



**St Helena
Government**

SHG'S INFRASTRUCTURE PIPELINE: EDIP

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Document History

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PLANNING THE PIPELINE

Introduction

The St Helena Governments (SHG) Economic Development Investment Programme (EDIP) delivery pipeline reflects the EDIP's key projects which will be the Governments priorities over the next four-five years.

The investment from EDIP is intended to lead to a development change in the Islands economy, and the Theory of Change demonstrates that from the Inputs and Activities the result would lead to *'increased attractiveness and economic development opportunities for Sustainable Development in St Helena'*.

The pipeline details how our infrastructure programme will support economic growth, create job opportunities, as well as investment opportunities, ensure high quality services and build resilient connected liveable communities.

The pipeline seeks investment across the five Portfolios of our Government:

- Environment, Natural Resources and Planning
- Safety, Security and Home Affairs
- Education, Skills and Employment
- Health and Social Care
- Economic Development

It reinforces the ongoing commitment to build infrastructure that the island community need to stimulate job creation, and grow the economy.

In line with our Governments vision, the pipeline recognises the ongoing and significant investment needed in infrastructure which is critical to enhance business productivity, connectivity and establishment of an overall long term sustainable economy. Just as importantly, it ensures that essential and mandatory services such as utility provision, health and education are improved and accessible to all residents and visitors. The ongoing provision of essential and strategic infrastructure also boosts the islands overall attractiveness and enhances its ability to attract new investment businesses as well as highly skilled and competent work force. The pipeline ensures we are able to respond effectively to future demands.

Delivering projects on an island in the middle of the South Atlantic will always be challenging, but as a Government we must embrace these challenges and maximise the islands ability to be successful.

There will be challenges in delivering the pipeline, some which will have immediate solutions, whilst others will require longer term collaboration with our internal and external colleagues for a successful outcome.

To complement the success of these investments, there must also be commitment from the UKG and SHG to ensure there is sufficient and continued investments made available in recurrent budgets for ongoing maintenance. It is already recognised that significant investments are needed for maintaining SHG's current estate. With additional infrastructure being built SHG must continue to work towards delivering an asset management strategy,

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and the investments in new and improved infrastructure balances with the political commitment to prioritise maintenance in recurrent budgets.

As an Island, we are not immune to the challenges and difficulties that are happening around the world, and as we depend on importing almost all of our commodities, there must also be a level of understanding as we work together to meet our priorities. In doing so, we are mindful that we:

- Do have capacity constraints and will require specialist support to be bought in
- Depend on a suitable shipping service to bring in essential cargo
- Are encouraging local and international investors to invest in our islands infrastructure, and we are undertaking reforms to support this
- Have a very, very small economy which is heavily dependent on financial aid
- We have an ageing population
- We want to be more attractive for the Saint Diaspora to return home and attract others to invest and settle in St Helena.

A prioritisation exercise of our strategic priorities was carried out in 2022, with the projects listed below in priority order. However, there has been some developments on these projects and therefore a further prioritisation exercise should be conducted by the EDIP Programme Board.

- Completion of existing projects (Ruperts Cargo Handling facility, Side Path and Field Road rehabilitation)
- Renewable Energy Solutions
- New Build Prison
- Eco-Storage Business Park (Special Economic Zone)

This document should be read in conjunction with the Planning Pipeline excel spreadsheet [version 1.0], which provides further granular detail on the proposed pipeline projects.

FINANCIAL SUMMARY

The initial business case stated that the UK Government will provide up to £30m - £15m committed from years 2019/20 – 2022/23, followed by a break point review to unlock the remaining £15m investment indicatively planned for the following three years (2023/24 - 2025/26).

Subsequently phase 1 extended into 2023/24 and there is likely to be a further no cost extension for phase 2, with the overall programme concluding in 2027/28 (to be confirmed).

Expenditure on the programme to date as at March 2023 is in the region of £10.6m. This is shown in Table 1 and 2 below

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Table 1: Expenditure per financial year

Expenditure	
2019/20	2,747,163.46
2020/21	2,396,566.49
2021/22	2,748,580.74
2022/23	2,714,520.08
Total	10,606,830.77

Table 2: Expenditure per project

Project	Budget (as per Business Case)	Budget Spend to March 2023
Programme Development Support	1,200,000.00	988,019.07
Rockfall Protection	3,751,846.00	3,814,446.11
SHG ICT	150,000.00	150,000.00
Ruperts Cargo Handling - TA	1,305.00	1,305.00
Judicial Services Relocation - Phase 1	186,000.00	159,914.24
Ruperts Cargo Handling Development	4,794,000.00	2,698,812.15
Increased Agricultural Production	380,000.00	169,087.54
R2 - Field Road & Side Path Road	3,641,000.00	1,360,860.85
Jamestown Development		97.71
Water (Exploratory Drilling)	50,000.00	46,181.05
Sewerage	250,000.00	
Telecommunications	1,250,000.00	710,233.00
Micro Projects	600,000.00	507,873.23
Total	16,254,151.00	10,606,829.95

Initial forecast has been developed against existing projects and the proposed pipeline (see Planning Pipeline excel spreadsheet -version 1.0). In summary, the indicative forecast is currently valued at £34.3m over the next five years (including current year 2023/24) – see table 3 below.

Table 3: Indicative forecast per financial year

Forecast 2023/24	5,387,568.21
Forecast 2024/25	11,363,773.09
Forecast 2025/26	8,700,000.00
Forecast 2026/27	6,540,000.00
Forecast 2027/28	2,310,000.00
Total Forecast	34,301,341.30

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With a total spend to March 2023 of £10.6m (table 2) and a projected forecast spend of £34.3m (table 3) it is clearly evident that there would be insufficient funds available, and there would be a funding gap of approximately £15m (Table 4 below).

Table 4: Programme budget

Year	Expenditure (Actual and Forecast)
2019/20	2,747,163.46
2020/21	2,396,566.49
2021/22	2,748,580.74
2022/23	2,714,520.08
Total (Actual Spend)	10,606,830.77
Forecast 2023/24	5,387,568.21
Forecast 2024/25	11,363,773.09
Forecast 2025/26	8,700,000.00
Forecast 2026/27	6,540,000.00
Forecast 2027/28	2,310,000.00
Total Forecast Spend	34,301,341.30
GRAND TOTAL SPEND	44,908,172.07
Less Funding Envelope	30,000,000.00
Overspend on EDIP Programme	- 14,908,172.07

With a budget envelope of £4.0m allocated to 2023/24 a balance of £15.39m is still to be allocated from the £30m programme (see table 5 below)

Table 5: Budget allocation

Phase 1 Budget envelope	15,000,000.00
Less Expenditure to date	10,606,830.77
Balance of Phase 1 budget remaining	4,393,169.23
Less 2023/24 Budget allocation	4,000,000.00
Balance	393,169.23
Add Phase 2 budget	15,000,000.00
Overall Budget available	15,393,169.23

When consider the remaining budget and the proposed pipeline budget of £34.3m, a prioritisation exercise must be conducted.

PRIORITISATION

To support the prioritisation some of the factors which could be considered are:

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- Projects must reasonably fall outside of the means of SHG's normal recurrent budget
- Projects must align with SHG and EDIP strategic priorities
- Dependence on EDIP for funding - other sources has been exhausted
- Degree of social and economic development benefits
- Immediacy of need – does the project meet and acute and immediate need, or can it be deferred (relative to other projects)
- Deliverability based on on-island capacity and project design

For planning and discussion purposes it is assumed that the above criterion will be applied to the projects listed and table 6 below provides an indicative prioritised list of the projects to progress as priorities for Phase 2 which seeks to

- Continue with existing projects (i.e. Ruperts Development, Field Road, IAP)
- Complete the Wastewater design and carry out construction of these solutions
- Build a New Prison
- Conduct the necessary Renewable Energy Studies and undertake some quick win solutions which is likely to be the Battery Energy Sustainable system (BESS)
- Undertake the production of the Water Resources Management Plan
- Build the Eco-Storage facility
- Continue to progress Micro Projects

Table 6: Proposed prioritised list

Prioritised projects	Indicative Budget
Completing Phase 1 projects	5,931,343.00
Micro Project 2024-March 2028	600,000.00
Wastewater (HTH & Jamestown) Design and Supervise	120,000.00
Wastewater (HTH & Jamestown) Construction	2,130,000.00
New Build Prison (Design and Build)	6,000,000.00
Renewable Energy - Technical Assistance	270,000.00
Water security -WRMP (Technical Assistance)	250,000.00
Eco-Storage facility	1,000,000.00
Additional Resources	1,000,000.00
Renewable Energy Implementation (quick win solutions)	3,000,000.00
Total Indicative budget	20,301,343.00

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Although this list exceeds the funding available by approximately £1m it demonstrates our commitment to progress key economic and social projects, most of which are still subject to final costing's and procurements.

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The Process

Development of the pipeline seeks to provide the UK Ministers with assurance and confidence to unlock the second phase of EDIP funding currently valued at £15m.¹

In addition, the pipeline also demonstrates SHG's commitment to meeting its vision and objectives, and provide a robust process to set out the case for investment and prioritise the finite budget available under EDIP. Furthermore, the pipeline provides visibility of the forward pipeline of infrastructure projects, by outlining the infrastructure proposals under development by the SHG. The pipeline details the proposals which are at various stages of development, from concept through to investment decisions.

Although an exercise to identify the strategic priorities has been carried out and priorities established for EDIP Phase 2, there needs to be further assessments undertaken by the EDIP Programme Board to help inform a decision about whether to invest in a solution. It should be emphasised at this stage, that not all of the concepts will progressed through the process resulting in an outcome which was initially expected, but all proposals will be progressed through the process and at each stage a decision must be made whether or not to proceed to the next stage. Although this would be applied to individual projects, the Programme Board would also be expected to weigh in on the decision making process to ensure the programme in its entirety is not impacted.

As a proposal progresses, the level of analysis will be increased in the subsequent stages until there is a suitably robust business case that can be used to inform an investment decision.

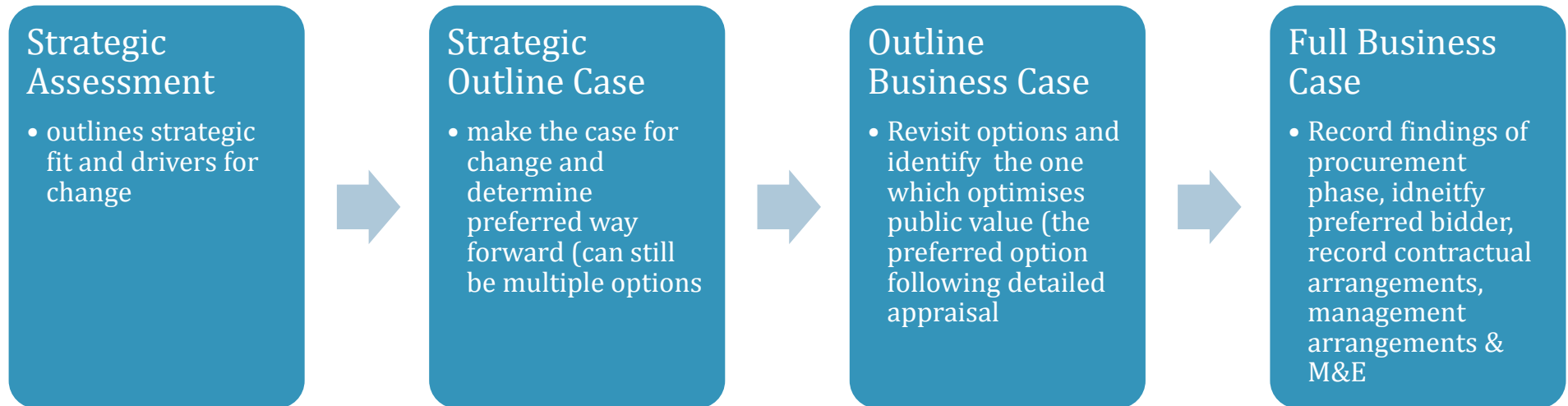
This process will also be flexible and proportionate for a specific proposal, such as technical assistance requirements, or where it is a legal obligation to undertake a project, such as the New Build Prison.

Although the pipeline is being developed, due to the dynamic nature of infrastructure planning, information provided at this stage is subject to change. Estimated capital costs where possible has been included, but are indicative as the proposals are yet to be progressed and solution procured, for a subsequent decision.

An outline of the process is shown below.

¹ The EDIP is a phased programme with two phases of equal funds, separated by a break point review. The overall envelope of £30m, is split into two phase of £15m each.

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Our Resources

At the heart of the pipeline is the need to have appropriate human resource deployed. The pipeline is therefore predicated on resources being front and centre of phase 2.

A dedicated technical team was established in 2019/20 to accelerate the effective delivery of key projects approved under EDIP. It was proposed that as a minimum the team would consist of:

- Chartered Engineer,
- Project Manager
- Architect/Draughtsman
- Quantity Surveyor

We have not been fortunate to recruit into the position of a Quantity Surveyor and it's only in 2022/23 that we have been able to successfully recruit a Construction Project Manager.

Although there has been considerable progress, it is recognised that the current team would not have the capacity to deliver any additional projects. Whilst the Ruperts and R2 projects (two of the larger Phase 1 projects) are being delivered, the volume of work is still immense.

With an ambitious Phase 2 programme being proposed there is also likely to be different skills being required at certain junctures of the programme and as a Government we need to demonstrate and provide confidence and assurance to all stakeholders that we are committed in delivery our ambitions.

It has already been acknowledged that insufficient human resource presents a significant high risk to the programme. In responding to this, a Resources Strategy was approved in 2022 which permitted SHG to procure services from external organisations dependent on the project. However, even this approach has presented challenges, with limited responses received from International Consultants and/or Contractors. A recent procurement resulted in a nil return at the deadline of our first call for bids and only one submission on the second call.

There may be many variables contributing to this but we need to proactively look at solutions which are best suited to our needs.

The proposed pipeline has highlighted there is a need for a variety of skills given the diverse pipeline of projects. Some projects will require skills from designing through to management, others may only require up front skills for a short period of time, e.g. the Water Resources Management Plan, or some requiring management skills only, e.g. New Build Prison.

The Government is therefore proposing a model where a combination of individual appointments and a Consultancy Framework approach is considered.

The Framework approach will provide greater flexibility for SHG. Through this approach we would, through an open procurement, invite organisations with multi-disciplinary skills to be included on our framework from a basic requirement list or predetermined criteria. SHG will

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have the option to then 'cherry pick' based on organisations strengths and specialities. Although a formal response to our specific needs would be required, the organisation will have already been shortlisted and the procurement time would be reduced, and organisations response would be much focussed on the assignment.

Our immediate resource requirements seeks to fill positions currently vacant or soon to become vacant, and will be approached in compliance with SHG's Human Resource recruitment process. These individual appointments would take the form of Client Project Managers and Client Design Managers. Alongside of this, we are seeking to also fulfil the role of Junior Project Manager for a short term, until the substantive role of Project Manager is filled.

As the upfront effort would be obtained from the framework approach, SHGs resource would then be diverted to the management of these contractors/organisations to ensure they deliver on their brief.

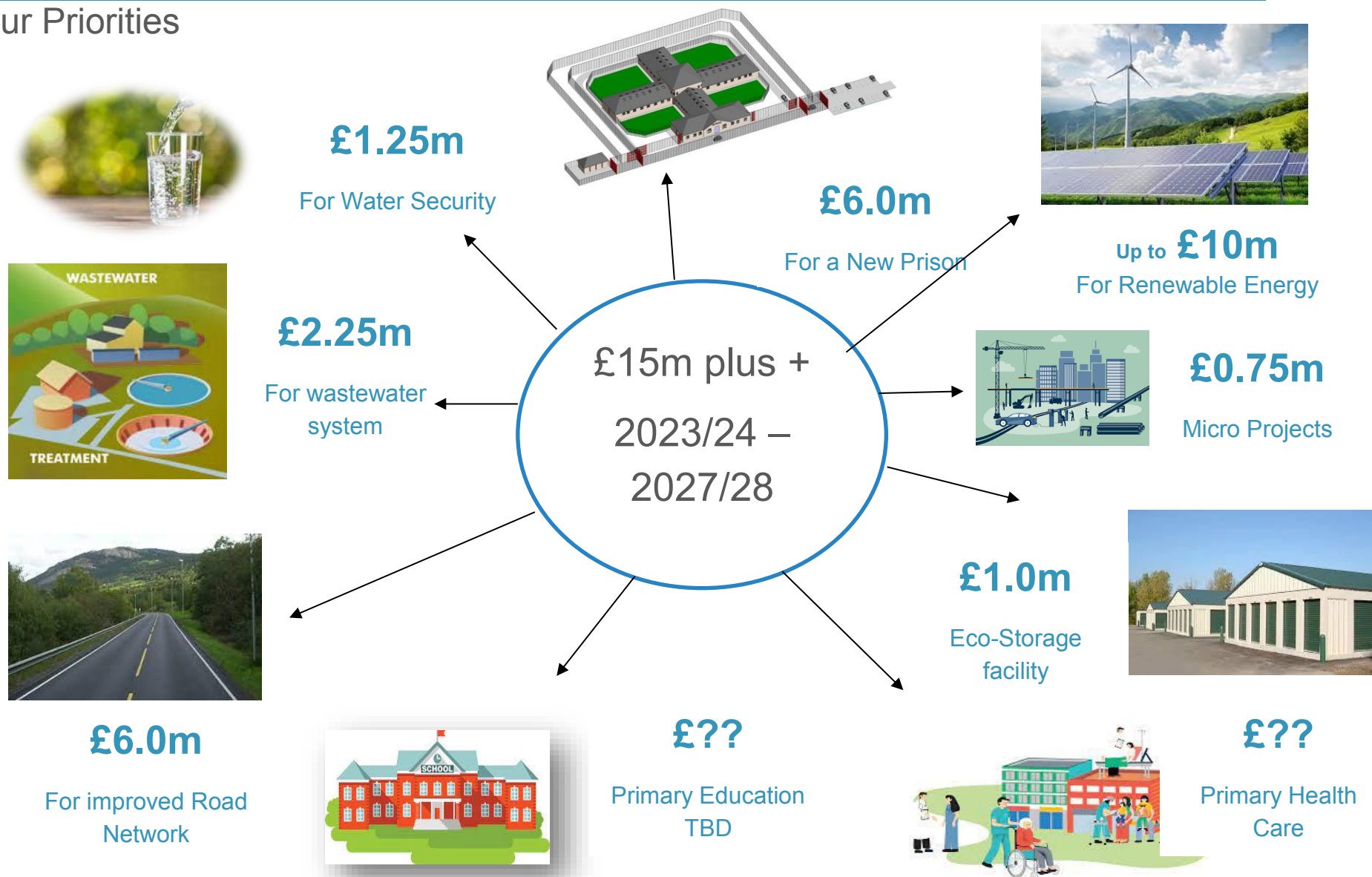
Initial discussions has already begun with SHG's Procurement Services and some core requirements are being developed. It is envisaged that this would be progressed in quarter 3 and 4 of 2023/24.

An indicative budget of up to £1m is likely to be required but further detail will be provided as this element is progressed.

It should be noted that whilst this model is one of the preferred options for EDIP, this can be extended to other projects being delivered though the PMO and it has therefore been determined that the PMO would be leading on this, but EDIP being the catalyst to kickstart this dual approach.

2023 – 2028 AT A GLANCE

Our Priorities



Building a New Prison

HMP Prison is located in the heart of Jamestown and is the only prison on St Helena. Holding adult male and female prisoners and young offenders both convicted and those who have been remanded by the Courts.

Continued growth in prisoner numbers is placing increased pressure on the existing prison which has been condemned by FCO Prison Advisers and the Equality and Human Rights Commission.

Small low cost investments are being made to the current facility, but this is simply a short term fix. The small investment - funded from the EDIP micro project budget - will provide additional capacity to accommodate a further six prisoners.

With serious offences warranting long term custodial sentencing, there is no capacity to accommodate increased numbers of males, juveniles and female prisoners, with the latter capacity currently limited to two. With the increased number of health and safety concerns, Prisoners are becoming more and more informed of their human rights and the SHG has seen an increase in the number of litigation cases being presented and being successful. This places increased financial pressures on the SHG finances, and limits the activities which these funds could otherwise be allocated to.

The strategic and economic case has since been further developed, presented and supported by the EDIP High Level Panel, and the economic case assumes the construction cost would be in the region of £4million, and this is based on an average cost of £2,700 per square metre. This cost excludes the site preparation and fitting out and covers purely construction costs only and is based on 2019 prices (SPONS Architect and Builders price book 2019). Given that this indicative cost is four years outdated, and excludes activities mentioned above, it can be assumed that based on a 10% inflationary increase for every year, an indicative budget of £6m would be required.

The Government has already undertaken significant work in progressing this project with a list of these achievements outlined below:

- Site established
- Project Governance established
- Site and Building designs at RIBA stage 3 (Spatial coordination)
- Full Planning permissions obtained with an expiry of this permission lapsing in March 2025, unless development commences
- Procurement strategy to proceed via a Design and Build (D&B) route approved

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- Expressions of Interest sought, resulting in seven returns from both local and international market
- Tender Documentation i.e. TOR's, Employers Requirements, Specifications developed to be launched in August 2023

Key milestones are still to be achieved and these will come with its own challenges, however we are working to ensure the milestones tabled below can be achieved.

Year	Month	Key Milestones
2023/24	August	Procurement of an International D&B consortium is issued
	October	Full Business Case is developed and approved
	October	Award a contract
	February	Detailed and Technical designs are progressed and signed off by all relevant authorities
2024/25	March/April	Construction commences
2025/26	July	New Prison built and fitted out and commissioning
	September/October	Handed over
2026/27		Defects payment released

To ensure we meet the key targets above, we will need an indicative budget of £6million to be disbursed as follows:

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Budget	60k	2.6m	2.74m	600k		6m

On successful completion of the new build Prison, St Helena will have a Prison facility which will be

- Category C classified, with appropriate exemptions for St Helena
- Accommodate up to 62 Prisoners which will include up to 40 males, 14 females and 6 juveniles as well as 2 care and separation units
- Compliant with Human Rights legislation, reducing litigation claims against the Government
- Safe and Secure to manage – no overcrowding

ENVIRONMENT, NATURAL RESOURCES & PLANNING

Renewable Energy

St Helena ticks all the boxes when it comes to Renewable Energy - we have the sunshine and the wind, and a Government committed to reducing the reliance on fossil fuels to meet our energy demands and reduce prices to the consumers.

St Helena's Renewable Energy Policy seeks to undertake a transformation of the islands energy generation and its ambition is to reach 80% generated by Renewable energy sources by 2027/28.

St Helena's Energy Strategy aims to improve the social and economic wellbeing of its population and minimise the impact on the environment. It will increase the production of energy through renewable sources and reduce the islands reliance on imported fuels. The Government wants to provide affordable, reliable energy supply, and a supply which takes us closer to economic growth.

It is no secret that the island has not delivered on its energy strategy's ambitions. The market failure of the Power Purchase Agreement contributed to the islands demise in respect of renewable energy.

Approximately 80% of the islands current energy supply is powered through a 1.6MW generator which is run constantly, and is supported by a 0.8MW generator during peak periods to maintain stability. Both generators are operated through the burning of imported diesel.

The current wind turbines contributes approximately 10% of the islands energy supply and has reached their useful life.

A recent report by St Helena's Utilities Regulatory Authority (URA) in its evaluation of recent proposals for changing consumer tariff structures, stated that "The reliance on diesel by Connect throws light on the need for renewable energy, the failure to invest in this has placed the population of St Helena at risk of significant hikes in the costs of utilities and provides no opportunity for reduction in tariffs".

The cost of energy sold by Connect Saint Helena (CSH) is considered high and in recent years there has been an increase in the use of individual rooftop photovoltaic (PV) system in an effort to reduce the cost of electricity they consume. This has created technical problems for CSH, least of all commercial, as the current Power Station distribution network is not able to manage the fluctuating system when individuals switch from PV systems to the power station grid. These difficulties have led to CSH issuing a moratorium on the installation of PV systems until a Grid Impact Assessment (GIA) is completed.

There is an assumption that it is easy to install renewable energy solutions – this is not so. CSH play a key role in ensuring that any form of renewable generation can safely connect to

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the electrical network, and will also act to ensure long term security and resilience of the network.

To support this transformation the Government in collaboration with CSH, are seeking funds through a phased approach, through

- An immediate investment of approximately £270k to procure technical assistance to complete two discrete pieces of work – Design Consultancy and Power System study.
- Thereafter an envelope of up to £10m to implement a number of renewable energy solutions (to include wind, PV systems and Battery storage).

To date SHG and CSH has completed and progressed some key pieces of work which lay the foundation for future decisions and are fundamental if we are serious about Renewable Energy. To date we have completed

- Policy Options paper
- Developed a renewable energy policy
- Completed the Grid Impact Assessment
- Commissioned a technical assessment of the current wind turbine
- Commissioned a Battery Energy Storage system (BESS) assessment and design

There still remains some key pieces of work before we can progress installing solutions, and these are outlined below:

Year	Month	Key Milestones
2023/24	August	Renewable Energy Policy presented to and approved by Governor-in-Council
	September	TOR's for Consultancies completed
	October	Business Justification case approved
	March	Power Systems study produced
2024/25	TBC	Strategic Outline case

To ensure the key targets above are achieved, we will need an initial indicative budget of £270k to be approved and disbursed in 2023/24 to undertake the necessary studies. This budget can potentially be absorbed in the 2023/24 EDIP budget, as there has been some delays in progressing some of the existing projects, there is potential flexibility within the current £4m envelope to absorb this indicative cost of £270k.

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Given the pressure from both UKG and SHG there is likely to be some renewable energy initiatives which can be implemented fairly soon and is not predicated on the completion of technical assessment reports. Such initiatives include the installation of a battery energy storage system (BESS). Initial findings from the GIA indicated that a BESS would be appropriate in addressing the security of the network. Given the benefits this would have longer term, it is therefore deemed a priority to pursue.

A strategic case was presented recently for essential repairs and upgrades to the existing wind turbines which has reached its useful economic life and the purchase of a 1MWH BESS and sought approximately £2.64m. However, this was not approved at the time as there were no evidence of long term planning and benefits for renewable energy.

The budget forecast shown below has therefore assumed there would be a commitment to deliver the BESS and repairs to the existing wind turbines though EDIP in 2024/25. Future years projected spend assumes that all other funding sources has been investigated but without success and therefore a call on EDIP funding would be necessary.

Year	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Budget (T.A)	60,000	210,000				£270K
Budget (R.E)		3.0m	2.0m	3.0m	2.0m	£10m

On successful completion of the Renewable Energy Project, our Government including CSH along with ambassadors will boast of an island which has

- Supplied significant proportion of the islands energy through Renewable Energy meeting the Islands ambitions
- Consumer tariffs reduced; thus facilitating economic development
- Resilient electricity network and energy security improved
- Reduction in the islands carbon footprint

Notwithstanding all of the above the Government must commit to a utilities provider to enable a delivery model that is long term and conducive to a partnership approach.

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Water Security

Sustainably managing and securing water is critical for future generations. Affordable infrastructure that delivers safe, secure and accessible water supply for agriculture, business and everyday living is integral to the Islands economy and our communities' livelihoods.

St Helena's Water Strategy which was adopted in November 2020 demonstrated the need to develop a Water Resources Management Plan (WRMP) which would take into account future demand and supply and a full analysis of potential water management options.

The islands unique climate and geography has seen some extended periods of drought which has presented challenges in how we plan and manage our water.

Through the development of a WRMP we will have an informed master plan of our water supply, population growth, demand and other elements which are putting pressure on our water resources.

To help overcome these challenges the Government is seeking funding of approximately £100-200k for a Consultancy to develop a WRMP over 6-9month period commencing with the Procurement of a Consultancy in 2023/24.

In collaboration with a team of FCDO experts, we have held constructive discussions and developed further understanding of our needs, particularly,

- Review of the 2011 draft water plan
- Understanding other water security measures which should be considered
- Understanding the need for capturing meaningful data to inform any future developments
- Prepared TOR's for a Consultancy for the production of a WRMP

There still remains key activities to be achieved and include

Year	Month	Key Milestones
2023/24	September	Finalise TOR's for Consultant
	October	Business Justification Case approved
	November	Procurement of Consultant
	December	Contract awarded
2024/25	September	Production of a WRMP

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To ensure we meet the key targets above, we will need an initial indicative budget up to £250k to be approved and disbursed over 9 months, commencing in 2023/24. Although a forecast has been completed for 2023/24, given some delays in progressing some of the existing projects, there is potential flexibility within the current £4m programme envelope to absorb this initial indicative cost.

The indicative forecast below has not considered additional initiatives which is likely to be recommended from the WRMP.

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Budget (T.A)	10,000	240,000				250,000

At the end of this consultancy there will be a WRMP which will set out how existing infrastructure, new infrastructure and non-infrastructure solutions can be used to maximise water supply in the areas and drive economic growth. In particular we will have activities which will outline

- water recycling
- Water quality
- Affordability
- water supply
- allocating water supply where it will have the greatest impact
- water storage and distribution networks
- Protection of our water sources
- A prioritised list of actions to be implemented in the short –medium and medium to long term

The WRMP will provide evidence and justifiable actions why further investments would be required in water interventions and there would be some high priority quick win solutions which the Government would look to fund from EDIP.

Wastewater Systems (HTH & Jamestown)

Infrastructure alone will not bring economic prosperity but are the building blocks to facilitate it; without investment in appropriate infrastructure economic development will not succeed.

The districts of HTH and Jamestown, have great potential for commercial and residential development but are restricted as a result of the unsatisfactory sewage systems.

Most of the sewage networks in Jamestown and Half Tree Hollow (HTH) are old. These systems historically discharged raw sewage into the receiving environment without any formal treatment, resulting in environmental degradation of the gut between the Butts, the Ladder Hill Batteries, Barracks, and James Bay at West Rocks.

The untreated outfalls polluted both the land and marine environments, which put at risk the health of St Helena's population and its tourists, including divers and swimmers in James Bay. Tourism and marine research are two key sectors in the Sustainable Economic Development Plan. Consequently, unless the discharging of raw sewage into the land and marine environments is addressed the environmental goals of the SEDP will not be met.

A moratorium on developments in HTH was issued in 2012, preventing any further developments from connecting to the existing sewerage system, because of the above.

The Government has a responsibility to provide a service to meet the immediate needs of its community and address the sewerage problems that has long been the barrier to growth in HTH and Jamestown.

To address these issues SHG is committed in supporting a project which seeks to identify cost effective wastewater systems, and investment of approximately £2.25m is needed to deliver this project.

From this envelope approximately £150k is needed for international consultants to develop a design, and a further estimated budget of £100k for the supervision of the construction phase. Works have progressed in recent months to enable the progression of the design phase and key milestones achieved to date are:

- Tender documentation has been published for a Design & Supervisory Consultant
- Project Governance established
- Tenders for a Design & Supervisory Consultant received

Although still some way to go, we anticipate solutions be in place by early 2026 based on achieving further key activities which are outlined below.

The remaining £2m is indicative and more information will be made available on completion of the design and costings. The Government would be expected to make a further decision following the procurement of a Contractor to implement the works. However, below shows a forecasts of the expected spend profile

SAFETY, SECURITY & HOME AFFAIRS

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Budget (TA)	60,000	90,000	75,000	25,000		£250k
Budget		500,000	1,000,000	500,000		£2.0m

Some of the high level milestones are presented below:

Year	Month	Key Milestones
2023/24	August	Tender evaluation completed
	September	Design Contract awarded and signed
2024/25	May	Design report produced
	May	Outline Business case approved
	June	Development Permission obtained
	August	Procurement of a contractor and contract signed
	August	Full Business Case approved
	September	Construction underway
2025/26	July	Construction complete
2026/27	July	Handover

Upon completion of this project there will be

- A robust, environmentally accepted, and future proofed wastewater system in HTH and Jamestown
- Residential properties connected
- Opportunity for new business accelerate

Jamestown Development and the Special Economic Zone

Jamestown is an outstanding area and the Capital of the island. Jamestown is rich in history as it was the main settlement of the island. Many of the buildings date back to the 18th Century and gives the town its distinctive Georgian flavour.

Historically the wharf at James Bay and Jamestown has borne the burden of freight, logistics and warehousing tasks for the island. With some key developments currently underway in Ruperts, it is envisaged that Jamestown will be progressively revitalised through the adaptive re-use and repurposing of many heritage and civic buildings and spaces.

With Ruperts becoming the main industrial hub for the island, Jamestown would become more desirable for developing a visitor economy with a pedestrianised town centre. To support this vision the Government recognises that an immediate intervention would be needed to support the wider Jamestown Development and believes an investment of approximately £1m would be required to develop a Special Economic Zone (SEZ) outside of Jamestown.

The Special economic zone would provide space and facilities for

- Container storage, goods warehousing and general logistics operations
- Storage including 'self-storage' facilities to support the storage needs of businesses and homeowners looking to let their properties while off-island
- Flexible business spaces that can be used as modern office accommodation

On this basis, the Government undertook some feasibility works associated with this development purely to inform the cost, site specificity and any wider policy requirements.

Ruperts Cargo operations are likely to commence no later than Q1 2024/25, and this would be an opportune time for development of the SEZ. There are some key milestones which underpins this project, and relates to a wider policy to be developed to encourage merchants to relocate, and to enable this there needs to be further discussions with Merchants and Businesses. The milestones tabled below are indicative but provides indications of the activities still to be undertaken to make this project successful.

ECONOMIC DEVELOPMENT

Year	Month	Milestone
2023/24	November	Discussion with Merchants to establish needs and specific design
	December	Strategic Outline Case approved
	January	Policy developed to encourage relocation of commercial properties from Jamestown
	January	Site options and types of build
	March	Detailed designs approved
	March	Outline Business Case approved
2024/25	April	Procurement of Contractor
	May	Full Business case approved
	June	Award of Contract

Subject to our milestones being achieved we anticipate a spend profile of £1m in 2024/25.

Micro Projects

St Helena has made considerable progress in improving the state of the Islands Infrastructure, with completion of some major projects in recent years. The opening of the airport has the potential to transform the islands economy in the medium to long term. In general however, there continues to be pressing need for further investment in economic, social and environmental related infrastructure, and this is reflected in the aims and plans of our Government.

Given the need for significant investment in large infrastructure projects, it can be easy to overlook smaller investments, such as upgrades to existing capital or trials of new materials and techniques. Recurrent budgets are devoted to necessary maintenance costs. As such, spend to save, environmental, aesthetic or quality enhancing investments can fall by the wayside when trying to address the most critical needs. Further, recurrent budgets are not sufficient to allow the luxury of testing innovative methodologies that may significantly improve future operations but that have uncertain outcomes in the near term.

In 2019 approval was obtained to set aside a budget under the EDIP for 'micro projects' or projects that can be implemented relatively quickly with a low cost (£50,000 or less). These projects may not have easily quantifiable benefits, but do directly support strategic economic development goals, such as increasing tourism, promoting a green economy, or have the potential to improve future infrastructure investments.

An annual budget of £150,000 was allocated for Micro Projects, and criteria for prioritising established. The criteria and process was refreshed in 2022/23 with approval of this obtained from High Level Panel in February 2023.

As this is an annual allocation, call for proposals would be launched in January of each year. Portfolios would submit their proposals to PMO for filtering and a recommendation is made to Programme Board, who will approve a maximum of five projects at any one time, within the yearly allocation of £150,000.

The Micro Project model has been successful since its inception in 2019. Spend to date on Micro Projects has reached approximately £500k. The nature of projects funded from this envelope has reached some of the smaller local businesses who would not necessarily compete in the larger projects, and the range of projects implemented has attempted to reach many different sectors which is contributing to increasing the tourism experience, improving the livelihoods of our community and delivering benefits to the wider beneficiaries in a short timeframe.

MICRO PROJECTS

It is therefore assumed that the allocation of £150,000 per annum will still feature in the pipeline over the next 4-5 years as follows:

Year	2024/25	2025/26	2026/27	2027/28	TOTAL
Amount	150,000	150,000	150,000	150,000	600,000

Improving our Roads Network

Our 120km of road network is the backbone of St Helena's transport system carrying up to 99% of our traffic around the island. As we make investments and develop our infrastructure for a sustainable economy and in line with a 21st century island, our road network also requires improvements to support the increasing volumes of traffic expected from businesses and tourists.

An investment of £250k was made in 2022/23 from FCDO's Essential Equipment project, which funded the purchase of a Slurry paving machine. This piece of equipment is expected to arrive on-island in September 2023.

Although the use of the slurry paver, if appropriately resourced, will go some way in ensuring our road network is appropriately maintained, optimizing its full potential and demonstrating value for money can only be achieved if there is sufficient resources i.e. workforce and material to carry out significant road improvements.

With the exception of the R2 project (Rehabilitation of Side Path and Field Road), the last time any extensive improvements was carried out on our road network was in 2010, under the R1 Project – Road Rehabilitation and Maintenance Programme funded jointly by the 10th European Development Fund (EDF) and Department for International Development (DFID). In the absence of a substantial uplift in our maintenance budget, the roads network will continue to deteriorate, causing many issues and challenges for the Government. For every pound not spent on timely periodic maintenance of roads, three to five pounds will be required in rehabilitation or even five to eight pounds in reconstruction.

It is easy to overlook the importance of our road network as a capital investment. But what will happen to our roads network, if no significant investments are made?

The SHG is encouraging both local and international investors to invest in the Island. We want to be open for business in every facet of our economy. With no investment made in the road network structure, the safety risks of keeping them open will be high, the integrity of bridge structures will be undermined, and the Government's ability to attract businesses will be diminished, as roads will begin to close – demonstrating that we are **not open for business**.

To address this increasing issue, investment in the region of £6m is needed to carry out a programme of road improvements to those roads which are in very poor condition following inspections, over the next 3-4 years.

SAFETY, SECURITY & HOME AFFAIRS

It is planned for these works to be carried out in-house, with the supply of material from the local private sector and procurement of bitumen from international suppliers. It is intended for the works to be carried out in phases over 3-4 years. Through this approach SHG would be carrying out the works in-house, but will require an increase in labour and this cost has been included in the indicative budget.

The Government has already completed

- a condition assessment of the network which categorises the status of the roads
- carried out survey on what can be achieved in a day once the slurry paver is received

Key milestones are still to be achieved and these will come with its own challenges, however we are working to ensure

Year	Month	Key Milestones
2023/24	October	Outline Business case is developed and approved
	December	Full Business case is developed and approved
2024/25	April	Procurement of first phase of materials
	April	Recruitment of additional workforce commences
	March	20 km of road completed
2025/26	March	30 km of road completed
2026/27	March	30 km of road completed

To ensure we meet the key targets above, an indicative budget of £6 million is being proposed and will to be disbursed as follows:

Year	2024/25	2025/26	2026/27	2027/28	Total
Budget	1.4m	2.3m	2.3m		6.0m

At the end of the road improvement programme there will be

- Improved road safety
- Increased productivity for businesses as travel times will be reduced
- Improved reliability of the road network
- Evidence that SHG is committed to improving essential infrastructure needs
- Approximately 80 km of improved road network

ENVIRONMENT, NATURAL RESOURCES AND PLANNING

Water Storage

Alongside the Production of a WRMP, we are also seeking funds of approximately £1m to develop an additional water storage facility on the island in the Levelwood district. This proposed project is not expected to have any negative impacts on the development or outcome of a WRMP, and it is recognised that opportunities to address water issues on-island cannot wait until the WRMP is in place.

The need to provide more storage facilities to store raw water prior to treatment has become a key development factor across the Island. The reason for that is largely twofold - rainfall patterns have been erratic at best over the past couple of years, with significantly low or late rainfall seasons experienced during 2013, 2015, with the island experiencing a serious drought during 2016. Water consumption across the Island has shown a steady increase of approximately 26% over recent years.

Although the Levelwood Water Supply Zone – serving largely the Levelwood area - is the smallest of the four primary water supply areas on Island. The demand growth in this supply has increased significantly. This increase was due to the introduction of the Levelwood to Sandy Bay main pipeline, with some parts of the Sandy Bay area now fed from this new pipeline.

Based on the total number of households in the Sandy Bay area still to be served with treated water, it is projected for the annual demand for treated water to be placed on the Levelwood Water Treatment Works to significantly increase by an additional 3,400m³ per Month. This will result in a total demand of approximately 7,000m³ per month (or approximately 84,000m³ per annum).

It is therefore proposed for an investment in the region of £1m is made for the construction of a second reservoir and enlargement of the existing reservoir to increase raw water storage to ensure sufficient water is stored for supplying primarily Levelwood and Sandy Bay communities, but also have sufficient water to transfer to other locations around the island when there's water shortages.

Significant work has already been completed by CSH, specifically,

- Designs completed
- Land acquired
- Planning permission obtained
- Tender documentation drafted

ENVIRONMENT, NATURAL RESOURCES AND PLANNING

There will be further works to be undertaken and an outline of these activities are presented below:

Year	Month	Key Milestones
2023/24	Jan-March	Outline Business Case developed and approved
2024/25	April	Procurement for a Contactor
	May	Full Business Case developed and approved
	June	Contract award
	June	Construction commences
	March	Construction complete
2025/26	April	Handover
	March	Project closed

The indicative budget of £1m would be used for the construction phase and will be disbursed as follows

Year	2024/25	2025/26	2026/27	2027/28	Total
Budget	900,000	100,000			1,000,000

Primary Education

Education shapes our lives. In a rapidly changing world, education has never been more important to create prosperous communities that provide equal and enhanced opportunities.

Our Government is committed to providing high quality education by investing in the appropriate infrastructure. This coupled with institutional reforms will drive economic and social growth.

Every child is entitled to access high quality education to maximize their potential and enable them to thrive. For children to become informed members of our community and to succeed in their chosen careers, establishing a solid educational foundation from as early as possible is paramount.

To honour this commitment the Government is looking at options on how they can provide teachers with the tools they need to deliver high quality primary education, and where children can learn and teachers can educate in comfortable environments. Initial discussions has suggested that a single site primary school would be needed. However, significant work is still to be undertaken and to this end further discussion are being conducted. It is therefore

A strategic outline case is expected to be presented in October 2023 with further details to be determined, and for this reason it is difficult to provide additional information on what level of investment would be needed, as it has not been established what problem(s) need to be addressed or any options to address these.

We would not expect any funding to be committed at this stage of the project, but further conversations shall be held once a clear path has been proposed.

Primary Health Care

The provision of high quality health care drives our Governments commitment to ensuring our patients - residents and visitors alike - will be provided with the right care when it is needed and in the most appropriate location possible.

The experience of COVID 19 has seen change to models of care and patient expectations across the world and in St Helena, we too have had our own experiences from the impacts of COVID 19.

Our Government is committed to a Health Transformation Programme, which is underway with the first phase of the programme petitioning the community to be responsible for their own health to avoid the onset of chronic illnesses such as diabetes mellitus. This transformational programme considers a range of factors in delivering health care and is critical to sustain and improve the health service in the future.

As we transition towards telemedicine, as a result of superfast internet connectivity, opportunities to provide early intervention services expand preventative health measures and deliver care in a range of settings including alternatives to primary health care are key in maintaining and adapting these services to keep pace with the changing needs of health and the islands demographics.

The Government are making plans to invest in a dedicated Primary Health Care Facility which will meet current and future demand.

Although initial assessments assumes a new build, information about the services to be provided along with the footprint and building designs will be available once further investigative works are undertaken.

There is an opportunity for the Government to be smarter in delivering primary health care and the inclusion of this intervention in the pipeline enables the Government to consider whether investment in a new Primary Health Care services is an appropriate response to improving the Primary Health care of our residents.

More information will be presented as the project progresses through the process, with the strategic outline case being developed and presented in January 2024.

On this basis we do not expect any funding to be committed at this stage of the project, but further conversations shall be held once a clear path has been proposed.

ISSUES AND RISKS

What to overcome?

As mentioned in the preceding sections, delivering projects in the middle of the South Atlantic Ocean, with little to no economy, being dependent on importation of almost all of our commodities, will always be challenging. Some of these challenges, will be internal but there will always be external factors which will have significant impacts on the delivery of the ambitious pipeline presented before us.

The delivery of the Phase 1 programme has made us realise some of the stark uncontrollable events which we had not planned for, but nevertheless will provide us with a lot of lessons to be learnt, risks to mitigate and issues to address. Through all of these encounters we have developed a more resilient Government that will continue to provide solutions to some of our unique demands.

Below are some of the high risk considerations to be mindful of,

OUR LEGAL RESOURCES

With SHG adopting modern contracts for services and works being bought in, our business relationships are important to ensure it does not affect the operations of the parties involved.

There is continued pressure on our small legal team, as they conduct the necessary reviews and ensuring that our contracts are enforceable in the event of a dispute, prevent future litigations and ensure that we as a Government are receiving the best terms available.

With the proposed programme indicating services to be bought in, there will be a greater pressures on the legal team, to ensure that they are resourced sufficiently and appropriately to expedite the necessary contract reviews, advice etc.

Although this sits outside of the Programme, we cannot ignore the difficulties which we could be faced with if not appropriately resourced.

SHIPPING AND OUR INTERNATIONAL SUPPLY CHAINS

With the majority of our construction materials being acquired from international suppliers, and shipped to the island, there's always the risks of goods not meeting the shipping time-frames, constraints in suppliers manufacturing chain etc.

The hub for our current shipping service is based in South Africa. With cargo to be transhipped from Europe, there is always a risk that transhipments do not make the connection with the departure from South Africa or our cargo ship being delayed to wait on transhipped cargo. This can at times result in up to six weeks delay, which impacts on various project activities.

ISSUES AND RISKS

Similarly some of our materials may have a very short shelf life and therefore long lead in times when ordering is not practical.

Based on lessons learnt from some of our Phase 1 projects, the project team, was able to procure some materials directly and in advance of a construction contract. This would require some additional smaller contracts for supply goods etc, but at least it gave us a guarantee that materials were on-island in advance, e.g. steel frame buildings.

Similar options will be pursued for the pipeline projects, as this proved successful

CAPACITY IN THE LOCAL CONSTRUCTION MARKET

With a very small private sector market, there is always the risk that there wouldn't be sufficient capacity to implement some projects and there would be overheating in the local market. The majority of our businesses do not operate as a business and do not have the head office support to assist with developing project proposals or tender submissions. Instead, the business owner/manager plays an active role in on-site operations. For some of the phase 1 projects, some businesses are simply not interested as they are not able to run a business, actively be onsite and produce tender proposals in response to the Governments call for proposals.

One of the reasons for establishing the pipeline is to provide visibility to Private Sector businesses in advance so they will be more informed and can manage and plan their workload and contracts. Although early publication of the pipeline does not guarantee contract award, it does allow Contractors to choose their preferred projects based on updated information. This encourages competition which is always healthy and avoids potential collusion.

WAYS TO OVERCOME THE CHALLENGES?

With a very small and narrow population base we will always be presented with capacity issues which limits our ambitions to deliver in a specific timeframe. Although there are some mechanisms which we can use to mitigate some of these issues, we will always be presented with these challenges especially due to our isolation.

Our import requirements are not large enough for the majority of international businesses to go the extra mile.

When seeking individuals from overseas, we need to be attractive enough for them to be interested, and in recent situations, the turnover is high as people and their families just simply cannot settle.

We can consider reducing the interdependencies of the programmes projects, e.g. trying not to plan for projects inter-related to one another, at the same time so that some projects can

ISSUES AND RISKS

be carried out in parallel to one another and the impact if one project is delayed do not significantly impact the other project.

We have responded to some of the challenges on resource, and the Ruperts cargo handling facility project and Side Path Rehabilitation are evidence of that, especially as we split the project down into smaller packages to encourage local businesses, however the procurements resulted in the same Contractor be awarded just about all of our Contracts.

Sub-contracting does not necessarily work effectively in St Helena. The cost to the sub-contractor, outweighs the cost of the project.

To some degree, there must be a level of acceptance that unless there are influx of skilled labourers to the island which are employable, projects will always be delivered later than expected. In addition the project teams need to also be realistic in the delivery of projects.

SUMMARY AND RECOMMENDATION

Summary and recommendation

Our priorities are diverse and ambitious, but demonstrates the stepping stones needed to make our island attractive for investment, to ensure our economy can be developed and become sustainable.

The pipeline sets out some of our achievements to date but also the milestones still to be achieved.

Having discussed the pipeline, EDIP Programme Board members acknowledges that committing to the proposed pipeline in its current form, would not necessarily be appropriate given there are some technical assessments, designs and studies to be developed. With this in mind, EDIP Programme Board, recommend a staged approach, which will allow the necessary design, studies and assessments to be carried out, which will inform the next stage.

This approach will provide assurance that projects are

- considering options,
- being designed appropriately and costings developed
- Evidence is provided to inform decision making

Table 7 below provides a list of projects which is being recommended as stage 1 projects, and also includes a list of projects and indicative costings which will form stage 2 projects.

From the table below, it demonstrates that based on expenditure to March 2023 and on completion of stage 1 projects, there remains approximately £5m from the current EDIP Programme to allocate to stage 2 projects.

RECOMMENDATION

Programme Board, therefore recommends endorsement from Steering Committee to

- a. Approve the stage 1 projects shown in Table 7 below
- b. Approve early release of funding for studies / assessment and designs, which are a prerequisite for projects identified in stage 2, to include, Renewable Energy, Wastewater system for HTH and Jamestown and a Water Resources Management Plan

SUMMARY AND CONSIDERATIONS

Table 7: Proposed prioritised list

	EDIP Programme Budget	30,000,000.00						
	Prioritised projects	Indicative Budget	2023/24	2024/25	Forecast 2025/26	2026/27	2027/28	TOTAL
STAGE 1	Completing Phase 1 projects *	5,931,343.00	5,097,569.00	683,774.00	150,000.00			5,931,343.00
	Micro Project 2024-March 2028	600,000.00		150,000.00	150,000.00	150,000.00	150,000.00	600,000.00
	Wastewater (HTH & Jamestown) Design	120,000.00	60,000.00	50,000.00	-	10,000.00		120,000.00
	New Build Prison (Design and Build)	6,000,000.00	60,000.00	2,600,000.00	2,740,000.00	600,000.00		6,000,000.00
	Renewable Energy - Technical Assistance	270,000.00	150,000.00	120,000.00				270,000.00
	Water security -WRMP (Technical Assistance)	250,000.00	20,000.00	230,000.00				250,000.00
	Additional Resources	1,000,000.00		280,000.00	280,000.00	280,000.00	160,000.00	1,000,000.00
	Stage 1 indicative total	14,171,343.00	5,387,569.00	4,113,774.00	3,320,000.00	1,040,000.00	310,000.00	14,171,343.00
	Expenditure to date for Phase 1 projects (2019- Mar 2023)	10,606,829.95						
	Total Projected Spend (Stage 1 + Expenditure to date)	24,778,172.95						
	Balance to be allocated to stage 2 (EDIP budget - Total projected spend)	5,221,827.05						
STAGE 2	Wastewater (HTH & Jamestown) Construction and Supervision	2,130,000.00		1,070,000.00	860,000.00	200,000.00		2,130,000.00
	Eco-Storage facility	1,000,000.00		900,000.00	100,000.00			1,000,000.00
	Renewable Energy -Implementation (Quick Win: Phase 1)	3,000,000.00		1,500,000.00	1,500,000.00			3,000,000.00
	Renewable Energy - Phase 2 implementation	7,000,000.00		3,000,000.00	2,000,000.00	2,000,000.00		7,000,000.00
	Water solutions (outcome from WRMP)	1,000,000.00		900,000.00	100,000.00			1,000,000.00
	Improved Road Network	6,000,000.00		1,400,000.00	2,300,000.00	2,300,000.00		6,000,000.00
	Primary School							-
	Primary Health Care facility							-
	Stage 2 Indicative total	20,130,000.00	-	8,770,000.00	6,860,000.00	4,500,000.00	-	20,130,000.00
		34,301,343.00						
	* Includes: Ruperts cargo handling facility, R2, IAP, Balance from £1.25m for Telecoms, existing EDIP Technical staff + Micro Projects 23/24							