

National Council of Provinces Chairperson, Honourable Amos Masondo

NCOP deputy Chair, Honourable Sylvia Lucas

MECs

Honourable members

- 1. Before I begin, I would like to extend my deepest sympathies to all the Mandela family, friends and colleagues of Zinzi Mandela as well as all the families who have lost loved ones due to COVID 19.**

- 2. We wish all families strength and comfort during this difficult time.**

- 3. Honourable chairperson, we find ourselves in the midst of the most trying time in our democracy with the global COVID 19 pandemic gripping the world and indeed putting our country in a more difficult economic position.**

- 4. We have to do a delicate balancing act of responding to the virus and saving lives while also putting concerted effort into rebuilding our economy.**

- 5. I firmly believe that in every crisis there is opportunity and even greater impetus to respond to the needs of our people and fulfil our mandates with even greater motivation.**

6. The Department of Public Works and Infrastructure (DPWI) has a critical role to play in the economic recovery of our country and we have been working hard over the past few months to forge the new path with a special focus on infrastructure development in line with the new infrastructure mandate which was added to the department for the 6th administration.

7. The State of the Nation Address (SONA) by the President on the 20th of June 2019 reflected the reality of our people and set out the broad framework to respond to the challenges confronting the nation and articulated seven priorities aligned to the NDP and Medium- Term Strategic Framework (MTSF) namely:

- a) Economic transformation and job creation;**
- b) Education, skills and health;**
- c) Consolidating the social wage through reliable and quality basic services;**
- d) Spatial integration, human settlements and local government;**
- e) Social cohesion and safe communities;**
- f) A capable, ethical and developmental state; and**
- g) A better Africa and World.**

8. These seven priorities have given the reconfigured DPWI the opportunity to refocus toward the achievement of its existing and new infrastructure mandate in the implementation of quality public services for the public good.

9. Giving effect to these priorities, the DPWI Strategic Plan for 2020-25 is premised on key Outcomes in the context of our historical and new statutory and policy mandates.

10. In developing the DPWI Strategic Plan for 2020-2025, it was considered essential to ensure that the Outcomes of the Department and its Public Entities were all aligned to one or more of the national seven priorities.

11. This is to allow a focus on implementation and targeted infrastructure service delivery that addresses the ever-increasing needs and backlogs across our country.

12. The Infrastructure Development Act of 2014 includes amongst others, the implementation, facilitation and coordination of public infrastructure development, which is of significant national importance, as well as promoting the development goals of the state through infrastructure development investment.

13. This exciting added role allows DPWI, alongside the Infrastructure Investment Office in the Presidency, to structure the country's Infrastructure delivery plan.

14. The goal is to position DPWI to be resilient, Ethical and Capable department where everyone wants to work, with improved efficiencies to enable effective service delivery.

15. Another key outcome for DPWI is our task in planning and leading the programme for the refurbishment of city precincts in terms of spatial transformation, with Salvokop in Tshwane being the first precinct.

16. We are also leading the New City Initiative.

17. DPWI has further begun refocusing its capital programme from the current financial year to focus on incorporating the District Delivery Model into all of its planning and implementation processes.

18. When it comes to maintenance, the budget of DPWI is being re-oriented, as from the current financial year, to realize a scheduled and unscheduled maintenance plan so as to achieve the commitments set in DPWI's Strategic Plan.

19. I would now like to share some of the key aspects of South Africa's Infrastructure Plan which was approved by Cabinet on 27 May 2020 which forms part of the country's growth and recovery plan.

20. One of the most critical needs for our country as highlighted by industry stakeholders is the need for a credible project pipeline of infrastructure projects that are ready and bankable for investment and implementation.

21. DPWI together with the Infrastructure and Investment Office in the Presidency embarked on a process and developed a new methodology of planning and project preparation, which has become known as the Sustainable Infrastructure Development System (SIDS) Methodology.

22. Our focus as government has to be on Infrastructure Investment which will facilitate the crowding in of the private sector.

23. If government invests in the sustainable lifecycle of its infrastructure it will create the conditions conducive for the private sector to create jobs.

24. The new methodology aims to ensure that infrastructure development is not merely undertaken in a transactional manner, which is where we have fallen short for so many years.

25. The SIDS Methodology relates to the identification, consideration, evaluation, approval and implementation of sustainable infrastructure to ensure that we produce bankable projects.

26. The Methodology compliments and reinforces the requirements for infrastructure development in South Africa, as envisaged by the Infrastructure Development Act.

27. The Act in itself is a lever we have at our disposal to achieve our infrastructure development goals and focus on prioritised infrastructure implementation that is of economic significance and social importance.

28. Infrastructure is the flywheel to economic growth and recovery that will lead to major job creation and address the essential infrastructure needs of communities in both our rural and urban areas.

29. As we refocus our delivery, we need to ensure that the seven key priorities of the country are realised, specifically focuses on how the projects and programmes address spatial inclusivity and transformation.

30. This Plan is implementation driven, and has an immediate, medium and long term action plan.

31. Six sectors were identified as the basis for the Infrastructure Plan, namely; the Water and Sanitation, Energy, Transport, Digital, Agriculture and Agro-processing and the Human Settlements sector.

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

33. Innovative construction methods, technologies and management systems are being explored, especially in relation to climate change and the green economy.

34. We also need to overlay our infrastructure plans with the impact of climate change so that we can contribute to the lowering of carbon emissions in our country.

35. We are also exploring the introduction of Green Infrastructure Bonds.

36. Other important considerations for projects is the maximisation of commercial returns and ensuring that the project is both bankable and green.

37. Each of the projects in the Plan has to realise decent employment opportunities, labour intensive and focus on skills development, training and education, especially for historically disadvantaged persons and communities, women, youth and persons with disabilities.

38. Economic equality and social cohesion were also important evaluation criteria within the SIDS Methodology, along with local industrialisation, small business and cooperatives development, and regional economic integration.

39. Infrastructure projects were submitted by the three spheres of government, SOE's and implementing agencies and were evaluated in terms of the SIDS criteria above as well as financial viability in order to determine their readiness for implementation.

40. 276 projects were submitted that are in various stages while 95 projects are in the post feasibility stage in the six sectors and they are spread across the country.

41. The now 95 SIDS Projects are distributed across the country as follows:

- a. 9 in Eastern Cape**
- b. 5 in Free State**
- c. 16 in Gauteng**
- d. 24 in KwaZulu Natal**
- e. 9 in Limpopo**
- f. 10 in Mpumalanga**
- g. 9 in Northern Cape**
- h. 3 in North West**
- i. 6 in Western Cape**
- j. 4 that have a national footprint – will be implemented in all provinces**

42. Further, as far as the 14 Special Projects are concerned, 11 of the 14 are to be implemented in all provinces over the next few financial years.

43. Some of the Special Projects that will be implemented in specific provinces are the:

44. The Rural 'Welisizwe' Bridges Project will initially focus implementation in three provinces with the highest risks, being Eastern Cape, KwaZulu Natal and the Free State.

45. The Rural Roads Upgrade Project focuses implementation in five provinces, being Limpopo, Mpumalanga, Eastern Cape, KwaZulu Natal, and North West.

46. There has been extensive engagements with various stakeholders on the Infrastructure Plan including the provinces, local government through SALGA, Municipal Infrastructure Support Agent (MISA), the SOEs, Nedlac, DPWI entities, implementing agencies, big business, community based contractors and the construction industry amongst other.

47. These projects will be gazetted in terms of the Infrastructure Development Act in the coming weeks and will see government creating an enabling environment to help revive and rebuild the many sectors especially the construction sector which has been hard hit during these difficult economic times.

48. We will embark on a process of social facilitation that is an inclusive engagement and project development approach that has four critical pillars, namely.

49. Full inclusivity where the community is involved throughout the project lifecycle,

50. Co-creation where the community co-creates the project implementation plan, and

- 51. Project ownership where the community co-owns the project.**
- 52. We have for so long spoken about the partnership between government and the private sector. This Plan has brought this into reality.**
- 53. The next steps, which we have already being embarked on is the development our 25 year horizon National Infrastructure Plan.**
- 54. The National Infrastructure Plan2045 is to be focused, implementation-oriented and demand-driven.**
- 55. The National Infrastructure Plan2045 will also be aligned to the National Development Plan.**
- 56. The Government has committed a R100 billion for seed funding through the Infrastructure Fund, which includes new funding, guarantees and repacking of existing projects with R10 billion funding in the 2020/2021 Medium Term Expenditure Framework (MTEF).**
- 57. The Infrastructure Fund MOU has been signed. The Infrastructure Fund is intended as government funding and ancillary support for co-financing of blended finance infrastructure projects and programmes.**

58. This includes financing from the private sector and international financing institutions as part of the broader budgeting reforms that the Government is undertaking to address problems in the infrastructure value chain.

59. The reconfiguration of the Department of Public Works and Infrastructure is finally gaining momentum with the approval of the first phase of the Infrastructure Investment Plan.

60. The department will also benefit from a zero-base budget approach to further streamline expenditure.

61. We are in the process of establishing Infrastructure South Africa or ISA as a single entry point for all infrastructure, where there will be a comprehensive infrastructure project pipeline that is assessed by the SIDS Methodology where the focus is on implementation that is needs-driven.

62. Under the ISA umbrella will be the Presidential Infrastructure Coordinating Commission (PICC) Technical Task Team and the Infrastructure Delivery Management System (IDMS) functions.

63. The plan that I have just outlined gives us and the built environment industries hope that we will overcome and come out of the severe economic recession and COVID 19 storm stronger than ever before.

64. We need only the will to implement and work with private sector partners as government cannot do it alone.

65. Honourable Chairperson, I will now turn to the adjustment budget.

66. On the 9th of July, DPWI briefed the DPWI Portfolio Committee and the Select Committee on Public Works on the Special Adjustment Budget for the 2020/21 financial year.

67. The DPWI received a budget allocation of R8.07billion for the 2020/21 financial year.

68. An estimated R7billion of the total budget is allocated to transfers and subsidies for the operations of DPWI's entities and conditional grants to provinces and municipalities for the implementation of the EPWP programme.

69. R4.4 billion of the transfers budget is allocated to the Property Management Trading Entity (PMTE) for the execution of the Departmental Infrastructure and Property Management related programmes.

70. As part of the adjustment estimates, an amount of R1.6 billion was reprioritised within the department baseline which is under transfers and subsidies, mainly relate to the following programmes:

71. The EPWP non-state sector programme - R771 million.

72. The reprioritised budget will be used to recruit participants for COVID 19 and GBV activities.

73. Also under the reprioritised budget is an allocation of R829 million for PMTE to be utilised for the implementation of infrastructure projects, acquisition of Personal Protective Equipment (PPEs), deep cleaning of departmental buildings and courts.

74. This allocation will further be used to support the Department of Health in the procurement and provision of quarantine isolation facilities.

75. Any other adjustments will be implemented during the normal Adjusted Estimates of National Expenditure process and the process will include other economic classifications.

76. The DPWI has been working hard since before the lockdown started on 27 March 2020 to identify enough quarantine facilities and in all provinces, all 44 districts and 8 metros.

77. Before I close chairperson, I would like to highlight a few successes from last year's budget vote.

78. On land reform, the Department working together with the Inter-Ministerial Committee (IMC), plays an integral role in fast-tracking integrated land restitution and redistribution and to address challenges related to the slow pace of land reform.

79. Critical to the terms of reference, amongst others, is the urgent need to accelerating urban land redistribution to decisively reverse the legacy of apartheid spatial planning and unlock economic value in townships villages and small towns.

80. In October 2019, Cabinet approved the release of 14 105 hectares for Human Settlements development.

81. As part of this various land parcels were released in for human settlements in Mpumalanga, Eastern Cape, KwaZulu-Natal, Gauteng and North West, the Northern and Western Cape.

82. In the 2019/20 financial year, DPWI also approved the disposal of 169 land parcels for restitution cases in the Northern Cape, Eastern Cape, Western Cape, Limpopo and the North West provinces.

83. In response to the scourge of gender-based violence, the DPWI is also finalising the allocation of 12 properties to be used as shelters for gender-based violence victims in Pretoria, the Western Cape and Gauteng.

84. I have already engaged MECs on this matter earlier this month and DPWI will be working with Public Works and Social Development Colleagues in the remaining provinces to allocate properties for GBV shelters in the coming months.

85. Fraud and corruption is one of the greatest obstacles to economic and social development as it damages policies and programs that aim at service delivery and changing people's livelihoods for the better.

86. The Department has an approved Fraud Prevention Strategy that outlines the implementation of the fraud prevention program.

87. The strategy evolves as the Department makes changes and improvements in its drive to promote good governance, accountability and effectively fight fraud and corruption.

88. We have also introduced contract and consequence management.

- 89. Chairperson, lastly, the Department also contributes to Operation Phakisa: Oceans Economy through the Small Harbours and Coastal Properties development programme.**
- 90. A significant achievement has been the harbour revitalisation work stream that focusses on environmental transformation, security upgrades and revitalisation of existing harbours.**
- 91. To date, the Department has spent a total of R500 Million on the special intervention repair and maintenance programme to the Proclaimed Fishing Harbours in the Western Cape.**
- 92. The entire programme thus far has created a total of 471 jobs and empowered 45 local SMME companies to the value of approximately R45 million.**
- 93. The Department has resumed planning processes for the development of new small harbours and during the 2020/21 Financial Year intends on spending R9 million for the development of Spatial and Economic Development Frameworks (SEDFs) for Port Nolloth in the Northern Cape, Port St Johns in the Eastern Cape and Port Edward in Kwa-Zulu Natal.**
- 94. Anchored by approved funding of R1.6 billion and R60 million from the Budget facility for large strategic Infrastructure and the General Budget support programme respectively over the MTEF, the department is poised to move swiftly into project implementation mode.**

95. Honourable Chairperson as we navigate our way through this trying time, we must be mindful that more than ever, great responsibility rests on all of us.

96. The Deputy Minister and I are determined to see that DPWI succeeds in its mandate and that we all internalise the Batho Pele principles of “putting people first”.

97. I also wish to thank the Deputy Minister for her leadership and support.

98. I am determined that DPWI and Infrastructure South Africa will drive implementation harder because it is infrastructure projects that will rebuild our communities, our economy, create jobs and improve the living conditions for the people of our beautiful country.

99. I thank you and God Bless.

ENDS