



public works  
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**Media Statement by Minister of Public Works and Infrastructure, Patricia  
de Lille, MP and head of investment and infrastructure in the Presidency,  
Dr Kgosientsho Ramokgopa**

## **GAZETTING OF STRATEGIC INTEGRATED PROJECTS – THE NEXT STEP IN THE IN THE IMPLEMENTATION OF SA’S INFRASTRUCTURE INVESTMENT PLAN**

In May last year, at the start of the 6<sup>th</sup> administration, government was reconfigured with Infrastructure being added to the Department of Public Works.

Infrastructure is now for the first-time part of a department as we are attempting to deal with the fragmentation in infrastructure delivery once and for all.

This new department with the added infrastructure mandate was set up in terms of the Infrastructure Development Act to bring all infrastructure projects together in one place and was gazetted by President Cyril Ramaphosa in August 2019.

Infrastructure-led economic growth is the most effective and significant way as part of our Economic Growth Strategy to grow our economy while at the same time respond to the Socio-Economic needs of our people.

I have always believed that government must lead in infrastructure-led investment and economic growth that can lead to the crowding in effect from the private sector.

Our Country like many others across the globe is facing a recession of enormous proportions and the COVID-19 pandemic has placed South Africa in an even worse position, where the construction sector has been hit the hardest.

The severe economic recession, together with the COVID-19 pandemic, has now placed an added urgency on us to navigate a New Normal.

In this new normal, there is an even greater need to partner in the investment and implementation of infrastructure that will facilitate social and economic growth in a workable and purposeful way.

In South Africa, infrastructure investment together with the use of public land and public buildings is a critical lever to achieve spatial and economic justice by connecting our people, integrating our communities and bringing people closer to work opportunities.

When people think of infrastructure, they think of big, “cold” projects and there is often a disconnect about the importance of infrastructure and its impact on communities.

Infrastructure is about people having water to drink, having decent roads, and having a bridge to cross to get to school, to work or access government services like clinics. Infrastructure is about changing people’s lives for the better.

Infrastructure is also about maintaining and repairing our existing infrastructure.

Following the Infrastructure mandate being added to the department, in November, Dr Kgosisentsho Ramokgopa was appointed as the head of the investment and infrastructure in the Presidency.

Since then we have been working on a new way of dealing with infrastructure where we assessed the shortcomings of infrastructure delivery in the past and looked at how we can take infrastructure delivery on a new trajectory where we get it done and implement.

We started by going across the country and engaging all spheres of government - national departments, provinces, municipalities and state-owned entities to find out what infrastructure projects they had in their systems.

Through this process, we collected about 276 projects from all over the country.

We put the projects through an assessment to see if they are bankable, ready for implementation and to determine which projects had feasibility studies done.

To deal with the infrastructure backlog in our country, we are clear that government cannot do it alone.

Once we pulled all the infrastructure projects in the country together, the public and private sector worked together to see how we can improve on the implementation of infrastructure projects from the onset.

On the 18<sup>th</sup> of February 2020, President Ramaphosa convened a meeting meet with Chief Executive Officers of commercial banks and leaders of multilateral development finance institutions to assess progress in efforts to intensify infrastructure investment. The discussions were aimed at identifying urgent reforms which need to be implemented to revive infrastructure investment.

At this meeting which was held in preparation for the Sustainable Infrastructure Development Symposium (SIDSSA) gathering which took place on 23 June, numerous issues were raised such as:

- The need for a credible project pipeline of infrastructure projects that are ready and bankable for investment and implementation.
- The need for a comprehensive, focused infrastructure plan.
- The need to address the fragmentation of infrastructure delivery

Following the meeting with the private sector on 18 February, the Department of Public Works and Infrastructure (DPWI) together with Dr Ramokgopa embarked on an

extensive consultation process and developed a new methodology of planning and project preparation.

What will also be different is that there will now be a single point of entry for all infrastructure projects across the country through Infrastructure South Africa (ISA) which is in the process of being established.

The new methodology has become known as the Sustainable Infrastructure Development System (SIDS) Methodology.

What makes the SIDS methodology different is that it ensures that infrastructure development is not merely undertaken in a transactional manner, which is where we have fallen short for so many years.

The SIDS Methodology relates to the identification, consideration, evaluation, approval, and implementation of workable infrastructure, in order to ensure bankability.

Such evaluation is necessary to ensure that the projects are functional from a financial, inter-sectoral and needs perspective.

The Methodology compliments and reinforces the requirements for infrastructure development in South Africa, as envisaged by the Infrastructure Development Act, which in itself is a lever we have at our disposal to achieve our infrastructure development goals and focus on prioritised implementation.

The SIDS Methodology specifically focuses on how the projects and programmes address spatial inclusivity and transformation.

Projects and programmes are assessed in terms of how they will advance the national development goals and in particular the National Development Plan and the National 7 key priorities of the 6<sup>th</sup> Administration of and the African Union Agenda 2063 and the State of the Nation Address commitments.

The SIDS methodology also places emphasis on skills development, training, and education, especially for historically disadvantaged persons and communities, women, youth, and persons with disabilities.

The DPWI is putting together the database of the skills and capacity we have in our country. We have developed a database of young unemployed professionals and retired professionals, so that we can pull together all the skills we have in our country.

The SIDS Methodology also ensures that projects are evaluated within their sectors and are assessed in accordance with the regional and district delivery model, considering the needs and the Socio-Economic environment or inter-sectoral viability.

The last step in the methodology is to determine the infrastructure value chain of the project, what are the costs and benefits and financial aspects, including the financial viability.

The comprehensive SIDS Methodology has been applied to an initial list of 276 infrastructure projects, with 55 projects and 12 special projects being compliant with the methodology.

The projects were divided into six sectors, namely, Water and Sanitation, Energy, Transport, Digital Infrastructure, Agriculture and Agro-processing and Human Settlements sectors.

It must be noted that many of these projects will be implemented over a period of more than one financial year.

All these sectors can respond to the social imperative to bring about significant job creation and transformation.

In addition, we have identified several labour intensive public programmes that will see to the building of rural roads, building bridges and cleaning of our towns and cities.

When we now speak about infrastructure it is across its entire lifecycle, we are no longer only talking about new construction but also about maintenance and upgrading of our existing infrastructure.

An important change is also the maximisation of commercial returns and ensuring that the project is both bankable and has a management structure that can ensure the implementation.

Our investment, delivery and implementation into infrastructure needs to be accountable and data-driven, ensuring that our communities are engaged, involved, and resourced.

The construction industry is also a sector which is significantly plagued by corruption and we are working on systems to prevent and detect corruption.

Corruption steals from the poor and that is something we can ill-afford. Corruption in this crucial job creation industry must come to an end.

On 23 June, we held the inaugural SIDDSA announcing the work that had been to collate and assess all the infrastructure projects in the country against the new methodology which address the fragmentation and the shortcomings which has led to lack of delivery in the past.

Now we are at the next step where we have gazetted the first tranche of projects.

We will now also embark on a social facilitation programme within our communities together with our partners to engage the communities to support our plan.

The first 50 projects emanating from the SIDSSA process and an additional 12 Special Projects were gazetted on Friday 24 July 2020 as Strategic Integrated Projects (SIPs), in terms of the Infrastructure Development Act, No 23 of 2014, as amended.

The gazette can be viewed online but I will share some detail of the gazetted projects:

Collectively the Water and Sanitation projects are worth R106billion in investment spanning across all provinces with the potential for direct job creation is estimated at around 25 000.

For example, the Phase 2A of the Mokolo Crocodile Water Augmentation Project (MCWAP-2A) in Limpopo will increase water supply in the Lephalale region. The economic impact of increased water supply is determined by the primary use of the additional water.

In the case of the MCWAP-2A, the water will be used as a second source for the Medupi and Matimba Power Stations, which will also help to meet the growing demand for water in Lephalale Municipality.

Three projects from the Energy sector have been gazetted, its total investment value is R58billion and its potential for direct job creation is estimated at 6000.

As an example, the emergency power Programme involves the development, installation, and operation of a total aggregate of up to 2 000 Megawatts new generation capacity in South Africa from independent power producers (“IPP”) projects.

In the Transport sector, a total of 15 projects to the value of R47 billion in investment value have been gazetted. The potential for direct job creation in this sector is estimated at 50 000.

In the Human Settlement sector, projects worth R138 billion worth of Investment have been gazetted, the projects have the potential to create an estimated at 190 000 direct jobs.

The Mooikloof Mega Residential City Project is one of our few projects coming straight from the private sector and demonstrates the strength of the SIDS process and methodology to deal with projects from the private and the public sector.

The digital sector has a single project gazetted worth R4 billion with the potential to create an estimated 700 direct jobs. The space infrastructure Hub for National Development will allow for the development of satellite infrastructure, satellite-based augmentation systems, and earth observation satellites.

Domestic access to this type of infrastructure will reduce South Africa's reliance on other countries for the type of information that these satellites can make available and is expected to reduce the timeframes for collecting necessary data.

The Agriculture and Agro-processing sector have two projects gazetted worth R7 billion in investment value and the potential to create an estimated 4000 jobs.

The Marine Tilapia Industry project offers a prime opportunity to rescale developmental objectives using new inclusive growth conduits to address the twin challenges of poverty inequality on the one hand, as well as nutritional security and food sovereignty on the other, by triggering interconnected and inclusive economic activity across the Mbhashe region.

The 12 Special Projects also have a specific aim to create much needed jobs and assist in skills development as many of our most vulnerable communities have been the hardest hit by the economic impact of the COVID 19 pandemic.

The Rural Bridges "Welisizwe" Programme will not only create much needed jobs but very importantly - it will help save lives by connecting rural communities to social amenities they need to access and they will no longer have to risk their lives crossing dangerous river streams to get to school, places of work or to access government services.

The Rural Roads Upgrade Programme and the Comprehensive Urban Management Programme will also greatly assist in providing jobs to communities who need it most while also greatly improve the living conditions of our poorest communities.

The process of gazetting the first Infrastructure Projects, as contained in SA's Infrastructure Investment Plan will prioritise implementation and facilitate the unblocking of the mechanisms, whether technical, financial, legal or administrative that have hindered infrastructure delivery for so long as it utilises the mechanisms available in the Infrastructure Development Act.

Now that these projects have been gazetted, in terms of the Infrastructure Development Act, this enables its development and implementation to be prioritised.

In the lead up to the inaugural Presidential Infrastructure Coordinating Commission (PICC) Council meeting on Thursday 30 July, the PICC Secretariat has met twice and the PICC management committee will meet later today.

The PICC secretariat met yesterday 26 July 2020 and approved the establishment of a singular Steering Committee, which will ensure that all approvals, authorisations, licenses, permissions and exemptions are expedited within shortened, concurrent timeframes.

SIP Coordinators have been identified and they, along with other pooled resources will, together with the private sector be expediting the implementation of these Infrastructure Projects, which have now been gazetted as SIPs.

All the SIPs will be monitored, ensuring that there is visibility and accountability in the implementation process, as well as providing insights and lessons learnt.

Lastly, especially in relation to the 12 Special Projects that have been gazetted as SIPs, social facilitation is to be introduced, as these SIPs are being rolled out at grassroots level and it is considered critical that there is stakeholder / community ownership at the onset of the process.

Further announcements on the projects will be made as we break ground to begin implementation.

A full list of the gazetted projects can be viewed here:

[https://www.gov.za/sites/default/files/gcis\\_document/202007/43547gon812.pdf](https://www.gov.za/sites/default/files/gcis_document/202007/43547gon812.pdf)

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