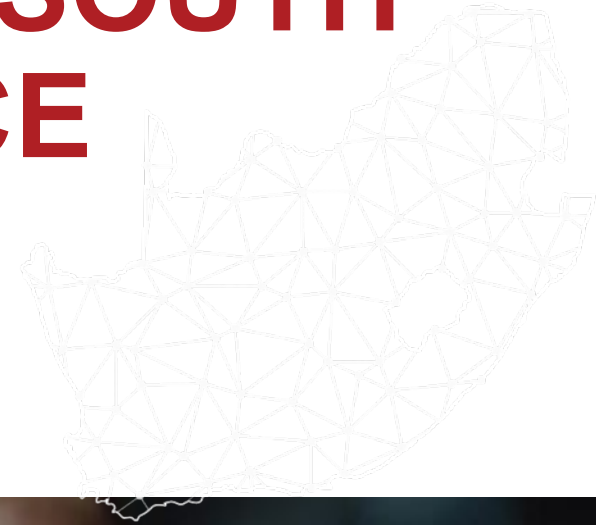


# PPP CAPACITY BUILDING: SOUTH AFRICAN EXPERIENCE

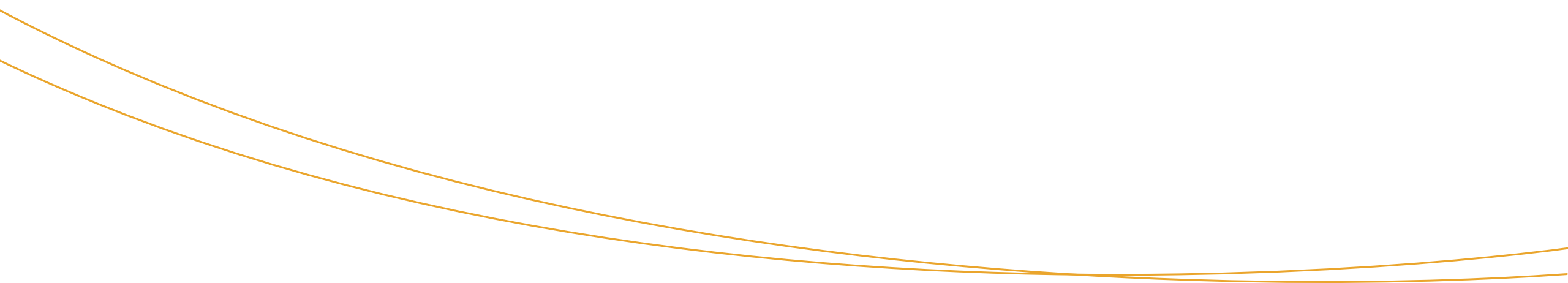


**PRESENTED BY: SITHEMBISO MKHWANAZI**

**SENIOR PROJECT ADVISOR: GTAC**

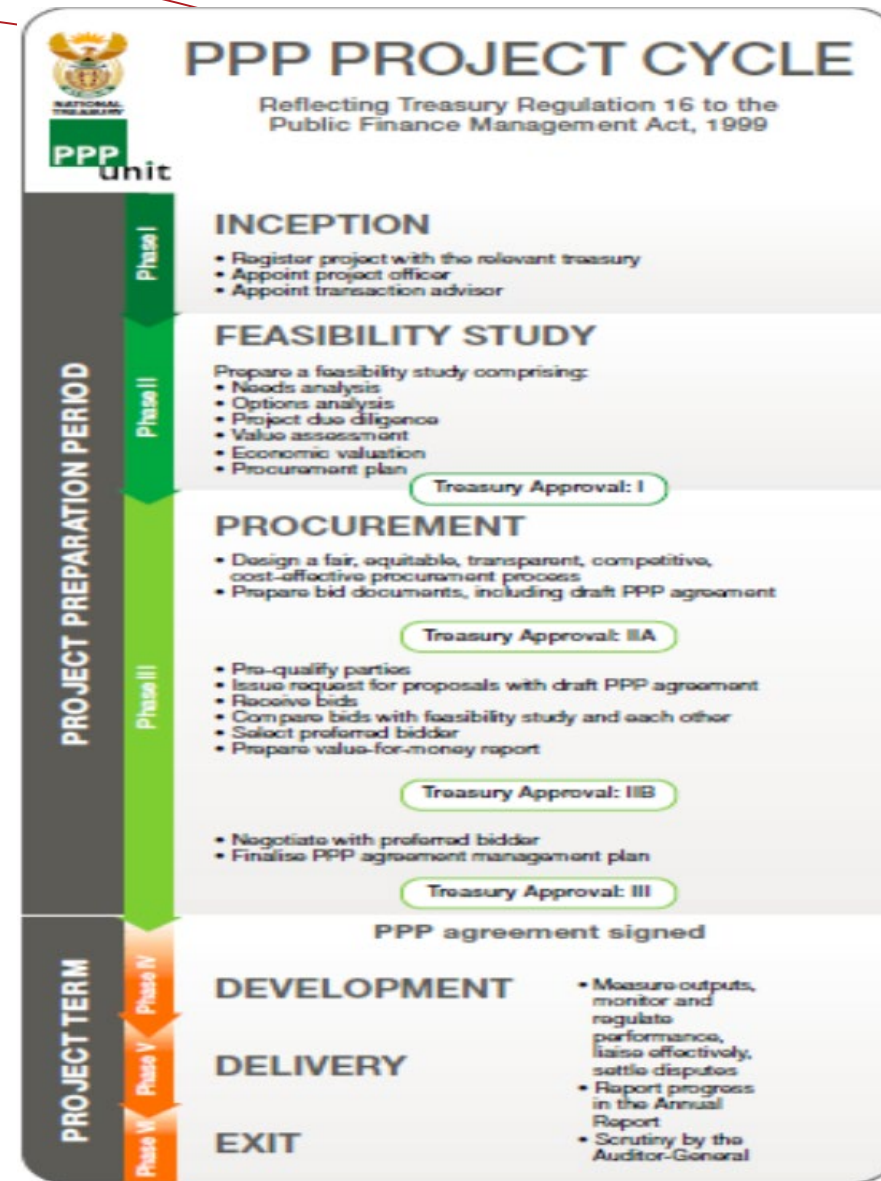
**13 MAY 2026**

# INTRODUCTION

- ❖ This presentation outline provides a comprehensive introduction to Public-Private Partnership (PPP) capacity building within the South African context, highlighting its lessons learned, the use of regulatory framework, and focus on skills development to drive infrastructure investment.
- 

# BUILDING CAPACITY BEHIND SUCCESS OF PPP PROJECTS

- Competent PPP Unit
  - ❖ Conduct a "Functional" Gap Analysis
  - ❖ Use Diagnostic Tools
  - ❖ Audit Previous Projects
  - ❖ Engage in Market Consultations
- Rationale for the use of the Transaction Advisor to put together a PPP project
- Use of a structured approach that compares the current skills and institutional readiness during the feasibility study



# COMPETENT TRIANGLE FOR A COMPETENT PPP OFFICERS



# LESSONS LEARNED: FEASIBILITY STUDY

- Robust Feasibility is Non-Negotiable]
  - ❖ Move Beyond Capital Raising
  - ❖ Comprehensive Assessment
  - ❖ Avoid Over-Specification
- Regulatory and Process Constraints
  - ❖ Rigid, Time-Consuming Process
  - ❖ Need for Streamlining
  - ❖ Early Transaction Advice
- 3. Risk Management and Financial Modeling
  - ❖ Risk Allocation
  - ❖ The Power of the Financial Model
  - ❖ Sustainability Check
- Public Sector Capacity and Skills
  - ❖ Skills Gaps
  - ❖ Transaction Advisor Dependence
- Institutional Framework and Governance
  - ❖ Need for Centralized Screening
  - ❖ Political Commitment
  - ❖ Empowerment Focus



**Inkosi Albert Luthuli Central Hospital**

# LESSONS LEARNED: DESIGN AND CONSTRUCTION

- Design and Planning Lessons
  - ❖ Need for Robust Feasibility Studies
  - ❖ Standardization vs. Flexibility
  - ❖ Risk Allocation Over Risk Transfer
- Construction and Delivery Lessons
  - ❖ Earlier Financial Close is Critical
  - ❖ Value for Money (VfM) is Key
  - ❖ Performance-Based Contracts
- Institutional and Regulatory Lessons
  - ❖ Capacity and Skills Gaps
  - ❖ Streamlining Approvals
  - ❖ High-Level Political Support
- Socio-Economic and Contextual Lessons
  - ❖ Stakeholder Consultation
  - ❖ Local Economic Development
  - ❖ Transparency and Trust



**Department of International relations and  
Cooperation**

# LESSONS LEARNED: M&E

- Contractual and Regulatory Management
  - ❖ Need for Standardization
  - ❖ Rigid Regulations Hamper Speed.
  - ❖ Poor Change Mechanisms
- Operational and Performance Management
  - ❖ Focus on Performance Monitoring.
  - ❖ System Compatibility
  - ❖ Relationship Management
- Capacity and Human Capital
  - ❖ Public Sector Skills Gap
  - ❖ Need for Technical Advisors
  - ❖ Skill Transfer Failure
- Project Development and Risk
  - ❖ Early Land Acquisition
  - ❖ Realistic Feasibility Studies
  - ❖ Political Risk
- Socio-Economic and Structural Factors
  - ❖ BEE Integration
  - ❖ Trust and Cooperation



**Statistics South Africa**

# LESSONS LEARNED: EXIT PHASE MANAGEMENT

## Planning for Exit from Inception [1]

- ❖ Long-Term Planning
- ❖ Asset Handover Standards
- Contractual and Regulatory Gaps
  - ❖ Incomplete Contracts
  - ❖ Standardization
  - ❖ Regulatory Monitoring
- Human Capital and Knowledge Management
  - ❖ Loss of Knowledge
  - ❖ Capacity Constraints
- Operational and Stakeholder Management
  - ❖ Performance Monitoring
  - ❖ Communication with Stakeholders



**Gauteng Rapid Rail (Gautrain)**

# LINKING INSTITUTIONAL CAPACITY AND REFORM

- Linking Institutional Capacity and Reform
  - ❖ Centralization vs. Decentralization
  - ❖ Creating a "Center of Excellence"
  - ❖ Developing Dedicated Project Officers
- Capacity Building for Public Officials
  - ❖ Overcoming Weak Technical Skills
  - ❖ Capacity for Contract Management
  - ❖ Training on "Value for Money"
- Policy and Regulatory Reforms
  - ❖ Standardizing Procurement
  - ❖ Addressing Unsolicited Proposals.
  - ❖ Bridging Policy Gaps
- Enhancing Trust and Political Buy-in
  - ❖ Reducing Political Risk
  - ❖ Building Stakeholder Confidence



**Department of Agriculture Rural Development  
and Land Reform**

# SUSTAINABILITY AND ASSET INTEGRITY: SMART BUILDINGS

## **Sustainable FM practices**

Facility management in PPPs reduces energy use and environmental impact, aligning with government sustainability goals.

## **Early FM involvement**

Involving FM professionals early ensures assets are easy to construct, operate, and maintain throughout their lifecycle.

## **Long-term asset integrity**

Proactive design prevents premature obsolescence, ensuring infrastructure remains resilient and adaptable over time.



**Department of Forestry, Fisheries and the  
Environmental Affairs**

# INDUSTRY IMPROVEMENT AREAS

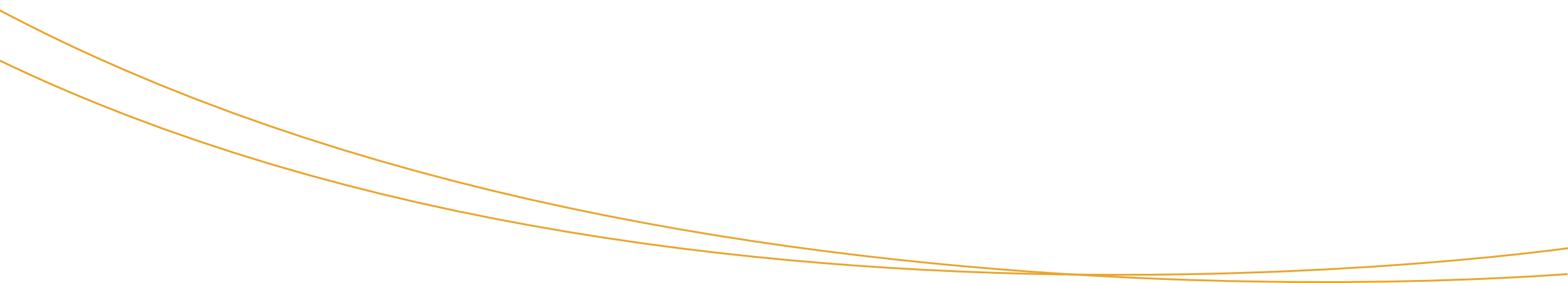
- Asset management and maintenance strategy
- Integration of Technology and Data
- Sustainability, Energy, and Compliance
- Management of Space and Workplace
- Management of Vendors and Contracts
- Process & Organizational Enhancements
- Using Key Performance Indicators (KPIs) to Monitor Progress



**Department of Basic Education**

# OVERVIEW

The fundamental advantage of a PPP is the establishment of a "win-win" scenario in which the private sector is encouraged to maintain and run the facility effectively, lowering the total cost of ownership, while the public sector guarantees high-quality, long-term public infrastructure.



# QUESTIONS

