

INFRASTRUCTURE FUND

WASTE LICENSING PROCESS AND EXCLUSION REGULATIONS WORKSHOP

26 & 27 FEBRUARY 2025



TABLE OF CONTENTS



3-5

ABOUT THE IF

6-9

IF HIGHLIGHTS AND PROJECTS

10-17

COJ AWTT PROJECT

ABOUT THE IF



MANDATE

The IF is mandated to create blended finance solutions in order to significantly crowd in private sector investment in the implementation of infrastructure programmes and projects in South Africa, thus contributing to increased gross fixed capital formation.



**Infrastructure South
Africa**

- ❖ Development of NIP.
- ❖ Sector and project prioritisation.
- ❖ Pipeline identification and approval.
- ❖ Unblocking services.

PARTNERS



**Development Bank of
Southern Africa**

- ❖ Establishment of the IF as a ringfenced unit.
- ❖ Fund 50% of the operational costs of the Fund.

BFI: Budget Facility for Infrastructure



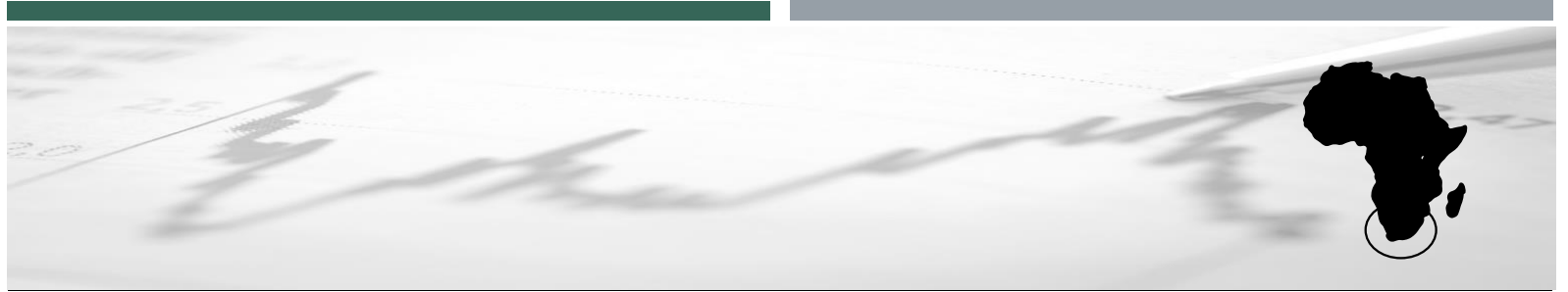
national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

National Treasury

- ❖ Provisional IF Allocations of R100 Billion.
- ❖ Consider BFI submissions from the IF.
- ❖ Fund 50% of the operational costs of the IF.

ABOUT THE IF

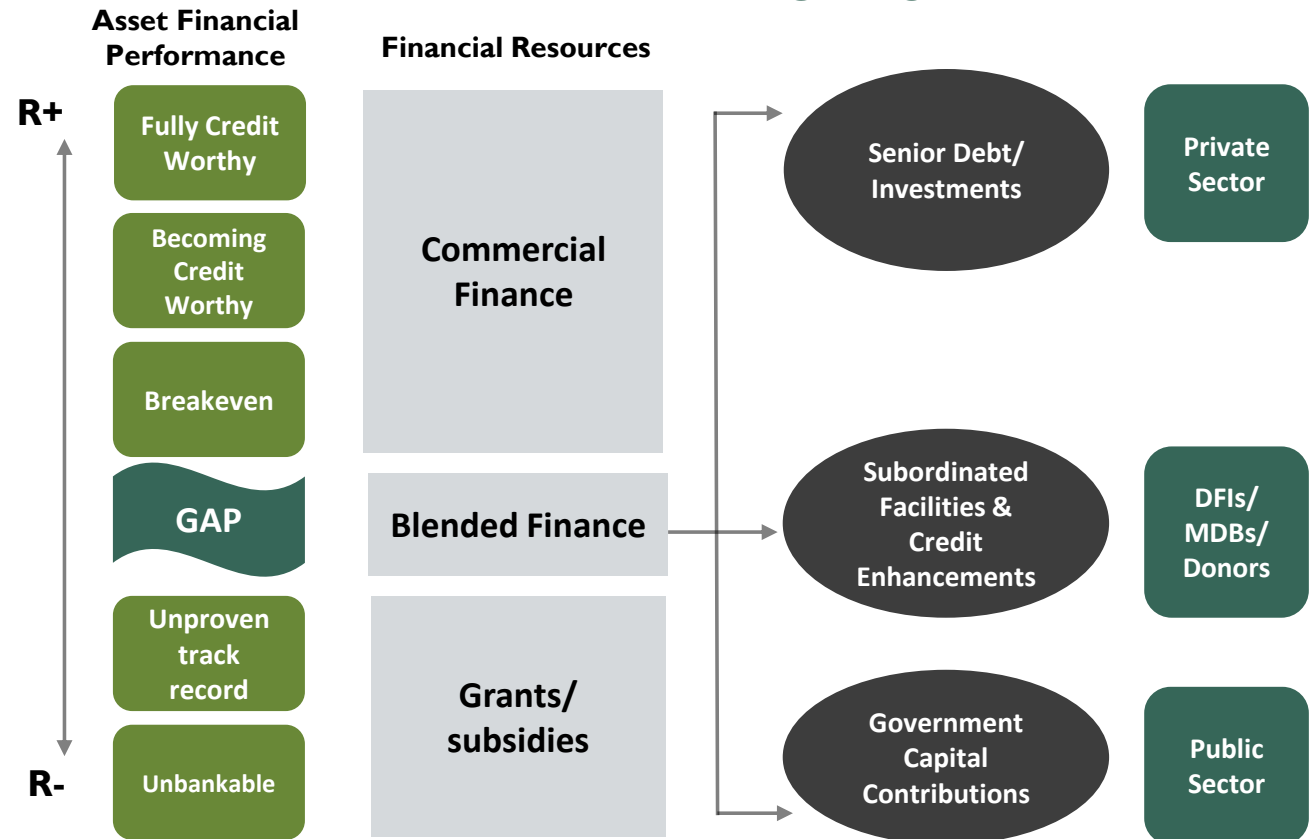


VALUE PROPOSITION

- ❖ Blended finance solutions and co-financing mechanisms.
- ❖ Improve commercial viability.
- ❖ Alleviate pressures on the fiscus by attracting private investment.
- ❖ Creation of a sustainable infrastructure development eco-system.
- ❖ Accelerate, scale-up and catalyze infrastructure development and implementation.
- ❖ Drive socio-economic development.

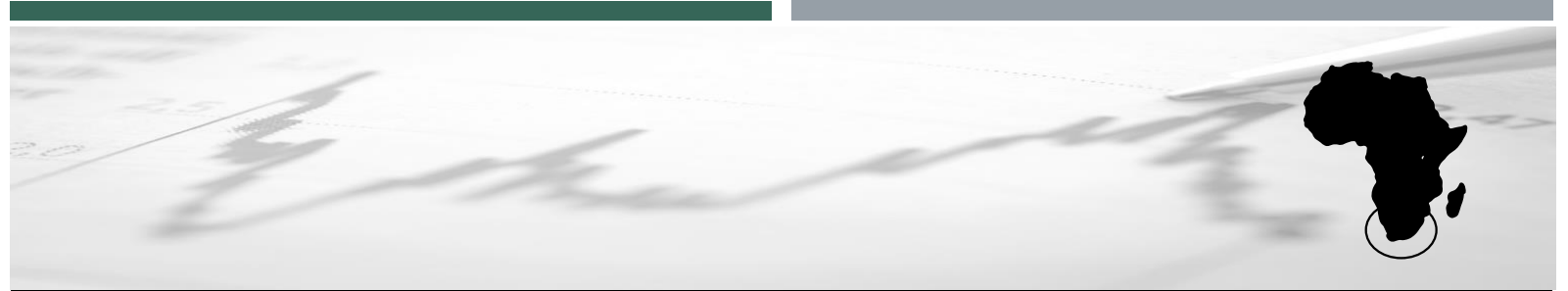
Blended Finance: is the strategic use of limited funds from the fiscus to mobilise financing from multilateral institutions, development finance institutions and the private sector to enhance the development impact of infrastructure.

BLENDED FINANCE MODEL

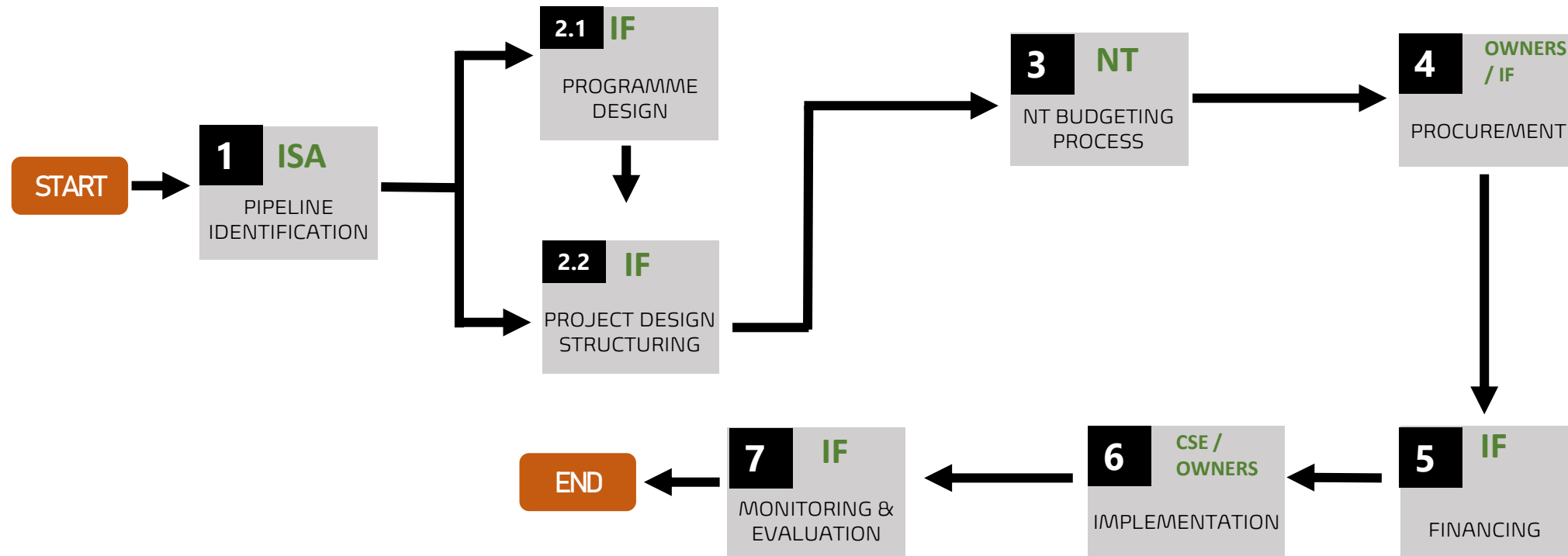


N.B. The IF Blended Finance Model has been developed with reference to the Organization for Economic Co-operation and development (OECD) and Global Environment Facility (GEF) research and models.

ABOUT THE IF



IF VALUE CHAIN



IF JOURNEY



BFI APPROVALS

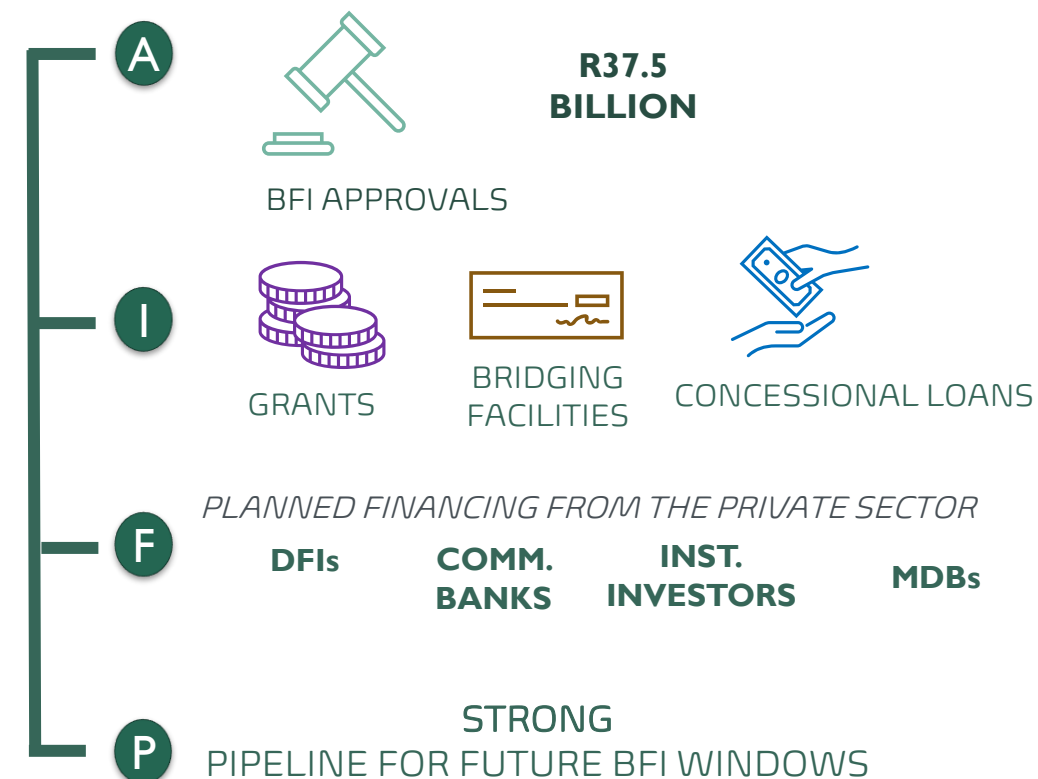
- ❖ The **Budget Facility for Infrastructure (BFI)** has to date **approved R37.5 billion** of aggregated capital costs of these projects / programmes, out of the **R100 billion provisionally allocated** to the IF over a **10-year period**.

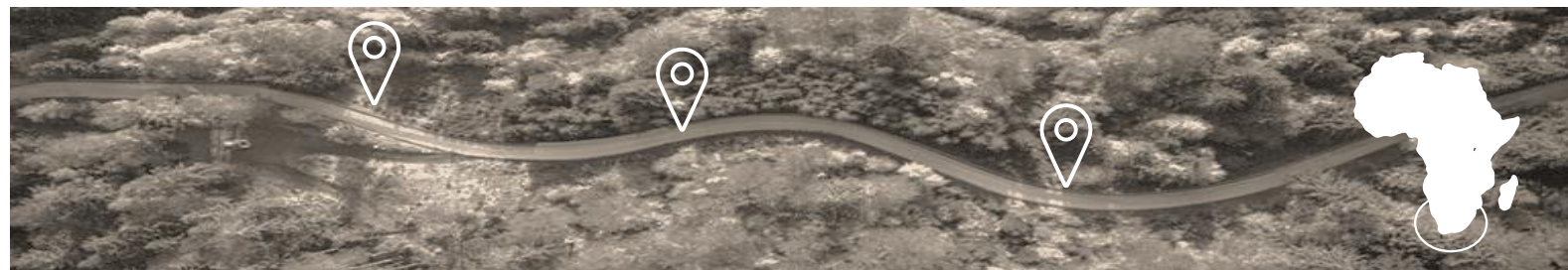
BLENDING & PRIVATE SECTOR FINANCE

- ❖ The IF is currently **working with the project sponsors** to **blend the government contribution** with **financing from the private sector** (such as Development Finance Institutions (**DFIs**), **commercial banks**, **institutional investors** and Multilateral Development Banks (**MDBs**)).

FUTURE PIPELINE

- ❖ Overall, the **IF has a strong pipeline of projects in various sectors** that are being prepared for submission to **future BFI windows**.



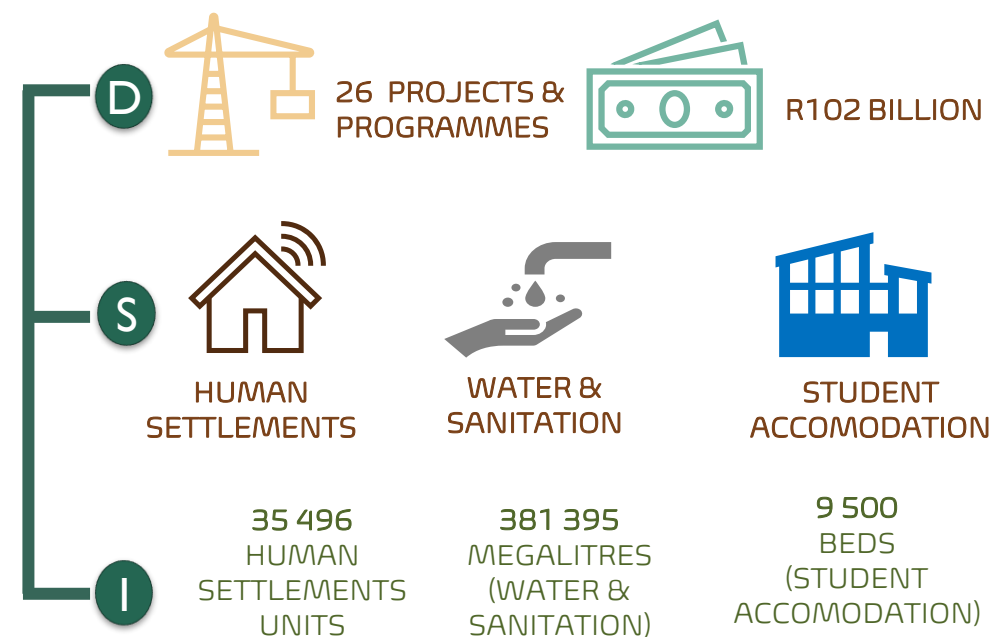


BLENDING FINANCE PROJECTS AND PROGRAMMES

- ❖ Since inception, the IF packaged **26 blended finance projects / programmes** (approved), a capital value of **R102 billion** across **several sectors**. In addition,

DEVELOPMENT IMPACT

- ❖ The approved projects / programmes in the **human settlements sector** are estimated to **deliver 35 496 units**, **water and sanitation projects** will deliver **381 395 megalitres per annum**, while the current phase of the **student accommodation programme** is anticipated to provide **9 500 beds** when completed.



D: Projects Delivered; S: Sectors; I: Development Impact



PROJECT PIPELINE



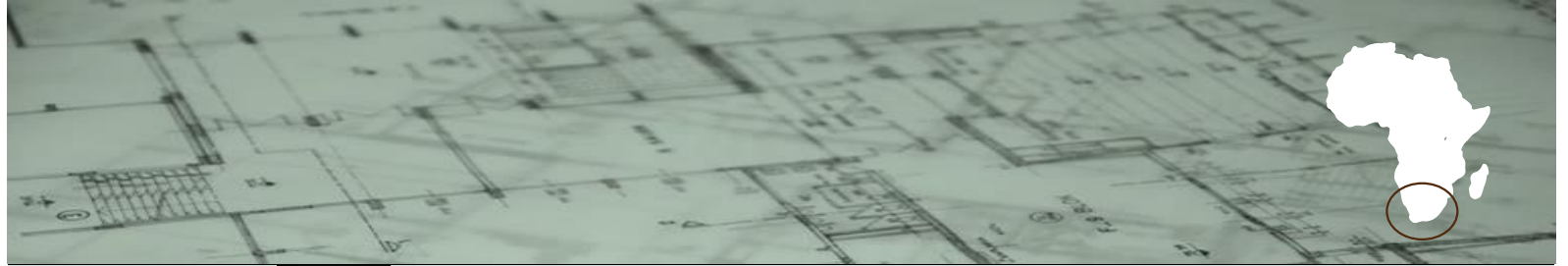
DETAILS

ADVANCED | PROGRAMMES & PROJECTS

No.	Sectors	Project	Quantity	Province	Capital Costs	Approved BFI	Expected Private sector funding (R'million)	Other grants/ equity (R'mil)
1	Human Settlements	Hospital Street Social Housing Project	1056 units	KwaZulu Natal	388	88	–	300
2	Human Settlements	Goodwood Station Social Housing Project	1055 units	Western Cape	457	152	–	305
3	Human Settlements	Midrand Heights Social Housing Project	305 units	Gauteng	163	64	–	99
4	Human Settlements	Lufhereng Mixed Use Development Project	32000 units	Gauteng	7700	3400	2150	2150
5	Water and Sanitation	Phase 1: Olifanspoort and Ebenezer Water Supply Pr	20075 ML	Limpopo	4,600	1,400	2,000	1,200
6	Water and Sanitation	Phase 1: uMkhomazi Water Augmentation Project	300000 ML	KwaZulu Natal	24,000	12,000	12,000	–
7	Water and Sanitation	Moretele North Klipvoor Bulk Water Supply Scheme	15330 ML	Cross-Boundary	5,200	1,900	2,600	700
8	Water and Sanitation	Pilanesberg Bulk Water Supply Scheme	45990 ML	North West	2,900	1,800	1,100	–
9	Water and Sanitation	Olifants Management Model Programme Phase 2B and 2B+	95995 ML	Limpopo	6,300	2,400	3,429	471
10	Water and Sanitation	eThekwini NRW	22 266 ML	KwaZulu Natal	1,100	370	169	561
11	Water and Sanitation	Olifants Management Model Programme Phase 2D and 2F	95995 ML	Limpopo	7,000	3,200	3,500	300
12	Transportation	Ports of Entry	6 Land Ports	Limpopo	9,100	–	9,100	–
13	Transportation	Ukuvuselela	1000 KMS	Cross-Boundary	7,000	2,000	5,000	–
14	Transportation	Cape Town Container Terminal	1400000 20-foot Equivalent Units	Western Cape	2,880	1,379	–	1,501
15	Student Housing	Tshwane University of Technology	1089 Beds	Gauteng	1,089	338	210	541
16	Student Housing	University of KwaZulu-Natal	973 Beds	KwaZulu Natal	973	200	188	585
17	Student Housing	Gert Sibande TVET College	504 Beds	Mpumalanga	504	188	109	207
18	Student Housing	Majuba TVET College	477 Beds	KwaZulu Natal	477	174	103	200
19	Student Housing	Lephalale TVET College	1200 Beds	Limpopo	457	336	73	48
20	Student Housing	Sekhukhune TVET College	1500 Beds	Limpopo	592	457	72	63
21	Student Housing	Vhembe TVET College	1300 Beds	Limpopo	508	393	62	53
22	Student Housing	Central University of Technology	2000 Beds	Free State	608	176	181	251
23	Student Housing	Walter Sisulu University	3200 Beds	Eastern Cape	1,032	438	112	482
24	Student Housing	NorthLink TVET College	1500 Beds	Western Cape	463	341	63	59
25	Energy	CoJ AWTT	500 000 TPA Solid Waste	Gauteng	5,740	1,600	4,140	–
26	Health	Tygerberg	893 Beds	Western Cape	10,370	2,870	7,500	–
	All Sectors	Total			101,600	37,664	53,861	10,075



PROJECT PIPELINE



FINANCIAL CLOSE | PROJECTIONS

SUMMARY

- Total Project Costs: **R102 Bn (incl. SHIP)**
- BFI Approved Amount: **R37,6 Bn (incl. SHIP)**
- Private Funding / Equity: **R63.9 Bn**

FY: **2023/24** –
R460 MILLION

CLOSED
R0.46 B
Goodwood
Station

1 **19 OCT**
2023

2023

Sources of Funding:

- IF Total Facility: R73 Million (senior of R65 M and short term of R8 M)
- Stonefield Capital Shareholder Loan R42 M
- SHRA Grant R75 M

FY: **2024/25** – **R6.88 BILLION**

R0.39 B
Hospital
Street

3 **TBC**

Midrand
Heights

2 **SEP**
2024

R0.19 B

CLOSED

Sources of Funding:

- IF Long Term Debt: R117 M
- Equity R5 M
- SHRA Grant R261 M
- Other R55 M

OMMP 2B
& 2B+

4 **MAR**
2025

R6.3 B

FC expected in Dec 2024.
Finalising DDs and Financing Activities

Sources of Funding:

- IF Long Term Debt: R982 M
- Grant (BFI) R1.4 M
- DWS Grant R451 M
- Standard Bank, Absa, and Nedbank – Senior Debt – R3.4 B

FY: **2025/26** – **R31.6 BILLION**

R9.1 B
Ports of
Entry

5 **OCT**
2025

R2.9 B
Pilanesburg

7 **NOV**
2025

R5 B
IPSHP

9 **JAN**
2026

R3.7 B
SHIP

11 **MAR**
2026

6 **NOV**
2025
Klipvoor
R5.2 B

8 **NOV**
2025
Olifantspoort/
Ebenezer
R4.7 B

10 **NOV**
2025
Non-Revenue
Water
R1 B

FY: **2026/27** – **R64.3 BILLION**

R24 B
uMkhomazi

13 **NOV**
2026

R5.7 B
AWTT

15 **DEC**
2026

R7 B
Ukuvuselela

17 **DEC**
2026

12 **JUL**
2026
Lufhereng
R7.7 B

14 **DEC**
2026
CTCT
R2.9 B

16 **DEC**
2026
OMMP 2D/2F
R7 B

18 **FEB**
2027
Tygerberg
R10.4 B



**CITY OF
JOHANNESBURG
ALTERNATIVE
WASTE
TREATMENT
TECHNOLOGY
(COJAWTT)**

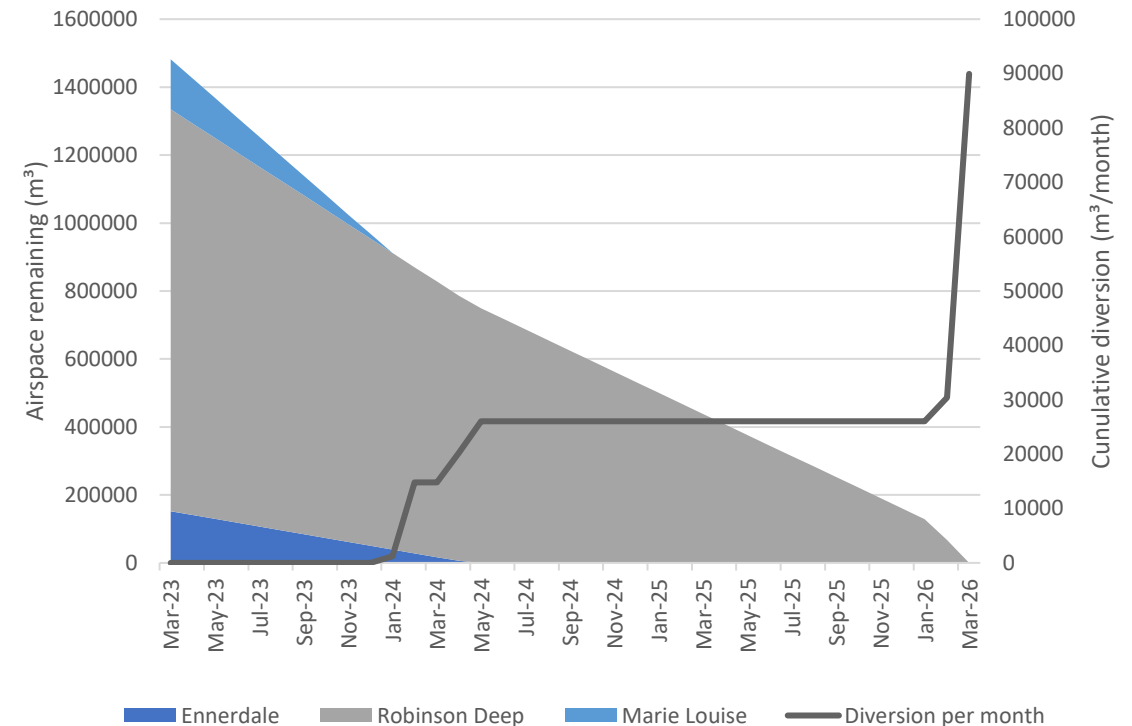
BACKGROUND AND PROJECT DESCRIPTION



Background

- The existing publicly operated landfill sites in CoJ and the Gauteng Province are rapidly exceeding their design capacity. The development of new public landfills is constrained due to the scarcity of suitable land. The amount of waste generated in the City continues to increase as a result of rising population, higher waste generation per capita and economic growth.
- Pikitup's data indicates that without any innovative interventions by the City, all the CoJ's public landfill sites will be depleted by 2030. The landfill airspace will reach capacity in the 2025/2026 financial year if waste from closed public sites is diverted to other public sites.
- In a quest to address the problem statement, the CoJ has consequently initiated the AWTT Project as an alternative solid waste management technique for the City. A feasibility study was first initiated in 2010 and updated in 2021. The feasibility study recommends for the implementation of AWTT through a Public-Private Partnership (PPP).

Projections of remaining airspace



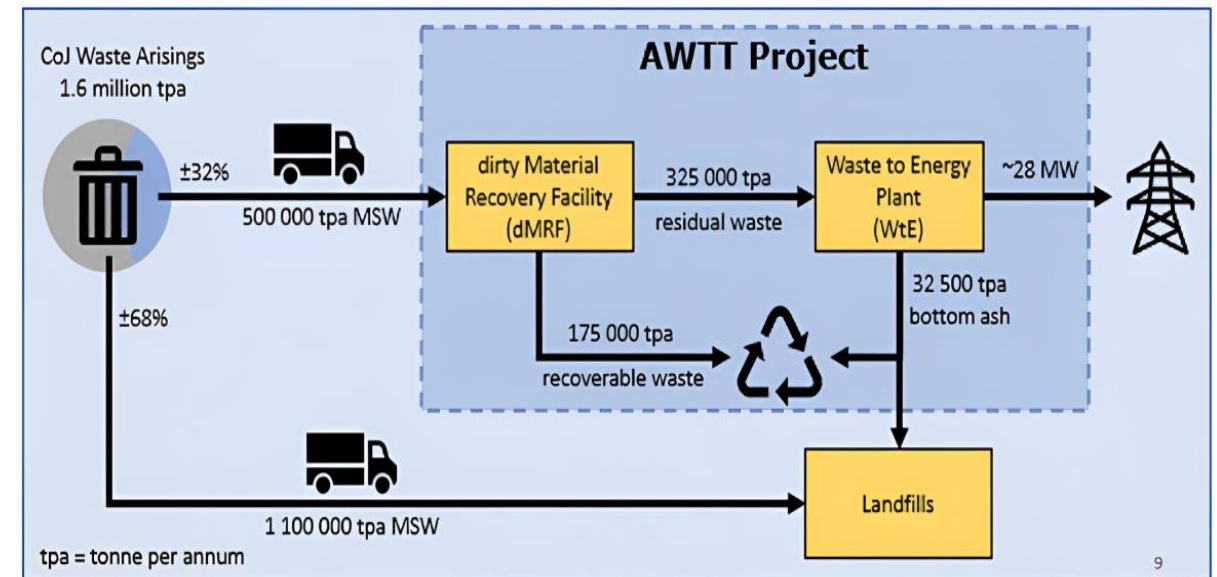
BACKGROUND AND PROJECT DESCRIPTION



Project Description

- The AWTT Project aims to divert at least 500 000 tonnes or 31 percent of the 1.6 million tonnes of municipal solid waste that is produced in Johannesburg per annum for disposal at landfill sites. This will ensure that the existing design capacity of landfill sites is not exceeded.
- Under the proposed project, the Private Party will design, build, finance and operate a dirty Materials Recovery Facility (dMRF) and a Waste-to-Energy (WtE) facility, to be located at the Robinson Deep landfill site. The assets will belong to the CoJ with the Private party holding the exclusive rights to operate the facilities over 25 years, thereafter, the rights and associated facilities will be transferred to CoJ.
- Waste will be supplied to the facilities by Pikitup. In the process of managing this waste, electricity will be generated from the facility and purchased by City Power. The Project is presented as a WtE solution that will generate approximately 28 MW of electricity from 325 000 tpa (65%) residual waste through conversion of WtE (28 MW is enough to power 60 000 households), while 175 000 tpa (35%) is recoverable waste (recycled).

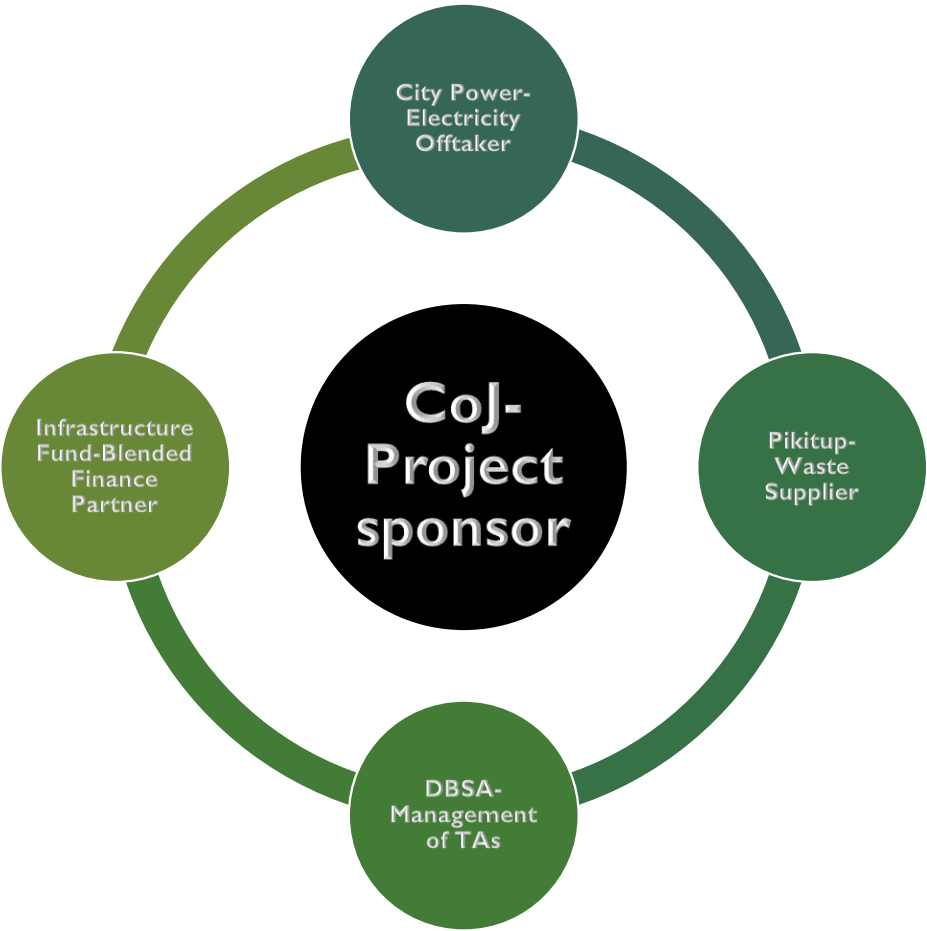
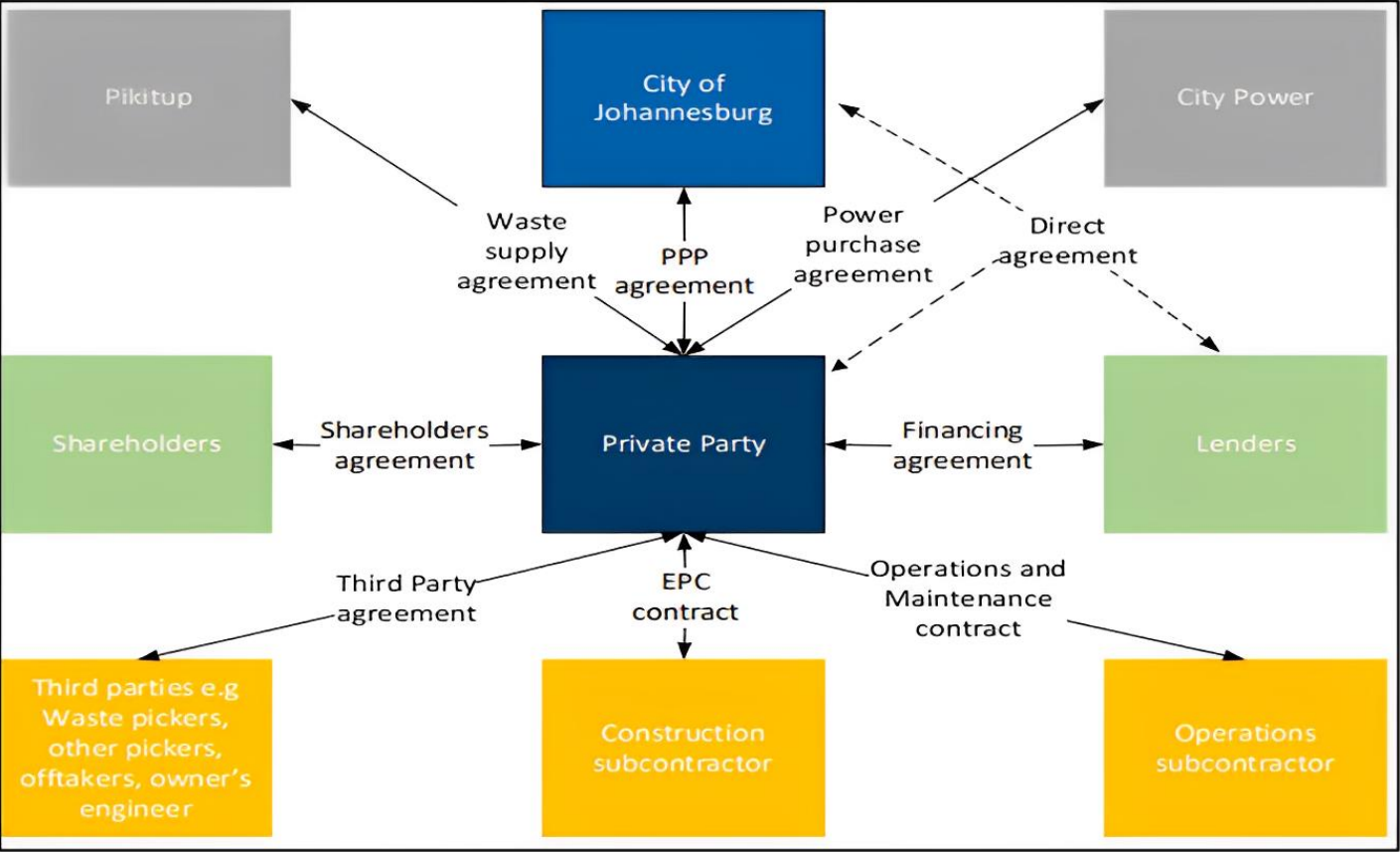
dMRF and WtE





SITE LOCATION

STRUCTURE FOR THE PPP



BREAKDOWN OF THE PROJECT COSTS AND FINANCING

Input	Amount	Description
CAPEX	R5.744 billion	Includes all building, fittings and equipment costs. It also includes land purchase costs, professional fees, contingencies and escalations.
OPEX	Million p.a	Description
Staff costs – Management	R8.5	Salaries and related staff costs for management
Support Staff Costs	R40.8	Salaries and related staff costs for operational and supporting staff, including all subcontractors
dMRF Operating costs (excl. Labour)	R5.0	All costs relating to the operation of the dMRF
dMRF Labour costs	R66.2	All Labour costs relating to the dMRF
dMRF Landfilled Waste	R250 p/ton	Cost of the landfill waste per tonne
Insurance	R3.6	Cost of all SPV insurances during operations.
Variable Costs	R57.6	All operating costs in relation to the total revenue and total waste

Source	Total (Rm)	% Total
Commercial debt	1773	30.9%
Private Developer Equity/ Shareholder Loan	761	13.2%
BFI Grant	1600	27.9%
Invest International Grant	550	9.6%
CoJ Contribution	550	9.6%
Total Capital Contributions	2700	46.8%
Global Environmental Fund	260	4.5%
Climate Finance Facility	250	4.4%
Total DFI Facilities	510	8.9%
Total	5744	100 %

- A budget allocation of R1.6 billion or 27.95% of total project costs to be deployed by the IF as a grant to the Project in the form of a capital contribution; and
- A further R0.550 billion or 9.6% of total project costs to be mobilized by the IF in the form of a grant from an international donor to the Project.

FUNDING SCENARIO ANALYSIS

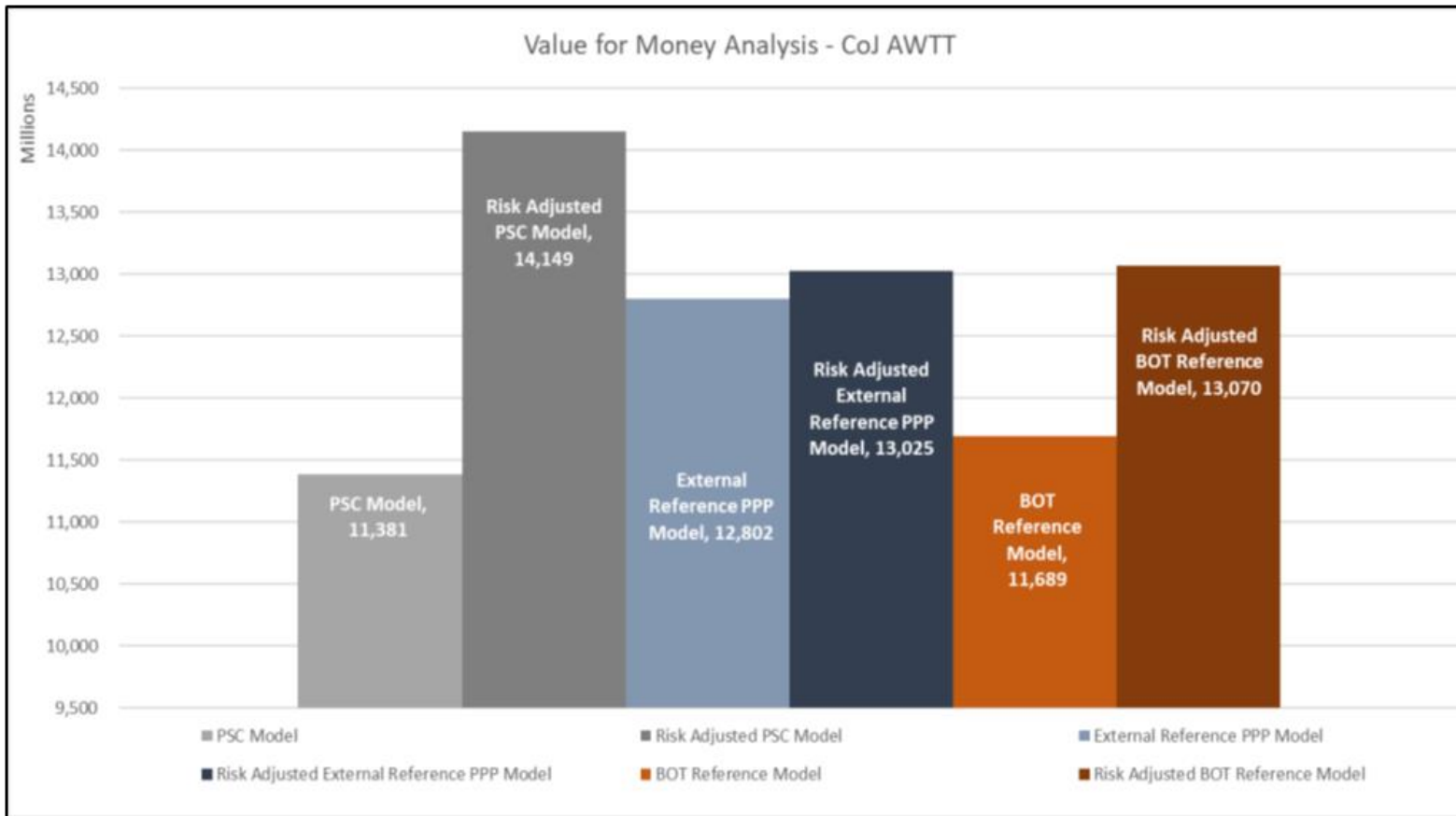


Scen.	Model	Gate Fee (ZAR / Ton)	IRR	Capital Contribution	IF Loan	Equity input
1	Current Base Case	945	18%	R-	R-	Equity First
2	Capital Contribution Base Case	718	18%	R 1bn	R-	Equity First
3	IF Funding Option – Loan Facility – R1bn	932	18%	R-	R1bn	Equity First
4	IF Funding Option – Loan Facility – R0.5bn and Capital Contribution (R0.5bn + R0.5bn from CoJ)	714	18%	R1bn (50/50)	R0.5bn	Equity First
5	IF Funding Option – Loan Facility – R1.5bn and Capital Contribution (R1.1bn + R0.4bn from CoJ)	370	18%	R1.5bn (27/73)	R1.5 bn	Equity First
6	Alternative Funding Options –DFI Loan-R0.8 bn and Capital Contribution (BFI Grant R1.1bn+ CoJ R0.55bn+ Invest Int R0.55 bn)	480	18%	R2200	R0	Equity First
7	Alternative Funding Options –DFI Loan-R0.51 bn and Capital Contribution (BFI Grant R1.6bn+ CoJ R0.55bn+ Invest Int R0.55 bn)	375	18%	R 2.700bn	R0	Equity First

Various scenario's calculated – target lowering of Gate Fee

(On the basis of 2022 Waste Market Intelligence Report a gate fee in the range of ~ R 376/ton is comparable to the average gate fees for the 8 metros municipality in SA)

- Scenario 1 - base case scenario that was presented for TVR I consideration and has no capital contribution;
- Scenario 2 - capital contribution of R1 billion was included in this scenario;
- Scenario 3 - IF subordinated facility of R1 billion was considered;
- Scenario 4 - includes a combination of BFI grant (R0.5 bn), CoJ capital contribution (R0.5 bn) and a IF subordinated debt facility (R1.5 bn);
- Scenario 5 - includes a combination of BFI grant (R1.1 bn), CoJ capital contribution (R0.4 bn) and a subordinated IF subordinated debt facility (R1.5 bn).
- Scenario 6 - includes combination of BFI grant (R1.1 bn), CoJ capital contribution (R0.55 bn), Invest International grant (R0.55 bn) and concessional DFI facilities
- Scenario 7 - includes combination of BFI grant (R1.6 bn), CoJ capital contribution (R0.55 bn), Invest International grant (R0.55 bn) and concessional DFI facilities



PROCUREMENT OPTIONS

THANK YOU



Contact us: info@infrastructurefund.co.za