

Resource Mobilisation Fund

9 March 2023



The President's Energy Action Plan

- **Energy Action Plan** announced by the President in July 2022 as a solution to the energy crisis
- **National Energy Crisis Committee (NECOM) set up by Government** as its structure to co-ordinate its response to the energy crisis
- NECOM is **led day-to-day by DG Baleni**, who reports directly to the President
- NECOM has 9 workstreams focused on the energy crisis
- NECOM **has already made progress in several workstreams**, including lifting the licensing threshold for private power generation projects & issuance of the battery RFP
- Government does not have the skills and capacity to fully execute the NECOM energy action plan: **business was approached to source, co-ordinate and deploy capacity into the government** on an expedited basis

The Resource Mobilisation Fund (RMF)



RMF Objective

RMF has been established as a mechanism for **business to support the implementation** of the **President's energy plan** by **donating technical resources** to NECOM



RMF Principles

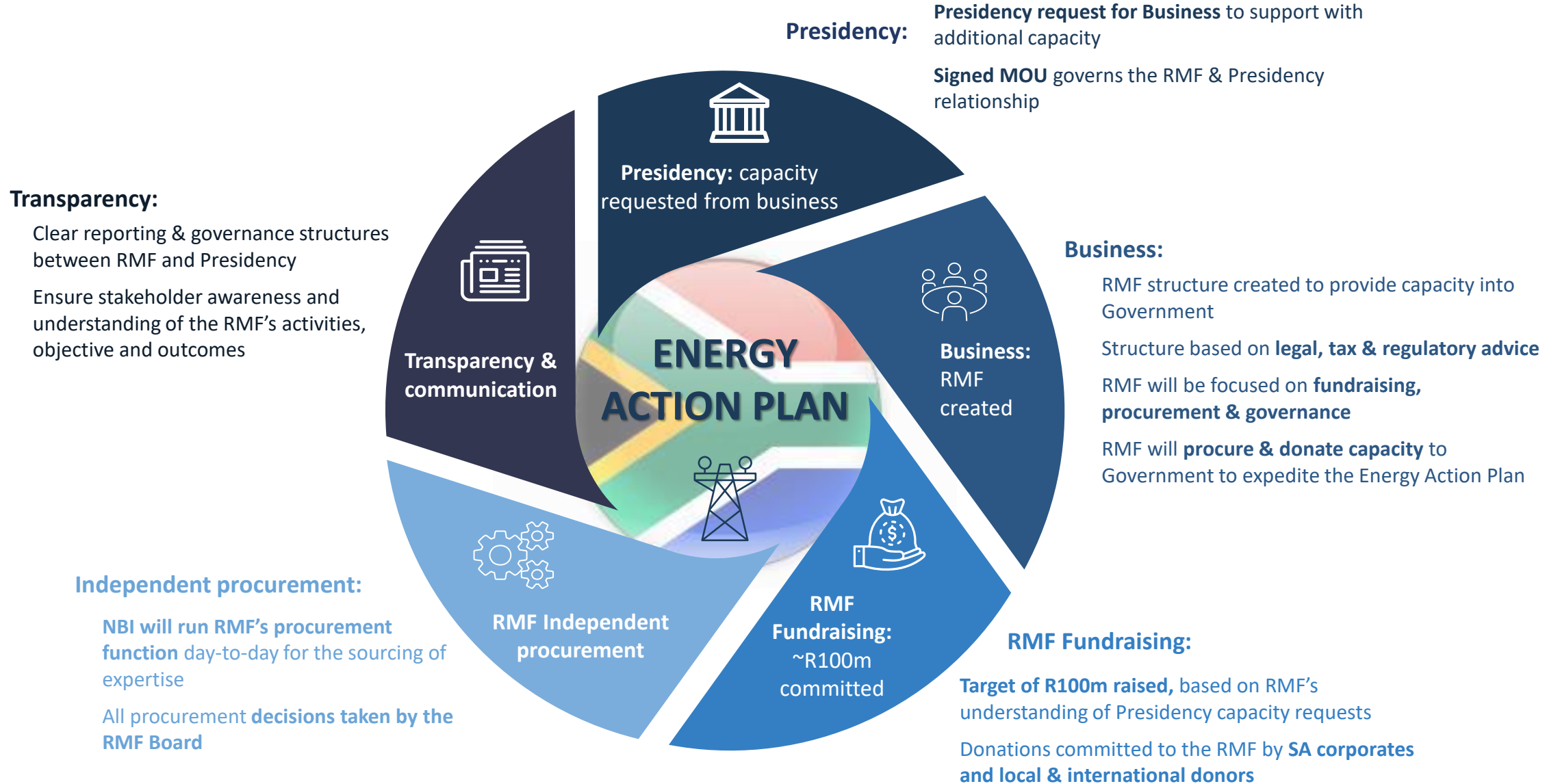
An autonomous legal entity, with **decisions taken by the RMF Board** in the best interests of the RMF

The **RMF will administer funds raised from donors** and will provide **donations in kind** to capacitate the Government's efforts in relation to NECOM

The RMF will be **accountable to its donors, the business community and the public at large**

In line with its constitution, the RMF Board will execute its objectives in a **fair, equitable, transparent, competitive and cost-effective manner**, ensure **integrity is always maintained** and that the activities of the RMF **withstand scrutiny**

The RMF will **not undertake any policy advocacy**



RMF establishment status



The RMF has been established by agreement between its members as a **voluntary association**



ENS has provided advice to the RMF on its establishment and proposed functioning, including **tax and regulatory matters** (procurement and public finance implications)



KPMG has provided advice to the RMF in respect of its **procurement policy, processes** and related procedures



Auditors and a company secretary have been appointed by the RMF

- ✓ The RMF **has received approval from SARS** as a public benefit organisation (PBO) for: *The provision of funds, assets, services, or other resources by way of donation to department of state or administration in the national or provincial or local sphere of government of the Republic*
- ✓ The **RMF must comply with the detailed requirements** of section 30 of the Income Tax Act to obtain and to maintain its PBO status: all activities must be carried on in a **non-profit manner** and with an **altruistic or philanthropic intent**
- ✓ The RMF currently has 4 directors who will act independently of government and business structures

RMF Board

The RMF Board is responsible for all decisions of the RMF, including:

- Fundraising
- Procurement
- Appointment of service providers
- RMF budget
- Appropriate communications strategy to ensure transparency and stakeholder feedback

RMF Board Members ^{1,2}

Martin Kingston (Chair)
 Cas Coovadia
 Faith Khanyile
 Phumzile Langeni

RMF principal activities

- Co-ordinate the contribution of the business sector to the Energy Action Plan (“Plan”)
- **Independently source, procure and deploy resources** as identified by NECTOM for the Plan
- **Provide monitoring & evaluation feedback** and reports to funders and other stakeholders
- **Establish policies** to achieve the RMF’s objectives in a **fair and transparent manner, ensuring integrity** is maintained at all times



Procurement advisory panel

- RMF Procurement Advisory Panel formed with 4 experts with public & private procurement expertise
- Procurement Advisory Panel provides advice to the RMF Board as required
- Procurement policy drafted with input from KPMG, ENS and RMF Procurement Advisory Panel, signed off by RMF Board on 14 Feb 2023



Service providers³

NBI:

- Identify, source, screen, contract and deployment of technical capacity
- Co-ordinating and managing provision of technical support to NECTOM
- Mentoring and support to contracted resources
- Accounting & reporting functions for the RMF

BUSA:

Procuring services for the RMF:

- Expert technical advice
- Communications advice
- Project management services

Motlanalo: Auditors

SGA Law Africa: Company Secretary

¹ Lwazi Bam still to be appointed (pending Prudential Authority approval)

² Government able to nominate a director, who will act independently of Government

³ Service providers contracted under appropriate SLAs



INDEPENDENT PROCUREMENT PROCESS

All procurement decisions taken by the RMF Board, based upon recommendations from NBI and the Procurement Advisory Panel

The Government **can not select the supplier** or service provider whose goods or services are funded by donations to the RMF

Government can not determine pricing, terms of payment of suppliers or negotiate contracts with suppliers

Service providers will be contracted and paid by the RMF from donations received, **no funds will be provided to Government**

Each resource donated to Government will be the subject of a **resource donation agreement** signed between the RMF and the Presidency



TRANSPARENCY: GOVERNANCE & REPORTING

The RMF Board **will take all decisions independently of Government and business structures**

A **reporting structure has been agreed** with Government, incorporating regular updates on resources donated and NECOM energy plan progress overall

Quarterly feedback and reporting provided to all donors and the public at large

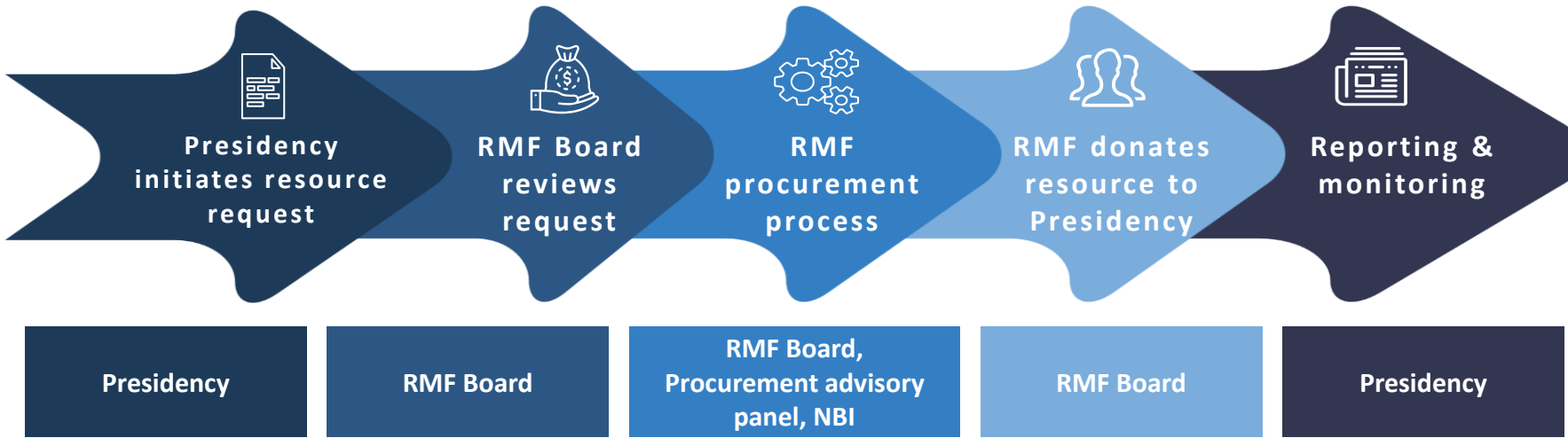


RMF & GOVERNMENT RIGHT OF REFUSAL

Both the Presidency and RMF have a right of refusal:

- The Presidency can elect not to receive the donated services/service provider as selected by the RMF
- The RMF can elect not to make a donation of services to the Presidency

Procurement process – summary of process & roles



Capacity required – written requests received

A consulting firm with PMO capability to support overall programme management

A legal firm

A comms agency to work across Energy Plan workstreams

A consulting firm with specialist energy policy expertise

Energy modelling experts (e.g. from an academic research group)

Capacity required – awaiting written requests

An economist with expertise in tariff design and regulation

Power station management engineer

A business process engineer and organisational design expert

IT experts

Procurement

- All resource requests are made by the Presidency in writing, under the terms of the MOU between the RMF and the Presidency
- NBI, on behalf of the RMF, will run the procurement process and provide recommendations to the RMF Board
- Donated capacity will be utilised by government to expedite the Energy Action Plan
- Resources to be donated over a 12-18 month period, some potentially up to 2 years
- Procurement process has commenced on the 5 requests received
- Resources will report day-to-day to the Presidency
- RMF will be responsible for payments to service providers



Fundraising Status

- Initial budget of R100m: substantially all committed subject to completion of DD & documentation execution
- Funds raised by the RMF from donors including South African corporates and international donors
- RMF Board to approve all documentation relating to donations, including donation agreement between each donor and the RMF



Operationalisation Next Steps

- **Fundraising:**
 - Commence drawdown from donors during March
- **Procurement:**
 - 1st set of RFPs issued by week ending 10 March
 - Aiming to donate 1st set of resources during April
- **Reporting:**
 - Quarterly reporting to commence June

