

D

Public-sector infrastructure update

■ Introduction

This annexure provides an update on the status of major infrastructure projects and reports on planned public infrastructure spending.

In line with the medium-term strategic framework and the National Development Plan, the 2019 Budget prioritises spending on social and economic infrastructure such as schools, health facilities, roads and transport, energy, and water and sanitation. It also continues to fund programmes to improve the quality of infrastructure spending, and the capacity of government to plan and implement capital projects.

■ Trends in public infrastructure spending

Between 1998/99 and 2017/18, the public sector spent R3 trillion on infrastructure. Expenditure increased from R48.8 billion in 1998/99 to R236.2 billion in 2017/18. In real terms, infrastructure spending grew by an annual average of 4.3 per cent. State-owned companies have spent R1.3 trillion on infrastructure over this period. Municipalities and provincial departments have spent R612.8 billion and R705.2 billion respectively to build schools, hospitals, clinics and other community-related infrastructure.

Definitions of infrastructure spending

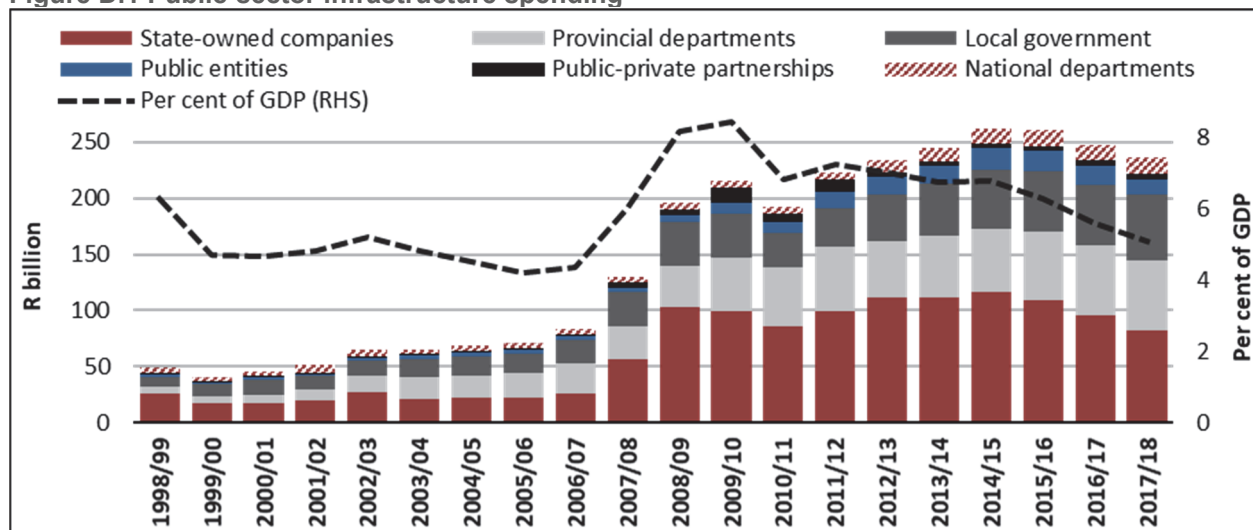
The annexure presents estimates of infrastructure spending across the public sector, which includes national, provincial and local government, state-owned companies and other public entities, and public funds allocated to public-private partnerships.

The data in this annexure may differ from infrastructure or capital expenditure estimates presented elsewhere in the 2019 *Budget Review*. Here, “infrastructure” is defined broadly, including spending on new assets; replacements; maintenance and repairs; upgrades and additions; and rehabilitation, renovation and refurbishment of assets. Capital and interest payments are also included in the definition. In contrast, “capital spending” typically excludes maintenance and finance charges.

The annexure also includes expenditure on public housing as part of infrastructure spending. In accounting terms, housing subsidies are usually defined as transfers rather than capital spending.

From 1998/99 to 2017/18, public-sector infrastructure expenditure as a share of gross domestic product (GDP) averaged 5.9 per cent. Both government agencies and public corporations substantially increased their spending on economic infrastructure over the past decade. However, spending on social infrastructure – which includes schools, hospitals and sanitation – has grown at a slower pace. Slower growth in social infrastructure expenditure is the result of pressure on budgetary resources, including the growth in government’s wage bill and new policy commitments.

Figure D.1 Public-sector infrastructure spending



Source: National Treasury

Public-sector infrastructure spending highlights

Table D.1 summarises government's infrastructure plans for the next three years. The data combines infrastructure financed at national, provincial and local government level with spending estimates received from state-owned companies and other public entities.

Table D.1 Public-sector infrastructure expenditure and estimates

R billion	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	MTEF total
	Outcomes			Estimates				
Energy	65.9	67.0	55.1	50.6	52.6	52.8	52.8	158.1
Water and sanitation	31.5	30.8	26.8	38.3	42.8	41.8	47.4	132.0
Transport and logistics	81.3	70.9	75.4	78.0	94.8	103.8	115.3	313.9
Other economic services	13.2	14.3	17.1	16.7	15.1	14.2	15.2	44.5
Health	10.3	10.4	9.7	12.1	11.8	11.1	11.5	34.3
Education	18.0	17.8	17.6	18.5	18.2	19.0	19.7	56.9
Human settlements ¹	18.3	18.3	14.3	18.2	18.8	19.0	19.7	57.5
Other social services	11.9	10.3	11.2	10.6	10.3	9.9	10.4	30.6
Administration services ²	10.9	10.1	9.1	12.3	11.7	12.2	13.1	37.0
Total	261.2	249.9	236.2	255.1	276.1	283.8	305.1	864.9
National departments	14.5	15.8	14.9	15.9	16.0	16.8	18.6	51.5
Provincial departments	60.6	62.6	62.3	61.7	60.7	60.4	63.7	184.8
Local government	54.7	54.4	58.8	65.9	66.7	67.3	71.0	204.9
Public entities ³	17.8	17.1	13.2	20.6	20.8	22.8	23.7	67.4
Public-private partnerships	4.3	4.8	4.8	5.9	6.1	5.5	5.8	17.3
State-owned companies ³	109.3	95.2	82.2	85.2	105.8	110.9	122.3	339.0
Total	261.2	249.9	236.2	255.1	276.1	283.8	305.1	864.9

1. Human settlements includes public housing to households and bulk infrastructure amounting to R57.5 billion over the MTEF period

2. Administration services include infrastructure spending by the Department of International Relations, the Department of Home Affairs, the Department of Public Works, Statistics South Africa and their entities

3. Public entities are financed by capital transfers from the fiscus and state-owned companies are financed from a combination of own revenue, borrowings and private funding

Source: National Treasury

Public-sector infrastructure spending over the medium-term expenditure framework (MTEF) period is estimated to total R864.9 billion.

State-owned companies continue to be the single largest contributor to capital investment, spending a projected R339 billion over the next three years. Provinces are expected to spend R184.8 billion on infrastructure over the same period, while municipalities are forecast to spend R205 billion. Public housing and bulk infrastructure constructed through the *human settlements development grant* and a new grant for informal settlement upgrades in provinces totals R57.5 billion. Although these assets are transferred to homeowners and not retained on the public-sector balance sheet, this spending is a substantial contribution to the built environment by government.

Economic infrastructure spending, mainly by state-owned companies, accounts for 75 per cent of the medium-term estimate. These funds are used to expand power-generation capacity, upgrade and expand the transport network, and improve sanitation and water services. Social services infrastructure accounts for 20.7 per cent of the total, of which health and education account for 4 per cent and 6.6 per cent respectively.

Energy

Energy expenditure is expected to total R158.1 billion over the next three years, accounting for 18.3 per cent of total infrastructure spending. Eskom accounts for R134.3 billion, or 85 per cent, of this amount.

Table D.2 Eskom expenditure and estimates

R billion	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Medupi power station	7.4	7.2	6.6	4.9	4.6	–
Kusile power station	17.3	13.2	9.4	5.9	3.1	1.0
Ingula pumped-storage scheme	2.5	–	–	–	–	–
Matla refurbishment project	0.4	0.3	0.3	0.4	0.2	0.1
Duvha power station	0.3	0.3	0.2	0.2	0.3	0.1
765kV projects	1.1	0.9	0.6	1.2	0.6	0.3
Northern grid projects ¹	1.3	0.9	0.9	0.6	0.8	–
Cape grid projects ¹	1.1	0.7	0.6	1.4	1.0	1.1
Central grid projects ¹	1.0	1.0	0.9	1.1	0.1	0.0
Majuba rail	0.7	1.0	1.0	–	–	–
Koeberg steam generator replacement project	–	1.3	1.2	2.0	1.8	1.7
Other ²	25.9	20.9	22.1	27.1	32.5	40.3
Total	58.9	47.7	43.9	44.9	44.8	44.6

1. Grid projects involve installation of transmission lines, new transformers and upgrading of substations

2. Other represents a collection of projects to enhance the system at generation, transmission and distribution level including maintenance projects

Source: Eskom

The Department of Energy will focus on increasing household access to electricity over the medium term. A total of R17.4 billion has been allocated to support the Integrated National Electrification Programme. The programme will fund an estimated 590 500 new connections to the power grid over the MTEF period. An additional 20 000 households will be provided with non-grid (stand-alone power system) connections per year. Over the medium term, government will transfer R5.9 billion to municipalities and R10.7 billion to Eskom to fund this programme.

To increase energy efficiency and reduce reliance on the national grid, the Department of Energy will continue to implement the Solar Water Heater Programme and provide subsidies to municipalities to encourage the use of more energy-efficient technology. To date, the department has produced and installed 87 200 solar water heaters. To support the use of more energy-efficient technology, R719.3 million is allocated to the *energy efficiency and demand-side management grant* over the medium term.

The Department of Energy continues to support the renewable energy market, in line with the national commitment to transition to a low-carbon economy. Government has committed to procuring 14 725 megawatts (MW) of power from renewable energy sources in terms of the Integrated Resource Plan (IRP) 2010 to ensure South Africa has an optimal energy mix. Table D.3 shows the different renewable energy technologies and their associated total capacity allocations in line with the IRP's policy targets.

Table D.3 Renewable energy technologies

Technology	Megawatts
Onshore wind	6 360
Solar photovoltaic	6 225
Concentrated solar power	1 200
Landfill, hydroelectric power, biomass, biogas and small (1-5 MW) projects	940
Total	14 725

Source: Independent Power Producer Office

To date, a total of 6 422 MW has been procured from 112 renewable energy independent power producers over seven “bid windows”, and 3 876 MW of electricity generation capacity from 63 projects has been connected to the national grid. Renewable energy sources have generated about 26 840 gigawatt-hours since November 2013. Private investment in the programme amounts to R201.8 billion to date, of which R48.7 billion is from foreign investors and financiers.

Table D.4 Renewable Energy Independent Power Producer Procurement Programme bid window summary

Bid window	Total number of projects	Total MW allocation	Number of projects in commercial operation	Total MW grid-connected
1	28	1 425	28	1 415
2	19	1 040	19	1 033
3	17	1 452	16	1 428
3.5	2	200	–	–
4	26	2 205	–	–
Small (1S2)	10	49	–	–
Small (2S2)	10	50	–	–
Total	112	6 422	63	3 876

Source: Independent Power Producer Office

Water and sanitation

Government will spend R132 billion on water and sanitation over the next three years, accounting for 15.3 per cent of public-sector infrastructure expenditure.

The Water Infrastructure Development Programme is allocated R42 billion over the medium term. The majority of this allocation, R29 billion, will be transferred to water boards, the Water Trading Entity, the *regional bulk* and *water services infrastructure grants* and the *accelerated community infrastructure grant*.

Disbursements through the *regional bulk infrastructure grant* and the *water services infrastructure grant* will total R18.3 billion over the medium term. During this period, 4 mega, 34 large and 295 regional bulk water and sanitation projects will be completed. Infrastructure investment will be prioritised to serve 27 of the poorest district municipalities.

Transport and logistics

The public sector plans to spend R313.9 billion on transport and logistics over the medium term. This accounts for 36.3 per cent of total infrastructure expenditure during this period. These investments will improve the national transport infrastructure network, enhance the mobility of people and the provision of services, reduce transport costs and facilitate regional trade. Revenue from services provided by state-owned companies will help fund infrastructure investment, complemented by national and provincial allocations for road construction and maintenance of the non-toll network.

Transnet's capital expenditure is expected to total R102 billion over the next three years. Table D.5 below shows Transnet's major projects over a seven-year period.

Table D.5 Transnet expenditure and estimates

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Acquisition of locomotives (Transnet freight rail)	8 167	6 068	7 178	6 381	6 660	6 498	581
New multi-product pipeline	1 331	1 521	1 182	694	406	1 769	57
Other pipelines	–	–	–	1 978	3 075	3 812	7 166
Capitalisation of infrastructure, locomotives and wagon maintenance	7 086	6 187	6 650	1 035	1 050	1 300	1 400
Rolling stock maintenance	–	–	–	1 590	2 104	1 889	5 045
Rolling stock	–	–	–	2 831	1 493	1 864	2 730
Waterberg upgrade (stage 2-5)	–	–	–	356	295	129	21
Manganese transport project	–	–	–	216	388	2 362	3 783
Acquisition of tugs		518	168	–	–	–	–
Export coal expansion				433	500	500	
Overvaal tunnel doubling				1 394	972	1 858	2 242
Other	13 571	7 139	7 969	8 737	13 127	11 294	15 586
Total	30 155	21 433	23 147	25 645	30 070	33 275	38 611

Source: Transnet

Over the MTEF period, major investments in roads and rail include the following:

- The South African National Roads Agency Limited has been allocated funds from the Road Transport Programme to upgrade, strengthen and maintain non-tolled national roads. A total of R36.5 billion has been allocated for non-toll roads. In addition, R3.3 billion is allocated for the upgrade of the R573 (Moloto Road), R1.8 billion to compensate for the reduced tariffs for the Gauteng Freeway Improvement Project, R3.2 billion for the construction of two bridges on the N2 Wild Coast project and R19.8 billion for general road strengthening and maintenance.
- The *provincial roads maintenance grant* is allocated R36.5 billion to fund the resealing and rehabilitating of provincial roads. This includes R526 million allocated in 2019/20 to maintain coal haulage roads in Mpumalanga.
- The Passenger Rail Agency of South Africa has been allocated R41.5 billion in capital transfers over the medium term to modernise the rail network. This includes the provision of 125 new trains for Metrorail as part of the rolling stock fleet renewal programme. Over the MTEF period, R6.8 billion has been allocated for signalling upgrades, R5.2 billion to overhaul and refurbish coaches, and R3 billion for other rail-related infrastructure improvements. The *public transport network grant* funds the integrated public transport networks in 13 cities across the country and has been allocated R22.3 billion over the medium term.

Human settlements

The Department of Human Settlements has been allocated R105.7 billion over the medium term, which will support delivery of more than 520 000 state-provided housing subsidies.

The department will facilitate the delivery of state-subsidised housing through implementing agents such as provinces, metropolitan municipalities and related departmental entities. These implementing agents are funded through the Housing Development Finance Programme in the form of conditional grants and transfers amounting to R102.8 billion over the MTEF period.

The *human settlements development grant*, which funds housing and human settlements programmes at a provincial level amounts to R50.1 billion over the medium term. Over the same period, the *urban settlements development grant*, which funds infrastructure provision for broader urban development in metropolitan municipalities, will receive R31.1 billion. Upgrades to informal settlements will be funded through a new grant to provinces and municipalities, which amounts to R14.7 billion over 2020/21 and 2021/22.

In addition, the institutional arrangements for finance-linked subsidies have changed. From 1 April 2019, the administration and funding of the finance-linked subsidies will be transferred from provinces to the National Housing Finance Corporation. This transfer aims to improve the manner in which subsidies are administered. Over the medium term, the corporation will receive R950 million to support the delivery of 18 185 finance-linked individual subsidies.

Health

The Department of Health plans to spend an estimated R23.5 billion on healthcare infrastructure in the areas of greatest need. The direct *health facility revitalisation grant*, which is transferred to provincial health departments, will receive R19.2 billion over the medium term to fund about 15 000 infrastructure projects. These projects include the upgrading, refurbishing and maintenance of existing healthcare facilities, and construction of new facilities. The health facility revitalisation component of the *national health insurance indirect grant* will receive R4.3 billion over the medium term. A portion of this allocation will fund the planning and construction of an academic hospital in Polokwane, as well as improvements to the nearby Pietersburg and Mankweng hospitals.

Education

The Department of Basic Education plans to spend R40.5 billion on school infrastructure over the medium term. The *education infrastructure grant* has been allocated R34.3 billion over this period. The grant helps to fund ongoing infrastructure investment in provinces, including maintenance and construction. The *school infrastructure backlogs grant* will receive R6.1 billion to complete projects that replace unsafe schools and eliminate backlogs. In 2019/20, the department will use R2 billion to replace 59 inappropriate and unsafe schools, and provide water to 227 schools and sanitation to 717 schools, respectively. Over the medium term, the *maths, science and technology grant* has been allocated R1.2 billion to help train teachers, and provide equipment and software to schools.

Over the same period, R3.3 billion has been allocated to the Department of Higher Education and Training to continue construction at the University of Mpumalanga and the Sol Plaatje University. New facilities include lecture rooms, laboratories, sport and recreation amenities, and student accommodation. In 2019/20 an additional allocation of R120 million, approved through the Budget Facility for Infrastructure (BFI), will help fund student housing programmes at the Nelson Mandela University, Sefako Makgatho Health Sciences University and the Vaal University of Technology.

■ Strategic infrastructure projects

The Presidential Infrastructure Coordinating Commission has approved 18 strategic infrastructure projects to support economic development and service delivery in all provinces.

Table D.6 lists the projects and their allocations from the fiscus. In many cases, these amounts are augmented by investments financed by state-owned companies, which are not included in the table.

Table D.6 Allocation from the fiscus to strategic infrastructure projects

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Audited outcome			Preliminary outcome	Forecast		
SIP category							
SIP 1: Unlocking the northern mineral belt with Waterberg as catalyst	393	819	291	580	914	1 158	1 115
SIP 2: Durban, Free-State, Gauteng logistics and industrial corridor	188	217	128	110	110	35	–
SIP 3: South eastern node and corridor development	8 927	9 356	11 122	7 022	15 082	14 297	13 753
SIP 4: Unlocking economic opportunities in the North West province	881	496	429	363	325	419	495
SIP 5: Saldanha-Northern Cape development corridor	196	–	5	–	268	378	427
SIP 6: Integrated municipal infrastructure project	22 426	20 937	21 644	22 001	20 226	20 704	22 298
SIP 7: Integrated urban space and public transport programme	49 075	49 749	47 679	44 932	49 741	51 564	57 355
SIP 8: Green energy in support of the South African economy	129	137	501	147	159	167	180
SIP 10: Electricity transmission and distribution for all	3 769	3 664	4 005	4 111	3 587	3 787	4 058
SIP 11: Agri-logistics and rural infrastructure	10 032	11 273	11 739	12 486	12 225	12 973	13 903
SIP 12: Revitalisation of public hospitals and other health facilities	6 032	5 959	6 342	6 894	7 143	7 955	8 420
SIP 13: National school build programme	11 040	11 345	12 450	12 585	12 775	13 508	14 953
SIP 14: Higher education infrastructure	3 301	3 397	3 520	3 793	3 988	4 097	4 304
SIP 16: SKA and Meerkat	687	653	694	709	687	812	857
SIP 18: Water and sanitation master plan	4 434	4 927	5 180	5 718	5 981	6 636	7 159
Total	121 510	122 929	125 729	121 451	133 211	138 490	149 277

Source: National Treasury

Major infrastructure projects per sector

Table D.7 summarises public infrastructure projects per sector.

Table D.7 Major infrastructure projects per sector

R million	Implementing agent	Project stage	2018/19	2019/20	2020/21	2021/22
			Estimates			
Water and sanitation						
Construction of water supply and sanitation systems in Limpopo	Water and Sanitation	Construction	4 190	3 682	3 886	4 177
Construction of bulk water supply in Giyani - phase 1 and phase 2	Water and Sanitation	Construction	233	170	361	420
Upgrade of bulk water supply in Mogalakwena - phase 1	Water and Sanitation	Construction	186	228	250	294
Upgrade of waste treatment works in Sebokeng - phase 1 and phase 2	Water and Sanitation	Construction	110	184	250	300
Construction of bulk water supply and sanitation systems in the North West	Water and Sanitation	Construction	141	129	263	150
Construction of bulk regional sewerage in Sedibeng	Water and Sanitation	Feasibility	502	115	213	180
Construction of regional bulk wastewater treatment works in Westonaria/Randfontein (Zuurbekom)	Water and Sanitation	Design	63	77	152	220
Upgrade of Madibeng bulk water supply - phase 2	Water and Sanitation	Construction	56	70	100	274
Construction of Thembisile bulk water supply (Loskop) - phase 1 of 3	Water and Sanitation	Construction	60	40	120	155
Construction of Driekoppies bulk water supply	Water and Sanitation	Construction	13	100	100	100
Energy¹						
Construction of upstream oil and gas production assets by PetroSA in Ghana	CEF	Construction	525	300	109	224
Mine expansion programme (T Project)	CEF	Pre-feasibility	10	–	10	593
Klippoortjie mine expansion project	CEF	Feasibility	41	235	330	25
Construction of a liquefied petroleum gas pipeline and storage infrastructure, tank repairs and terminal expansion	CEF	Identification	128	136	144	152
The Redstone Concentrated Solar Thermal Power Plant project	CEF	Feasibility	265	93	172	–
Gas trading project with Mozambique	CEF	Identification	8	20	200	10
Upgrades and additions to West Coast energy infrastructure	CEF	Identification	82	154	32	29
Enhanced energy-processing refinery project	CEF	Feasibility	–	208	–	–
Acquisition of new infrastructure assets to enhance downstream market entry into gas sales	CEF	Identification	5	200	–	–
Development of a national gas transmission pipeline network	CEF	Identification	1	–	–	120
Transport and logistics						
Rolling stock fleet renewal programme	PRASA	Construction	4 677	4 957	8 081	8 526
Signalling and telecommunications programme	PRASA	Construction	2 024	2 145	2 265	2 390
Upgrade of airport facilities	ACSA	Construction	168	645	1 691	2 669
General overhaul of Metrorail coaches	PRASA	Construction	1 409	1 494	1 569	1 647
New runways, taxiways and aprons	ACSA	Construction	274	292	1 769	2 219
Upgrades and additions to airport buildings	ACSA	Construction	233	1 889	1 281	907
Rail depots modernisation programme	PRASA	Construction	737	781	257	286
Refurbishment of aprons and roads	ACSA	Construction	43	135	428	516
Security upgrades (stations and corridors)	PRASA	Construction	336	356	227	202
Capital intervention programme (safety, emergency & special needs projects)	PRASA	Construction	301	319	168	191

Table D.7 Major infrastructure projects per sector (continued)

R million	Implementing agent	Project stage	2018/19	2019/20	2020/21	2021/22
			Estimates			
Other economic services²						
Implementation of infrastructure within special economic zones	Trade and Industry	Ongoing	2 200	2 615	2 775	1 622
Upgrade of the Council for Scientific and Industrial Research Campus	CSIR	Construction	754	688	740	–
Infrastructure projects to support investment in mining, tourism, manufacturing and services	Environmental Affairs	Construction	422	446	470	490
Upgrade of the South African National Biodiversity Institute laboratories	Environmental Affairs	Construction	134	151	159	167
Upgrade of tourist accommodation facilities in national parks	Environmental Affairs	Ongoing	122	125	131	138
Upgrade of iSimangaliso Wetland Park Authority office facilities	Environmental Affairs	Construction	183	109	114	120
CSIR group investment in property, plant and equipment	Council for Scientific and Industrial Research	Construction	102	108	114	120
Upgrade of personnel accommodation facilities and equipment in national parks	Environmental Affairs	Construction	87	92	97	102
Upgrade of roads and infrastructure in national parks	Environmental Affairs	Construction	73	76	80	84
Sentech digital terrestrial television Migration project	Sentech Limited	Construction	60	63	62	70
Health						
Construction of the Limpopo Academic Hospital	Health	Feasibility	190	247	653	498
Maintenance through the National Health Insurance Backlog Programme	Health	Construction	457	231	309	324
Rehabilitation of Bambisana Hospital in the Eastern Cape	Health	Design	35	172	179	267
Construction of the Siloam hospital in Limpopo	Health	Design	138	155	218	238
Rehabilitation of Zithulele hospital in the Eastern Cape	Health	Design	40	150	202	174
Replacement of the Balfour community health centre in Mpumalanga	Health	Construction	2	25	61	120
Replacement of the Lusaka community health centre in the Free State	Health	Construction	13	78	79	45
Replacement of the Chebeng community health centre in Limpopo	Health	Construction	8	18	100	80
Refurbishment of the Dihlabeng Hospital in the Free State	Health	Construction	100	80	80	36
Maintenance of the Mamelodi hospital in the Gauteng	Health	Feasibility	–	18	20	112
Education						
Construction of hostels, lecture halls and laboratories at various tertiary institutions	Higher Education	Various	5 376	5 677	5 975	6 233
Replacement of inappropriate infrastructure at public primary and secondary schools	Basic Education	Various	2 121	1 869	1 629	2 191
Construction of hostels, lecture halls and laboratories at the University of Mpumalanga	Higher Education	Various	1 277	1 332	1 401	1 476
Construction of hostels, lecture halls and laboratories at Sol Plaatje University	Higher Education	Construction	724	757	802	838
Construction of student housing facilities at Vaal University of Technology	Higher Education	Construction	39	40	–	–
Construction of student housing facilities at Nelson Mandela University	Higher Education	Construction	34	34	–	–
Construction of student housing facilities at Sefako Makgatho Health Sciences University	Higher Education	Construction	31	31	–	–
Procurement of mobile classrooms for community education and training learners	Higher Education	Construction	1	–	–	–

Table D.7 Major infrastructure projects per sector (continued)

R million	Implementing agent	Project stage	2018/19	2019/20	2020/21	2021/22
			Estimates			
Human settlement						
Human settlements development programme	Human Settlements	Ongoing	36 433	37 613	36 039	15 397
Urban settlements development programme	Human Settlements	Ongoing	22 612	23 926	22 251	9 373
Informal Settlements Upgrading Partnership Programme implemented by municipalities	Human Settlements	Ongoing	–	–	2 985	4 384
Informal Settlements Upgrading Partnership Programme implemented by provinces	Human Settlements	Ongoing	–	–	3 015	4 322
Social Housing Regulatory Authority Programme	Human Settlements	Ongoing	1 487	1 477	1 541	805
Other social sectors³						
Upgrade of the national archives building in Pretoria	Arts and Culture	Construction	65	98	96	119
Construction of a museum on the Liberation Heritage Route	Arts and Culture	Construction	25	71	75	157
Construction of the Isibhubhu Cultural Arena	Arts and Culture	Construction	56	59	72	65
Construction of the Sarah Baartman Museum	Arts and Culture	Construction	91	85	3	60
Upgrade of the Ulundi and Prospection labour centres	Labour	Construction	32	32	34	18
Upgrade of the Ingquza Hill Museum	Arts and Culture	Various	10	4	–	18
Upgrade of the JL Dube House Museum	Arts and Culture	Various	12	5	–	15
Upgrade of the OR Tambo Memorial Interpretative Centre	Arts and Culture	Various	8	8	–	–
Renovations of the Isandlawana Museum	Arts and Culture	Design	3	3	4	–
Construction of the Afrivibe Entertainment Incubator building	Arts and Culture	Feasibility	–	–	4	2
Justice and protection services						
Construction of new and re-established police stations	Police	Various	606	628	645	693
Refurbishment military bases, replacement of mechanical systems and ground works	Defense and Military	Construction	361	375	381	696
Expansion of the Durban High Court	Justice and Constitutional Development	Design	206	352	371	201
Construction of police personnel and office accommodation	Police	Construction	262	286	325	175
Upgrade and refurbishment of the South African Military Health Training Centre - Phase 2 (nurses college)	Defense and Military	Design	23	84	308	382
Upgrade of Lichtenburg correctional centre through provision of 234 additional beds	Correctional Services	Construction	32	114	162	80
Construction of Khayelitsha Correctional Centre	Correctional Services	Design	–	–	90	260
Refurbishment, additions to existing magistrate's buildings and upgrading of security measures	Correctional Services	Construction	99	219	69	44
Security installations at Pietermaritzburg, Kokstad and Empangeni correctional centres	Defense and Military	Construction	200	106	120	97
Refurbishment of military base messes	Defense and Military	Construction	78	99	90	130

Table D.7 Major infrastructure projects per sector (continued)

Rmillion	Implementing agent	Project stage	2018/19	2019/20	2020/21	2021/22
			Estimates			
Central government and administrative services⁴						
Repair of various government owned buildings	PMTE	Various	612	522	658	529
Refurbishment of various government owned buildings	PMTE	Various	513	558	485	487
Maintenance of various correctional facilities	PMTE	Various	125	362	428	648
Refurbishment of various correctional facilities	PMTE	Various	199	231	356	529
Construction of New York chancery	International Relations and Cooperation	Feasibility	194	334	376	28
Redevelopment of border post centres (97 projects)	PMTE	Various	216	229	241	226
Refurbishment of various magistrate buildings	PMTE	Various	299	302	177	157
Upgrading and construction of prestige accommodation sites (57 projects)	PMTE	Various	187	197	208	219
Repair of various police stations	PMTE	Various	297	321	199	101
Upgrading and construction of departmental facilities (41 projects)	PMTE	Various	181	191	201	212

1. Only projects of the Central Energy Fund are reported in this table. Eskom projects are reported on separately in Table D.2

2. Other economic services includes agriculture, environmental, trade and industry, science and technology and telecommunications infrastructure

3. Others social sectors include infrastructure such as labour, arts and culture, cooperative governance, rural and social development

4. Central government and administrative services includes international relations, public works, home affairs and communications

Note: Passenger Rail Agency of South Africa (PRASA), Airports Company of South Africa (ACSA), Council for Scientific and Industrial Research (CSIR) and Property Management Trading Entity (PMTE)

Source: National Treasury

Large infrastructure projects under the Budget Facility for Infrastructure

The BFI is an institutional process within the national Budget that supports quality public investments by improving the planning and execution of large infrastructure projects.

In response to a July 2017 call for proposals for large infrastructure projects, national departments submitted a total of 64 projects with an estimated funding requirement of R138.6 billion. Through the BFI structures, 38 projects met the criteria and underwent detailed technical assessment. Following initial allocations in 2018/19, three projects in the health, education and transport sectors will receive funding of R4.4 billion over the medium term. A second call for proposals, in July 2018, resulted in 63 submissions from national departments with an estimated funding requirement of R203.6 billion. Of these, 33 projects underwent detailed technical assessment, and 13 projects from the higher education and public works sector complied with the BFI requirements. These will be considered for funding in the next budget process. Government is considering a blended-finance approach to these projects.

The experience of the BFI indicates the need to scale up skills and capacity within sponsoring departments. Some of the challenges in the infrastructure value chain include a lack of technical expertise and institutional capacity to identify and develop good projects. Over the next three years, government will develop a Project Preparation Facility to build capacity and strengthen project planning, in line with the requirements of the BFI. The new facility will focus on infrastructure in education, health, water, energy and communications. The Development Bank of Southern Africa is allocated R400 million to lead the process, while the Government Technical Advisory Centre and the Presidential Infrastructure Coordinating Commission's Technical Project Management Unit are allocated R60 million and R165 million respectively. Projects that have been prepared through the Project Preparation Facility will be considered for funding through the BFI.

This page was left blank intentionally.