



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

Issued by Chief Directorate: Communications

Enquiries: Lennox Mabaso 0828842403

Issue Date: 25 April 2023

**Statement by the Minister of Public Works and Infrastructure, Mr Sihle Zikalala,
on the progress in implementing the National Infrastructure Investment Plan**

**Deputy Minister of the Department of Public Works and Infrastructure, Ms
Bernice Swarts;**

Acting DG of the Department, Dr Alec Moemi;

The people of South Africa and all our stakeholders at DPWI;

Members of the Media;

Humble Greetings to all of you!

INTRODUCTION

It is our honour to welcome you all to our first substantive engagement with members of the Fourth Estate on our work as the new leadership of the Department of Public Works and Infrastructure (DPWI).

In the past few weeks following our appointment, we have had the opportunity to take stock of various Departmental operations and conducted visits to some of the sites where the department is doing work.

It is indeed evident that the Department of Public Works and Infrastructure is a key role player in the economic recovery and reconstruction plan. This is a department at the centre of driving the implementation of South Africa's blue print, the National Development Plan (NDP).

Central to the work of the department, is the urgent need to speed up the implementation of infrastructure projects to achieve economic and social transformation.

We are a government that is envisioning a new economic architecture where job creation, participation of local suppliers into the construction, maintenance and property management value chains is regarded a norm than an exception.

Our programmes must contribute in reversing spatial exclusion and lead to the empowerment of women, People Living With Disabilities (PLWD), and youth-owned companies in the property and infrastructure sector.

The message that we have sent to the department and all our stakeholders is that we must usher in a new era of delivering projects on time, within budget and our projects must be of good quality.

The Department must not be associated with poor infrastructure delivery and spending. We intend to move swiftly in responding to project delays and implementing interventions to remove obstacles hindering infrastructure delivery in South Africa.

INFRASTRUCTURE AS A CATALYST TO JOB CREATION

As you may be aware, in May 2020, Cabinet approved the Infrastructure Investment Plan, a credible pipeline of projects from all three spheres of government, state-owned entities and the private sector. In tandem, Cabinet also approved the establishment of Infrastructure South Africa (ISA) as an infrastructure centre of excellence and a single point of entry for infrastructure planning, management, and delivery.

The Infrastructure Investment Plan articulates the country's need for an infrastructure-led economic growth and recovery. The Plan identified projects in all Provinces, concentrated in the network industries with the ability to attract private sector financing and funding. Complementing the plan was legal, technical and financial mechanisms required to fast-track its implementation.

The Infrastructure Investment Plan focuses on ensuring that there is sustainable, efficient, reliable and affordable infrastructure that enables economic growth and accelerates the creation of jobs across a swathe of economic sectors like water

infrastructure, network infrastructure, agricultural infrastructure, social infrastructure, human settlements infrastructure.

DPWI is also focused on the building of new and upgrading of existing infrastructure, repurposing as well as expediting the maintenance of neglected infrastructure.

UPDATE ON INFRASTRUCTURE PROJECTS

In this 6th administration, a total of 88 Strategic Infrastructure Projects (SIPs) have been gazetted by government. We wish to report that through Infrastructure South Africa, we have amassed a pipeline of green hydrogen projects with a value of over R300-billion. This project pipeline is undergoing project preparation support to make it ready for implementation.

Among these projects, is the Boegoebaai Green Hydrogen in the Northern Cape. The project will support the Boegoebaai Port and Rail Programme. This hydrogen project has a potential to create an additional 35 000 work opportunities once it commences and all feasibility studies are completed.

The Prieska Power Reserve (PPR) Project in the Northern Cape, is a catalytic project that will begin producing green hydrogen and ammonia in 2026. This project is anticipated to create more than 10 500 jobs during both during the construction and the operational phases.

The Department gazetted 62 projects as Strategic Integrated Projects (SIPs) in July 2020 and a further 26 in December 2023. These projects hold significant value in terms of growing our economy and our country's development needs.

A number of these projects are completed such as various road projects in KwaZulu-Natal, the Free State and Limpopo. Housing projects in Gauteng and many other projects across the country are in construction and procurement phases.

Some of these are:

- Phase 2 of the Welisizwe Rural Bridges programme will commence this month. We plan to build 96 bridges in total and three per quarter to enable rural communities in the Eastern Cape, KwaZulu Natal, Mpumalanga, Limpopo, Free State, and North West to safely access schools, workplaces

and public amenities. R3.8 billion is allocated for the programme over the medium term.

- The construction of enabling bulk infrastructure, such as roads and water components for the Lufhereng Mixed-Use Development in Gauteng, begins in June 2023. It will support the development of 31,000 mixed housing units.
- Access roads for the Umzimvubu Water Project in the Eastern Cape are nearing completion. The construction of the Ntabelanga Dam, which is a part of this project, will begin later this year.
- In the Western Cape, site establishment for the Clanwilliam Dam raising project is completed. All surface works and 15% of all concrete works will be completed by the end of this year.

The total value of projects completed is R21.4 billion – mainly roads and human settlement projects. The total value of projects currently in construction is R 313.5 billion. Projects in procurement are standing at R295.2 billion

PROJECT SPECIFICS UPDATE

Please allow us to provide these updates:

- ❖ *N3 Highway Upgrade* – Overall progress indicates that the construction upgrading on the SANRAL N3 Highway is progressing well with most key milestones achieved. We anticipate works on the Upgrade of the N3 Ashburton Interchange to Murray Road and the capacity improvement on the N2/N3 EB Cloete Interchange to start in May 2023.
 - **Capacity improvement on the N2/N3 EB Cloete Interchange** – SANRAL Board approved award to contractor with works scheduled to start in May 2023
 - **Upgrade of the N3, from Mariannhill Toll Plaza to Key Ridge** – The draft design report submitted in December 2022 with outstanding design issues being finalised.
- ❖ *N2 Wildcoast Highway – Mtentu Bridge*
 - A new tender was issued and evaluated by the DBSA as per SANRAL Board Resolutions.
 - The Board approved the Award and contract handover took place in January 2023. Works are targeted to start in May 2023

- ❖ *Salvokop Precinct Project*
 - Installation of bulk infrastructure is ongoing including the earthworks, trenching and reservoir works being underway.
- ❖ *Raising of Hazelmere Dam* is aimed to augment the water supply to the KZN North Coast by raising the dam wall by 7 meters. The project is now 100% completed.
- ❖ *Vaal River System Including Phase 2 of the Lesotho Highlands Water Project*
 - Construction of advance infrastructure in progress.
 - Polihali Dam and Saddle dam: Construction commencement date was 23 November 2022
 - Polihali to Katse Transfer Tunnel - Construction commencement date was 05 December 2022
- ❖ *Umkhomaszi Water Project (KwaZulu-Natal)*
 - This R24-billion water augmentation project is at an advanced stage of preparation.
 - The Environmental Authorisations and approved pre-construction Environmental Management Programme are in place for the Water Conveyance Infrastructure and the Smithfield Dam.
 - Magistrate Courts
 - Police Stations

The public sector is projected to spend R903 billion on infrastructure over the medium-term. The largest portion of this, around R448 billion, will be spent by state-owned companies, public entities and through public-private partnerships.

The Infrastructure Investment Plan is an integral part of the Economic Reconstruction and Recovery Plan (ERRP) announced by President Cyril Ramaphosa.

REPOSITIONING THE DPWI AS AN IMPLEMENTING AGENT OF CHOICE

The Department of Public Works and Infrastructure is responsible for all government properties. The Department is involved in the extensive maintenance of many projects.

The Department is a target of unscrupulous service providers who at times fleece the department through shoddy workmanship, project stoppages claiming liquidation of companies, poor contractor performance and many other issues that impact negatively on the performance of the department which also affect our delivery of services to the Client Departments and to the community in general.

We are putting interventions in place to remove the stigma that this department is a treasure nest of all sorts of things, including corruption. We are setting new standards to inform Service Level Agreements (SLAs) with leased buildings especially focused on maintenance and smart facilities.

Going forward, we will account on all our planned infrastructure projects, introduce early warning systems and respond timeously to project blockages.

HIJACKING OF PROJECT SITES

We will be meeting with the Economic Sabotage Unit set up within the police to deal with economic crimes including the rising phenomena of so called construction mafia who invade, intimidate and disrupt delivery of projects on the ground.

We re-iterate that everyone is allowed to partake in economic activity in the country but this must be done in a legal and orderly fashion.

We will continue to engage communities on how they can benefit from construction projects and the entire value chain. Equally, we will mobilise communities to work with law enforcement to fight corruption, crime, and the construction mafia who are sabotaging the delivery of infrastructure and hampering job creation.

UPDATE ON LAND RELEASES BY DPWI

Under the land reform programme, the Department of Public Works and Infrastructure (DPWI), as the custodian of national state-owned land, is often requested to release land to settle land claims for restitution, for human settlements development and land redistribution as part of government's land reform programme.

Land redress is one of the key drivers to achieving spatial and socio-economic justice and ensuring that public land is used for public good.

RECENT LAND RELEASE APPROVALS INCLUDE:

The release of 2.8 hectares of land in the Msunduzi Municipality in KwaZulu-Natal to the Housing Development Agency (HDA) for human settlements development and the formalisation of an existing settlement.

The Department also released 1 199 hectares of land, valued at approximately R7.4million, to assist in settling a land restitution claim by the Kaapsche Hoop Community in Mpumalanga.

This latest release of land in KZN comes after the release of 18 land parcels measuring 533 hectares by DPWI for the purposes of accommodating communities, including those displaced by floods in 2022.

Two other properties measuring 511 hectares valued at approximately R10-million in Mpumalanga for the Bhembe community and two properties in North West measuring 1539,3 hectares valued at approximately R8-million for the Mekgareng / Broederstroom community were also released.

HARBOURS AND PORTS OF ENTRY

As you may be aware, the construction and maintenance of ports fall under the control the Department of Public Works and Infrastructure. We have recently visited the Beitbridge to inspect the border fence that was constructed during the outbreak of COVID-19. We also received reports on our infrastructure and maintenance projects from client departments like SAPS and the Department of Home Affairs. We are still traversing other areas.

We wish to state upfront that the issue of the state of our ports of entry, the level of infrastructure rendering our borders to being porous is receiving priority attention from our department and sister departments like Home Affairs and the SANDF.

The following cross border intervention projects are being implemented:

Construction of Emanguzi Police Station. The project is expected to be completed in June 2023. The construction of the concrete border fence known as the jersey barriers has commenced in uMkhanyakude and this will thwart the criminal syndicates that steal cars and transport them across the borders. We are currently busy with a comprehensive border analysis, auditing a number of areas including risk and security, fencing solutions, route determinations etc. We will respond to all the hotspot areas.

The six Points of Entry (POEs) being prioritised to improve border management and securing include: Beitbridge (Zimbabwe border); Ficksburg Bridge (Lesotho border); Kopfontein (Lesotho border); Lebombo (Mozambique border); Maseru Bridge (Lesotho border); and Oshoek (Eswatini border).

STATE OF SMALL HARBOURS

As part of its contribution to the Oceans economy under Operation Phakisa, the Department has been doing work in rebuilding and refurbishing of small declared harbours along the four coastal provinces of our country.

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.

The entire programme thus far has created a total of 672 jobs and empowered local SMME companies to the value of over R61 million.

In the quest for the development of new harbours, the Department is in the process of finalising the in-kind grant from the Chinese government to conduct feasibility studies along the coastlines of the Northern Cape, Eastern Cape and Kwa-Zulu Natal.

OFFICE AND RESIDENTIAL ACCOMMODATION FOR THE EXECUTIVE – PRESTIGE PROGRAMME

The Department continues to provide accommodation for the Executive of the country, the Heads of the Judiciary as well as Members of Parliament. The review of some of the issues and elements involved in this matter are receiving the priority of the Executive arm of Government and we will in due cause respond comprehensively on this matter. Our approach is that we should be prudent and cut any unnecessary expenditure that are identified in order to save as much of public money as possible. We are submitting proposals to the Executive in response to this area of our work.

ANNOUNCING THE RELEASE OF THE REQUEST FOR PROPOSAL FOR THE FIRST PROCUREMENT ROUND (PHASE 1) UNDER THE INTEGRATED RENEWABLE ENERGY AND RESOURCE EFFICIENCY PROGRAMME (IREREP)

We wish to announce today that the Department of Public Works and Infrastructure (DPWI) together with the Ministry of Electricity, supported by National Treasury's Government Technical Advisory Centre's (GTAC), we have released the first Request

for Proposals (RFP) under the Integrated Renewable Energy and Resource Efficiency Programme (iREREP/Programme).

This Programme will be the largest programme for the procurement of renewable energy and resource efficiency for public facilities on the African continent. This project was gazetted as a Strategic Integrated Project (SIP28) in July 2020 as part of the Infrastructure Investment Plan which was approved by Cabinet.

The release of this PHASE 1 RFP comes at an opportune moment, with Government remaining steadfast in eradicating the electricity and water supply challenges, and the rampant landfill shortages our country continues to face.

This Programme will introduce up to 3 740 MW of equivalent capacity through renewable energy and energy efficiency initiatives, while saving 47 million kilolitres of water and reducing waste to landfill by 1 million tons. By alleviating at least 3 740MW from the national grid through the Programme's energy efficiency and renewable energy interventions, the Government building portfolio could potentially add the same capacity as 2 Koeberg power plants and reduce load shedding by 3 – 4 stages.

The iREREP has the potential to achieve significant savings in Government expenditure and contribute towards socio-economic transformation over its 30-year term. Projected savings and socio-economic benefits from the Programme include:

- Up to R1.3 trillion direct contribution to the GDP;
- The creation of over 13 100 new small businesses, majority of which would be black-owned enterprises;
- An estimated 503 000 jobs created;
- Skills development opportunities for more than 475 000 people;
- A reduction in energy use intensity of between 22% and 45% in the public sector;
- A water use intensity reduction of between 30% and 55% in the public sector;
- A reduction in waste and diversion of 50% of current waste from landfill sites, saving 12 million tons; and
- A reduction in CO₂ and other Green House Gas emission by over 54.5 megatons.

We are committed to the work of growing our economy through infrastructure delivery.

I thank you.

ENDS

Issued by: Lennox Mabaso

Chief Director Communications and Marketing DPWI

Contact: 0828842403