

RFI NUMBER:	RFI005/2021
DESCRIPTION:	RFI: STUDENT HOUSING INFRASTRUCTURE PROGRAMME (SHIP) - BLENDED FINANCE FUNDING ENTITY: INFRASTRUCTURE FUND
CLOSING DATE:	15 December 2021
CLOSING TIME:	
RFI SUBMISSIONS ELECTRONICALLY:	<p>Bidders that wish to submit a tender response must send an email to vusiscm@dbsa.org indicating their participation;</p> <ol style="list-style-type: none"> 1. Respondents are advised to kindly submit RFI Responses and all other enquiries to info@infrastructurefund.co.za and vusiscm@dbsa.org copy – ONLY 2. No – Tender Submissions will be accepted after 23h59 on the <u>15 December 2021</u>. Any requests after the stipulated date and time will be disregarded. 3. Respondents will thereafter receive a OneDrive Link to upload their RFI Responses electronically. 4. Respondents who have received RFI Responses that have errors, will be provided with new Links for use.
RFI RESPONSES MUST BE	NO HAND DELIVERY OF PROPOSALS - RFI RESPONSES WILL DONE ELECTRONICALLY.
ATTENTION:	DBSA SCM OFFICIAL
NAME OF RESPONDENT:	
CONTACT PERSON:	
EMAIL ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
RESPONDENT'S STAMP OR SIGNATURE:	



ENQUIRIES

- Enquiries regarding this Request for Information should only be emailed to:

SCM and Technical Queries	info@infrastructurefund.co.za and vusiscm@dbsa.org
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- Enquiries should reference specific paragraph numbers, where appropriate.
- All questions/ enquiries must be forwarded in writing not later than **7 days before tender closing 8 December 2021**.
- **Questions/Answers will be emailed to Respondents.**

Terms of Reference (ToR)

REQUEST FOR INFORMATION (RFI):

Student Housing Infrastructure Programme (SHIP)

Blended Finance Funding Entity: Infrastructure Fund

November 2021

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1. INTRODUCTION

The Infrastructure Fund (IF), in collaboration with the Student Housing Infrastructure Programme Management Office (SHIP-MO), is soliciting information from potential Respondents for the blended financing solution in respect to South Africa's Student Housing Infrastructure Programme (SHIP). The Request for Information (RFI) is intended to solicit data, reactions, information, or comments from possible Respondents prior to the issuance of a request for proposals (RFP).

The data, reactions, information, or comments obtained from Respondents may be used for future research. Therefore, this RFI is intended as a research tool and, it must not be construed, interpreted, or relied upon, whether expressly or implicitly, as an offer capable of acceptance by any person(s), or as creating any form of contractual, promissory or other rights. The RFI is not intended to create any obligation on the IF, SHIP Management Office (SHIP MO), any post-school education and training institution (PSET), the Department of Higher Education and Training (DHET) or the South African government to accept any funding proposal from any potential Respondent. Moreover, this RFI process is not the commencement of a procurement process.

2. PURPOSE AND OBJECTIVE OF THE RFI

The purpose of this RFI is to:

2.1. Share information with the financial sector community and potential investors pertaining to the Phase 2 projects of the Student Housing Infrastructure Programme (SHIP) that will be presented to the market for funding in 2022, as set out in Annexure A below.

2.1.1 This will allow:

- (i) all the interested and affected parties to learn about opportunities to invest in the sector, supported by the IF and SHIP MO; and
- (ii) for the IF to gather sufficient information on potential sources of funding in a formal, structured and comparable way without being biased towards any potential funding participants in the respective student housing projects;

2.1.2 afford financiers who wish to fund projects in the student housing sector:

- (i) a chance to consider and share observations related to the proposed blended funding structure, as set out in Annexure B. Please note that the analysis contained in Annexure B is not exhaustive nor is it final and may, subsequent to receipt of

responses to this RFI and further legal, tax and accounting considerations, be changed; and

- (ii) to submit responses and details related to questions in the Response Form as set out in, Annexure C;

- 2.2. The information received from Respondents will enable the IF to assess whether there is sufficient appetite in the market to fund the student housing projects as proposed in annexure A and annexure B of this RFI and, to the extent that there are any concerns raised by the Respondents with regards to the proposed structure, to make such changes as may be necessary to the proposed structure before the procurement process commences.
- 2.3. The Respondents must ensure that their RFI Responses are as comprehensive as possible and include the information requested in each of the Response Forms that are applicable to them.
- 2.4. Please note that the IF does not intend to use the RFI or the RFI Responses as a “pre-qualification” for Respondents to be invited to participate in any potential funding procurement process that may be launched in the future nor any potential capital raising programme undertaken by any PSET. However, Respondents are urged to respond to this RFI to ensure the success of the SHIP.
- 2.5. Submissions should be made electronically by no later than close of business 23:59 pm (CST) on 15th December 2021. Submission time will be interpreted as, the time when electronic submission reached the IF’s electronic mailbox and not when the submission left the sender’s electronic mailbox. The IF reserves the right not to accept submissions after this time.

3. DEFINITIONS AND INTERPRETATION

Defined Term	Meaning
BFI	Budget Facility for Infrastructure
DBSA	Development Bank of Southern Africa
DHET	Department of Higher Education and Training
IDA	Infrastructure Development Act
IEG	Infrastructure and Efficiency Grant
IF	Infrastructure Fund
ISA	Infrastructure South Africa
MTEF	Medium-Term Expenditure Framework
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
PSET	South African Post-School Education and Training
Respondent	Any person, entity or consortium that submits a RFI Response to this RFI, including but not limited to: (i) Commercial banks; (ii) Development finance institutions; (iii) Multilateral development bank; (iv) Infrastructure funds; (v) Institutional investors; (vi) Property funds; (vii) Others; that will further the funding objectives of the SHIP
Response Form	The template forms in the appendix to this RFI
RFI Response	Means any submission made by a Respondent in response to the invitation contained in this RFI
SHIP	Student Housing Infrastructure Programme
SHIP MO	SHIP Management Office
SIDSSA	Sustainable Infrastructure Development Symposium South Africa
SIP	Strategic Integrated Project
TVET	Technical and Vocational Education and Training

4. BACKGROUND

The following background information is intended to help Respondents understand the needs of the IF.

South Africa's PSET system, which is under the oversight of the DHET, consists of two distinct sectors: universities and TVET colleges. The provision of accessible, decent and affordable student housing is necessary to improve the quality, outputs and outcomes of the PSET system. The academic success of university and college students, especially those from rural and poor backgrounds, is influenced by the availability, affordability and quality of student housing. SHIP aims to provide safe, accessible, affordable and decent student accommodation to improve educational outcomes, while addressing the acute backlog of student housing across the PSET sector, estimated at 300 000 beds or more.

The Presidency, through ISA, hosted a Sustainable Infrastructure Development Symposium South Africa (SIDSSA) in 2020, which launched approximately 50 "shovel-ready" infrastructure projects intended to assist in stimulating the economy and meet Government's developmental targets, which were gazetted in terms of the Infrastructure Development Act, 23 of 2014 (IDA). SHIP is one of the programmes that were included in the gazette and received Strategic Integrated Project (SIP) status as SIP 34. Subsequently, SHIP MO has initiated engagements with ISA to, inter alia, support ISA to identify and restructure legislation and policies that require reform to enable the investment into student housing and accelerated development for student housing.

Furthermore, ISA has approved SHIP (Phase 2) to be accepted into the IF's pipeline for blended financing. Blended finance solutions are premised on the use of concessional financing to address actual or perceived project risks which are deemed too high for commercial finance alone. It is a strategic financial structuring tool to enhance bankability and crowd in private capital in projects that would otherwise not take place (additionality objective).

4.1 Establishment and Objectives of the IF

The IF has been established pursuant to a Memorandum of Agreement dated on 17 August 2020 (IF-MoA) entered into between the Development Bank of Southern Africa (DBSA), National Treasury (NT), Department of Public Works and Infrastructure (DPWI)- Infrastructure South Africa (ISA). The IF is housed within the DBSA as a ring-fenced unit. The IF is meant to fundamentally transform Government's approach to the financing of infrastructure projects by attracting additional private sector investment, reducing the current fragmentation in infrastructure spend, and thereby ensuring more efficient and effective use of state resources while improving the speed and quality of delivery.

The IF, alongside ISA, actively supports all tiers of the South African government, being national, provincial, local spheres and state-owned entities (together, Project Sponsors) in the development of the financial mechanism for blended finance projects. As per NT's Budget Facility for Infrastructure (BFI) guidelines, which were introduced in 2016 as a reform to the budget process, the projects undertaken by Project Sponsors will primarily be in the following key sectors: energy, water and sanitation, transport, communications, human settlements, agriculture and agro-processing, health, education and municipal infrastructure.

The IF's core objective is to encourage collaboration between public and private role-players in order to unlock successful blended financing solutions that will enable projects to achieve financial close. The IF achieves this objective by:

- i. undertaking all activities necessary to develop blended financing solutions for the SHIP which includes identifying and developing appropriate funding structure (such as grants, capital contribution, user pay, interest rate guarantees, etc.), financial models, financial delivery mechanisms and incentives for the projects;
- ii. where appropriate, arranging, coordinating, structuring and engaging with financial markets to develop financial instruments that will enable investments in SHIP by private investors;
- iii. where necessary, developing a procurement plan for the projects and providing procurement support to DHET/ SHIP MO;
- iv. monitoring and driving the process of moving projects across the value chain, that is, through the planning stage until financial closure; and
- v. raise legislative and regulatory issues to be addressed by the relevant authorities with ISA (unblocking initiative).

4.2 Establishment of SHIP MO

SHIP MO is a project management office established to facilitate and accelerate the execution of the SHIP. SHIP MO's mandate is underpinned by a tripartite memorandum of agreement concluded on July 2019 between DHET, DBSA and NT (SHIP-MoA). The SHIP-MoA signatories committed, amongst other things, to create an enabling environment to accelerate the delivery of the targeted 300 000 beds by 2030 and to support SHIP MO in executing its mandate.

SHIP MO receives its strategic mandate from the DHET and, similarly to the IF, is housed within the DBSA. SHIP MO's strategic objectives include the following:

- i. promoting efficiencies to execute accelerated development of student housing across PSET institutions;

- ii. providing advisory support on policy interventions;
- iii. driving government's economic transformation agenda; and
- iv. Supporting environmentally friendly building technologies or alternative building practices that have been commercially proven and passed the acceptability test.

SHIP MO is a key catalyst through which the SHIP can achieve efficiency and deliver quality, decent and affordable student housing. Projects that fall within SHIP will follow developed standardised project preparation processes. All projects follow the stages of identification, conceptualisation, preparation, budgeting, financing, procurement, implementation and portfolio management.

5. SHIPMO AND IF PARTNERSHIP

SHIPMO has been mandated in terms of the SHIP-MoA to, inter alia, facilitate crowding in of financiers with the implementation of the programme, to this end, SHIPMO has requested the IF to assist it with the crowding in of financiers. Once projects are prepared and deemed viable by the SHIP MO, the IF partners with SHIP MO to ensure PSETs can leverage blended funds and appropriate instruments to strengthen the bankability of the underlying projects and/or programmes.

6. FURTHER INFORMATION AND CLARIFICATION

SHIPMO, together with the IF, reserves the right to change any information in, or to issue any addendum to this RFI before the closing date. The IF and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

All information submitted will become the property of the IF. The IF reserves the right to seek additional information from one or more Respondents regarding any RFI Response, in its sole discretion.

The IF may contact any Respondent directly for clarification purposes or to request supplementary information.

Respondents may request clarification on any item contained in this RFI no later than 7 days (8 December 2021) before the submission date indicated in [1.5] above.

7. CONTACT DETAILS

All queries and requests for clarification in respect of this RFI must be addressed to Head: Infrastructure Finance and emailed to info@infrastructurefund.co.za and copy vusiscm@dbsa.org

The IF will endeavor in good faith to respond to all reasonable written queries and requests for clarification raised by a Respondent by the deadline for submission of questions and requests for clarification identified above.

A Respondent must give the name and contact details of the person whom it appoints to undertake all contact in respect of its RFI Response.

8. CONFIDENTIALITY

This RFI is the intellectual property of the IF. The IF reserves the right to recall the RFI in its entirety or in part. All persons (including all Respondents) obtaining or receiving this RFI and any other information in connection with this RFI may not redistribute it for their own use or purposes other than what was intended by the IF. Information submitted in response to this RFI will be considered and treated by the IF as confidential and will not be used in any other way than to inform the development of the SHIP blended funding structure.

9. CLAIMS AGAINST THE IF AND SHIP-MO

Respondents are responsible for all costs associated with the preparation, submittal, and presentation of their response to this RFI.

No Respondent shall have any claim against SHIP-MO, IF, either of their officers, employees, agents or transaction advisors, arising out of any matter relating to this RFI, of any nature whatsoever where such claim is based on any act or omission by SHIP-MO, IF, or either of their officers, employees, agents or transaction advisors, under any circumstances whatsoever, or where such claim is based on the content of, or any omission from, this document of any nature whatsoever.

10. THE RFI IS NOT AN INVESTMENT RECOMMENDATION

This RFI is provided solely for the purpose set out in this document and is not intended to form any part or basis of any investment decisions by the Respondent. Each person to whom this RFI is made available must make its own independent assessment of the RFI, to the extent that it intends to submit an RFI Response, taking such professional advice as it deems necessary.

Important Note: This is an RFI and therefore, the process will NOT result in the appointment of a service provider.

ANNEXURE A

PROJECT TEASER

[SEE SEPARATE DOCUMENT]

ANNEXURE B

FUNDING PLATFORM – STRUCTURING STEP PLAN AND WORKING SHEET

1. STEP ONE – ESTABLISHMENT, CAPITALISATION, MANAGEMENT AND CONTROL
 - 1.1. Establishment of SHIP Funding SPV
 - 1.1.1. The SHIP Funding SPV will be established as a ring-fenced (RF) company under and in terms of the Companies Act, 2008. From a structuring standpoint the number of alternative vehicles available for the attainment of the funding objectives are relatively limited.
 - 1.1.2. The SHIP Funding SPV's shareholder is intended to be a trust¹, established by a third party to be determined but who will, following establishment of the trust, have no further say in or control of the trust's affairs and the beneficiaries which will be a non-participating charity that is to be determined. This will maintain the independence and corporate integrity of the SHIP Funding SPV and as the intention is for the SHIP Funding SPV to not return dividends to 'ordinary' shareholders (save where the SHIP Funding SPV is wound up), on the basis that all financial returns will be redeployed either for purposes of down-payment of third-party debt or the funding of future projects, this structure is preferred.
 - 1.1.3. The SHIP Funding SPV is intended to have a largely independent board of directors ("**Board**") with co-opted expertise from the infrastructure and finance sectors. The Board of Directors will be appointed by the trustees for the time being of the trust², as shareholder and in accordance with the provisions of the SHIP Funding SPV's memorandum of incorporation.
 - 1.2. Capitalisation of SHIP Funding SPV
 - 1.2.1. The SHIP Funding SPV will be capitalised by way of the advance of the BFI Funding to it. The BFI Funding will take the form of grant funding advanced by National Treasury on behalf of Department of Higher Education and Training to the Infrastructure Fund who will on lend it to the SHIP Funding SPV on concessionary terms, as a refundable grant and on a subordinated basis. The methodology and the certainty of quantum and timing would be a key bankability concern and will be a condition precedent to the advance of any third-party debt to it.
 - 1.2.2. The SHIP Funding SPV will also not be in a position to commit to the financing of any student accommodation projects until such time as the BFI Funding is actually received.
 - 1.2.3. The above represents significant implementation risk and certainty thereof is key to attracting third party debt.
 - 1.2.4. In the final analysis the financial model for the SHIP Funding SPV will need to match the receipt of funds in terms of timing and quantum.
 - 1.2.5. The BFI Funding will be the underpin of the third-party debt to be incurred by the SHIP Funding SPV. This, together with a robust funding and security package, will be the basis upon which the third-party debt market is approached for funding.
 - 1.2.6. The SHIP Funding SPV will be provided with security from the institutions as set out below on a bilateral basis.

¹ DHET's role and participation to be confirmed. The idea is however for the state to, apart from the provision of grant funding, not having either a control or financial interest.

² Number and identity of the trustees to be determined.

- 1.2.7. With regard to the third-party debt, we envisage that a cession in security of shares will be made available by the SHIP Funding SPV to the third-party lenders to enable the third-party lenders to assume management and control of the Funding SPV in the event of a material default, subject to, appropriate inter-creditor arrangements amongst the third-party lenders and the Infrastructure Fund. In addition, it is envisaged that the SHIP Funding SPV will provide an outright cession of any termination payments to the third-party lenders.
- 1.2.8. The third-party lenders will also rank ahead of the BFI Funding in terms of the cashflow waterfall.

1.3. Management

- 1.3.1. The day-to-day management of the SHIP Funding SPV will be sub-contracted to a service provider on the basis of an arms' length asset management or management services agreement.³
- 1.3.2. The above will entail, amongst others, the following:
- 1.3.2.1. managing financial closing and utilisation;
 - 1.3.2.2. raising of third party debt;
 - 1.3.2.3. interfacing with, assisting with queries and managing ongoing reporting to third party debt financiers to the SHIP Funding SPV;
 - 1.3.2.4. submission of credit papers to the SHIP Funding SPV's credit Committee and the implementation of the outcomes;
 - 1.3.2.5. provision of ongoing credit management of implemented transactions;
 - 1.3.2.6. rendering such administrative services as may be required to properly manage the financing (borrowing and lending);
 - 1.3.2.7. monitoring that interest, principal debt and other payments due in respect of the student housing has been paid in accordance with the relevant financing agreements;
 - 1.3.2.8. providing all relevant or required information and documents to the SHIP Funding SPV with reference to the financing (borrowing and lending);
 - 1.3.2.9. ensuring the proper storage, backup and safekeeping of all original and electronic copies of any project and financing documents;

³ It may well be that the manager so appointed, will be required to register as a financial services provider ("**FSP**") under the Financial Advisory and Intermediary Services Act, 2002 ("**FAIS**"). That act provides that no person may act or offer to act as an FSP unless licensed. An FSP is effectively defined to mean any person (other than an employee or agent of a FSP), who as a regular feature of the business of such person furnishes advice or renders intermediary services (which included non-discretionary investment management) to clients in respect of financial products. Thus, any person who manages the assets of an AIF or who advises the AIF on the management of its assets will be required to obtain an FSP license. Advisors will be required to obtain a Category I FSP license, discretionary managers a Category II licence, and hedge fund managers a Category IIA FSP licence.

- 1.3.2.10. procuring, at the direction of the Board, and coordinating the services to be rendered by other service providers;
 - 1.3.2.11. managing all notices and communications in relation to the any decisions to be made, or actions to be taken, under any of the project or financing documents;
 - 1.3.2.12. delivering all notices and/or decisions required to be provided by SHIP Funding SPV in accordance with the terms of the project and financing documents;
 - 1.3.2.13. providing assistance to the SHIP Funding SPV in the execution and implementation of the financing, including coordinating with any service providers to monitor the protection of the SHIP Funding SPV's interests and rights;
 - 1.3.2.14. providing all necessary assistance and information to service providers in connection with any claim, action, proceeding or petition brought against the SHIP Funding SPV; and
 - 1.3.2.15. providing all necessary assistance and information and act as an interface on behalf of the SHIP Funding SPV and third party lenders in relation to all matters relevant to the maintenance/enforcement of security.
- 1.3.3. The remuneration package could be structured on a percentage of assets under management basis. However, this type of structure rewards the growth of managed assets in a dynamic environment and may not be appropriate in the circumstances (given the fact that the managed assets really is the grant funding (and the possible equity participation by the Institutions)).
- 1.3.4. It might be more appropriate for the remuneration package to be structured on a 'cost-plus' basis where the services are rendered against a pre-determined service standard or level. Exceeding the standards carries a financial reward and falling short an appropriate penalty. However, some provisioning will need to be made for the application of skill and diligence – as an example, the structuring of external debt and the management of the blended concessionary financing will impact either negatively or positively on the returns of the SHIP Funding SPV. As these returns will be ploughed back into either new developments or the reduction of third party debt, this may be a meaningful measurement of the managers' performance and may provide appropriate incentives to the manager.

2. STEP TWO –INSTITUTION PARTICIPATION

- 2.1. Participating Institutions (**Institution**) will for all purposes be the 'borrower' in terms of the overall funding structure (more on this below) and the 'employer' for purposes of construction and maintenance of the relevant project. As such it will, if participating, be required to implement the recommendations of the applicable feasibility study as regards:
- 2.1.1. procurement of the construction contractor;
 - 2.1.2. procurement of the operating and maintenance contractor.
- 2.2. Participating Institutions will accordingly:
- 2.2.1. borrow the development funding (that will include project capital expenditure) from the SHIP Funding SPV on a bilateral basis;
 - 2.2.2. contribute (in accordance with its means) a portion of the overall capital expenditure;
 - 2.2.3. arrange for the redirection of the NSFAS accommodation allocation to the servicing of the debt;

- 2.2.4. contribute the proportional allocation of accommodation costs for self-funded students;
- 2.2.5. provide project security in the form of:
 - 2.2.5.1. security over Project Accounts (to include as a minimum, a Proceeds Account, an Insurance Proceeds Account, a Debt Service Reserve Account⁴ and an Operating and Maintenance Reserve Account);
 - 2.2.5.2. cession in security of contractual rights under project agreements (including the construction contract, facility services (water, electricity and sanitation) and other material contracts identified during the undertaking of the feasibility study: and
 - 2.2.5.3. direct agreements in respect of material project documents.
- 2.3. The Proceeds Account will during:
 - 2.3.1. the construction period (i.e. from financial close and notice to proceed to final completion and hand-over) be utilised to:
 - 2.3.1.1. receive:
 - 2.3.1.1.1. funding commitments from the Institution;
 - 2.3.1.1.2. draws under project funding from the SHIP Funding SPV; and
 - 2.3.1.1.3. liquidated damages receipts under the construction contracts; and
 - 2.3.1.2. pay:
 - 2.3.1.2.1. upfront development costs;
 - 2.3.1.2.2. construction costs against progress milestones;
 - 2.3.1.2.3. interest during construction
 - 2.3.1.2.4. advisor and construction management costs; and
 - 2.3.1.2.5. utility connection charges; and
 - 2.3.2. the operating period (i.e. from completion and hand-over to the end of the debt tenor) be utilised to:
 - 2.3.2.1. receive:
 - 2.3.2.1.1. NSFAS payments;
 - 2.3.2.1.2. self-funded student payments;
 - 2.3.2.1.3. insurance payments
 - 2.3.2.1.4. payments from debt service reserve account, such account to be adjusted to provide for a sufficient float to account for any delays in the receipt of NSFAS payments; and

⁴ The required balance to be structured to account for cash flow uncertainties as regards NSFAS payments – 12 months debt service?

- 2.3.2.1.5. payments from operating and maintenance reserve account; and
- 2.3.2.2. pay:
 - 2.3.2.2.1. operating and maintenance payments;
 - 2.3.2.2.2. hedging costs;
 - 2.3.2.2.3. interest (including default interest) in respect of the third party debt;
 - 2.3.2.2.4. capital in respect of the third party debt;
 - 2.3.2.2.5. payments to debt service reserve account;
 - 2.3.2.2.6. payments to operating and maintenance reserve account;
 - 2.3.2.2.7. payments of interest and capital in respect of the BFI Funding; and
 - 2.3.2.2.8. cash sweeps and mandatory prepayments.

3. STEP THREE - FUNDING

- 3.1. For the purposes of SHIP, the SHIP Funding SPV will be the only lender to the participating institution, on a bilateral basis, and will be entitled to first ranking security in relation to the Project Accounts. The quantum of funds to be advanced to the Institution will be determined in the first instance by the capital cost of the student accommodation that will be an output of the competitive bidding process and cost of funds the outcome of the applicable financial modelling taking into account the financial wherewithal of the participating Institution, the cost of third party financing to the SHIP Funding SPV, any available IEG/CIEG grants available to the Institutions and the NSFAS accommodation funding levels.
- 3.2. Sources of funds for the payment of capital expenditure will accordingly be:
 - 3.2.1. capital received from the participating institution; and
 - 3.2.2. borrowings from the SHIP Funding SPV.
- 3.3. The SHIP Funding SPV will advance a blended concessionary funding to the participating institution. This will be achieved by the blending financial market borrowings with its own capital (BFI Funding and project returns (if any)). The funding rate could be fixed or floating, depending on the outcome of the financial modelling and the application of normal credit criteria.
- 3.4. The funding will follow project financing principles albeit that the funded asset (student accommodation) will remain on the balance sheet of the participating institution. The asset will however, by virtue of the funding arrangement, effectively been financed on a ring-fenced basis.
- 3.5. Key aspects of the financing would be:
 - 3.5.1. advance/availability conditions which will include conclusion of the construction agreements, appointment of the owners' engineer, financing agreements concluded, security established, financial model audited and final, capital contributions by participating Institution being available, NSFAS and self-funded commitments confirmed, all appropriate authorisations from the participating Institution in place, all licenses and permits procured and in place;
 - 3.5.2. funding rate which may be fixed or floating;
 - 3.5.3. hedge requirements, if any;
 - 3.5.4. tenor;
 - 3.5.5. payment frequency;
 - 3.5.6. financial covenants;
 - 3.5.7. project account management and cash sweeping; and
 - 3.5.8. representation, warranties, covenants, events of default, acceleration and security.

ANNEXURE C

RFI RESPONSE FORM

Respondents are asked to provide a response in the following format.

Note: The below template (the "Response Form") is the preferred response format and may be reproduced or altered by the Respondent for purposes of submitting a response to the RFI.

A. General Information about the Respondent	
1.	Name of Respondent
2.	Main contact person
	a. Contact e-mail address
	b. Contact phone numbers
3.	Street address
	City
	Province
	Postal code

1. Please list any holding / parent / subsidiary companies and attach company structure (if applicable):		List Information Here	
	Parent Company?		
	Subsidiaries?		
	I have attached company structure Mark (X)	YES:	NO:
2. If you are a local company (South African) - what is your company's status regarding Broad Based Black Economic Empowerment?		Additional Comments	
	BBBEE Status	Level:	Comments:

B. Respondent's Experience	
1.	Has the Respondent previously funded student accommodation in South Africa?
	a. Please provide split between private accommodation versus PSET developed?
	b. Was the funding provided in the form of debt or equity?
	c. Was the funding denominated in ZAR, if not, in what currency was the funding denominated?

2.	Has the Respondent funded student accommodation outside of South Africa?	
	a. In which regional country(ies)?	
	b. In which country(ies) outside of Africa?	
	c. b. Was the funding provided be in the form of debt or equity?	
	d. c. Was the funding denominated in ZAR?	
3.	Amount of funding provided?	
4.	Who was the developer for each Project?	
C. Respondent's Appetite to fund SHIP		
1.	Would you be interested to provide funding on the basis described in Annexure A and Annexure B?	
	a. If no, please provide reasons and the basis on which you would be willing to provide funding?	
	b. If yes, please proceed to answer the questions from C2 onwards?	
2.	Would the funding being provided be in the form of debt or equity?	
3.	Are you able to participate in ZAR denominated funding?	
4.	Would you be willing to provide funding on the basis of the revenue flows as contemplated in annexure A and annexure B?	
	a. If yes, please detail the assumptions upon which such funding will be made available;	
	b. If no, please detail the elements of annexure A and annexure B which limits your participation and your recommendation on how these can be improved	
5.	Do you have minimum security requirements?	
6.	Preferred gearing/ capital structure?	
7.	Minimum and/or maximum ticket size you are prepared to underwrite?	
8.	Are you able to fund the construction phase, i.e., construction risk appetite?	
9.	Please specify your hedging requirements, if any?	
10.	Maximum tenor (door-to-door)?	
11.	Maximum tenor (post construction phase)?	
12.	Unsecured Lend: Envisaged interest rate (base rate + margin)?	
13.	Secured Lend: Envisaged interest rate (base rate + margin)?	
14.	Indicative fee regime?	
15.	Debt profile?	
16.	Financial covenants?	
17.	Reporting requirements?	
18.	Conditions Precedent?	
19.	Minimum contractor requirements?	
20.	Minimum operator requirements?	
21.	Required reserve accounts and sizing thereof?	
22.	Capability to act as facility agent?	
23.	Capability to act as account bank?	
24.	Preferred governing law?	

25.	Other matters for IF's considerations?	
D. Legal considerations of the SPV structure		
1.	Is the commercial SPV structure / model as proposed as proposed optimal to maximise your participation?	
	a. What are the positive attributes in your opinion of the SPV structure / model?	
	b. How can the SPV structure / model be improved?	
	c. What in your opinion would constitute dealbreakers?	
	d. What are the key considerations regarding ownership, control and management?	
2.	What alternate structures would you propose in place of the SPV structure contemplated in Annexure B?	
3.	In the absence of government guarantees, what other appropriate risk mitigants would be acceptable?	
4.	Would you still be willing to fund the project in the absence of equity support?	
5.	Are you willing to fund the project in the absence of any security?	
E. General enquiries		
1.	What are your due diligence requirements and envisaged duration?	
2.	What levels of approval(s) would you need to be able to commit to fund and what are the timeframes associated with such approvals?	
3.	Would you consider funding future phases of SHIP, if so, on what terms?	

CHECKLIST OF COMPULSORY RETURNABLE SCHEDULES AND DOCUMENTS

Please adhere to the following instructions:

- Tick in the relevant block below
- Ensure that the following documents are completed and signed where applicable
- Use the prescribed sequence in attaching the annexes that complete this RFI Document

For this RFI document to be completed the below check list is required to be completed and all required documents to be attached accordingly

Returnable schedules and documents	YES	NO
FOLDER		
Annexure C: RFI Response Form <ul style="list-style-type: none"> • Section A • Section B • Section C • Section D • Section E 		



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