

INFRASTRUCTURE

Strategic focus areas to drive long-term growth

- South Africa's economic recovery, renewal and expansion momentum is being catalysed by a massive roll-out of investment across the energy, water, road, rail, ports, telecommunication, digital, as well as community and social infrastructure segments.
- An infrastructure development pipeline comprising 276 projects, collectively valued at an estimated ZAR 2.3 trillion, was unveiled at the inaugural Sustainable Infrastructure Development Symposium in 2020. These are being marketed to investors in phases.
- Following the release to market of 62 projects in 2020, 55 projects valued at ZAR 595 billion have recently been released by government to the market in a second phase, presenting significant opportunities for investors.



Enhanced value proposition of investment opportunities

Roll-out of "shovel-ready" sustainable infrastructure projects

- 62 strategic infrastructure projects, including various water infrastructure developments, fish farming and a satellite hub, were fast-tracked to market by the government in 2020, attracting private funding commitments of ZAR 340 billion.

Fit-for-purpose procurement framework for infrastructure projects

- An additional pipeline of 55 projects was subsequently released to market with attractive opportunities for public-private partnerships (PPPs).
- Around ZAR 1 trillion in new infrastructure investment is expected to be leveraged by the ZAR 100 billion in blended finance that South Africa's Infrastructure Fund will put forward over the next 10 years. Private sector participation will supplement the capacitation drive currently underway at Infrastructure South Africa through project preparation, implementation and financial structuring capabilities.

Revised regulatory framework for PPPs to crowd-in private sector

- The development of a fit-for-purpose procurement framework for infrastructure projects and an appropriate regulatory framework for PPPs will provide a more conducive environment for infrastructure investment and private sector involvement, significantly reducing project finance risks for investors.

Localisation drive to enhance economic impact of infrastructure projects

- Sovereign funding guarantees alongside agreed partnerships with commercial banks and development finance institutions on strategic infrastructure projects significantly reduce development risks for investors.

Some of the investment / participation opportunities

- Programme to expand, rehabilitate and maintain the national, rural and municipal road networks provides immediate opportunities for construction companies.
- Water development and irrigation projects (e.g. phase 2 of the Lesotho Highlands project, Vaal River system) approved across all 9 provinces provide investment opportunities for the private sector.
- Sustainable transport financing strategy will unlock development and state-backed funding opportunities for domestic road and rail construction and maintenance.
- Opportunities in the rail network's modernisation and expansion.
- Investment opportunities in catalytic infrastructure projects such as provincial development corridors, social infrastructure, telecommunications and power generation.
- High-demand spectrum allocations, expected to be concluded by March 2022, will accelerate digital migration, unlock major efficiency gains for network operators and open up investment opportunities for infrastructure upgrading and services in the ICT sector.

South Africa's infrastructure development model

National Infrastructure Plan 2045

- Strategic Integrated Projects
- Infrastructure planning and coordination for national infrastructure development

Infrastructure South Africa (ISA)

- A single point of entry investors into infrastructure development
- Maintains a visible, bankable pipeline of projects
- Monitoring and data management