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Media Statement by Minister of Public Works and Infrastructure, Patricia de Lille, MP

Sustainable Infrastructure Development Symposium South Africa (SIDSSA) 2021 brings exciting projects to the market for investment and infrastructure-led economic growth

Note to editors: The following remarks were delivered by Minister Patricia de Lille at a press briefing on the Sustainable Infrastructure Development Symposium South Africa (SIDSSA) 2021

Good afternoon, Goeie Middag, Sanibonani, Dumelang, as-salaamu ailakum, shalom,

We are here to provide a synopsis of what the SIDSSA will cover in 2021 but also to report back on progress since the inaugural SIDSSA held in June 2020.

We are now presenting the second round of 55 projects for SIDSSA2021 to raise funding to get these projects into construction.

The 55 new projects being presented to the market are from various sectors valued at around R595billion with a funding gap of around R441billion.

Collectively the estimated employment opportunities from these projects amount to over 538 500.

One of the projects I am very proud being presented this year is the private sector Maitland Metro Precinct Development in Cape Town which is already in construction with the first units expected to be completed in November this year.

I visited the site of this integrated, affordable, well-located human settlements development a few weeks ago and these teams are moving fast to get the project completed and bring affordable housing to the gap market in Cape Town.

This is a private sector project which will see around 1 200 new residential units being developed for the rental, social housing and FLISP market targeting low to middle income earners.

PROGRESS SINCE LAST SIDSSA

Over the past 15 months we have made good progress with a greater impetus on infrastructure development since the 2020 SIDSSA.

On 23 June 2020, President Cyril Ramaphosa held the inaugural SIDSSA where we pitched 62 projects to the market.

These projects form the Infrastructure Investment Plan which was approved by Cabinet in May 2020.

The projects were pitched to the market at last year's SIDSSA where we were able to raise R340 billion in funding commitments from the private sector which helped to take the pressure off the struggling fiscus.

Following SIDSSA, we then gazette the 62 projects as Strategic Integrated Projects (SIPS) in July 2020 in line with the Infrastructure Development Act which sees these projects being subjected to a streamlined and expedited process to ensure that implementation is prioritized.

This past year also saw the establishment of Infrastructure South Africa (ISA) headed by Dr Kgosisi Ramokgopa as the single entry point for all infrastructure projects in the country.

ISA is the administrative arm responsible for monitoring and tracking implementation of the projects in the Infrastructure Investment Plan, raising funding and assisting with project preparation to ensure that we de-risk projects upfront.

Following SIDSSA last year, we also operationalized the R100 billion Infrastructure Fund with R10 billion committed from government over a ten year period as a blended financing instrument to crowd in additional private sector finance to grow the country's infrastructure programme.

We have established various governance structures including the Investment Infrastructure Committee which approves the pipeline of projects that lend themselves to blended finance.

The Infrastructure Fund manages a pipeline of more than R80 billion rand – providing the seed funding for these projects and crowding in investors through blended finance innovative approaches.

OVERSIGHT

As part of my oversight duties, I have visited a number of the 62 SIPS we gazetted last year to view progress on these projects across the country to illustrate that we are working hard to turn the country into a construction site.

PROJECT 1: SIP 25: RURAL BRIDGES

The Welisizwe Rural Bridges project is progressing well in Kwa-Zulu Natal where this lifesaving social infrastructure is bringing great benefit by providing safe passage and access to amenities to communities in rural parts of the province.

In March we handed over three completed bridges in Ekhamanzi and this work is progressing well with six more bridges completed in the Mangwenya, Amanzimtoti and the Mthoqotho areas in Kwa-Zulu Natal since March.

Five more bridges in KZN are nearing completion and I will be visiting the province in the coming weeks again to view the progress and completed bridges.

A few of these bridges were also completed in rural communities in the Eastern Cape over the past two years.

This project is highly successful with the modular bridges being completed in a matter of weeks thanks to the partnership between the Department of Public Works and Infrastructure (DPWI), the Department of Defence and the provinces in installing these bridges.

The Welisizwe Rural bridges projects has provided work opportunities through the EPWP but also we recruited 496 Engineering graduates as part of the Presidential Employment Stimulus programme to work on the Welisizwe bridges project across the country.

PROJECT 2: SIP 21: SMALL HARBOURS DEVELOPMENT

This project is progressing well in the Western Cape and is being implemented by the DPWI.

Work on this repair and refurbishment project is currently being implemented at 13 proclaimed fishing harbours in the Western Cape including Kalk Bay, Gordons Bay, Saldanha Bay, Hout Bay, Gansbaai and Arniston.

The programme includes removal of sunken vessels, dredging of the harbour basins, repairs to slipways, shore crane replacements, security Infrastructure upgrades, civil and electrical infrastructure upgrades.

To date the programme in its entirety has created a total of 711 jobs and empowered local SMMEs to the value of over R73 million with the bulk of the SMMEs being a Level 1/2 BBBEE Level at all the harbours.

The development of harbours will allow rural coastal communities access to the sea as well as an opportunity to grow the oceans economy in turn creating jobs and growing these coastal towns that were deprived of proper marine infrastructure for many years.

PROJECT 3: SIP 21: TRANSPORT PROJECTS

The R20 billion investment in the N3 National Road upgrade is currently being implemented by the Department of Transport and the South African National Roads Agency (SANRAL) in KwaZulu Natal.

The project of widening a section of the N3 for the construction of the Camperdown Interchange in Kwa-Zulu Natal commenced earlier this year.

Around R82.5 million has already been spent on this project which has also created 237 jobs so far.

Another N3 project currently under construction is the road upgrade between Dardanelles and Lynnfield Park in Kwa-Zulu Natal.

The investment into this project so far stands at R126 million while 248 people from surrounding areas have been employed on this project.

This hugely important project is progressing well as it is on budget and on time.

This arterial is also known as the Durban-Free State-Gauteng Logistics and Industrial Corridor and the road upgrade project will strengthen the logistics and transport corridor between South Africa's main industrial hubs, improve access to Durban's export and import facilities and raise efficiency along the corridor.

It also advances our transformation imperatives. To date 31 subcontractors have been contracted on these two important road upgrade projects.

PROJECT 11: SIP 36 SALVOKOP PRECINCT DEVELOPMENT

Another key project is the Salvokop Precinct Development in Tshwane. This is being implemented by the Department of Public Works and Infrastructure.

This integrated development includes construction of offices for four government departments, namely; the Department of Correctional Services, the Department of Higher Education and Training, the Department of Social Development and agencies – SASSA and the National Development Agency (NDA) as well as the Department of Home Affairs.

The appointment of a contractor to install bulk and internal services at Salvokop has been finalised that will facilitate development Phase 1 constituting 350 000m² of development of four Government Head Offices. The contractor is expected to be on site at the end of October.

Four Public-Private Partnerships have been registered for this project and are currently in feasibility and budget approval stages with National Treasury.

PV and Water Savings project

Another gazetted project which I am very excited about is the PV and Water Savings on Government Buildings Programme.

Also known as the Integrated Renewable Energy and Resource Efficiency Programme (iREREP), SIP 28, is the largest Programme for the procurement of renewable energy and resource efficiency for public facilities.

The DPWI property portfolio as the largest property portfolio in the country is responsible for the consumption of a significant amount of electricity and water and generation of a significant amount of waste.

Recent studies places annual electricity and water consumption at an estimated 4021 Gigawatt hours 39 million kilolitres respectively, with over 822 kilotons of waste generated.

This equates to an average annual expenditure on electricity and water of R2.4 billion and R1.8 billion respectively.

The department together with National Treasury's Government Technical Advisory Centre's (GTAC) and a team of transaction advisors have issued a Request for Information (RFI) on 20 September 2021.

The programme aims to deliver the department's mandate, as the country's largest facility manager, to mitigate the impact of climate change and respond to South Africa's challenges around load-shedding and water shortages.

The RFI aims to test the market for ideas to gain insights and understand optimal technical solutions available in delivering this innovative project through a partnership between government and business.

In contributing to the ERRP and South Africa's overall Infrastructure Plan, over the next 30 years, some of the Programme projected savings of this programme includes:

- Create savings and revenue worth over R401bn by 2050, which can be reallocated to other government priorities;
- contributing R253 Billion towards GDP
- Developing 3 800 new small businesses and creating over 146 000 jobs.
- As COP 26 approaches and the world takes the path toward transitioning to Net-Zero, one of the key achievements for the Programme includes reduction in CO2 and other GHG emission by over 54.5 megatons over the next 30 years.

The RFI process is open until 20 October and all relevant information can be found on the following websites:

www.irerep.co.za

www.etenders.gov.za

www.gtac.gov.za

SA has also been doing great work to ensure delivery of the project pipeline by being action orientated.

ISA has provided support to project owners and developers to package their projects as required by the market.

ISA has also partnered with the UK Infrastructure and Projects Authority to accelerate infrastructure projects differently.

It has partnered with Local Business Associations and subsequently also attracted experienced professionals that are assisting with the delivery of projects.

ISA has also been collaborating with National Treasury in Unlocking the Infrastructure Funds, completed the drafting of the South Africa's Country Investment Strategy and the developed the draft National Infrastructure Plan 2050.

In closing, as government and the private sector we have to work closer together to disrupt the old way of doing things, quickly address policy reforms, raise the necessary funding to get infrastructure delivery done right for the sake of our economy and our people who not only need infrastructure in their daily lives but desperately need jobs.

ENDS

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