



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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Dr Alistair Ruiters
Director-General
The Department of Trade and Industry
Private Bag X84
Pretoria
0001

Dear Dr Ruiters

**DEPARTMENT OF TRADE AND INDUSTRY EXPERIENCE DELIVERY
PROGRAMME AND COLLABRATIVE WORKING ENVIRONMENT PPP:
SUBMISSION FOR TREASURY APPROVAL III**

We are in receipt of your letter dated 05 August 2003 requesting Treasury Approval III for the above project.

National Treasury's PPP Unit has been closely informed throughout the procurement process conducted by the Department and is satisfied that the project has been procured in accordance with the Treasury Regulations. Treasury Approval III in terms of Treasury Regulation 16.7.2 of the Public Finance Management Act, 1999 is hereby granted for the Department of Trade and Industry New Campus Experience Delivery Project.

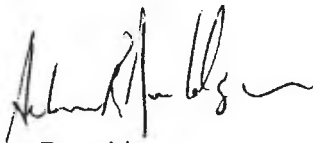
You are requested to note that, notwithstanding the various Treasury approvals and acceptances, the full risk of implementing the PPP agreement resides with the Department of Trade and Industry.

We also note that in entering into the PPP agreement, the Department is incurring contingent liabilities in that compensation for termination is payable by the Department. This risk can only be meaningfully mitigated by the implementation of a thorough contract monitoring and management system within the Department and we are pleased to note the contents of the Contract Management Plan seem adequate.

We also note that the ICT offset against the government contribution (as early works) leaves room for reduction in the Unitary charge. The final Agreement must reflect this pro-rata decrease.

I thank you for the most co-operative manner in which you have worked with the staff of the PPP Unit. It is apparent that the Department has set a precedent worthy of emulation throughout the country. We congratulate you for your efforts and wish you well.

Kind regards



Andrew Donaldson
Deputy Director-General: Budget Office

Date: 4/1/03

Copy: Ilse Karg, Director: Economic Services