

AN OVERVIEW OF THE MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE DEPARTMENT AND THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) ON TOURISM INFRASTRUCTURE PROJECTS

7 June 2022

broadening horizons



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



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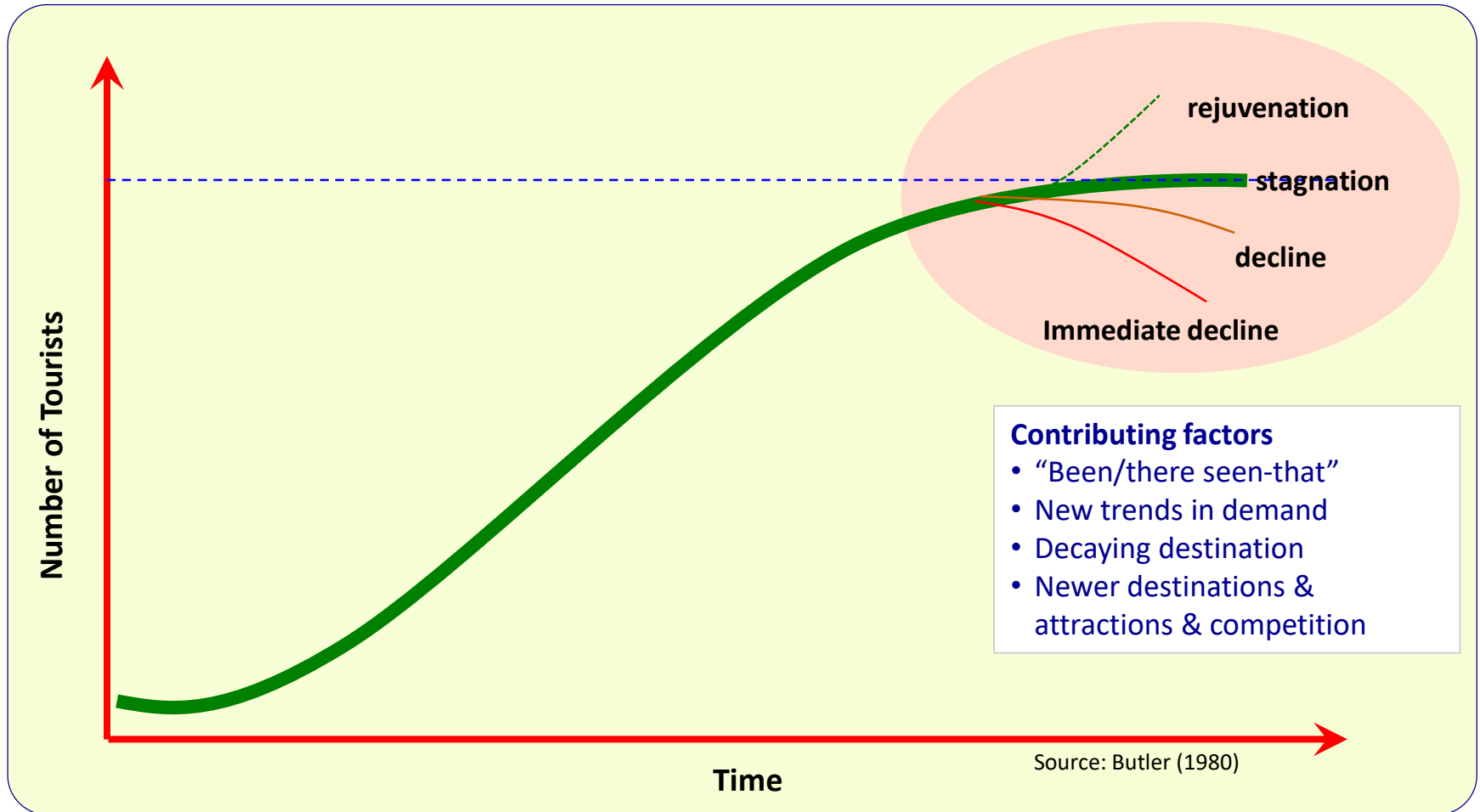


Introduction

- The purpose of the presentation is to provide an overview of the memorandum of Agreement between the Department of Tourism and the Development Bank of Southern Africa (DBSA)
- The Department has implemented infrastructure projects with mixed success. There have been several evaluations completed of infrastructure projects funded through the the Expanded Public Works Programme (EPWP), most recently the one completed by the Government Technical Advisory Services (GTAC) in 2017/18. This evaluation recommended a change in the implementing model.
- The MOA with DBSA came into effect on 20 November 2020, and will terminate on 30 November 2023.
- The agreement may be extended by agreement and in writing by the Parties.
- The DBSA is appointed as an Implementing Agent of the Department

Why Destination Development?

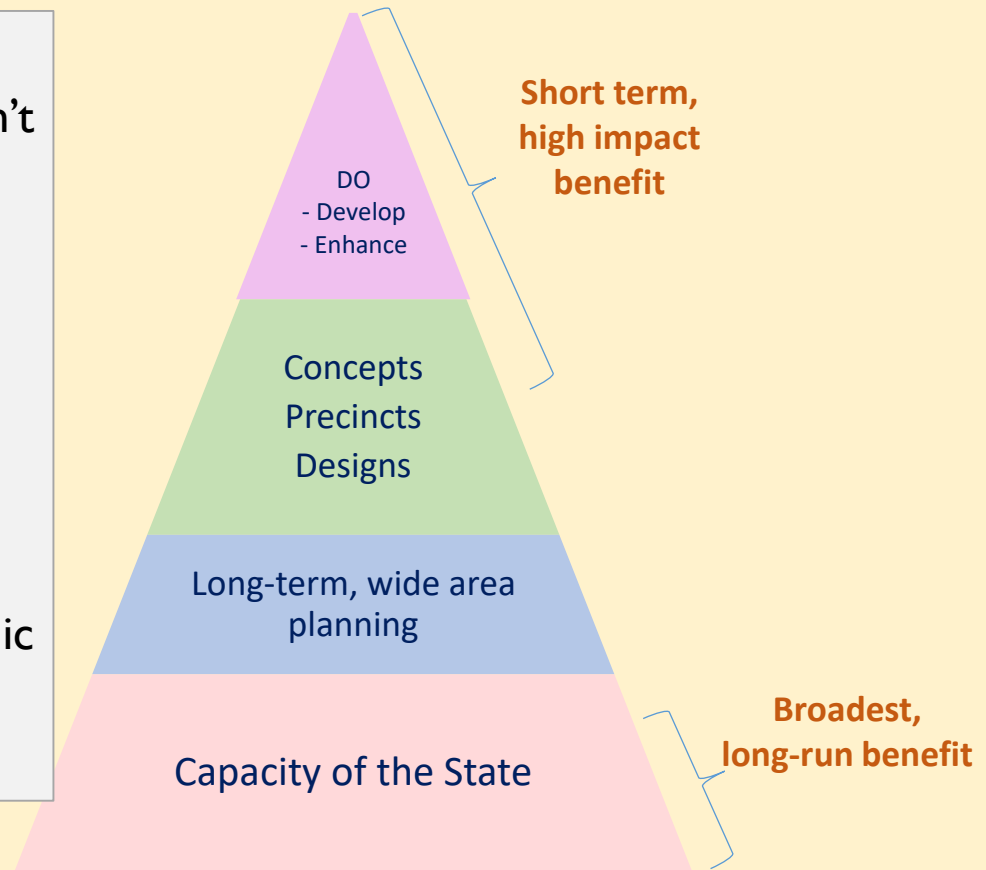
Basic destination lifecycle



Where does the state play?

Why the state?

- Market failure (i.e. private investors won't or not ready to invest)
- Transformation / Community benefit
- Uneven capacity
- Geographic distribution
- Spatial-economic transformation
- Community benefit/owned development
- Pre-empt over-tourism
- Trigger development around iconic attractions
- Trigger catalytic development



Why the DBSA ?

- The DBSA is primarily a development finance institution
- In the execution of its mandate, it houses an *Infrastructure Delivery Division*
 - primarily focuses on accelerating the delivery of quality social and economic infrastructure and promoting cost-effective, sustainable, integrated infrastructure planning and delivery, consistent with the requirements and standards of the Construction Industry Development Board (CIDB)
 - Core staff of built environment professionals charged with project scoping & assessment, efficient procurement and professional project management
 - Integrated systems and operations
- Well equipped and experienced in delivery of large volumes of infrastructure
- Extensive relationships with built environment professional associations
- Experience in development of especially project management capacity
- State owned – thus governed by and familiar with PFMA and the the Preferential Procurement Policy Framework Act, Act 5 of 2000
- Experience in delivering within the EPVWP framework
- Sound community development approach (and staff), utilised in social facilitation

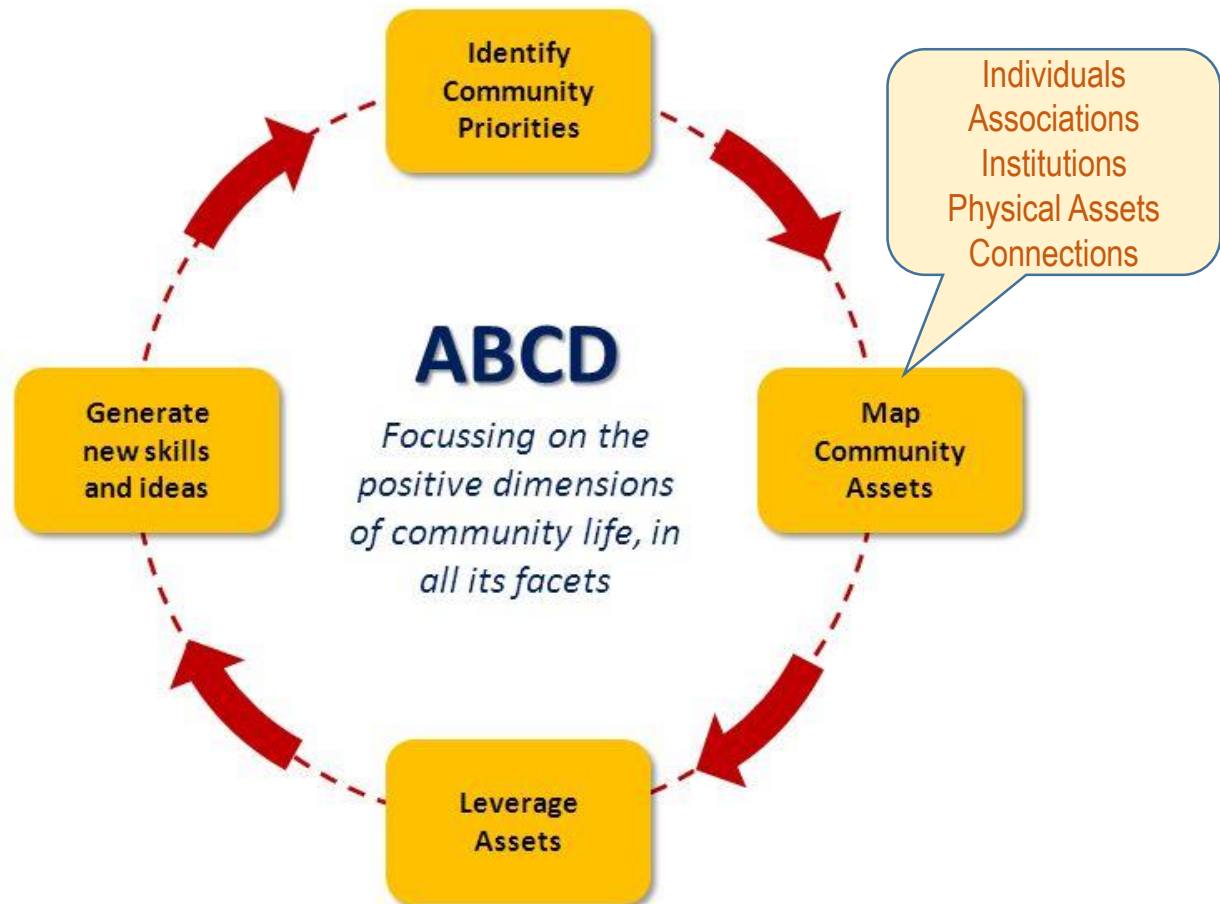
Scope and application of the MOA

- End-to-end delivery of building/construction of new infrastructure;
- Repairs, renovations and maintenance of existing infrastructure, starting with conditional assessments.
- Propose innovative infrastructure financing solutions
- Skills transfer in respect of infrastructure delivery
- Full suite of infrastructure delivery services include
 - Project scoping
 - Design
 - Appointment of Professional Service Providers (PSPs)
 - Social Facilitation (using the Asset based Community Development approach)
 - Project management services
- The range of projects includes:-
 - WfT projects (mostly legacy projects inherited from former DEAT)
 - New build – e.g. community based projects; community museums; enhancement projects
 - Tourism infrastructure maintenance and beautification



Asset Based Community Development

- Identifying abilities, skills, capacity of individuals
- Using these to build independent strength before drawing on external resources – people finding their own and shared solutions
- Shifting the emphasis away from a reactive, service driven approach – towards prevention & early intervention
- Sustainable approaches – because the ideas and skills come from the communities themselves



Roles and responsibilities (I)

Programme Manager

- The Programme Manager is required to:
- Carry overall responsibility for implementation of the Programme,
- Facilitate Planning of the Programme,
- Manage procurement of the professional teams,
- Manage procurement of contractors,
- Manage programme management costs,
- Review and report on capital cash flow requirements,
- Manage Programme implementation specifically in terms of scope, time, quality and cost management,
- Check and approve payment certificates,
- Chair coordination meetings,
- Review reports as submitted by the Construction Project Manager, and
- Manage the deliverables of the Construction Project Manager.

Construction Project Manager

- The functions of the Construction Project Manager are to provide:
- Effective Communication among the various Key Stakeholders on the Programme,
- A mechanism to ensure that the PIA's Client is kept informed on the Programme Progress,
- Manage and implement all projects allocated to them within the cluster of projects,
- Act as PIA representative regarding the construction contract,
- Prepare reports as necessary,
- Manage deliverables of construction contractors,
- Monitor project progress,
- Manage progress through cash-flows,
- Manage the Programme Schedule,
- Ensure targets are met,
- Prepare and present adequate and accurate reports to the client,
- Ensure programme close-out,
- Monitor all quality aspects during the construction phase,
- Approve and sign off specific quality control checks,
- Authenticate and ratify payment certificates for release by the financial administrator,
- Report as required.

Financial Administrator

- Monitor overall performance of Programme with respect to cash flows and targets,
- Prepare financial reports summarising project and Programme progress,
- Manage financial aspects of scope changes,
- Monitor programme management costs,
- Reconcile programme payments,
- Administer project payment protocol,
- Administer programme payment filing system,
- Provide financial reports for the Programme Manager,
- Administer Programme Finances,
- Capture project financial data,
- Capture and process payment certificates of contractors and Project Managers, and
- Respond to queries from Project Managers and contractors regarding payments, meeting dates, venues and times.

Roles and responsibilities (2)

Professional Teams

- Design all projects within the cluster of projects,
- Document all technical aspects related to the project, and
- Prepare contract documentation for construction and tender purposes.

Development Facilitation Services

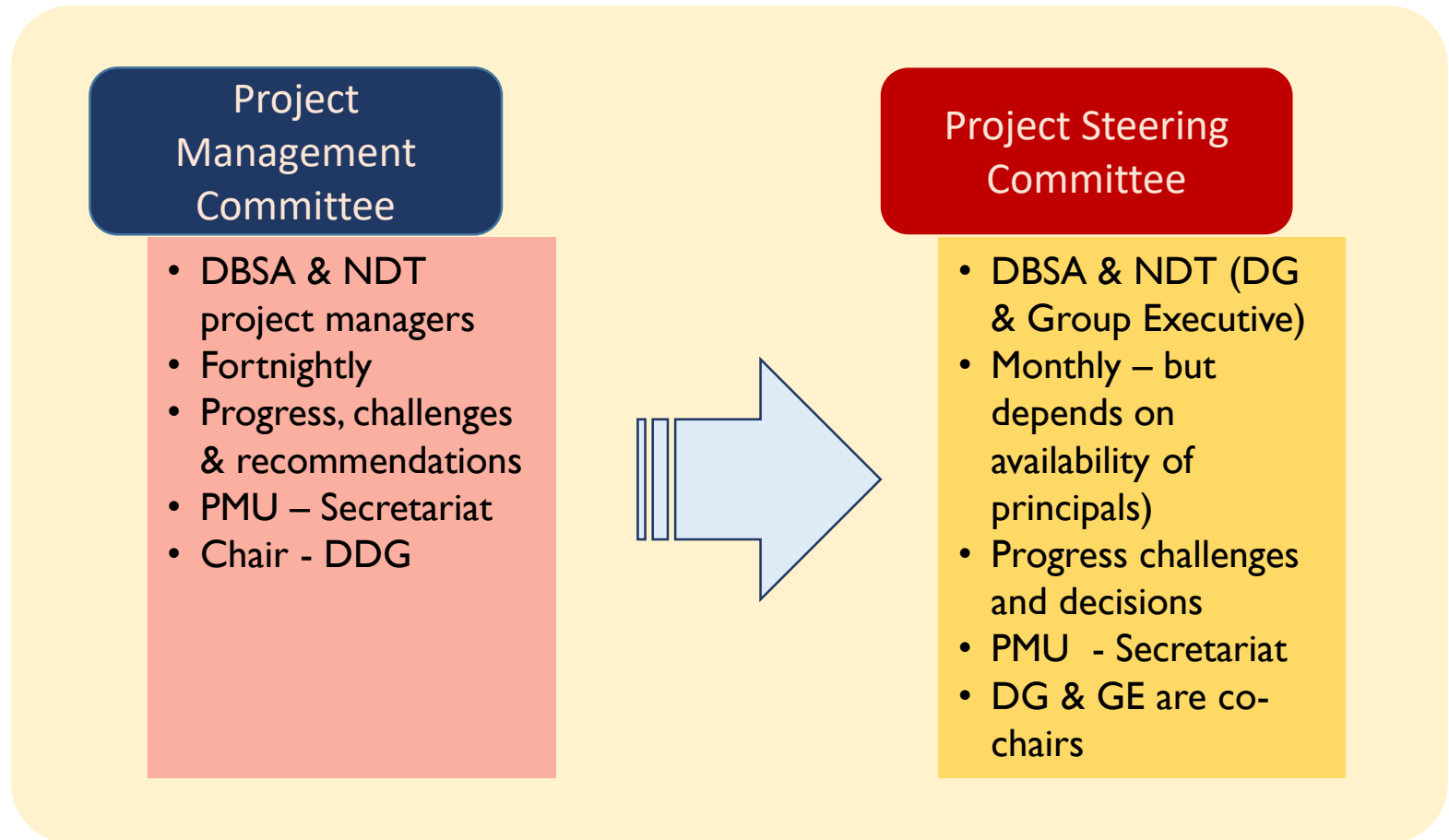
- Social Facilitation Engagement Process
 - Community and Environmental Scanning
 - Identification of Stakeholders
- Governance Structures establishment and Engagements
- Inter - Departmental Meetings
 - Community Involvement / Public Meetings
 - Local Steering Committees

Contractors

- Construct the facility to specification on time and within budget,
- Submit reports as required,
- Employ local labour, and
- Provide “on the job” construction training to local community workers.



Programme Governance



Sustainability of Projects & Operational support

- On completion, projects to be handed over to the owning entities
- During construction/works
 - Training of percentage of staff in operational aspects
 - Assistance in establishment of governance structures
 - Planning of marketing
 - Assistance in procuring Operators
 - Involve Enterprise Development to assist in incubation of management
- Operational funding :-
 - Key tension in EPWP system – FTE targets determined by DPW&I
 - Provisions of funding mean beneficiaries can only benefit once
 - Funding is for the FTE's component – partly used for training, balance for works
- Challenges
 - Vandalism of sites in progress, hence security contracts
 - Failure to take ownership and responsibility on completion by owning entities that sought funding
 - Preferences by owners on who should operate, which may not align to skills



Conclusion – Value Proposition

- Specialised staff and systems to meet industry standards and requirements
- Efficiency in procurement and management, given experience and economy of scale
- Efficacy – given specialised skills sets required from concept to implementation, risk management etc
- DBSA undertakes infrastructure delivery for various government Departments – familiarity with government frameworks.
- The Department could not feasibly employ the requisite numbers of built environment professionals to undertake the scope of work of the programme.



Thank You

