



Western Cape
Government
FOR YOU

Department of Environmental Affairs and Development Planning

Infrastructure planning for recovery, growth & resilience in the Western Cape

Presentation to the Consulting Engineers of South Africa (Western Cape)
Presidential Function

23 March 2022

Provincial Infrastructure Planning

Infrastructure Focus Areas

The infrastructure portfolio is aligned to the long-run growth and development of the Western Cape as well as the WCG's Recovery Plan, and includes:

- Ongoing investment in **education** and healthcare facilities, aligned with the developmental objectives and Constitutional mandate of the Province.
- **Transport Infrastructure/ Roads:** The rehabilitation, renovation and refurbishment of the existing road network, such as the resealing of the road between Wolseley and Ceres, the rehabilitation of Hermanus and Gansbaai road as well as road upgrades such as Wingfield Interchange and new road infrastructure (extension of the R300) in the City of Cape Town.
- **Water infrastructure for irrigation** to enable economic growth, job creation, and export growth in rural areas, as well as the maintenance of water canals.
- Investing in **ecological infrastructure** to strengthen resilience in the face of significant climate change impacts, such as maintaining the ecosystems by removing invasive plants and interventions.
- Identifying growth points within existing cities and towns to strengthen economic productivity and inclusion. Specific examples include the Conradie Better Living Model Exemplar Project, Artscape/Founders Garden and Two Rivers Urban Park within the City of Cape Town.
- Human Settlement developments.

Total Departmental MTEF Infrastructure Budget 2022

MTEF (R'000)

**R30.3 b
infrastructure
budget**

**Incl an
additional
R2.6 b**

Western Cape: Departmental MTEF Infrastructure Budgets (% of MTEF total)

Environmental Affairs and
Development Planning (Cape
Nature)

0.4%

Health

12.0%

Human Settlements

21.8%

Education

23.2%

Transport and Public Works

42.6%

Total Departmental MTEF Infrastructure Budget 2022

MTEF (R'000)

Infrastructure estimates per department				
Infrastructure department	Medium term estimates			MTEF Total
	2022/23	2023/24	2024/25	
Education	2 553 194	2 195 305	2 288 292	7 036 791
Health	1 176 593	1 214 973	1 258 496	3 650 062
Human Settlements	2 116 034	2 207 509	2 306 646	6 630 189
Environmental Affairs and Development Planning (CapeNature)	41 477	41 802	40 186	123 465
Transport and Public Works	4 135 946	4 309 619	4 472 869	12 918 434
Sub-total: Fixed infrastructure	10 023 244	9 969 208	10 366 489	30 358 941
Virtual catalytic agricultural/ ecological and green economy	718 759	707 534	498 107	1 924 400
Total: Western Cape Infrastructure	10 742 003	10 676 742	10 864 596	32 283 341

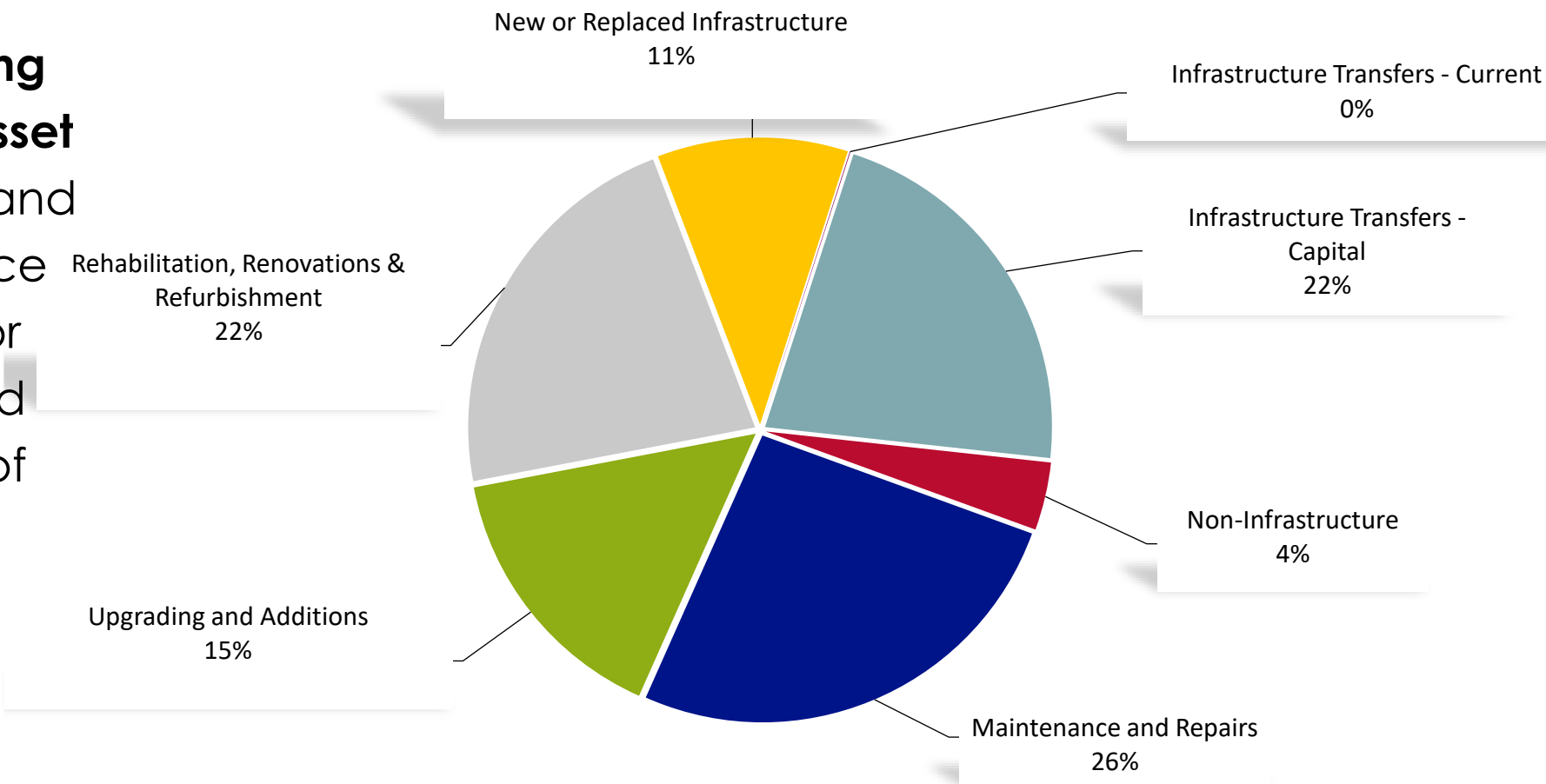
Add'l R737.8m

Add'l R491.5m

Add'l R870m for roads

Nature of Infrastructure Investment (%) of MTEF of Total

The **focus remain on the maintenance of the existing provincial infrastructure asset base** with refurbishments and rehabilitation, maintenance and repairs accounting for 48 per cent of the planned infrastructure investment of the 2022 MTEF.



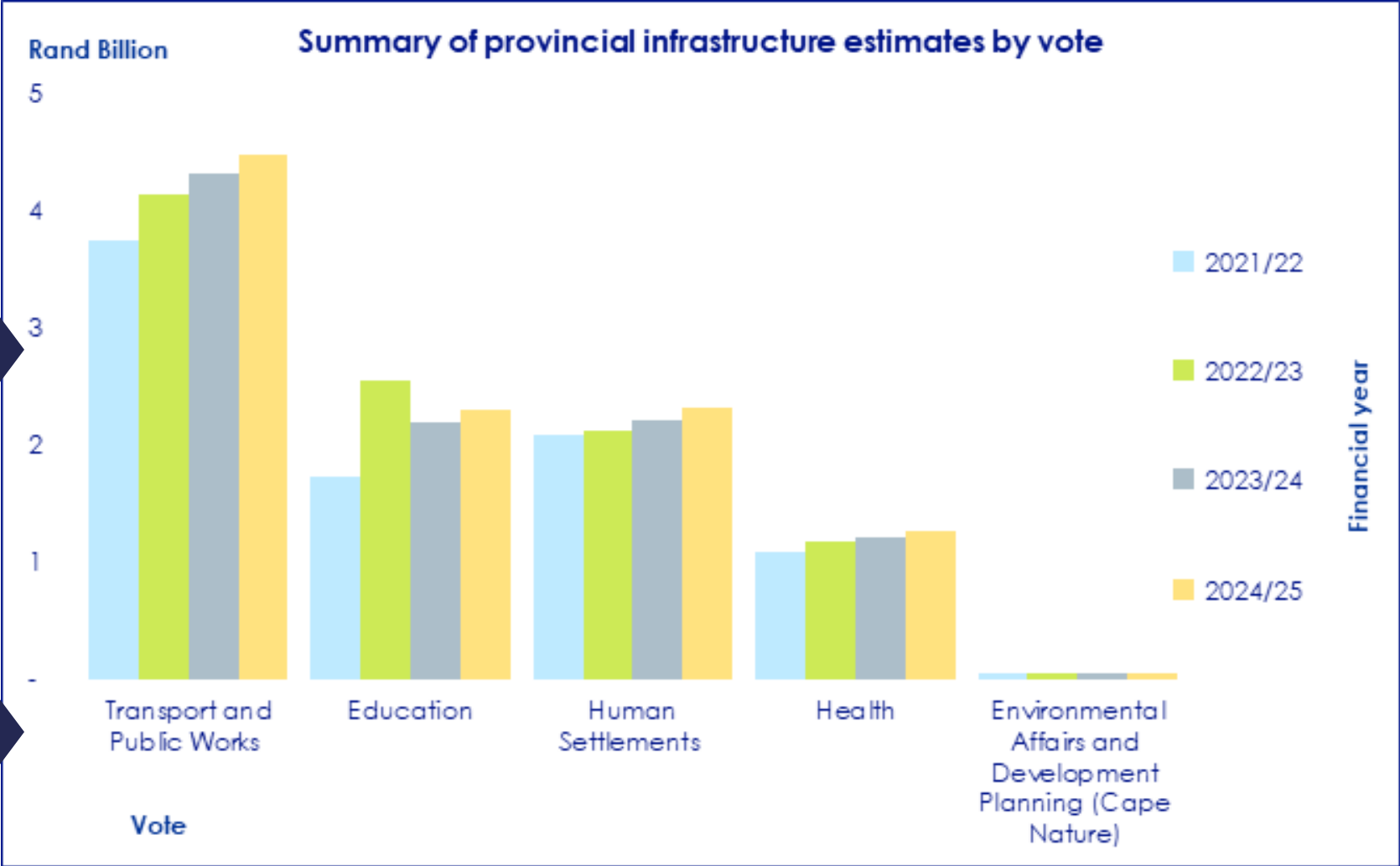
Other than maintenance, top 10 projects in value include: Additional classrooms; Penhill Housing R300 Extension; Hermanus-Gansbaai Road Rehabilitation

Spending on provincial infrastructure assets

To grow by 6.1% per annum on average over the next 3 years

On existing infrastructure assets – to increase by 4.8%

On new infrastructure assets – to increase by 54.2%



National Treasury Budget Facility for Infrastructure Applications

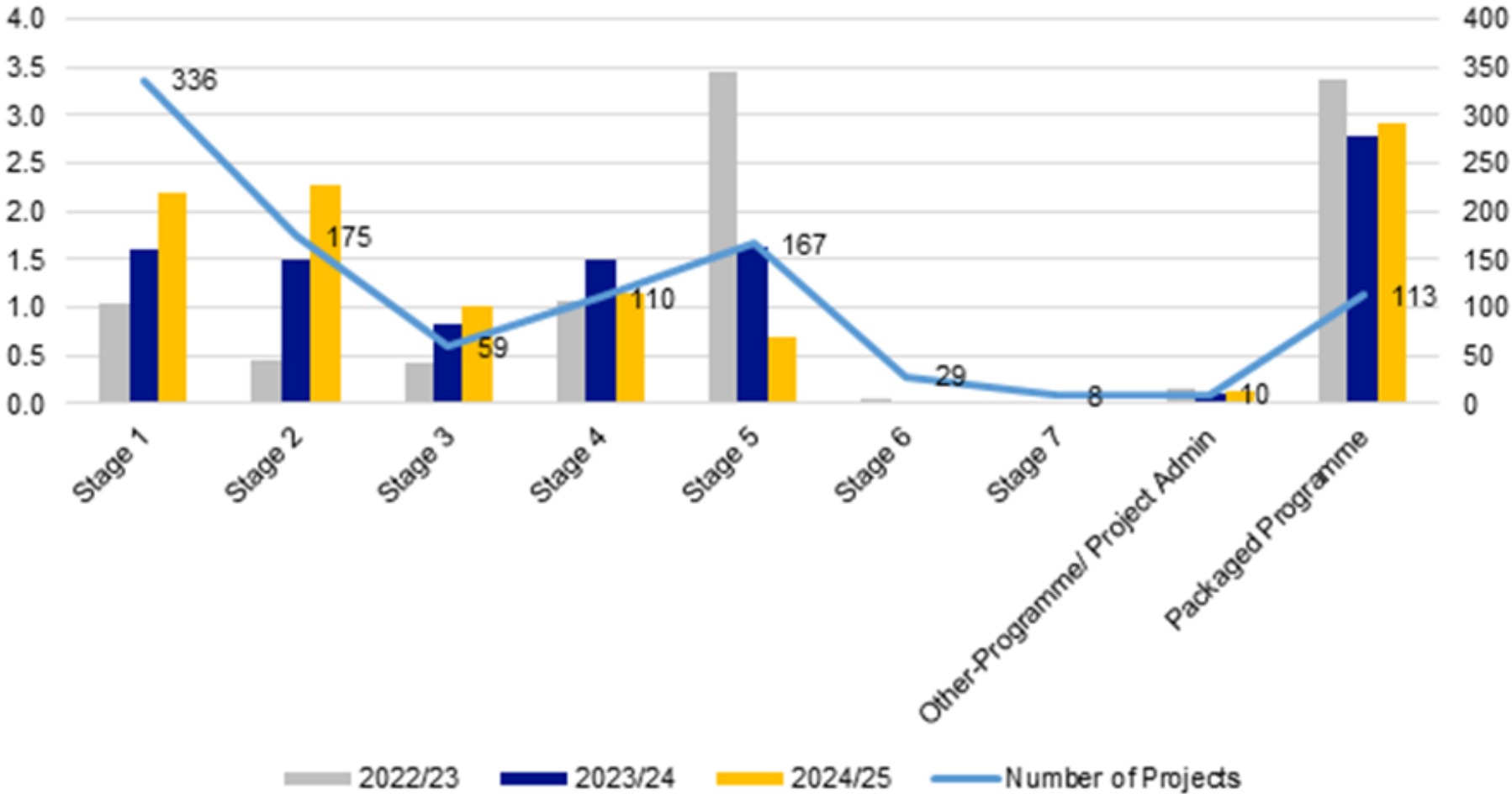
Window 3: May 2019			
Department	Project	Capital cost	Outcome
Health	Klipfontein Regional Hospital	R4.3 billion	Conditional approval
Health	Tygerberg Regional Hospital	R4.2 billion	Conditional approval
DTPW	Wingfield Southern Corridor	R8.8 billion	Awaiting the outcome
DTPW	Northern N7 Corridor	R1.7 billion	Awaiting the outcome
Window 4: April 2020			
Department	Project	Capital cost	Outcome
DTPW	Wingfield Southern Growth Corridor	R8.8 billion	
DTPW	N7 Northern growth Corridor	R5.3 billion	
DEDAT	Cape Health Technology Hub	R0.5 billion	
George Municipality	George Integrated Public Transport Network	R6.2 billion	

*Information to be updated.

Status of Provincial Project Pipeline

680 projects
(R15b) in
various
stages of
preparation

Risks: land
invasions,
disaster,
funding
predictability



Getting the planning house in order

A wealth of evidence

- Province wide picture on water resilience risks and investment requirements
- Provincial intelligence on climate change and
- Environmental Risk and Vulnerability Mapping
- Urbanisation analyses (with focus on Cape Winelands)

Extensive Macro-Planning

- Climate Change Response Strategy update published for comment
- Institutional Refresh (underway)
- Western Cape Infrastructure Framework Reboot (underway)
- Ecological Infrastructure Investment Framework
- Provincial Spatial Development Framework Review
- Water planning
- Education and health
- Understanding Future Fiscal Trends

Financing opportunities if we are ready

- Infrastructure South Africa
- Budget Facility for Infrastructure

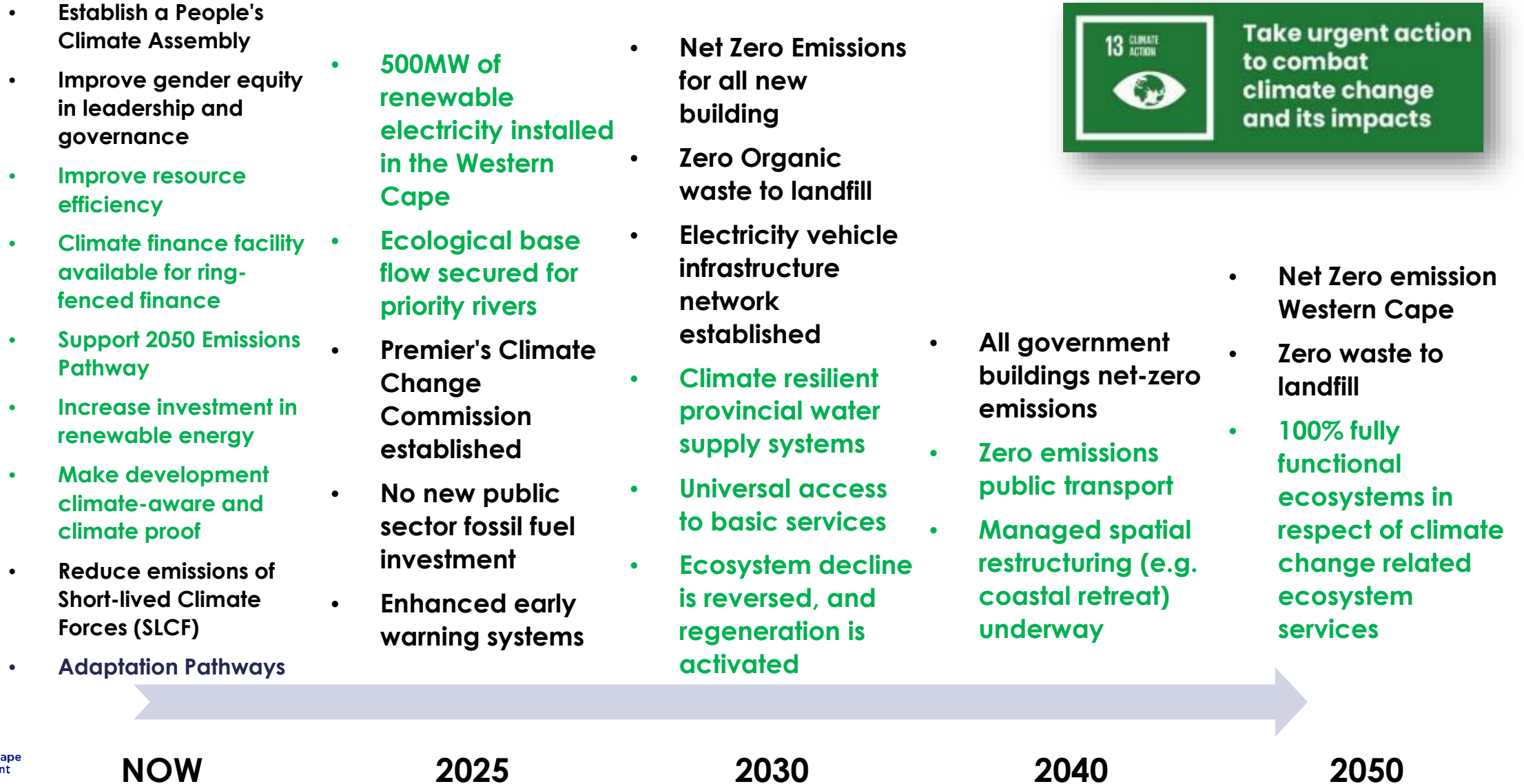
And to get ready....

- Project Preparation Funding Facility (Western Cape Government) – R87.7 million – currently supporting integrated social housing projects – Leeulooop, Stikland, Oude Molen

The complexity of planning:

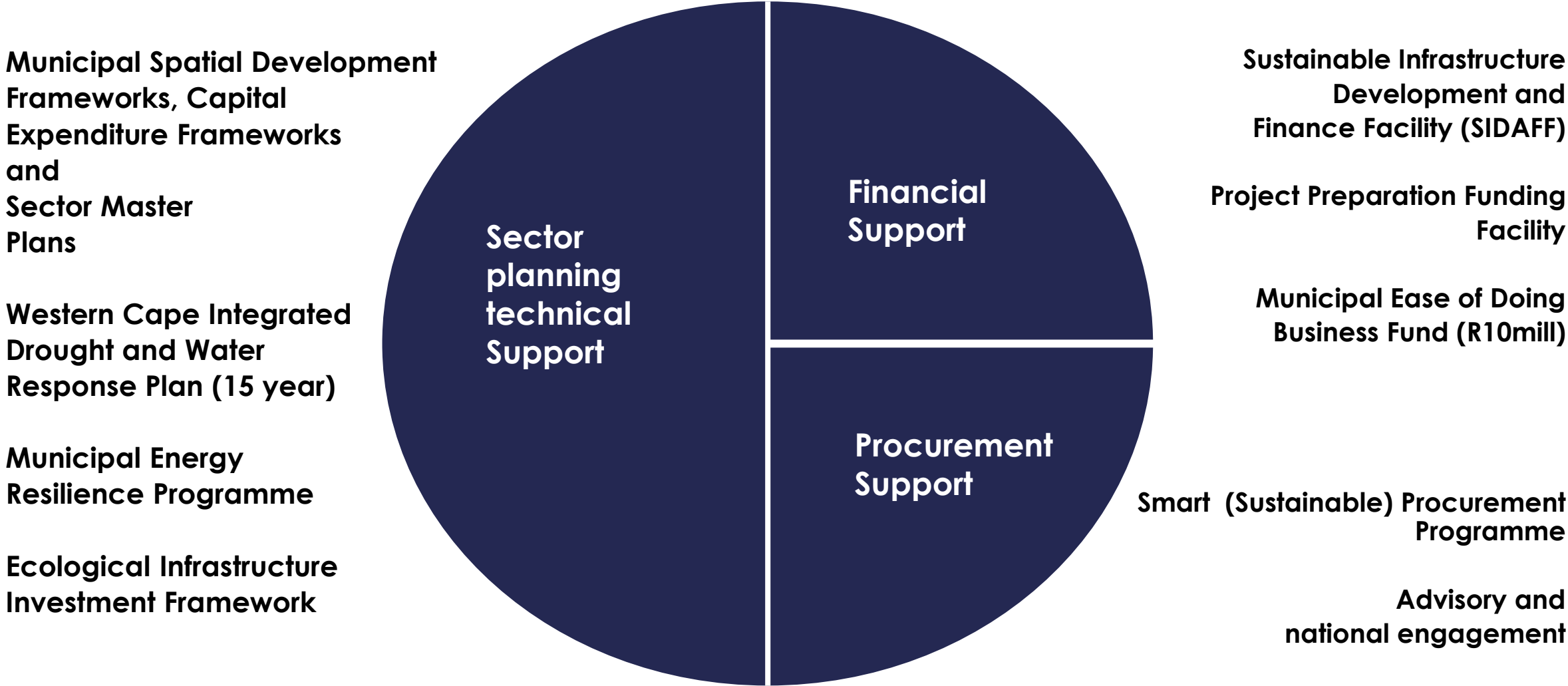
- In-migration growing & impacting on the nature of demand
- Land invasions
- Disaster and post-disaster adaptation – shifting service delivery approaches
- Inclusive design
- Future-proofing & the costs

Proposed Climate Action Pathway for the WC: “Success looks like this”

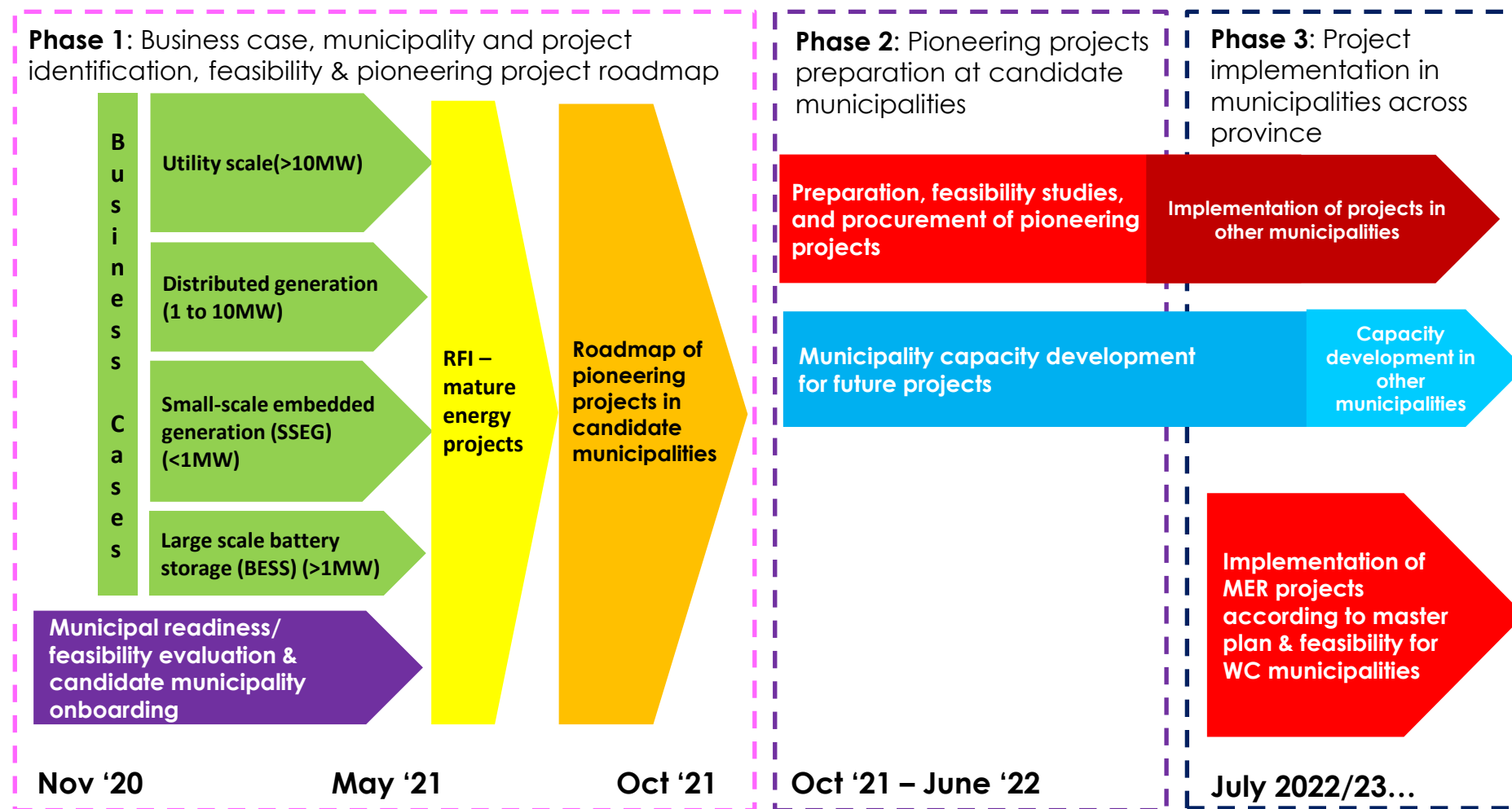


Municipal Infrastructure Planning Support

Supporting a Plan-led, Bankable Municipal Infrastructure Investment Pipeline

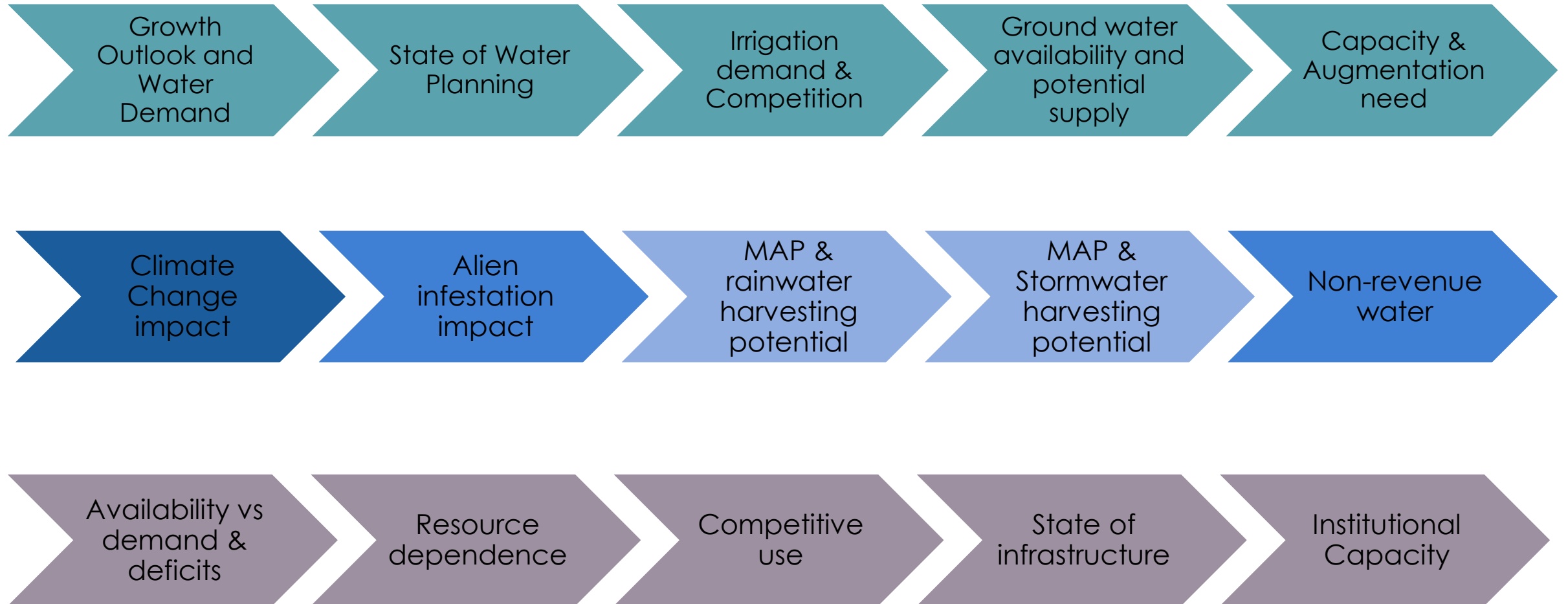


Municipal Energy Resilience Programme: High Level Approach & Plan



Cross cutting themes: MER panel of service providers & energy procurement management, National regulatory lobbying & clarity, WC Integrated Resource Plan, stakeholder management & co-ordination, municipal revenue, communications management

Planning for Water Resilience



Planning for Water Resilience

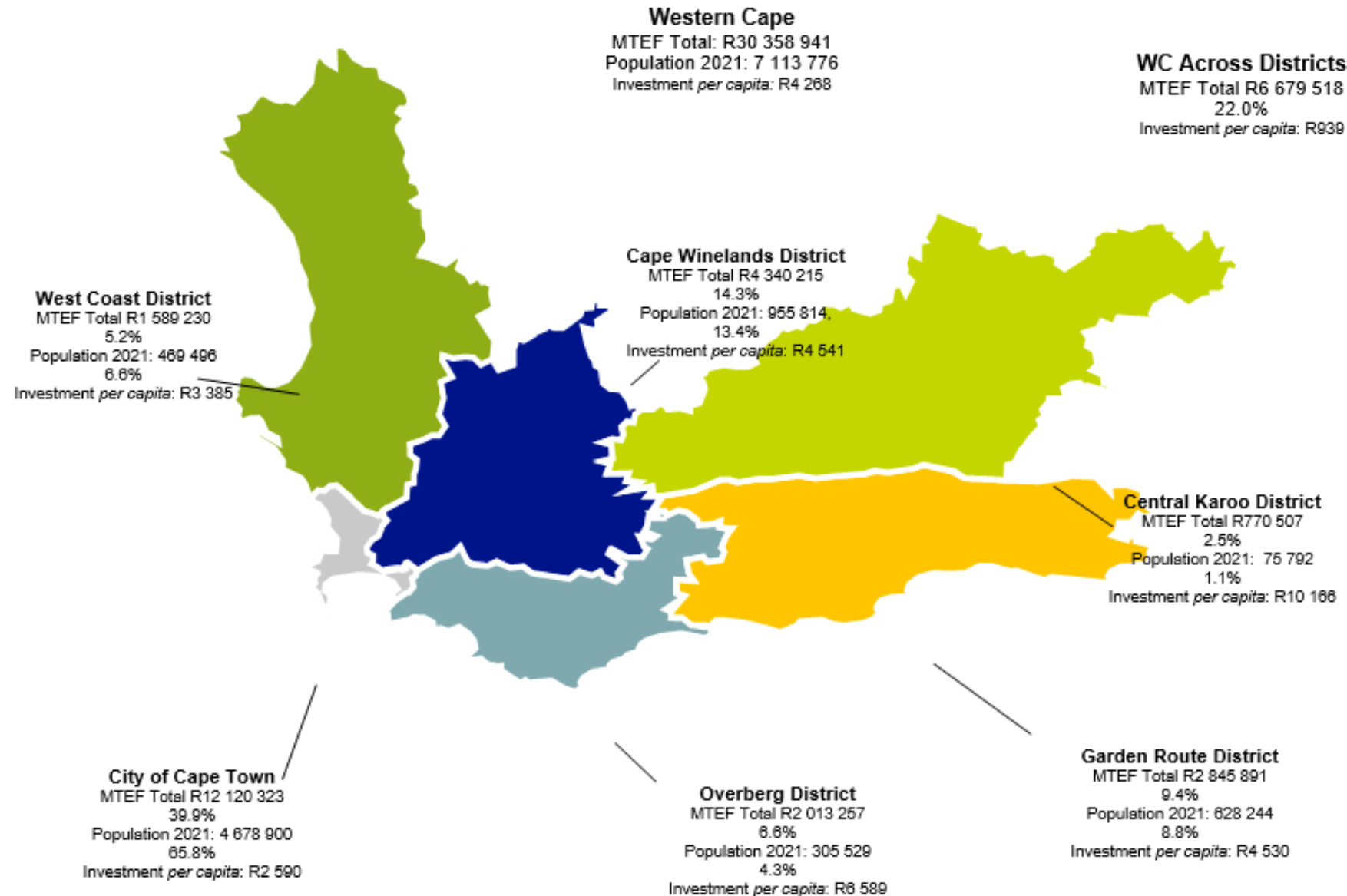
Technical interventions
to be implemented mainly by
local government with
support from provincial and
national departments

**Programmatic and policy
interventions**
to be implemented by all 3
spheres of government (i.e.
local / provincial / national)

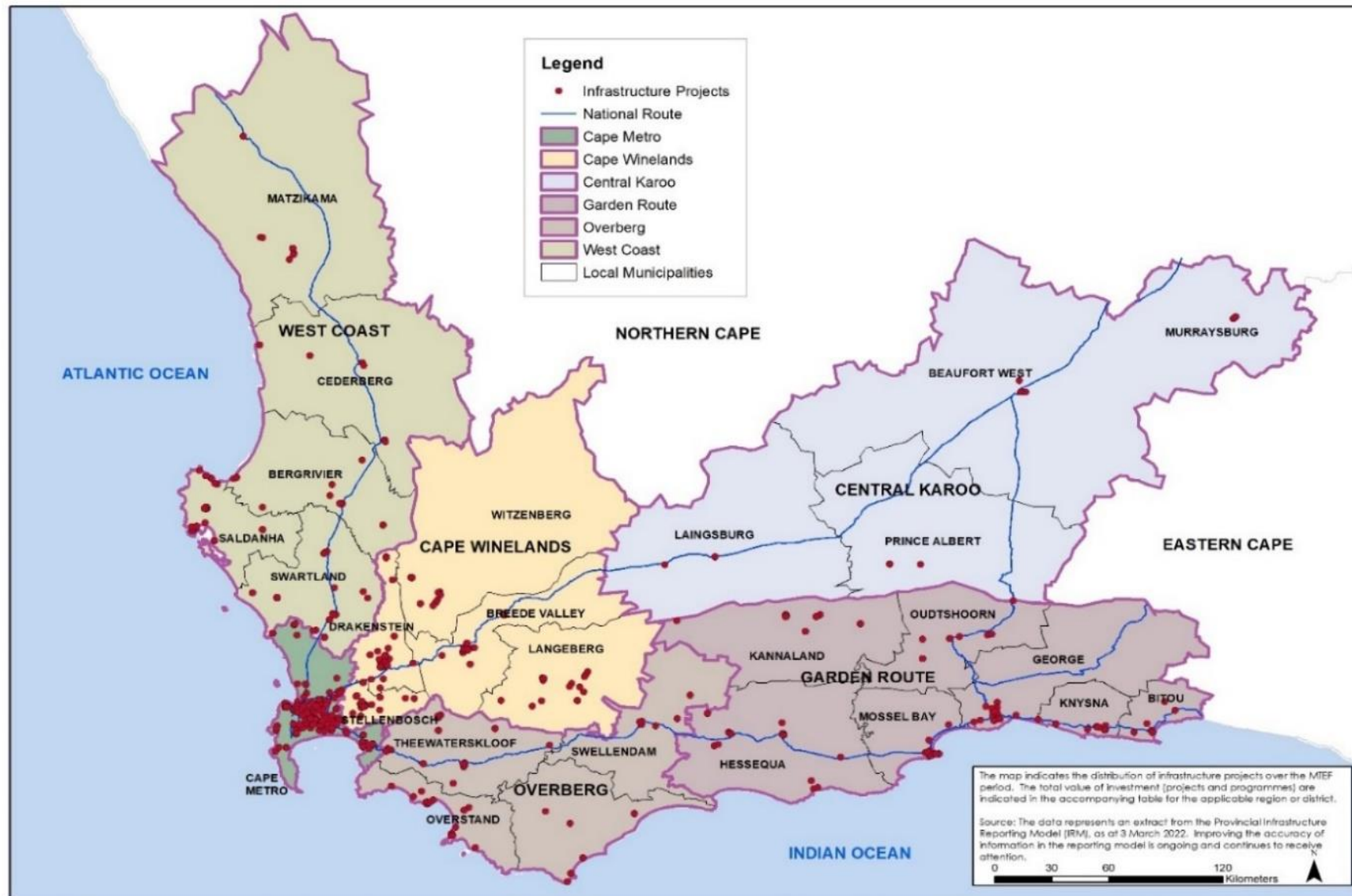
Costed prioritised sequenced action plan

**Western Cape Integrated Drought and Water
Response Plan (WCIDWRP)**

Spatial Distribution of Planned Infrastructure Expenditure in the Western Cape - MTEF Total (R'000)



Regional Distribution of Infrastructure Projects over the MTEF



Sustainable Infrastructure Development & Finance Facility

- National Treasury Borrowing Framework supports longer term **sustainable funding for municipal infrastructure** that accesses blended finance –combining private and concessional funding
- There's a need to **support municipalities to develop infrastructure projects**, especially in order to access commercial and concessional funding.

Phase 1 (COMPLETE)

- **Consolidated list of all infrastructure projects** planned by targeted municipalities in the WC, in collaboration with Municipal Coordinators .
- **Assess and identify catalytic projects / programmes** that can be funded from other sources (using LTFS and DFI criteria).
- **Co-ordinate feasibility & bankability** studies with non-public grant funding (financial and non-financial support from DFIs).

Phase 2

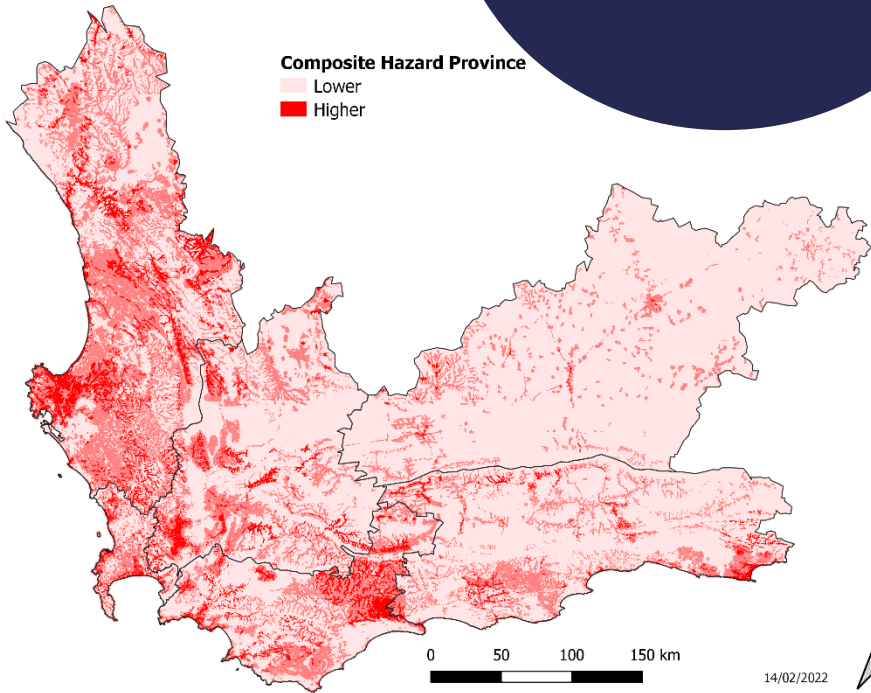
- Develop a **competitive financing package based on a blended finance approach** (use of grant, concessional and commercial finance) on the merits of catalytic projects that are bankable and impactful.
- Support municipalities in **accessing debt markets and implementing infrastructure projects**.

R1.5 billion in municipal infrastructure projects that could be funded through blended finance

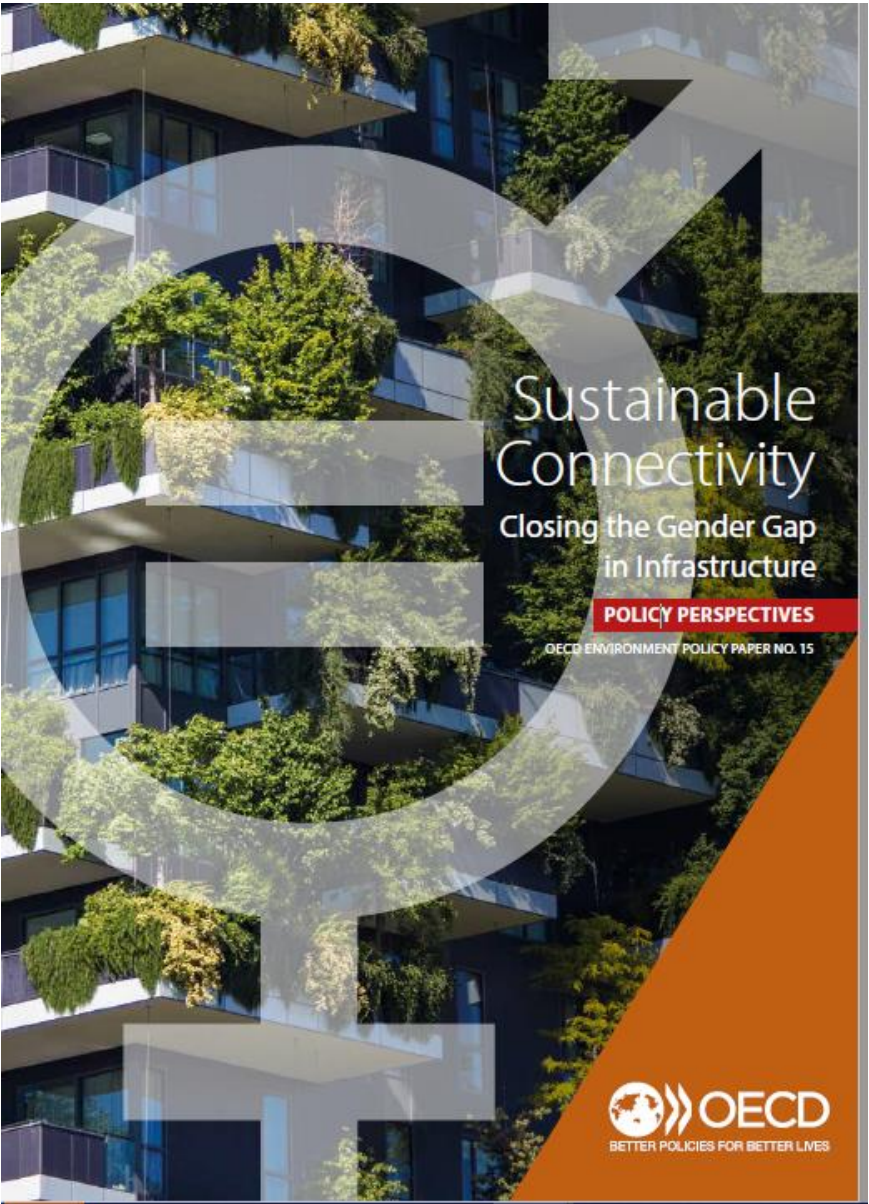
In closing....it is about the what and the how...



Gender responsiveness



Adaptation innovation



In closing....it is about the what and the how...



Thank you