

## JOINT MEDIA STATEMENT

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### LEPELLE NORTHERN WATER AND INFRASTRUCTURE FUND SIGN MEMORANDUM OF AGREEMENT FOR FUNDING FOR OLIFANTSPOORT/ EBENEZER BULK WATER PROJECT PHASE 1

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Lepelle Northern Water (LNW) and the Infrastructure Fund (IF), a unit within the Development Bank of Southern Africa, are excited to announce the signing of a Memorandum of Agreement (MoA) towards funding, financing, and implementation of the first phase of the Olifantspoort/ Ebenezer Upgrade Project to the tune of R4.6 billion in Polokwane earlier today.

LNW is mandated to provide bulk water services, in terms of the Water Services Act of 1997, to Water Services Authorities (WSAs), mines and industries within its area of operation in Limpopo. LNW is currently engaged in implementing Phase 1 of the Olifantspoort and Ebenezer Bulk Water Supply Scheme Project, for which tenders for procurement of the work packages related to emergency works on the project are currently being evaluated for project implementation in due course.

The IF is a Presidential initiative pronounced by President Cyril Ramaphosa and established in August 2020 through a partnership between National Treasury, Infrastructure South Africa, and the Development Bank of Southern Africa. The fund is mandated to drive blended infrastructure financing by significantly crowding-in private sector participation in the financing and implementation of infrastructure programmes and projects with speed and scale.

Polokwane Local Municipality (PLM) and the Capricorn District Municipality (CDM) are currently experiencing a water supply crisis, and this is preventing the local municipality from meeting its socio-economic goals.

The broader water infrastructure upgrades and refurbishment programme will be implemented in three phases over a seven-year period at a consolidated cost of approximately R18 billion. The project entails the upgrade and refurbishment of the schemes, which are owned and operated by LNW, and will mostly benefit consumers within the Capricorn District municipal area (Polokwane included). In addition, it will further benefit consumers in various local municipal areas within Sekhukhune and Mopani District municipalities.

The first phase of the project is particularly focused on enabling the City of Polokwane to lift the moratorium on new developments, and expansion of commercial development which was imposed in May 2013 due to water supply constraints. This first phase of the upgrade works is envisaged to increase the availability of potable water supply to the city by 55 to 65 Ml/ day by 2026.

Today's signing of the MoA solidifies a long-term relationship between the parties. The signatories are jointly committed to ensuring that the project is successfully financed, adequately and appropriately procured, and implemented, to ensure that LNW reduces water service backlogs and meets the current and projected water needs of the areas supplied by the two schemes until 2026.

Upon conclusion of the signing of the MoA, LNW's Chief Executive Officer, Dr Cornelius Ruiters, stated that the MoA is paving the way for a long-term collaborative working relationship marking a multi-billion-rand project that stands to benefit the people of Limpopo as well as positively impact the provincial economy. "This welcome boost towards the project certainly sets LNW off on a path of development as it embarks on the biggest infrastructure project undertaken thus far."

Mr Mohale Rakgate, Chief Investment Officer of the Infrastructure Fund, indicated that the conclusion of the MoA enables the Infrastructure Fund to formally trigger market engagement activities such as the issuance of the Project Information Memorandum, Requests for Information and Proposals to the market in order to mobilise R2 billion from the private sector.

#### **Issued by**

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