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ukulungisa

project preparation fund



“funded and managed project preparation services at no risk to the Municipality”

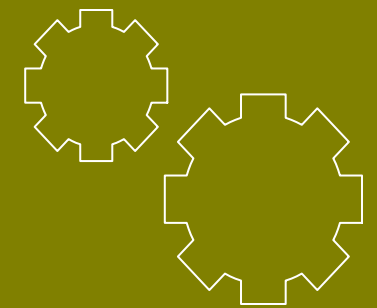


Mobilize capacity and funding

CONNECTING MUNICIPALITIES TO THE RESOURCES THEY NEED

Ukulungisa Project Preparation Fund (UPPF) is a strategic national initiative to assist in addressing service delivery backlogs in South Africa. Its establishment is informed by research findings by the DPLG and SPAID (Support Programme for Infrastructure Delivery) which indicate that limited capacity to prepare and initiate projects is a significant barrier to expediting infrastructure delivery in Municipalities.

Seed funding for the establishment of UPPF was provided by the Business Trust, who, together with SPAID and the DPLG were project initiators. The objective is the establishment of an independent and sustainable Project Preparation Fund which can mobilize capacity and funding from the private and NGO sectors. INCA (Infrastructure Finance Corporation Limited) and PPT (Project Preparation Trust) were selected to champion this important initiative following a competitive bidding process and stringent evaluation.



PREPARATION ACTIVITIES

The preparation work undertaken will consist of all the activities required to ensure that a project is viable and appropriate, and that capital funding is secured.

This will include:

- PROJECT SCREENING
- PREFEASIBILITY
- FEASIBILITY
- CONCEPT DESIGN
- BUSINESS PLANS

unique project preparation services

PROFILE AND SERVICES

UPPF is a special purpose section 21 Company and a joint venture between INCA and PPT. UPPF's core business is to fund and manage the preparation of selected municipal infrastructure projects (especially those which address poverty and basic levels of service backlogs).

The project preparation services provided by UPPF are unique in that they are fully funded and at no risk to the Municipality. These services are provided in terms of a bilateral agreement with the Municipality. An agreed service fee for project preparation services will be payable to UPPF by the Municipality when a particular project succeeds in obtaining an approval of capital funding for project implementation.

UPPF will fund and manage the entire project preparation process for the Municipality, including the procurement and management of suitable consultants / project preparation teams.

STATUS QUO AND WAY FORWARD

The setup and planning phase of the UPPF initiative was completed during November 2008 and pilot projects are currently being selected.

Once the preparation of pilot projects have been completed and evaluated, UPPF will proceed with implementation and project rollout during 2009. Given the extent of infrastructure backlogs, financial constraints, and the range of challenges affecting project delivery at the local level, UPPF will apply strict criteria in the selection of projects and only certain projects and Municipalities will be able to receive UPPF assistance.

