, the 7th Administration. However, this is implemented through the electoral mandates of the parties in the Government of National Unity. The Gauteng five-year Medium-Term Development Plan informs the institutional planning framework of departments and entities. The MTDP also continues to support the NDP and GGT2030 vision and builds on the Statement of Intent of the Government of National Unity from which the priorities for the 7th Administration are drawn.

The MTDP outlines GPG's intention to invest in social and economic infrastructure to stimulate growth and identify new opportunities for growth. This will demand an outlay of substantial capital expenditure that is beyond the current fiscal budget. Therefore, there is a greater need to explore a number of innovative options through the GIFA to augment the current budgetary shortfalls in infrastructure development.

Investment in infrastructure is one of the key strategic thrusts of the MTDP. The policy imperative, therefore, is that a large percentage of the infrastructure investment should be geared towards maximizing the localisation possibilities while creating decent jobs and opportunities. Hence, amongst its plans the GIFA will conduct socio-economic impact assessment studies on all projects. The MTDP emphasizes the greater need to craft practical and viable strategies with priority interventions, key indicators and clear key actions.

In implementing its strategies and plans, the GIFA is expected to ensure that its programmes and projects take into consideration the impact on cross-cutting priorities such as women, youth, people with disabilities and other vulnerable groups. The GIFA will ensure that it is guided by the following policies and policy imperatives:

- National Youth Policy 2020 - 2030.
- Integrated Youth Development Strategy, 2024.
- Gauteng Integrated Youth Development Strategy.
- South African National Policy Framework for Women and Gender Equality.
- Promotion of Equality and Prevention of Unfair Discrimination.
- Gender Policy Statement.
- Integrated National Disability Strategy.
- White Paper on the Rights of Persons with Disability, 2017.

The GIFA will also ensure that the following generic legislatives and policies and frameworks are taken into consideration to support the implementation of the strategies and plans that are aligned to the MTDP:

MTDP Priority: Inclusive economic growth and job creation.	MTDP Priority: Improved living conditions and enhanced health and wellbeing.	MTDP Priority A capable, ethical and developmental state.
▪ Gauteng Spatial Development Framework. ▪ GCR Integrated Infrastructure Master Plan 2030 (GIIMP) ▪ Gauteng Urban Renewal Master Plan ▪ Township Economy Revitalisation (TER) Strategy ▪ Gauteng Economic Sector Masterplans ▪ Gauteng Energy Security Strategy ▪ Gauteng Trade & Investment Strategy ▪ Gauteng Agro-processing Strategy ▪ The Gauteng Bioeconomy Strategy ▪ Gauteng SMME Policy and Strategy ▪ Gauteng Preferential Procurement Framework ▪ Gauteng Environmental Sustainability Framework (GESF	▪ NDOH NHI Policy Framework and Implementation Plan. ▪ Gauteng City-Region Integrated Service Delivery Response System	▪ Government Immovable Asset Management Act (GIAMA) ▪ Gauteng e-Waste Management Strategy. ▪ Gauteng Environmental Sustainability Framework (GESF) ▪ Gauteng Province Environmental Outlook Report (GPEOR) ▪ Gauteng Provincial Environmental Management Framework (GPEMF)

4. Relevant court rulings

There are no present or ongoing court rulings that may impact on operations or service delivery obligations of the GIFA.

Part B:

Our Strategic Focus

1. Vision

To be a Centre of Excellence in providing catalytic and innovative financing mechanisms for strategic infrastructure projects in Gauteng Province.

2. Mission

- to identify and develop strategic infrastructure projects to bankability state;
- to attract a variety of funding sources through innovative funding mechanisms;
- to ensure value for money in providing improved service delivery and economic development in the province.

3. Values

Value	Meaning
Performance-driven	We are dedicated and committed to consistently deliver outstanding results and strive to always exceed expectations
Ethical	We do the right thing, in an honest, fair, and responsible manner and execute our work with integrity
Accountable	We hold ourselves responsible for and answerable to our actions and work
Innovative	We seek out the best in class practices and procedure to execute our mandate and strive to be trendsetters and pioneers in financial management
Compassionate and caring	We treat each other with respect, dignity and kindness and care about the holistic well-being of all our employees
Unified	A unified team that wins together and leverages on a collective and collaborative approach

4. Situational Analysis

During the strategic planning process consultations with the Programmes were undertaken and these entailed conducting an organizational situational analysis. The SWOT analysis and PESTEL methodologies were applied. The SWOT was used to identify the institution's internal **S**trengths and **W**eaknesses, as well as its external

Opportunities and **T**hreats of GIFA. A PESTEL analysis (formerly known as PEST analysis) is a framework or tool that was used to analyse and monitor the macro-environmental factors that may have a profound impact on an institution's performance. PESTEL is an acronym that stand for the following factors, **P**olitical, **E**conomic, **S**ocial, **T**echnological, **E**nvironmental and **L**egal.

The two tools assisted to develop a solid strategy and plan for GIFA. This includes prioritizing what needs to be done to make the organisation successful. The diagram below illustrates the outcome of the SWOT analysis:

INTERNAL	**STRENGTH**	**WEAKNESS**
	• GIFA has highly skilled personnel, with specialised expertise on infrastructure projects • GIFA is the only Government Component in the province that provides project development to financial structuring to government entities on infrastructure • GIFA has a sustainable project pipeline informed by multi sector projects • Infrastructure projects that are in all Gauteng developmental corridors	• The PPP process is long and extensive (2-10 years) • Project Managers deal with multiple sectoral projects • Poor implementation of the project filtration and screening process • Undefined internal Standard Operating Procedures (SOP's) for project development and structured finance • Feasibility Studies which do not always lead to Treasury Approvals • Lack of capacity to handle the growing project pipeline • Organizational structure not aligned to the strategic mandate of GIFA
EXTERNAL	**OPPORTUNITY**	**THREAT**
	• Availability of FDI and donor funding is abundant albeit conditional • Investor buy-in can assist project progress to reach financial close • Political buy-in in projects can assist project progress to reach financial close • Infrastructure as a key governmental priority as per the Presidential Infrastructure Coordinating Commission • There are always projects that need to be financed	• Institutional instability can cause projects to be delayed or stopped • Project champions are often changed, leaving projects without champions during the project cycle • Protracted municipal Approval processes impact project progress on the life cycle. • Lack of support and commitment to projects from project owners / sponsors

The diagram below outlines the PESTEL analysis of GIFA.

FACTORS	ANALYSIS
POLITICAL	• The GIFA, being a government entity, its business is largely influenced by government policy, political stability or instability, corruption, foreign trade policy, tax policy, labour law, environmental law and trade restrictions. • In executing its functions and operations GIFA, key legislation and regulations such as the PFMA, 1999 (Act 1 of 1999), Public Service Act, 1994, Labour Relations Act, 1995, human resources policies, etc. influence the way GIFA operates and takes critical decisions. • The GIFA is involved in structured finance of infrastructure projects and this entails raising funding from local and international funders. As a result international relations policies of government and trade policy have an impact on the work of GIFA. • Political political lobbying and support is critical for GIFA's work, particularly in ensuring that decisions are taken without delay at political level. This has had a negative and positive influence on the progress and success of GIFA projects. • Stability and assurance at political level is also critical for GIFA. Decisions on projects can be influenced by the stability or instability at political level, particularly within municipalities, where pollical changes can lead to priority changes, which would impact on the projects.
ECONOMIC	• The achievement of GIFA's outcome on raising funding from alternative sources of funding may be impacted by economic factors. Factors such as economic growth, exchange rates, inflation rates, interest rates, disposable income, etc. determine the available of investment funds both with the private and public sectors. It becomes a difficult task to raise investment funding from the private sector under such dire global economic situation. These factors may have a direct or indirect long term impact on the institution, since it affects the bargaining power and could possibly change demand in the economy. Consequently, it also affects the way potential funders make available their funds.
SOCIAL	• This dimension of the general environment represents the demographic characteristics, norms, customs and values within which the organization operates. The GIFA work on projects is influenced by these factors, hence each project developed by GIFA includes the development of the socio-economic impact assessment study. Factors such as, population trends such as the population growth rate, age distribution, income distribution, career

	attitudes, safety emphasis, health consciousness, lifestyle attitudes and cultural barriers can impact on the strategies of the institution. These factors are especially important for the institution when targeting certain funders or partners.
TECHNOLOGICAL	• These factors pertain to innovations in technology that may affect the operations of the GIFA. Technology with GIFA enables it to operate effectively and efficiently. The key challenge for GIFA is to explore or research the latest technology incentives, the level of innovation, automation, research and development (R&D) activity, technological change and the amount of technological awareness that a market possesses, so that it could be applied to GIFA. . The risk that need to be managed is to prevent spending a lot of money on developing a technology that would become obsolete very soon due to disruptive technological changes elsewhere.
ENVIRONMENTAL	• Environmental factors have become important due to the increasing scarcity of raw materials, pollution targets and carbon footprint targets set by governments. These factors include ecological and environmental aspects such as weather, climate, environmental offsets and climate change which GIFA takes into consideration when developing the feasibility studies and business cases for infrastructure projects. There is growing awareness of the potential impacts of climate change and this affects how the market perceives their investments into infrastructure projects. Compliance to the government policies on environmental impacts and the approvals has become a norm.
LEGAL	• The legal factors to some extent have overlap with the political factors, they include more specific laws such as: discrimination laws, antitrust laws, employment laws, consumer protection laws, copyright and patent laws, and health and safety laws. The GIFA is conscious of these in order to operate successfully and ethically. • Given the nature of the work of GIFA in developing feasibility studies for PPP projects, the legal aspect of it is critical. Secondly, the GIFA also advises the project owners during the financial close stages of projects where negotiations amongst the parties have legal aspects, which determine the success and failure of the project. The GIFA has the possibility of operating globally and this may become tricky since each country has its own set of rules and regulations. In addition, there is potential of changes in legislation and the impact it may have on the business in the future.

The national aspiration of the National Development Plan continues to be the elimination of poverty, reduction of unemployment and inequality, by growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnership throughout society. In Gauteng Province, the Growing Gauteng Together 2030 vision remains to remains being, to improve the economic prosperity, a decline in the unemployment rate, a decline in the poverty rate, a decline in income inequality and an improvement in quality of life and wellbeing.

This strategic focus of GGT2030 is aligned to the policy imperatives of the NDP 2030. In the post elections held on 29 May 2024, a Government of National Unity (GNU) was formed, and it released a Statement of Intent, that outlines the GNU Priorities and the GGT2030 finds an alignment to these priorities as well. In order to have a comprehensive understanding of the strategic focus of GGT2030 it is important to put this into a context that is painted perfectly by the diagnostic analysis of Indlulamithi Scenarios 2030, updated to 2035. The analysis is premised on the assertion that "*we are the outcome of our actions and choices*" and that "*the future is a choice, not an inevitable fate*". Hence, the Indlulamithi Scenario asks pertinent questions (see below) to help shape the strategic focus and medium to long term planning and policy environment.

- What is South Africa like in 2035?
- How prosperous are its people?
- How cohesive is its society?
- How far has it come in the 40 years since the dawn of democracy?

The illustration below highlights the outcome of the diagnostic analysis by providing three possible scenarios for the future. The first scenarios are based on the 25 variables for 2030, and these were used before COVID-19 pandemic and the second are based on 26 variables for 2025, post-COVID-19:

Indlulamithu Scenarios 2030 (Developed in 2018, prior to COVID-19)

Gwara Gwara
"chaos" - "disorganisation"

This is the worst-case scenario where things get worse on every development indicator, leading to a total breakdown of public order fuelled by anger at a dysfunctional self-serving state, rising poverty, increasing inequality, rampant corruption, and an unrelenting climate crisis.

Isbhujwa
"corruption" - "self-serving"

This scenario represents where we are right now. There are flickers of hope and moments of despair as the country zigzags forward and backwards.

Change is happening but not fast and deep enough.

People can get exhausted, lose hope and retreat into their own enclaves of either privilege or poverty.

Unless something drastic and urgent is done, this scenario can lead to Gwara.

Nayi le Walk
"developmental" - "better life"

This is the best-case scenario where South Africa recovers from the current socio-economic, political and moral crises.

Drastic and far-reaching interventions are made in all sectors.

A better life for all becomes more tangible. Unemployment, poverty and crime are reduced drastically.

The state implements the NDP vigorously and regains credibility through high ethical standards and the ability to deliver.

Indlulamithu Scenarios 2035 (Developed in 2023 after global context shift)

Hededa Home
"Recrimination Nation"

This scenario shows a South Africa where the state of the society and slow decline. No decicive action is taken to improve matters an, instead, blamimg everyone for South Africa's ills has become mon practice. Deep structural constraints in the economy and slow economic growth remain unresolved, and 70% of South Africans say they do not trust politicians.

Vulture Culture Home
"Desperation Nation"

In this scenario, by 2030, and on to 2035, South Africa is governed by a populist coalition whose main objective is self-enrichment and patronage.
Investor confidence has been eroded, the growth rate is low, unemployment is high (44% with youth unemployment at 63%), and poverty and inequality are extremely serious.

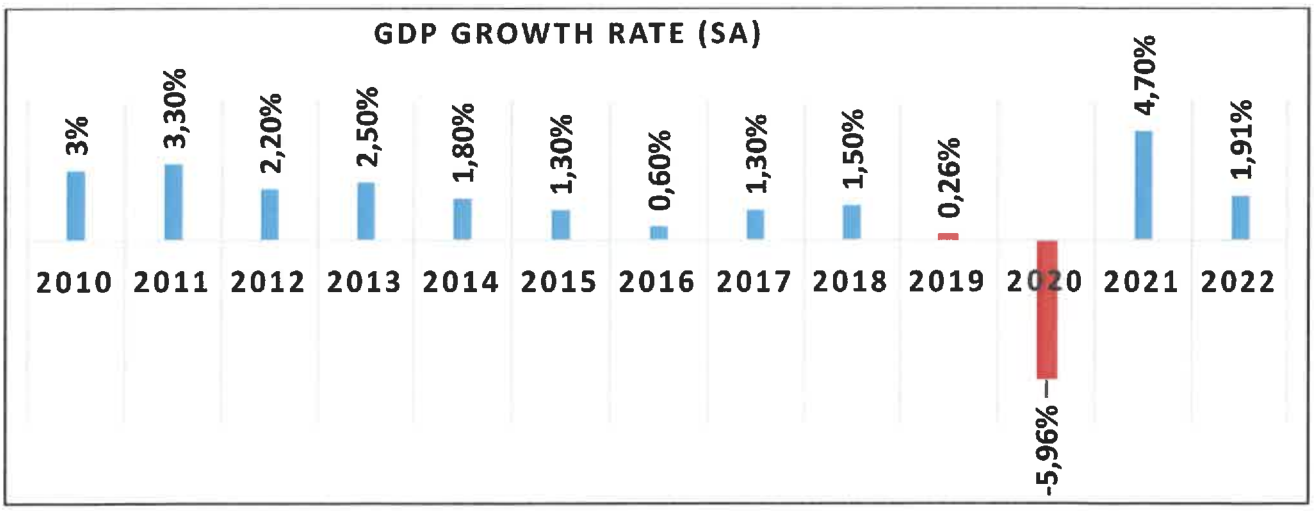
Weaver Work
"The Cooperation Nation"

This is a scenario where, after disruptions and protests, there is a coming together of the political parties, the state, private sector, and civil society in order to jointly identify priorities and, leveraging the strengths of each, change the forms of governance and reform the economy in a way that attracts greater investment and helps to reduce unemployment, inequality and poverty.

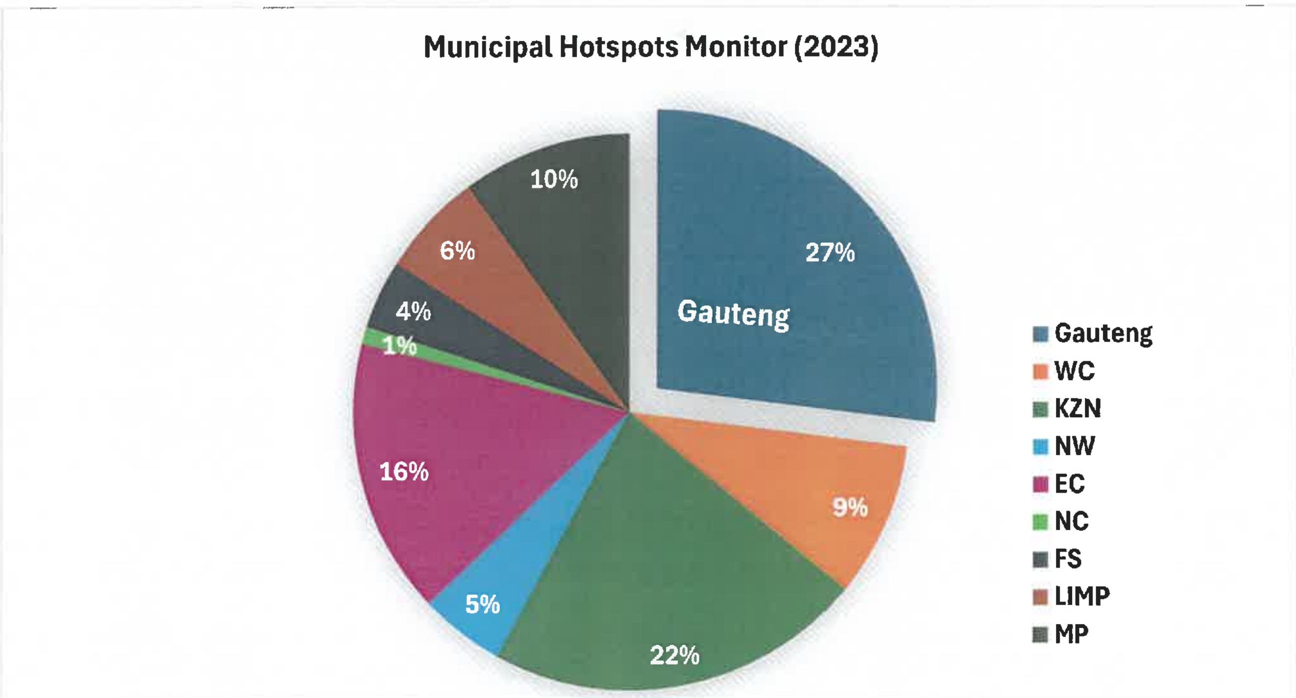
4.1 External Environment Analysis

South Africa has been experiencing energy crisis since 2007 and intensified from 2022. However, energy supply has stabilized in 2024, with no rotational loadshedding (planned power cuts) since late March 2024. This severe electricity shortfall disrupted economic activity and increased operating costs for businesses, many of which rely on costly diesel generators. The subsequent improvements in electricity supply have been attributed to improvements in the management of the national power utility Eskom, and high-level political support from the President and the Minister of Electricity (World Bank Group, 2024).

Since the global economic crisis of 2008, the South African economy has been struggling to recover (see GDP rate below), the GDP grow rate could not reach 4%. The COVID-19 pandemic of 2019 exacerbated matters, the GDP growth was at all time lowest of 0.26% and -5.95% in 2019 and 2020 respectively. There was significant recovery of 4.70% in 2021, which is above the generally acceptable growth rate of developing countries (i.e. 4.3%). By 2022, the South Africa's GDP has recovered to its pre-pandemic levels, but the strength of the recovery has been hindered by multiple structural constraints, including infrastructure bottlenecks and low productivity and these weak structural growth exacerbated socio-economic challenges. The Gauteng Integrated Infrastructure Master Plan (GIIMP), estimated that the province needs approximately R1.5 trillion in investments to eradicate infrastructure backlog and meet the needs over the next decade and half.



The recovery in employment continued in 2023 (790,000 jobs were added, leading to a higher level of employment than before the pandemic) but the pace of job creation has not kept up with the growing labour force, resulting in a rising number of unemployed people. The unemployment rate stood at an elevated 33.5% in Q2-2024, with women and youth persistently more impacted (World Bank Group, 2024). The inequality in South Africa remains among the highest in the world, and this has been a cognisance factor in Gauteng, the GMTDP has a priority on improving the living conditions of its citizens and strive for a more just society and reduced poverty and basic services. These trends have prompted growing social demands for government service delivery and support, and this puts the sustainability of public finances at risk if they are to be met. The Municipal infrastructure performance failures increased across South Africa (see chart below), thus leading to service delivery protests, disruptions and vandalisms of public infrastructure. Gauteng became the most prominent site of service delivery protests and the situation was exacerbated by loadshedding.



Gauteng on the other hand is facing serious challenge of a growing population which is the result of a nett increase from migration of +1 000 000 people (Gauteng Global City Region Observatory, 2019). Consequently, the demand for social and economic infrastructure on the province has been enormous. The Gauteng Integrated Infrastructure Master Plan("**GIIMP**") estimates that the province needs approximately R1.8 trillion in investments to eradicate infrastructure backlog and meet the needs over the next decade and half. The key issue is how will these infrastructure needs get financed with limited resources within the Revenue Fund.

Generally, government is always viewed as the sole financier of social and economic infrastructure and is often taking the responsibility for implementation, operations and maintenance as well. However, this has been a heavy burden on the state to provide infrastructure in this economic situation and, hence there is a recognition that GPG had to explore alternative funding mechanisms to supplement the depressed provincial revenue. The challenges faced by the GIFA in the institutionalization of alternative funding mechanisms and infrastructure funding are numerous, such as the fiscal health of the government which is in a depressed state.

Following the May 2024 national elections, a Government of National Unity (GNU) was formed in June 2024, led by President Cyril Ramaphosa. It focuses on constitutionalism, economic recovery, workers' rights, social protection, and equity. The GNU brings together 11 political parties in a power-sharing agreement and aims to rebuild South Africa's economy through key reforms for faster growth, better service delivery, and job creation, marking a new direction for economic policy and implementation (World Bank Group, 2024).

South Africa has taken considerable strides to improve the well-being of its citizens since its transition to democracy in the mid-1990s, but progress has stagnated in the last decade. The percentage of the population living below the upper-middle-income country poverty line fell from 68% to 56% between 2005 and 2010 but has since trended slightly upwards, to 57% in 2015, and is estimated to have reached 62.6% in 2023.

Structural challenges and weak growth have undermined progress in reducing poverty, heightened by the COVID-19 pandemic. The achievement of progress in household welfare is severely constrained by rising unemployment, which reached 33.5% in the second quarter of 2024, above the already high pre-pandemic rates. The unemployment rate is highest among youths aged between 15 and 24, at 60.8%.

Other structural challenges have also increased, including transport and logistics, which have deteriorated due to weak management of the state-owned enterprise Transnet, theft, and sabotage, constraining South Africa's export capacity. South Africa remains a dual economy with one of the highest and most persistent inequality rates in the world, with a consumption expenditure Gini coefficient of 0.67 in 2018. High inequality is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor and does not generate sufficient jobs. Inequality in wealth is even higher, and intergenerational mobility is low, meaning inequalities are passed down from generation to generation with little change over time (World Bank Group, 2024).

The recovery in employment continued in 2023 (790,000 jobs were added, leading to a higher level of employment than before the pandemic) but the pace of job creation has not kept up with the growing labour force, resulting in a rising number of unemployed people. The unemployment rate stood at an elevated 33.5% in Q2-2024, with women and youth persistently more impacted. Inequality remains among the highest in the world, and poverty was estimated at 62.6% in 2023, based on the upper-middle-income country poverty line, only slightly below its pandemic peak. These trends have prompted growing social demands for government support, which could put the sustainability of public finances at risk if they are to be met (World Bank Group, 2024) .

Historically, Women, Youth, and Persons with Disabilities in South Africa have experienced systematic disparities and barriers that have marginalised these groups. Women confront several barriers in the economic sphere and economic structures further inhibit their economic participation. Gender gaps still persist in SA labour and leadership roles. The proportion of working-age males rose slightly from 49,2% in Q2:2014 to 49,6% in Q2:2024, while the percentage for females dropped from 50,8% in Q2:2014 to 50,4% in Q2:2024. By Q2:2024, the labour force participation rate for men stood at 65,6%, compared to 55,8% for women (Stats SA, 2024). On the other hand, youth unemployment stands at alarming rate of 44.6% in the fourth quarter of 2024 (Stats SA, 2024) and this challenge is fuelled by macro-economic factors like slow economic growth and skills mismatch in education and labour market demands. Persons with Disabilities also face barriers, with education and training access being a primary concern. This has inhibited most on them being able to effectively participate in the economy.

It is imperative that GIFA recognises the Women, Youth, and Persons with Disabilities as key stakeholders and the entity needs to prioritise this group in a number of areas such as, recruitment of staff, preferential procurement and development of projects. The GIFA should normalise the mainstreaming of Women, Youth, and Persons with Disabilities in most aspects of the institutions, to ensure that they contribute to the institution's ability to achieve its planned outcomes and its capacity to deliver on its mandate. This should be done with the context provided above, whereby systematic disparities and barriers are broken down.

As an agency of GPG, GIFA exists in a complex, multi-stakeholder environment which has a range of expectations and preferences in terms of engagement and consultation. In addition, the prescribed activities underpinning its main mandate to accelerate implementable developmental infrastructure projects specifies which stakeholders should be consulted throughout the process.

In GIFA's context, there are both primary and secondary stakeholders which have an impact on the organisation and are affected by projects.

- Primary stakeholders define the business, have direct relationships and impact on it and are vital to its continued existence.
- Secondary stakeholders are those who may affect relationships with primary stakeholders and have an indirect relationship with the organisation. Secondary stakeholders can change their status to primary when the relationship changes. It is important that the interest of all stakeholders must be considered during the project development life cycle.

The tables below list the overarching primary and secondary stakeholders of the organisation. Given that each GIFA project will have its own unique set of stakeholders, it is recommended that a comprehensive list of the project stakeholders be determined by the Project Manager at the beginning of each project.

Table 1: List of Primary Stakeholders

Primary Stakeholders	Names
	• National Treasury – Budget Office • Government Technological Advisory Centre (GTAC) • Gauteng Provincial Treasury • All Gauteng Provincial Departments and Agencies • Gauteng Municipalities and Agencies • All National Departments and Agencies • State-owned Entities and Regulatory Bodies
Secondary Stakeholders	• Development Finance Institutions (Local and Regional) • Development Finance Institutions (Continental and International) • Commercial Banks (Local and International) • Sector or Industry Associations • Venture Capitalists • Transaction Advisors • Communities

4.2 Internal Environment Analysis

The key internal factors in the delivery environment of GIFA that have contributed to its performance over the past five years are outlined below:

a) The referral system of projects to the GIFA was not well coordinated at a provincial central point that promotes integration and co-ordination of infrastructure programmes in the province. The risk for the GIFA is working projects that are not supported at inter and intra-governmental level and that do not complement those socio-economic imperatives of GPG that are driven by infrastructure development. The lesson learnt is that projects referred to the GIFA for off-budget funding should be backed up by a strong central point of coordination of infrastructure programme in the province whereby there would be better integration, planning costing, project management, compliance with IDMS and Gauteng Integrated Infrastructure Plan (GIIMP). It is within this central co-ordinated process that the GIFA would be able to source appropriate and endorsed projects for alternative funding. The sourcing of projects for GIFA still relies on engagements with the provincial departments and municipalities. This approach has its weaknesses to some extent because it lacks integration and coordination. In the new term GIFA will have to focus on the key projects from the MTDP and this would require engagements with the lead departments for bringing the projects to GIFA.

b) The selection criteria and mechanisms for selecting projects for off-budget funding should be constantly improved and strengthened to ensure that all critical factors that ensure greater probability of attracting investment are taken into consideration. The risk for GIFA is spending resources and time working on less viable projects, thus failing to attract investment and recover the project development costs. The lessons learnt is that stringent selection criteria and filtering mechanisms should be developed and comprehensive pre-feasibility studies should be conducted to determine areas within the project that require more attention. The selection and preliminary work on projects should ensure fit for purpose, particularly in meeting the provincial developmental imperatives.

c) In the past term GIFA had the highest number of projects in financial close stage. However, most of these projects failed to conclude financial close. There is a need to develop a framework that would guide and ensure swift process of concluding financial close. Some of the key challenges for GIFA is that it mainly plays a facilitation role during the financial close because it is not a contracting party.

d) Some projects developed for alternative funding were not aligned to the market needs, changes and trends. The risk for the GIFA is spending time and resources on projects that do not appeal to the market interest or deemed to risky for investing into, thus failing to reach or conclude financial close. The lesson learnt is to test the market interest once a project has passed the selection and filtration stages. This can be done by conducting market sounding and pre-bid engagements as early as possible to gauge appetite and leveraging insights and advice on the sector. The pre-bid engagements and market sounding would also assist in compiling robust risk register on projects informed by the industry. Also, there will be experience gained around the transfer of risk in the PPP contracting arrangements. Robust de-risking mechanisms should be developed and implemented for the benefit of contracting institutions and potential investors. Market sounding and pre-bid engagements entail hosting conferences, informal discussion forums, round-table discussions, inviting Requests for Interest ("**RFIs**"), etc.

e) One of the most important tests for a PPP is whether the departments or procuring institutions can afford the project, given the available budget. The risk for the GIFA was working on projects that are inadequately budgeted for. As a result, without a proper demonstration of affordability, the projects often failed to pass the rigorous key decision points that National Treasury has put in place in order to issue out transaction approvals. The key lesson for the GIFA is that there should be budget commitment and allocation once proper business cases have been prepared. Finally, the early phases of the project should screen PPP projects for suitability and conformance to policy.

f) The mandate of the GIFA is to explore innovative funding solutions for strategic infrastructure projects. However, more often the National Treasury supported a PPP procurement approach against the proposed innovative solution. The key lesson for the GIFA is to conduct a value-for-money test between the proposed solution and PPP to compare cost-effectiveness of the two scenarios. Secondly, the GIFA should engage the National Treasury from project initiation stages in order to leverage insights into the norms and standards as well as requirements for approvals. This will also assist in fast-tracking the Transaction Approvals on registered PPP projects.

g) The decision-making by project sponsors is often protracted and this has hampered project progress. The risk is that time delays affect a number of factors such as diminishing market interest, feasibility data becomes old and unreliable, dynamic environment and policy shifts impact on the initial recommendations of the study, etc. The risk for the GIFA is that the review and update of the feasibility studies is costly. Stakeholder management and effective governance ensures that there is top-down driving initiatives of projects, thus strengthening political sponsorship and buy-in transparency and decision-making. The key lesson for the

GIFA is to establish stakeholder management and governance requirements with clear decision-gates from project initiation stage. This should also be supported by real-time reporting of project status and benefit tracking for decision-makers to take well informed decisions.

h) The structural intervention for the GIFA is also critical in order to build the required capacity as a center of excellence in innovative financing solutions from infrastructure projects in the province. Lessons have indicated that areas of competence such as structured finance, project development, research, knowledge management and M&E, communications and stakeholder relations management should be central to GIFA's competence.

i) Policy and regulatory concerns. These are seen to be intransigent by the private sector, thus creating investor apathy. The Provincial Borrowing Powers Act allows for loans to be raised for capital expenditure; however, this could be done within norms and conditions that are seen to be highly stringent and limiting. Therefore, there must be a supportive policy and regulatory framework that promotes innovative financing solutions. Alternatively, the province should consider the policy and regulatory frameworks address our situation.

These are mainly internal institutional factors that will inform the strategy of the GIFA and will impact on the achievement of the institution's outcomes. Some of the core elements should include the capacity of GIFA to deliver on the mandate, this includes the human resources, Information Communications and Technology, financial resources, risk management and monitoring and evaluation.

Part C:
Measuring Our Performance

1. Institutional Performance Information

2. Impact Statement

Impact statement	Economic growth through social and economic infrastructure development in the province.

3. Alignment of GIFA Outcomes to MTDP

Outcome 1	**Bankable infrastructure projects prepared for alternative financing mechanisms**
Outcome 2	**Bankable infrastructure projects financed through capital investment raised from alternative sources of funding**
MTDP Priority	Inclusive economic growth and job creation.
Thematic Area	Economy, employment, and infrastructure
Key Strategy	A GCR that is more compact and more complex in its make-up and improves economic inclusion.
Priority Intervention	Accelerate economic infrastructure investment and harness public-private partnerships.
Key Actions	• Eradicate backlogs, and increase investment in sustainable economic infrastructure, including acceleration of the railway line projects. • Accelerate infrastructure investment to uphold the position of Gauteng as the economic hub. • Propel the development of the Lanseria Smart City and link it with the economy of the West Rand.
GIFA's role linked to Key Action	• GIFA will assist departments with innovative funding solutions for economic bulk infrastructure and this will include developing business cases and exploring public-private partnership solutions for bulk infrastructure.

Outcome 1	**Bankable infrastructure projects prepared for alternative financing mechanisms**
Outcome 2	**Bankable infrastructure projects financed through capital investment raised from alternative sources of funding**
MTDP Priority	Inclusive economic growth and job creation.
Thematic Area	Economy, employment, and infrastructure
Key Strategy	A GCR that is more compact and more complex in its make-up and improves economic inclusion.
Priority Intervention	Strengthen social infrastructure investment and delivery
Key Actions	• Eradicate backlogs, and ensure communities benefit from equitable access to education, health, social, sports and recreational facilities, including 4 new hospitals, 18 hospitals programme, 10 new schools per annum, and sports and cultural infrastructure.
GIFA's role linked to Key Action	• GIFA will assist the departments with innovative funding solutions for social infrastructure, including development of business cases for grant funding application, exploring public-private partnership solutions for social infrastructure.

Outcome 1	**Bankable infrastructure projects prepared for alternative financing mechanisms**
MTDP Priority	**Bankable infrastructure projects prepared for alternative financing mechanisms**
Thematic Area	**Economy, employment, and infrastructure**
Key Strategy	**Ensure decent employment through inclusive economic growth**
Priority Intervention	Position Gauteng as an agro-processing hub and revitalise the agricultural sector
Key Activity	• Resuscitate the agriculture sector in the West Rand and rural areas in the province, including the establishment of a state farm to provide the provincial government with food supplies. • Expand Agri parks and markets to enable efficient aggregation of produce from smallholder farmers and to access local and

	international markets. • Develop Gauteng as a leading agro-processing center through strategic interventions.
GIFA's role linked to Key Action	• GIFA to work with the department to assist with the establishment of the state farm given the experience gained during the development of the state bank and state pharmaceutical company. • GIFA to explore the expansion of the Agri parks in line with the existing Bokamoso BaRona. • GIFA to assist with the provision of innovative financing solutions and explore funding partnerships with development finance institutions on funding for project development and implementation.

Outcome 1	**Bankable infrastructure projects prepared for alternative financing mechanisms**
MTDP Priority	A capable, ethical and developmental state
Thematic Area	State capacity and capability.
Key Strategy	A modernised and capable state, with professional and meritocratic public servants.
Priority Intervention	Establish modernised institutions to enhance service delivery.
Key Action	Progress towards the establishment of a State-Bank, a well-stocked state pharmaceutical company, a state logistics company, etc.
GIFA's role linked to Key Action	o Develop a business case for the establishment of the State-owned Bank and support the department during the establishment process. o Develop a business case for establishment of the State-owned Pharmaceutical Company and support the department during the establishment process.

Outcome 1	**Bankable infrastructure projects prepared for alternative financing mechanisms**
Outcome 2	**Bankable infrastructure projects financed through capital investment raised from alternative sources of funding**
MTDP Priority	A capable, ethical and developmental state
Thematic Area	State capacity and capability.
Key Strategy	A modernised and capable state, with professional and meritocratic public servants.
Priority Intervention	Establish modernised institutions to enhance service delivery.
Key Action	• Implement revenue enhancement and debt management strategies to improve the sustainability of public finances. o Maximise revenue collection and exploring innovative revenue generation strategies including debt management with municipalities.
GIFA's role linked to Key Action	• GIFA will support the implementation of the Property Optimisation Strategy. • GIFA will conduct a study on new revenue streams.

4.Measuring our outcomes

MTDP Priority: Inclusive economic growth and job creation.			
Outcome	**Outcome Indicator**	**Baseline**	**Five year Target**
Bankable infrastructure projects prepared for alternative financing mechanisms	Number of bankable infrastructure projects prepared for alternative financing mechanisms	8	12
Bankable infrastructure projects financed through capital investment raised	Capital investments raised from alternative sources of funding	R13.6 billion	R25 billion

from alternative sources of funding			

Mandate		To develop infrastructure project concepts and ideas to bankable proposals and to provide innovative infrastructure financing solutions and facilitates funding sources through partnerships of private investors, development finance institutions and government	
MTDP Priority:		Inclusive economic growth and job creation.	
Outcome	**Outcome Indicator**	**Baseline**	**Five-year target**
Bankable infrastructure projects prepared for alternative financing mechanism.	Number of Bankable infrastructure projects prepared for alternative financing mechanism.	8	12
Bankable infrastructure projects financial from capital investment raised from alternative sources of funding.	Rand value of capital investment raised from alternative sources of funding.	R13,6 billion	R25 billion

4.1 Explanation of planned performance over the Five-Year Planning Period

The GIFA's two key outcomes, that is "*Bankable infrastructure projects prepared for alternative financing mechanisms*" and "*Bankable infrastructure projects financed through capital raised from alternative sources of funding*" will contribute to achieving the aims of the Medium-Term Strategic Framework (MTSF) to realise the long-term strategic vision of the National Development Plan 2030 (NDP 2030). The NDP 2030, in turn, informs the provincial long-term development plans and the Spatial Development Framework. In Gauteng Province, the policy imperatives of the NDP 2030, Gauteng 10 Pillar Programme of Transformation, Modernisation and Re-Industrialisation (TMR) and the Growing Gauteng Together 2030 (2030) are encapsulated in the Gauteng Medium-Term Development Plan 2030 (GMTDP 2030). The GMTDP is implemented through the electoral mandate and in the case of this current term, the 7thAdiministration, the electoral mandate is influenced by the manifestos of all political parties in the Government of Provincial Unity (GPU). The diagnostic analysis of the Gauteng's strategic priorities of TMR and GGT2030 has led to consolidation of GPG priorities into three Strategic Priorities of the GMTDP. The GPU Executive Council adopted the following strategic priorities as they are aligned to the Government of National Unity (GNU) Priorities:

a) **Priority 1:** Inclusive economic growth and job creation.
b) **Priority 2:** Improved living conditions and enhanced health and wellbeing.
c) **Priority 3**: A capable, ethical and developmental state.

There is a greater realization that *Priority 1: Inclusive economic* growth and job creation, can be achieved through acceleration of economic infrastructure investment and harnessing public-private partnerships and by strengthening social infrastructure investment and delivery. The GIFA on the other hand is mandated to facilitate funding from private investors to finance government initiated social and economic infrastructure projects. Over the years GIFA has prepared infrastructure projects for funding by private sources through feasibility studies and development of business cases. The GIFA has a pipeline of PPP projects that are at different stages of project development, and these will be released to market for funding and development partnership with the private sector. Therefore, the two key outcomes of GIFA are about project preparation and project funding and they ensure GIFA's contribution to achieving of the Priority 1 of the GMDP. The GIFA has identified specific key actions in the GMTDP, Priority 1 and Priority 2 (A capable, ethical and developmental state) to support in line with its mandate; and these are:

- Eradication of backlogs in social infrastructure for schools, health, sports, social and recreational facilities. The GIFA will work with the Gauteng Department of Education and the Gauteng Department of Health to raise alternative funding such as grant funding and public private partnerships for the construction of schools and hospitals.

- The development of the Lanseria Smart City. The GIFA will work with the Gauteng Department of Economic Development to find innovative funding solutions for bulk infrastructure.
- Resuscitate the agriculture sector in the West Rand and rural areas in the province, including the establishment of a state farm to provide the provincial government with food supplies. The GIFA is supporting West Rand District Municipality with the Agri-parks projects, which is an initiative started involving Sibanye-Stillwater and the West Rand Dolomitic Water Association under the auspices of Bokamoso BaRona Initiative. With this project the GIFA can contribute towards the expansion of Agri-parks and markets to enable efficient aggregation of produce from smallholder farmers and to access local and international markets.
- Strengthen measures to address electricity shortages and guarantee a steady electricity supply and implement supporting energy strategies. The GIFA has been involved in numerous energy projects and it is involved in the Provincial Energy Emergency Technical Steering Committee. Its continued involvement will entail supporting energy programmes with innovative financing solutions suitable for various energy strategies such as Green Hydrogen, Solar PVs, Waste to Energy, etc.
- Implement revenue enhancement and debt management strategies to improve the sustainability of public finances . The GIFA will continue working with the Gauteng Provincial Treasury and other relevant departments in an effort of supporting them with

The MTDP emphasizes the importance of mainstreaming women, youth and people with disability issues in economic development programmes. When GIFA projects are released to the market, the procurement policies that guide the selection of the private developers and funders provide a mechanism for the inclusion of women, youth and people with disability either as main contractors, sub-contractors or shareholders.

The following will be the key enablers intended to assist with achieving the outcome; "*Bankable infrastructure projects prepared for alternative financing mechanisms*":

- Implement stakeholder management and communications plan at portfolio and project level. This plan will ensure that GIFA builds a relationship with stakeholders within and outside government. The relationship will be used to leverage critical information and advice, get feedback from stakeholders to be used for improving GIFA's value proposition, unblock red-tape and fast-track decisions;

- Establish effective mechanisms for guiding and manging Memorandum of Agreements (MOAs) or Memorandum of Understanding (MOU) with key stakeholders.
- Implement the partnership development strategy for GIFA, that will increase the pool of private and public partners to work with GIFA.
- Engage with the market sector as early as possible to gauge appetite and leverage insights and advice.
- Rigorous screening and selecting the "right" infrastructure projects that have high social impact and greater economic multipliers and will have a high probability of attracting alternative funding.
- Produce bankable feasibility studies. Bankable feasibility studies will ensure that projects have a high probability of success in funding.
- Develop effective project management tools that would assist GIFA to deliver projects efficiently from initiation stage to financial close.
- Develop project risk management strategies with effective risk mitigations actions and monitor the implementation of risks effectively.

The enablers intended to assist with achieving the outcome; "*Bankable infrastructure projects financed through capital raised from alternative sources of funding*":

- Develop and implement effective for analysing developed business cases and feasibility studies and testing the bankability of projects;
- Develop and implement a good Funder Engagement Strategy and Plan as a mechanism for GIFA to forge progressive partnerships to fund projects, assist with co-funding of project preparation and sharing expertise and best practices in infrastructure funding solutions.
- Effectively promote GIFA projects through various means of market sounding;
- Establish effective framework or guidelines for managing transactions during financial close. These should assist with conclusion of contractual negotiations within reasonable timeframes.

The intended impact GIFA envisaged is economic growth through social and economic infrastructure development in the province. The outcomes of GIFA are to develop a pipeline of infrastructure projects that will be funded and implemented. The GIFA conducts socio-economic impact assessment studies (SEIA) to test the projects' contribution to the economic growth of the province. It is envisaged that the socio-economic projects prepared by GIFA, once funded and will assist in the achievement of the impact in that funded infrastructure projects will go into implementation, and this will stimulate economic growth and job creation. There will be high social impact through projects such as new schools and hospitals and economic multiplier effects such as higher productivity and growth in factories, facilitation of trade and connectivity through logistic hubs, and promotion economic inclusion through empowerment of marginalized groups such as women, youth and people with disabilities.

5. Key Risks and Mitigations

Outcome	Key Risk	Risk Mitigation
Bankable infrastructure projects prepared for alternative financing mechanisms	**Difficulty in sustaining project pipeline**	• Engagements with Office of the Premier, Provincial Planning Unit and GPT to ensure integrated approach to infrastructure planning and development in the province. • Engagements with Municipalities to promote the value proposition of GIFA.. (Stakeholder engagements) • Implement stakeholder management and communications plan. • Business Process Re-engineering implemented to improve GIFA's processes from project screening.
	Limited Funding (feasibility studies)	• Source alternative funding for feasibility costs through partnerships with Development Funding Institutions (DFIs). • Recovery of project development funding after successful financial closure. Explore grant and donor funding for infrastructure projects including the project development costs.
	Delays in completing feasibility studies	• Project mapping inclusive of decision gates (Effective engagements with decision makers at project ownership level)

Outcome	Key Risk	Risk Mitigation
		• Strengthen stakeholder management and governance to build accountability and buy-in of project owners
Bankable infrastructure projects financed through capital investment raised from alternative sources of funding	**Inability to reach project financial closure**	• Early Market testing to gauge appetite, remain relevant against the market changes and trends.) • Implement a good Funder Engagement Strategy and Plan • Business Process Reengineering Process to improve GIFA's processes to fast-track the projects to reach financial close. • Bankability testing which includes de-risking of projects • Compliance checklist for Public-Private Partnership (PPP) Framework (Standard requirements e.g. Technical Advisory I (TA) affordability, value for money, risk transfer)

Part D: Technical Indicator Description (TID)

Indicator Title	• Number of bankable infrastructure projects prepared for alternative financing mechanisms
Definition	• Feasibility studies and business cases that have been developed, analysed and tested for bankability and readiness to be released to the market.
Source of data	• Project Development database.
Method of Calculation / Assessment	• Simple count
Meansof verification	• Completed feasibility studies and business cases approved by the Project Steering Committee. • Bankability analysis and testing reports of completed feasibility studies and business cases approved by the Head of Structured Finance.
Assumptions	• The bankability analysis and tests of completed feasibilities and business cases will provide positive results.
Disaggregation of Beneficiaries (where applicable)	• Not Applicable
Spatial Transformation (where applicable)	• Not Applicable
Calculation Type	• Non-cumulative
Reporting Cycle	• Quarterly
Desired performance	• 12 bankable projects prepared, tested for bankability and ready for market release.
Indicator Responsibility	• Head of Project Development

Indicator Title	• Capital investments raised from alternative sources of funding

Definition	• Rand value of investment that would be raised from the private and public finance institutions to finance bankable infrastructure projects
Source of data	• Structured Finance database
Method of Calculation / Assessment	• Simple count
Means of verification	• Signed PPP Agreement by all relevant parties • Signed Financing Agreement by all relevant parties • Signed Direct Agreement by all relevant parties
Assumptions	• Financial close concluded between the investors and project owners.
Disaggregation of Beneficiaries (where applicable)	• Not Applicable
Spatial Transformation (where applicable)	• Not Applicable
Calculation Type	• Cumulative
Reporting Cycle	• Annually
Desired performance	• R25 billion investment raised from private parties and development finance institutions for infrastructure projects.
Indicator Responsibility	• Head of Structured Finance