DEPARTMENT OF ECONOMIC DEVELOPMENT
PROVINCIAL GOVERNMENT OF THE WESTERN CAPE
SOUTH AFRICA

Driving a regional sector development programme: Lessons from the Western Cape: 1999 – 2005

An input into the Micro-Economic Development Strategy

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The Western Cape Department of Economic Development implemented a regional sector development programme in 1999. This has been influenced by the broad literature around economic clusters and an approach implemented that is captured in the document "A Collaborative Approach to regional sector development". This paper will outline the process and lessons gained from the programme over the past six years. These constitute the views of the writer who was responsible for driving the sector strategy in the period reviewed and intimately involved in the establishment and development of a number of sector bodies.

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APPENDICES

ABBREVIATIONS

BEE – Black Economic Empowerment

CBI – Cape Biotech Initiative

CCC Cape Clothing Cluster

CCDI – Cape Craft & Design Institute

CEO – Chief Executive Officer

CFC – Cape Film Commission

CIMM – Cape Initiative in Materials and Manufacturing

CITI – Cape Innovation and Technology Initiative

COGSI – Cape Oil & Gas Supply Initiative

CTBTI – Cape Town Boat-building & Technology Initiative

CTC - Calling The Cape

DTI – Department of Trade & Industry

DST – Department of Science & Technology

ED’s – Executive Directors

FET – Further Education Training

HEI - Higher Education Institutes

ICT – Innovative Centre of Technology

IPA’s – Investment Promotion Agencies

PFMA – Public Finance Management Act

SAMI – South African Mari-culture Institute

SAWBT – South African Wine and Brandy Trust

SMME – Small Medium & Micro Enterprises

SPV’s – Special Purpose Vehicles

TASA – Toolmakers Association of South Africa

1.0 Background and history

When reviewing the experience of sector development in provinces in South Africa, it is important to recognise the very short history in which Provincial Departments of Economic Development have existed. Prior to 1994, economic development was not viewed as a function of either provincial or local government. Added to this, and particularly so in the case of the Western Cape, was a turbulent political environment, that had a significant impact on the ability of the new Departments to implement sustainable strategies and to build capacity to deliver.

In 1999 the sector unit compromised of one deputy director, and fell under the directorate for industry development that included both Small Medium Micro Enterprise (SMME) development and Trade. The entire directorate had a budget of R7m of which approximately R2m was earmarked for sectors. Having been preciously exposed to the principles of clustering through the Department of Trade and Industry (DTI) road shows, and extensive literature that existed, as well as being involved in the formation of the Cape IT Initiative (CITI), the Director put considerable emphasis on building sectoral capacity. Within the first year, the SMME unit was shifted across to a new directorate, and two additional sector deputy director posts created. Each of the three deputies was responsible for a basket of sectors, and was divided broadly into resource-based, manufacturing and service / hi-tech sectors.

Given the budgetary constraints, a key approach in the first two years was to build the networks within sectors, and encourage collaborative action. The interventions included skills training, sector based workshops and conferences, sector studies and a range of discrete projects aimed at overcoming barriers and market failure within the sector. Examples included an agri-conference, research into the agricultural sector, a website for the Cape IT Initiative, infrastructure for community based fynbos projects, a metal components project and skills training for farm-based aqua-culture.

It was clear however that interventions were not broad-based enough, and tended to be once-off projects that failed to build the social capital required to drive a sector forward.

Based on the experience of the Cape IT Initiative, that had been initiated in 1997 by the Capricorn Foundation, and anecdotal concepts from international cluster practitioners, an approach was fashioned during 2000 and 2001 whereby interventions would be initiated or supported that had the opportunity for mobilising broad based support. An explicit goal was set of encouraging sectors to establish not-for-profit bodies that would represent the sector.

Sector officials were trained to understand how a sector was structured, how to undertake an "investigation" into the sector, identify opportunities, and determine whether there was potential for collaborative action.

By the end of 2003, the sector team was running at full capacity, with a team of 15 staff, including nine professionals, in the form of the Director, three sector deputy directors, and their assistant directors, a special sector projects deputy and assistant director and the balance being made up of support staff. Each of the professionals was responsible for a range of sectors, within their broad sector portfolio (resource intensive, manufacturing & service sectors). It was important for the unit to work as a team, and there were many shared learnings through this period.

This was also the period in which a major boost was received through the R45m iKapa Elihlumayo fund, the bulk of which was channelled to set up new Special Purpose Vehicles (SPV's) and support existing bodies and projects. An intensive period was entered into over the first half of 2004 that saw the establishment of Cape Oil & Gas Supply Initiative (COGSI), the Cape Town Boat-building & Technology Initiative (CTBTI), South African Mari-culture Institute (SAMI), Cape Initiative in Materials & Manufacturing (CIMM) and the Cape Clothing Centre (CCC) as well as major boosts being a given to Calling The Cape (CTC), Clotex, Cape Film Commission (CFC) and Cape Craft & Design Institute (CCDI).

Due to the intense pressure on delivery over this period, no new staff were taken on, and coincided with a period of restructuring that has seen the sector team reduced to three by June 2005. With the appointment of the new Chief Director for sectors, sector team will be strengthened, and forms a key part of the new structure, which was approved in March 2005.

2.0 Selection of sectors

The sector directorate has come in for criticism particularly from the provincial treasury around the selection of sectors, which do not seem to coincide with those identified by the broad provincial growth statistics. Part of the recognised weakness has been the capacity to engage with treasury and put a convincing “scientific” stamp as they put it on the rationale behind the choice. Sector statistics, particularly at a provincial level, are generally too weak to base any decisions on and the focus on a particular industry sector or sub-sector does generally not fit well with recognised industry or product classifications.

2.1 Broad principles

The broad principles behind the selection are to focus on “propulsive”, generally export-orientated manufacturing or service sectors that have the potential for growth and job creation, and expansion of market share beyond local markets. Those sectors that are characterised as mature, largely service oriented sectors, and whose growth is largely endogenously determined, such as the retail sector, banking, transport, printing, construction and personal services have little that can be influenced by the department (although they may be niche opportunities that may have potential such as international engineering services). These sectors tend to be highly responsive to the market, and due to being dependent on local demand, cannot generally be

influenced to increase employment. The only potential impact may be in Black Economic Empowerment (BEEP) or procurement interventions.
The only other broad principle may be an argument to select sectors where industries are under threat, such as in the manufacturing sector, and interventions can be made that may alleviate the potential job losses.

Thus the broad principles bring the focus onto a few resource based sectors, the largely export-focused manufacturing sectors, and a few service sectors such as film, Innovative Centre of Technology (ICT) and call centres that can provide off-shore services.

2.2 An analytical approach

The Department's efforts to analytically determine priority sectors were largely done in 1999 and 2000 where various tables were drawn up and scores allocated for factors such as job creation, growth, BEE, exports and responsiveness (see appendix A). In 1993, as part of the iKapa process, the most sophisticated attempt to that date was made to utilise best guestimates along with statistics to determine growth and job creation potential, and the potential impact of government intervention on the sector (see appendix B). This became the input into the Growth and Development Summit and formed the basis for the 100 000 sectoral jobs.

Another less analytical approach to sector selection is to take the lead from the Department of Trade & Industry (DTI) and to consider The Department of Science & Technology's (DST) "thrusts". Generally there is relatively good alignment between the provincial choice and national, and various comparative tables have been drawn up in the past.

2.3 Additional factors

In practise, staff and budgets have had a significant impact on the ability to support sector initiatives. Each deputy director for the three broad sectors were given the responsibility for managing their portfolio of sectors, given the particular priorities and resources of the time.

Opportunistic interventions were made, such as COGSI, CIMM and Cape Biotech Initiative (CBI), and these touches on the important role of the sector teams of being in touch and responsive to opportunities. In some cases, such as with the formation of CBI, the bio-tech sector was one that had been considered for some time, so when the Department was approached by academics in the Bio-tech sector around a major conference, it provided the opportunity to launch what evolved into the Cape Bio-tech Initiative.

Part of the means to do this, is the ability of the team and director to understand where the opportunity or sector is situated in terms of the wider industry, the linkage to other sectors, and potential job opportunities. As an example a sector such as metals and engineering is complex, and provides inputs into a range of end products (such as auto's, defence equipment, and machinery sectors). The decision around which sub-sections or niches to support, or whether to fund "umbrella" type interventions can be critical to the success of a project.

Another important consideration is the maturity of a sector, and existence of major sectoral role-players. An example is around the agri-related sectors where there is a continual tussle even between the two related departments. The maturity and institutional complexity of the clothing sector meant that it took nearly five years before any serious interventions could be made. Up till that point the Department was actively discouraged from intervening by certain role-players in the industry.

Ultimately sector selection will be a combination of strategic decision making by the department (with perhaps some politics thrown in), and the responsiveness of industry players. The bottom line is if there is little enthusiasm by industry, there is little that can be done for a sector.

3.0 The role of the Department

As touched on earlier, the sector directorate's role has been seen as being strategic and interventionist, and in other words being able to see the "wood from the trees". The director having spent a number of years drafting sector reports at Wesgro, and being involved in various provincial statistical projects, had a good sense of the magnitude and potential of each sector, who some of the key players were and the main institutions. This was then deepened by the various sector officials who developed a more detailed understanding, and importantly developed a network of relationships through the sector.

This allowed more strategic decision-making as to the allocation of resources by the sector unit, to be backed up by detailed work by the responsible sector official, who would confirm decisions through their networks. This structure allowed the team to respond rapidly to the many requests flowing into the department, enable strategic decision-making around which interventions to fund, and the prioritisation of funding across sectors.

A further role developed by the unit was the capacity to identify, to guide industry through a process and to establish and institutionalise SPV's in the most efficient and sensitive manner.

The department has tailored an approach to incubating potential sector initiatives. The benefits include strategic guidance from the department around the process of establishment, access to financial support for legal costs, workshops, etc and perhaps most importantly a neutral base from which to operate. In many cases there may be tensions within the sector, and between stakeholders, and with the government being seen to intervene, can cut across much of the politics within a sector. In this way "network brokers" were taken on to incubate initiatives out of which stemmed the CBI, CTBTI, SAMI, COGSI, CCC and CIMM.

Once organisations are incorporated a new role emerges in terms of corporate governance and the ability of officials to contribute through the boards of SPV's in a meaningful way. On one level it is to provide an interface between industry and the government. At another it is to contribute to stimulating project proposals and the direction taken by the SPV's that will maximise job creation. There have also been instances such as experienced in the Cape Film Commission in 2003 where it was necessary for the official to take over the chairing and responsibility of the SPV when the organisation was approaching a situation of non-functionality due to various factors. In many ways the Department is viewed as the "nursemaid" to many of the SPV's.

It is therefore important to take on officials who have the confidence, sensitivity and understanding to rapidly gain an understanding of a sector, win the confidence of industry players, and to meaningfully participate and contribute at a board level. A number of officials who have not been suitable have been given the responsibility for taking formal sector processes, with the result that at best nothing materialises, and at worst, can bring the Department into disrepute impacting negatively on the industry. There are examples of interventions in metals, organics, jewellery, ICT, clothing and call centres where officials have done harm to the reputation of the Department.

A last point is around the liability and legality of officials in representing the Department as directors on SPV's, and whether they can "facilitate" the establishment of the sector bodies. Due possibly to the sentiments voiced by national treasury around the proliferations of government agencies, the Department's role in "facilitating" the establishment of sector SPV's was questioned over an extended period. The Department responded with the rationale that industry should be seen as the driver, and that the Department has no long-term responsibility or funding commitment to the SPV's. On the question of whether officials can act as directors on SPV's, a full legal opinion was sought in December 2003 as to the activities of the Department and City in relation to SPV's with no restrictions being found (although local government officials can only be ex-officio members on a board).

4.0 Nature of SPV's

Of the 15 SPV's currently in existence in the province, most have been encouraged by the Department to adopt a similar form, although they may have different functions. They are all not-for-profit section 21 companies or trusts, with boards that generally represent industry, labour, government, academia and specialist portfolio's such as BEE, skills and training and finance. They are encouraged to have at least 50% of the board representing industry, with an average board size of 11 directors. The boards are generally elected by the various constituencies (or appointed by the institution in the case of government reps), and the department has encouraging a transparent and open voting process for the industry that can be efficiently done via the web. In this way, the voting for COGSI, CTC and CITI exceeded 500 votes each, which reflects positively on industry participation. None of the board members of the SPV's (apart from the executive director) are remunerated, and this has been a principle that has been strongly upheld.

The executive director or Chief Executive Officer (CEO) is generally an industry specialist, such as in the case of Dr Mark Fyvie (CBT), Dr Lizeth Botes (SAMI) and Bruce Tedder (CTBTI), although this is not always the case. The staff size varies from 1 – 8 and depends on the responsibility and to some extent the maturity and levels of funding generated by the SPV. It is seen as beneficial that SPV's are allowed to generate their own funds, although depending on which sector they are in, most will remain largely dependent on provincial and City of Cape Town funding for their operational costs.

Experience has shown that industry players are reluctant to put in significant contributions to the operational aspects of SPV's, which can only hope to build up membership fees totalling perhaps 10 – 20% of total revenue. This may be partly a reflection of the structure of our sectors, with very few large corporate players, and firms particularly in the manufacturing and export sector having been under considerable pressure our the past two years. From a broader fiscal perspective, the Department's allocations to SPV's can however be well justified as contributing to the expansion and maintenance of the tax base.

The sector unit has encouraged the action distinction between SPV operational costs, which as just mentioned is challenging to raise funds for, and project funding. Generally it is far easier to package and sell a project that will have clear deliverables and outputs than requesting funding for salaries and running costs. SPV's are encouraged to develop a menu of key projects that can be aggressively marketed.

Overall there has been considerable benefit in managing the SPV's as a "programme", and being able to spread the learnings and experiences across the bodies. A number of workshops and a regular "Cluster Learning Forum" have been facilitated by the Department. It has also funded a Corporate Governance Review (June 2004), an SPV Benchmarking Study (April 2004), and developed common performance indicators (June 2005).

5.0 Role of SPV's

The range of activities carried out by the SPV's varies considerably. All perform a networking and promotional function and are viewed as the first point of contact for any sector related enquiries. This "soft" role has always been the most contentious in that it is impossible to put any value on it, yet the social capital evidence is growing. All the SPV's have anecdotal examples of their promotional impact such as individuals who have been attracted back to SA by articles they have seen, joint ventures that have formed, and deals that have resulted from emails or contracts concluded through the intervention of the SPV's.

On the marketing side, SPV's are being encouraged to measure their impact through the value-equivalent exposure they are getting in the media. An excellent example was the R100,000 spent by the CTBTI to attract top boating journalists from the major yachting magazines to attend the Cape Town International Boat Show and be introduced to local boat-yards and designers. On the advertising equivalent they received more than R2m worth of articles running up to as many as 10 pages each across four major publications.

On the export promotion side, as well as investment promotion, international players ultimately prefer to have direct contact with the SPV's who are fully informed as to the dynamics in the industry, and have better contacts with industry than with their counterparts in the investment promotion agencies (IPA's) or in government. This does not undermine the role of the IPA's, but should rather be a synergistic relationship, that is clearly defined and agreed upon. A good case is CTC that was strategically located at Wesgro, but yet retains its independence as an autonomous SPV.

On the skills and training side, a number of the SPV's offer direct training courses, such as Clotex and the CCDI, although generally they play a more strategic role. The recent establishment of Toolmakers Association of South Africa (TASA) is largely a response to the critical shortages of toolmakers in South Africa. The CFC has held workshops with the main providers to ensure alignment and highlight the future needs of the industry. The CTBTI has facilitated the establishment of a boat-building course, which is soon to begin at one of the Further Education & Training (FET) colleges. CIMM has offered a combined course in materials engineering involving specialists from each of the Higher Education Institutes (HEI's).

Regarding infrastructure, the SPV's have played an important role in highlighting problems in infrastructure and recommending and working with officials to develop solutions. The film studio process arose following deliberations on the board of the CFC. COGSI has a major proposal underway to develop an Oil & Gas hub in Cape Town harbour, the first phase of which has recently been approved by Portnet. CITI drove the creation of the Bandwidth Barn, a physical incubator housing more than 60 start-up companies.

The Barn should also be seen as part of the role of SPV's in supporting new firm formation and support for SMME's. A number of incubators both physical and virtual have been established, including Furntech, Clotex and Acorn (a bio-medical facility). The SPV's have also notched up tangible successes in matching business with venture capital finance, particularly in the IT and bio-tech sphere.

The SPV's also play an important role in being a conduit through to government. In many cases the SPV's and officials have worked closely together to sort out problems in the industry. A recent case in point was the issue of incentives approval in the boat-building industry, and concerns around the lack of co-ordination in the oil and gas sector at a national level.

Increasingly SPV's are moving towards playing a role in transformation. This may be in direct projects such as the Emerging Film Fund run by the CFC, or the Launchpad run by CITI, or it may be in developing charters or agreements for the sector. The South African Wine & Brandy Trust (SAWBT) drove the process to establish a charter for the wine industry, while others have assisted in the regional inputs to the national process (as in the ICT charter). At a firm level SPV's need to increasingly play a role in matching BEE companies with opportunities in the sector.

As the roles of the SPV's are so diverse, it has been suggested that the department develop an agreement with each SPV, agreeing the roles that will be performed, and against which it will receive funding.

6.0 Challenges of SPV's

Having painted a hopefully convincing picture regarding the impact that SPV's can make, it should be recognised that we are in the early stage of an evolution regarding our industrial sectors and the role that the SPV's play in them. With CITI being the oldest, and not yet 10 years, and most SPV's only having been formed over the past two or three years, there are considerable challenges.

6.1 Executive Directors and boards are comprised of humans

Not least of the challenges are human, and already we have had SPV's that have had problems with both the Executive Directors (ED) and the boards. To a large extent the SPV's success hangs on the ability of the ED to hold the organisation together, to draw key players into the organisation, and to maintain the interest of industry. In doing so it requires the ability to curry favour with key stakeholders, develop relevant programmes, and build well functioning project teams.

For SPV's that have built up a staff structure it is also to manage a demanding and pressured environment, maintain a well functioning office, deal with a significant load in terms of corporate governance and Public Finance Management Act (PFMA) regulations and management of staff. As was mentioned in the case of the CFC, where the ED was forced to resign, and with a number of SPV's, there have been issues regarding performance. It is up to the boards to manage this, and to take a tough line if the incorrect candidate has been selected.

This leads to the issue of the functionality of the boards. If the SPV is functioning effectively, it places less pressure on the board, which can play a more advisory and strategic role. As soon as the organisation becomes less functional, so do the technical and operational aspects start to dominate, and the functionality of the board becomes more critical.

Depending to some extent on the prevailing dynamics of the industry as well as the combination of personalities. SPV's boads have had widely differing experiences. On the CFC two of the key industry players resigned due to an ongoing jibes around transformation by another board member. On the board of CBT a number of the meetings became dysfunctional due to a major disagreement over the fundamental direction taken by the organisation, also contributing to the resignation of members. The CITI board went through a period of stagnation where poor management and the attrition of directors led to problems in realizing quorums and ultimately led to serious breaches in corporate governance. On TASA and CBT there were accusations of a conflict of interest despite the board taking steps to mitigate this in advance during the board meetings.

In all of these cases, it is often critical that government officials play a role in keeping the board and industry players together. As these are not remunerated positions, board attendance is always on issue. A number of the boards have implemented a "two strikes and out" policy to ensure good attendance.

6.2 Reach of SPV's

The reach of the SPV in relation to the sector is an important issue from a strategic perspective and is pertinent to the firms participating in the SPV and the degree of representation from the various sub-sectors. Most of the SPV's to date have little to offer large firms, and have mainly focused on start-ups and SMME's (an exception is the benchmarking process and establishment of the Cape Clothing Cluster, comprising 16 of the largest clothing manufacturers). The prevailing view is that it is important to get a cross section of firms represented on the board as the different perspectives contribute to a more holistic view. This allows the SPV's to have the strategic input to deal with structural issues facing the sector. So while services may be largely focused pm SMME's the SPV's are certainly not without relevance for large firms.

6.3 Project dominance

There have been examples where SPV's have tackled major projects of a nature that distracts the organization away from playing the wider role. Such a project may focus the attention onto a particular sub-sector or element of the sector to the detriment of others. An example of this is the Bandwidth Barn Project of CITI that was of such a magnitude and absorbed so great a share of the resources at a particular time that the "Barn" and CITI for a period were viewed as synonymous. Over this period, there was very little in the way of strategic guidance to the ICT sector and its services became predominantly focused on tenants within the Barn. Similarity, the CBT when receiving the mandate to become one of the Bricks was accused of losing its interest in the wider research community, and was accused by some of being a narrow venture capital provider.

This is where the Board and specifically the broader perspective that the government representatives may have, play such an important role in mitigating the impact of major projects on the direction of the organization.

6.4 Funding and Impact measurement

Funding has always been a challenge for SPV's and this has been exacerbated by the short-term commitments made by Province and the city. As mentioned previously, most of the sector SPV's are largely dependent on government funding and have failed to generate sufficient funds from revenue generating activities to be self-sufficient. This has left them dependent on government grants, which up to the present have tended to be ad-hoc, and short term.

This has a serious impact on cash flow, putting the organisations under considerable stress and affecting their ability to plan and function. Many have held back on key staff appointments as they lack the confidence to appoint staff or plan new projects with the rather weak commitments made by government. It has been strongly urged by the SPV's that government look at three-year commitments to ensure that effective resource planning can take take place.

From a government perspective, the Department needs to allocate sectoral resources in the most efficient and impact manner. A programme has been underway since early 1994 to develop performance indicators. The first year's results have come through, and leave a number of gaps, but start to reveal the sort of impact that the SPV programme is having. As the analysis and systems to feed in data becomes more sophisticated, so must the department start to be more refined in the distribution of funding amongst SPV's again, this is focusing on the operational costs, and does not include the project specific costs which can be allocated on clearly defined and measurable outputs.

An answer may be to insist that industry contribute a share of the costs, and that government contributes funding on a matching basis. This has broadly been the approach by the DTI, and to some degree brings a form of self-selection into the pictures. This model breaks down however when it is a more development sector such as craft or biotech, or where a strategic or political imperative is required.

6.5 Outsourcing sceptics

There have been questions from officials, politicians and treasury as to why the Department is supporting these bodies, and whether it would not be more effective to build up capacity internally. The arguments for this are that government would have more control and could put funding directly into projects. It has on occasion been said that we have “privatised” delivery, and left it up to the market and the largely white owned business.

In response, it is perhaps best to list the benefits of outsourcing functions to SPV’s as against developing the full range of services, and resultant capacity within the Department.

1. Industry is more likely to buy into and support an initiative where they play a role in decision-making. In effect it provides a vehicle for the delivery of collective vision of the participants.
2. It allows SPV’s to raise funding from industry and other sources that they would not necessarily partner with if it was driven from within the government.
3. SPV’s are less encumbered by bureaucracy and can respond more rapidly in scaling up or scaling down in response to projects.
4. Project cycles often go beyond the annual cycles of government, which are problematic in terms of financial flows, and the reluctance to approve rollovers.
5. Generally the type of individuals who are appointed as CEO’s are not prepared to work in government due to the salaries offered and the beaurocratic environment. Salary scales and appointment process are not flexible enough to achieve this.
6. Having internal staff playing in effect an oversight role with regards to the SPV’s, allows government to be more strategic. Day to day enquiries can be referred directly through to the SPV’s.

7.0 Recommendations

It is recommended that the sector programme is strengthened and sufficient funding allocated to sustain both the operational costs of a range of SPV’s as well as to allow for the funding of discrete projects. While they have progressed considerably, additional effort will be required by the Department to ensure that all SPV's are brought up to good standard of corporate governance. In addition, the performance management and indicator tools need to be tightened and tweaked, and SPV's encouraged to implement good performance management and reporting systems.

From the department's side, clear commitments, ideally on a three-year cycle should be made. This will allow the department to really start to play a strategic role in bringing forward specific interventions, either through the SPV's or independently. Utilising the sector staff, in collaboration with specialists within the department, projects should be developed with clear outputs and deliverables. The areas to be focused on should include trade related, SMME development, skills, and BEE projects. This will contribute to aligning staff across different units within the Department.

To achieve this, the staff complement within the Department is required to be built up as rapidly as possible. The focus should be on obtaining high calibre professionals who can manage programmes, and allow them to recruit both contract and permanent staff when required. The use of short-term contract appointments has been very effectively used by the directorate in the past, to investigate new opportunities or to fill in capacity where required. The permanent staff will need to be intensively trained and be guided to play a meaningful role on the boards.

In terms of sector selection, it is recommended that this is done in liason with the sector officials, looking at potential impact, performance and impact of the SPV's and specific sectoral projects that are being proposed.

All the above is dependent on the ability to rebuild a strong sectoral team, and for the next year at least, the Department will need to ensure that the necessary foundations are put in place. During this time, it will probably not be able to play a very directed approach, but should rather ensure that the SPV's are stabilised, and work on major projects with them taking into account the MEDS and new projects that may emerge.

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