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Public-sector infrastructure update

■ Introduction

This annexure provides an overview of reforms to manage and deliver public infrastructure, and an update on the status of major infrastructure projects.

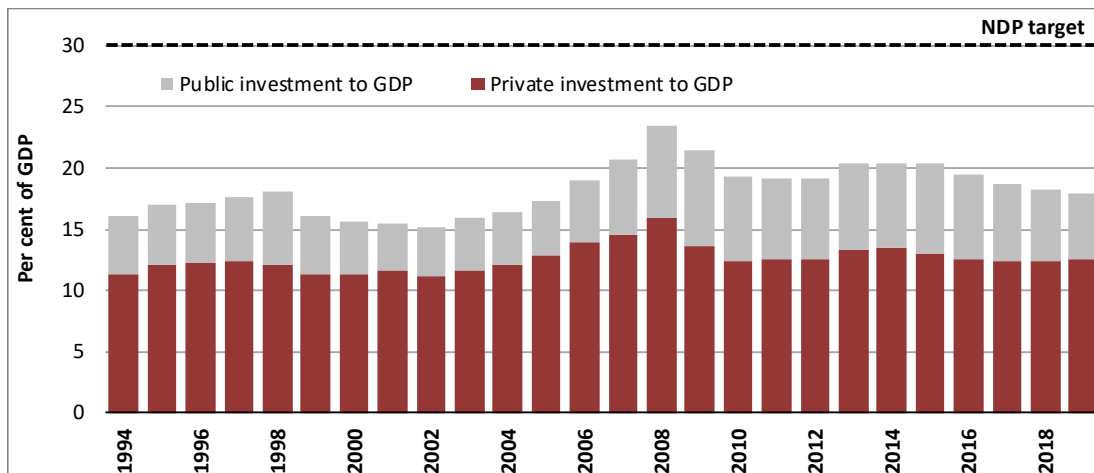
The economic recovery plan announced in October 2020 prioritises infrastructure spending to support the economy in the short term, and longer-range reforms to boost the potential growth rate. Many of these reforms involve pooling resources with the private sector, multilateral development banks and development finance institutions to fund infrastructure investment more effectively. A comprehensive project pipeline appears at the end of the annexure.

■ Trends in public and private capital investment

To grow the economy and reduce unemployment and poverty, capital investment by the public and private sectors, which amounted to 17.9 per cent of GDP in 2019, needs to increase. Over the past decade, the public finances have deteriorated, mainly due to low growth and tax revenue and the need for increased support for state-owned companies. Revenue shortfalls and rising spending pressures threaten government's ability to invest in new infrastructure. The National Development Plan targets capital investment of 30 per cent of GDP. To reach that goal, public-sector investment would need to grow from 5.4 per cent of GDP in 2019 to 10 per cent of GDP by 2030, while private-sector investment in infrastructure would need to grow from 12.5 per cent of GDP in 2019 to 20 per cent in 2030.

Between 2009 and 2019, public-sector capital investment averaged 6.7 per cent of GDP, while private capital investment averaged 12.8 per cent of GDP (Figure D.1). Not only is total investment well below the National Development Plan target, it has also been continuously declining over the past few years. Between 2007 and 2009, public and private capital investment as a percentage of GDP increased in response to construction for the 2010 FIFA World Cup. Since then, public capital investment has been declining, averaging 6.6 per cent of GDP between 2010 and 2019.

Figure D.1 Public- and private-sector capital investment as a share of GDP, 1994–2019



Source: Reserve Bank

Public-sector infrastructure spending highlights

Table D.1 summarises government's infrastructure spending plans for the next three years. The data combines infrastructure spending estimates at national, provincial and local government level, including state-owned companies and other public entities. Public-sector infrastructure spending over the medium-term expenditure framework (MTEF) period is estimated at R791.2 billion. State-owned companies continue to be the largest contributor to capital investment, spending a projected R293.7 billion over the next three years. Provinces are expected to spend R181.9 billion on infrastructure over the same period, while municipalities are forecast to spend R190.8 billion.

Public housing built through the *human settlements development grant* in provinces is expected to total R41.7 billion. Although these assets are transferred to homeowners, this spending is a substantial government contribution to the built environment. Spending on economic infrastructure, mainly by state-owned companies, accounts for 78.2 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 18 per cent of the total, of which health and education account for 5 per cent and 7 per cent respectively. In 2020/21, the public sector is estimated to spend R226.1 billion on infrastructure, an increase of 20.6 per cent relative to 2019/20.

It is evident that government does not have sufficient financial resources to meet the growing infrastructure need. To help close this gap, government's economic recovery plan emphasises collaboration with business, labour and civil society. The plan includes immediate measures to boost investor confidence and longer-term reforms to promote sustained economic growth. Higher and more effective infrastructure spending is central to this plan. The Infrastructure Fund will play a pivotal role in enhancing collaboration and attracting private-sector investment for infrastructure projects.

Table D.1 Public-sector infrastructure expenditure and estimates

R billion	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	MTEF total
	Outcomes			Revised estimate	Medium-term estimates			
Energy	55.1	39.9	26.2	31.3	44.2	50.3	55.4	149.9
Water and sanitation	26.8	27.1	22.5	34.8	36.0	40.8	43.2	120.0
Transport and logistics	75.4	74.4	70.5	76.5	92.7	96.1	98.3	287.0
Other economic services	17.1	13.5	5.7	23.4	20.7	20.9	19.9	61.5
Health	9.7	11.3	12.2	17.7	12.4	12.2	12.8	37.4
Education	17.6	17.2	17.4	16.5	18.7	19.5	19.3	57.5
Human settlements ¹	14.3	15.0	20.9	14.9	13.4	13.9	14.5	41.7
Other social services	11.2	10.1	4.7	2.0	1.6	1.8	1.9	5.3
Administration services ²	9.1	7.7	7.4	9.2	9.9	10.4	10.5	30.8
Total	236.3	216.2	187.4	226.1	249.6	265.8	275.7	791.2
National departments	14.9	13.6	13.8	12.6	14.7	15.1	15.3	45.1
Provincial departments	62.3	59.5	61.0	63.0	59.2	60.6	62.1	181.9
Local government	58.8	61.0	41.2	63.1	60.8	63.6	66.4	190.8
Public entities ³	13.2	9.6	14.5	18.2	19.3	20.9	21.5	61.7
Public-private partnerships	4.8	4.9	5.6	6.6	6.1	5.5	6.3	17.9
State-owned companies ³	82.2	67.5	51.2	62.6	89.5	100.0	104.2	293.7
Total	236.2	216.2	187.4	226.1	249.6	265.8	275.7	791.2

1. Human settlements includes public housing amounting to R41.7 billion over the MTEF period

2. Administration services includes infrastructure spending by the departments of International Relations and Cooperation, Home Affairs, and Public Works and Infrastructure, 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 and borrowings

Source: National Treasury

Public-sector infrastructure reforms

Government is transforming its approach to the planning and implementation of capital projects. It is bringing in more private-sector skills and expertise, while increasing the resources available to fund infrastructure. And it is reconfiguring its infrastructure value chain, involving the Department of Public Works and Infrastructure (DPWI), Infrastructure South Africa, the National Treasury and key infrastructure departments and institutions.

Through the Infrastructure Fund, government will collaborate with the private sector. The National Treasury is also undertaking budget reforms to improve business confidence and the regulatory environment for public-private partnerships (PPPs) to promote private-sector participation.

Department of Public Works and Infrastructure

The DPWI is working with the Infrastructure and Investment Office in the Presidency to build a pipeline of infrastructure projects. Infrastructure South Africa, housed within the DPWI, is primarily responsible for coordinating the development, management and monitoring of a comprehensive infrastructure pipeline, as well as the promotion of infrastructure investment. Part of its work involves unblocking policy and regulatory obstacles to investment, and facilitating policy certainty to build investor confidence.

A total of 50 strategic integrated projects were gazetted in 2020 in terms of the Infrastructure Development Act (2014), with an estimated combined capital investment value of R340 billion. Details appear in the sector updates below.

The DPWI has also gazetted 12 special projects that aim to create jobs and develop skills – particularly in network industries that have significant multiplier effects across the economy. These projects are in

the water and sanitation, energy, transport, digital infrastructure, agriculture and agro-processing, and human settlements sectors.

■ Sector updates

Water and sanitation

To achieve water security, South Africa needs to close an estimated capital funding gap of about R33 billion per year for the next 10 years through cost-reflective tariffs. At present, governance structures are weak, cost recovery is low, and institutional and regulatory frameworks are inadequate.

In the water sector, 11 strategic projects with an estimated value of R105 billion have been prioritised. The projects are expected to create about 20 000 temporary jobs during construction and 14 000 jobs once projects are operating. The projects that are ready for investment include:

- Lesotho Highlands Water Project Phase 2
- uMkhomazi Water Project
- Berg River Voëlvlei Augmentation Scheme
- Mokolo Crocodile River Water Augmentation Project Phase 2.

Some projects require support to advance through the development stages, while others are being considered for funding. Infrastructure South Africa is addressing delays in implementation.

Energy

Three energy projects have been gazetted: the Emergency/Risk Mitigation Power Purchase Procurement Programme, the Small Independent Power Producer Programme (Small IPP Programme) and the Embedded Generation Investment Programme. The projects will create an estimated 2 569 megawatts (MW) of electricity generating capacity. Total investments, to be funded by the private sector, amount to R52.4 billion. These projects aim to:

- Alleviate electricity supply constraints
- Reduce the use of diesel-based peaking electrical generators
- Support broad-based black economic empowerment initiatives, including ownership and localisation.

The Risk Mitigation Power Purchase Procurement Programme, sponsored through the Department of Mineral Resources and Energy and implemented through the IPP Office, involves the development, installation and operation of up to 2 000 MW at an estimated capital cost of R40 billion. The IPP Office accepted 28 submissions for evaluation in December 2020. The programme is expected to be operational by the second half of 2022.

The Small IPP Programme involves the development, installation and operation of a total of 100 MW of generating capacity at an estimated cost of R2.7 billion. The programme offers opportunities for small and medium-sized enterprises and new developers in the renewable energy sector. The target capacity for these projects is to generate and provide between 1 MW and 5 MW of energy from solar photovoltaic, wind and biomass power. The programme is expected to be operational towards the end of 2022.

The Embedded Generation Investment Programme involves the development, installation and operation of up to 469 MW of solar photovoltaic and wind generation projects. The Development Bank of Southern Africa (DBSA) and the Green Climate Fund will administer and manage this programme.

Transport and logistics

The transport sector has a total of 15 gazetted projects to the value of R47 billion. The South African National Roads Agency Limited is improving the capacity of several routes on toll and non-toll networks. Thirteen projects with a combined value of about R19 billion have been prioritised and will create nearly 10 000 jobs during construction.

Construction has been completed on the N1 Windburg Interchange to Windburg Station and the N1 Ventersburg to Kroonstad – both in the Free State; the N2 Mtunzini Toll Plaza to Empangeni T-Junction in KwaZulu-Natal; and more recently the second phase of the N1 Polokwane Eastern Ring Road in Limpopo.

The N1 Musina Ring Road in Limpopo is still under construction, while construction on the N3 Paradise Valley to Mariannhill Toll Plaza and the N3 Mariannhill Toll Plaza to Key Ridge, both in KwaZulu-Natal, is due to commence in early 2021.

The Boegoebaai port and rail project in the Northern Cape aims to reduce the economic cost of moving cargo within the Northern Cape hinterland, optimise cargo distribution and stimulate regional and provincial socioeconomic development. This PPP project is expected to create about 2 900 jobs during construction, 400 direct jobs during operation and a further 13 900 indirect jobs once completed.

The Small Harbours Programme seeks to revitalise harbours in the Western Cape and develop new harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal. The rollout of this programme is expected to create 5 750 jobs.

Digital infrastructure

Digital infrastructure provides the backbone for information and communications technology (ICT) services, and is a key factor in supporting economic growth. The digital sector includes the Space Infrastructure Hub, the digitisation of government records and SA Connect Phase 1. The strategic projects could create more than 10 000 job opportunities for unemployed graduates. A significant amount of work is required to advance these projects, as many of them are still in the pre-feasibility and feasibility stages of development.

The Space Infrastructure Hub is a South African National Space Agency programme that aims to use space data as a tool for national development and supporting commercial uses in areas such as remote sensing, navigation and space sciences. The hub will allow for the development of satellite infrastructure, satellite-based augmentation systems and earth observation satellites.

Agriculture and agro-processing

The special projects in agriculture and agro-processing fall under strategic integrated project 23. The marine tilapia project in the Eastern Cape's Mbhashe Municipal District was gazetted as project 23a under the sponsorship of the Eastern Cape Rural Development Agency. The initiative aims to establish a new, sustainable and inclusive green growth aquaculture industry along the east coast, producing low-cost whitefish protein. The rollout will begin with an incubator on the Mbhashe coastline.

The Mbhashe aquaculture incubator will evolve into one of three integrated aquaculture hubs in the Eastern Cape, along with two in KwaZulu-Natal, over 13 years. Each hub will produce 20 000 tonnes of fish per year, making a major contribution to domestic fish supply.

The positioning of these hubs is expected to provide a range of socioeconomic benefits for poor communities along the rural coastline. The total investment required is about R5.3 billion, raised from the public and private sectors.

Human settlements

Human settlements projects include six Integrated Residential Development Programmes, 10 social housing projects and two large-scale privately led developments. The 18 projects gazetted under the strategic integrated project 24 portfolio have a total investment value of R129 billion and will provide housing for over 170 000 people. The portfolio is projected to create over 358 000 jobs during construction and over 55 000 jobs during operation. Included under the special programmes are SIP 31, comprising the Removal of Alien Vegetation and Innovative Building Materials Programme; SIP 32, which includes the National Upgrading and Support Programme projects; and SIP 34, which focuses on student accommodation.

To fund the large-scale bulk infrastructure required, government is exploring alternative blended finance models to reduce pressure on the fiscus and provide additional support to municipalities. The DBSA is developing an implementation and financing structure that will help municipalities unlock private investment. Beyond this, there is a need to achieve greater scale in delivery and improved conditions for private-sector investment in social housing.

In response to rapid urban migration and an increase in the number of informal settlements around the country, from 2021/22, informal settlements projects will be funded from the newly created informal settlements upgrading partnership grants for provinces and municipalities. These grants are expected to be used to upgrade and formalise 400 settlements each year over the medium term and deliver 180 000 serviced sites.

Budget reforms

Budget Facility for Infrastructure

The Budget Facility for Infrastructure (BFI) supports the execution of national priority projects by establishing specialised structures, procedures and criteria for committing fiscal resources to public infrastructure. Since inception, there have been four annual BFI windows to support infrastructure projects. With the establishment of the Infrastructure Fund, the BFI will play an important role in evaluating and recommending state support for blended finance projects.

Infrastructure Fund blended finance projects that need fiscal support are linked to the budget process through the BFI. The facility enables fiscal control of a project pipeline that could present risks to the national budget. Fiscal liabilities arising from Infrastructure Fund projects will form part of government liabilities on the public-sector balance sheet. To mitigate risk, measures will be put in place to ensure that the appraisal and evaluation of these blended finance projects are integrated with the budget process and with fiscal risk management processes in the National Treasury.

The current project pipeline has projects that are commercial or self-funding, projects that require blended financing and social projects that mainly require funding through the budget. The budget process will ensure the selection of projects that balance the much-needed boost to economic development and job creation with the country's present debt-constrained fiscal position. Financing arrangements with the private sector will be done in such a way that they do not lead to further public debt escalation.

Review of procurement standards

Following a review of existing practices with public-and private-sector stakeholders, the National Treasury has developed a Framework for Infrastructure Delivery and Procurement Management that applies to national and provincial departments, public entities and municipalities. The framework promotes accountability and good governance by minimising control points, while allowing flexibility for local conditions.

Project planning and appraisal guideline

As part of establishing the BFI and enhancing procurement, the National Treasury is developing a government-wide project planning and appraisal guideline. This reform will help project owners plan and package their projects using standardised methodologies and techniques, which will ultimately contribute to a pipeline of well-prepared and packaged projects. The guideline includes simple and uniform methodologies and criteria for planning and appraising infrastructure projects. It guides public-sector institutions on how to determine the feasibility of their project. The National Treasury will create a web-based tool to provide parameters and economic values with the aim of increasing transparency and consistency across appraisals.

The Public Procurement Bill

The draft Public Procurement Bill was gazetted for public comment in February 2020. The bill addresses fragmentation in procurement legislation and will include regulatory aspects related to the procurement of PPPs and infrastructure. The Office of the Chief Procurement Officer is currently working through the public comments received on the bill.

Cities Support Programme and climate change

The National Treasury recognises the need to address environmental risks and is working to strengthen the role of fiscal policy in responding to climate change.

The Cities Support Programme is working with the eight metropolitan municipalities to enhance their capability to respond to climate impacts. The reforms being supported – at both metropolitan level and in the enabling policy, regulatory and financing environment – include:

- Working with cities to integrate climate change and resilience considerations into systems and tools that inform strategic city planning, budgeting, investment decision-making and reporting.
- Integrating climate change and resilience considerations into capital project appraisal, and the delivery and management of infrastructure assets.
- Working with cities to enhance resilience in the design of capital projects and the Catalytic Land Development Guideline.

The ability of public infrastructure to mitigate the effects of climate change depends not only on project design, but the extent to which they are repaired and maintained. To that end, the Cities Support Programme is delivering technical assistance to strengthen the resilience and sustainability of metro water, electricity and solid waste businesses.

■ Infrastructure Fund

The Infrastructure Fund will transform public infrastructure financing using blended finance – combining capital from the public and private sectors, development finance institutions and multilateral development banks such as the New Development Bank. It will also draw on the private sector for technical capacity and expertise. The Infrastructure Fund aims to support projects in the energy, water, transport, ICT and social sectors. Government has committed R100 billion to this fund over the next 10 years.

All funding proposals are analysed to ensure that they are feasible and bankable. Possible programmes and projects can be identified from a variety of sources, including Infrastructure South Africa, private associations, civil society, government, public entities and the DBSA.

In August 2020, the National Treasury, the DPWI and the DBSA signed an agreement committing to work together to support the establishment of the fund as a dedicated financing facility for blended finance programmes and projects through a ring-fenced division within the DBSA. As reported in the

2019 *Budget Review*, the DBSA was allocated R400 million to build capacity and strengthen the preparation and planning of major infrastructure projects. To date, the fund has begun work on three programmes: the Student Housing Infrastructure Programme, South Africa Connect and the Water Infrastructure Programme.

Student Housing Infrastructure Programme

The programme aims to address the acute backlog of student housing in higher education. As part of the R400 million allocated to the DBSA, R30 million will be used for project planning and preparation. The Infrastructure Fund will assist with structuring, financing and fundraising for phase 2.

South Africa Connect

South Africa Connect will focus on providing broadband connectivity services to government facilities such as schools, health facilities, police stations and post offices. It was allocated R50 million to undertake a feasibility study, which it completed in December 2020. The Infrastructure Fund will provide financial structuring and financing approaches that attract private-sector capital to the programme.

Water Infrastructure Programme

This initiative aims to establish a national programme that supports government's Water and Sanitation Master Plan. The programme has been allocated R78 million for project preparation. A project management office will support municipalities with capacity building and expertise to develop their own blended finance water projects. Work is ongoing to provide support to the Department of Water and Sanitation to ensure the right mix of financing resources is adopted.

Infrastructure Fund project pipeline

Tables D.2 to D.5 provide a pipeline of projects at different stages of development. Some projects are still in the early stages of project preparation while others are advanced. These projects have not yet been approved for funding. Large projects have to go through a number of approval gates involving successively more detailed planning before being considered for funding through the budgeting process. Most of the proposed projects and programmes will be financed through partnerships between government, the private sector and development finance institutions.

Table D.2 Projects at advanced stages of preparation: Student Housing Infrastructure Programme

University name	Number of beds	Estimate of potential total investment (R million)	Progress to date
Tshwane University of Technology	3 500	910	Feasibility studies completed
University of KwaZulu-Natal	3 000	780	Feasibility studies completed
Gert Sibande TVET College	1 500	225	Feasibility studies completed
Majuba TVET College	1 500	225	Feasibility studies completed
King Hintsa TVET College	840	126	Funding for development
Total	10 340	2 266	

Source: Infrastructure Fund unit

Table D.3 Projects at advanced stages of preparation: South Africa Connect Programme

Project name	Project description	Estimate of potential	Progress to date
South Africa Connect Programme	The programme seeks to ensure universal access to broadband services for all South Africans, prioritising rural and underserved areas	R53 billion	The feasibility study for Phase 2 has been concluded

Source: Infrastructure Fund unit

Table D.4 Projects at conceptual stages of preparation: Student Housing Infrastructure Programme

University name	Number of beds	Estimate of potential total investment (R million)	Progress to date
Cape Peninsula University of Technology	2 150	559	Feasibility studies under way
Central University of Technology	2 000	520	Feasibility studies under way
University of Johannesburg	2 048	532	Feasibility studies under way
Walter Sisulu University	3 200	832	Feasibility studies under way
Lephalale TVET College	1 200	180	Feasibility studies under way
Northlink TVET College	1 500	225	Feasibility studies under way
Sekhukhune TVET College	1 500	225	Feasibility studies under way
Vhembe TVET College	1 300	195	Feasibility studies under way
Total	14 898	3 268	

Source: Infrastructure Fund unit

Table D.5 Projects at conceptual stages of preparation

Project name	Project description	Estimate of total investment (R million)	Project stage
Sekhukhune District Municipality			
Steelpoort Wastewater Treatment Works	Development of wastewater treatment works with the capacity estimated at 16 megalitres per day (ML/day)	220	Pre-feasibility
Jane Furse Wastewater Treatment Works	Development of wastewater treatment works with the capacity estimated at 16 ML/day	352	Pre-feasibility
Ugu District Municipality			
uMbango Wastewater Treatment Works	Increase the capacity of the existing wastewater treatment works by 5 ML/day	120	Pre-feasibility
New Melville Wastewater Treatment Works	Implementation of a new wastewater treatment works with the capacity of 1.5 ML/day	80	Pre-feasibility
Vhembe District Municipality			
Musina and Nancefield Wastewater Treatment Works	Implementation of a centralised wastewater treatment works with the capacity of 17.5 ML/day	385	Pre-feasibility
Musina	Implementation of bulk water supply for Musina areas	260	Pre-feasibility
iLembe District Municipality			
KwaDukuza Wastewater Treatment Works	Implementation of 12 ML/day capacity	159	Pre-feasibility
Maphumulo Wastewater Treatment Works and sewer reticulation	Implementation of 1.5 ML/day Maphumulo wastewater treatment works and sewer reticulation	76	Pre-feasibility
Sundumbili Wastewater Treatment Works	Implementation of 15 ML/day Sundumbili wastewater treatment works	190	Pre-feasibility
Sol Plaatje Local Municipality			
Bulk Water Supply Pipeline	Implementation of Riverton and Newton bulk water pipeline	60	Pre-feasibility
Ray Nkonyeni Local Municipality			
Oslo Beach Substation	Implementation of 20 megavolt amperes electricity substation	63	Pre-feasibility

Source: Infrastructure Fund unit

Pipeline of other major public-sector projects

Table D.6 summarises other major public infrastructure projects, some of which are PPPs.

Table D.6 Other major public-sector infrastructure projects

Project name	Project stage	Project description	Estimated project cost
uMkhomazi (KZN)	Various stages	Bulk water infrastructure development	R23 billion
Vaal River System Phase 2	Construction	Bulk water infrastructure development	R32 billion
Makhulu Crocodile Water Project	Feasibility	Bulk water infrastructure development	R15 billion
Olifants Economic Development project	Various stages	Bulk water infrastructure development	R20 billion

Table D.6 Other major public-sector infrastructure projects (continued)

Project name	Project stage	Project description	Estimated project cost
Salvakop Precinct PPP Project	Feasibility	Collaborative project between the three spheres of government to build four government headquarters, commercial buildings and a shelter for the vulnerable	R18 billion
Gauteng Schools PPP Programme	Feasibility	Construction, expansion, refurbishment and facilities management of 64 schools in Gauteng	R4.7 billion
One-stop Border Posts PPP Project	Procurement	Redevelopment of six ports of entry: Lebombo, Oshoek, Beitbridge, Maseru Bridge, Ficksburg and Kopfontein	R11 billion
Inkosi Albert Luthuli Central Hospital new PPP Project	Procurement	Design, construction, operation and provision of medical and ICT equipment	R10.4 billion
Procurement of emergency towing vehicles PPP Project	Feasibility	Procurement of two emergency towing ocean vessels	R5.3 billion
Kopanong Precinct PPP Project	Procurement	Construction of Gauteng Provincial Government office to consolidate administration function of 19 buildings in the Johannesburg CBD	R6.5 billion
Rural Bridges Programme	Feasibility	Construction of rural bridges in various parts of the country	R7.1 billion
Solar and Water Savings Programme	Feasibility	Installation of solar panels in government buildings	R25.7 billion
Comprehensive Urban Management Programme	Feasibility	Improvement and maintenance of public spaces in various cities and towns to promote economic growth	R3.3 billion
Limpopo Central Hospital PPP Project	Implementation	Construction of a new 488-bed central hospital in Polokwane, which will form part of an academic health complex attached to the University of Limpopo's medical school	R4.5 billion
Boegoebaai Port and Rail Development PPP Project	Feasibility	Port and rail development in Boegoebaai in the Northern Cape	R13 billion
Gauteng rapid rail network extension parts 1 and 2 (Gautrain 2) PPP Project	Feasibility	A two-phase extension of the existing Gautrain rail system	R65.4 billion
Student Housing Infrastructure Programme rollout	Feasibility	Provision of over 300 000 beds to institutions of higher learning	R96 billion
South Africa Connect Broadband Programme	Feasibility	Broadband infrastructure in areas where pure private provision thereof is not commercially viable	R79.4 billion
Midvaal Electricity Distribution Project	Procurement	Refurbishment and expansion of the existing distribution lines owned by the municipality	R1 billion
Solar Water Initiatives	Feasibility	Rollout of solar water heaters across the residential market through partnering with the insurance industry and banks	R6.8 billion
National Roads Programme – upgrades to existing non-concession national toll roads	Feasibility	Major upgrades to various sections of the N1, N2 and N3	R22 billion
Small Harbours Development Programme	Implementation	Upgrading and refurbishment of 12 proclaimed fishing harbours in the Western Cape, and nodal-based refurbishment and development of new harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal	R7.1 billion
Expansion of the MyCiTi Bus Rapid Transport System in Cape Town	Implementation	Expansion of the MyCiTi bus rapid transit system network to areas including Langa, Mitchells Plain and Khayelitsha	R7.1 billion
Tygerberg Hospital	Implementation	Construction of a 550-bed regional hospital	R4.2 billion
Klipfontein Hospital	Implementation	Construction of a new hospital to replace the GF Jooste Hospital	R4.3 billion
Bravos - Berg River Voëlvelei Dam Pipeline (Western Cape)	Construction	Construction of a weir and abstraction works with a pump station on the Berg River, with a 6.3-km-long pipeline to the Voëlvelei Dam	R1 billion

Source: National Treasury

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