

[Media Statement]



P O Box 10335 Centurion 0046
Tuinhof Building 265 West Street Centurion 0157
Tel: + 27 12 683 1200 Fax: + 27 12 683 1300
e-mail: lsandlana@tcta.co.za

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TCTA COMMENCES WITH PHASE 2A OF THE MOKOLO-CROCODILE WATER AUGMENTATION PROJECT (MCWAP-2A)

Trans-Caledon Tunnel Authority (TCTA) announced that it has commenced with the implementation of the Mokolo-Crocodile Water Augmentation Project Phase 2A (MCWAP-2A), in Limpopo Province.

The project will augment water supplies to the Lephalale Municipality, Eskom's Matimba and Medupi Power Stations, Exxaro's Grootegeluk mine and to further enable the development of the mineral resources and power generation in the Waterberg Region. The project is also essential for Eskom to implement the flue gas desulphurisation system to reduce the emissions of the new Medupi power station, which is a precondition of the World Bank financing for the project.

MCWAP-2A is aimed at significantly increasing the supply of water to the Lephalale area in the Limpopo Province, an area which is currently experiencing developmental pressure due to an increase in population and economic activity, in a region known to have considerable scarcity of water.

In 2010, TCTA was issued with a directive to implement MCWAP and, in 2016, the Department of Water and Sanitation issued TCTA with an instruction to proceed with MCWAP-2A. The organisation successfully implemented phase 1 of the project (MCWAP-1), and it has been operational since June 2015.

The total estimated capital cost of implementation for MCWAP-2A amounts to R 12.3 Billion (April 2018 prices). TCTA is responsible for securing the funding for the commercial portion of the project, totalling 88.1% of the costs, while the remaining 11.9%, the social portion which is

allocated to domestic and general urban requirements, is to be funded from the fiscus, specifically through anticipated annual transfers from the Department of Water and Sanitation (DWS).

MCWAP-2A is targeted for completion in May 2026.

MCWAP is also a vital project in the region and forms part of the Strategic Integration Project #1 (SIP-1) of the government's National Infrastructure Plan of 2012. SIP-1 is aimed at unlocking the economic potential of the northern mineral belt, located in the Waterberg area of the Limpopo Province. Due to the limited availability of water in the area, the augmentation of water supply forms a key element of the infrastructure framework.

TCTA has appointed GBN Joint-Venture as a Professional Service Provider, to be responsible for the design and construction supervision of the project. The GBN JV is comprised of three companies, namely Gibb (Pty) Ltd, Bigen Africa Services (Pty) Ltd and Nyeleti Consulting (Pty) Ltd.

TCTA looks forward to a successful professional relationship with the company. GBN JV is expected to work with TCTA in ensuring it continues with its track record of delivering its projects on time, on budget and on specification, in line with the organisation's impressive reputation, cultivated over the past 32 years of its existence.

It is estimated that the project will employ at least one thousand people during its implementation, with 50% of the engineers on the project expected to be from a previously disadvantaged background. It will also offer learnerships and bursaries to mostly previously disadvantaged people from the local community.

The procurement for the project will follow the prescribed legislation. The Consultant is expected to allocate 70% of all procurement on the consultancy contract to 51% black-owned small to medium enterprises, and 30% of all procurement spend will be to black women-owned small development businesses. The consultant is also expected to spend 10% of consultants' fees to develop small engineering entities, and 5% of the spend must be on goods and services from small development beneficiaries.

TCTA, through its Corporate Social Investment initiatives, will also identify key community projects which will be aimed at improving the socio-economic conditions of communities affected by project implementation, in line with its corporate responsibility commitments.

As the ultimate owner of the developed infrastructure, the Department of Water and Sanitation will have overall responsibility for the operation and maintenance of the scheme. Although DWS

retains the direct responsibility for the water resources system, part or all of this responsibility may in future be assigned to a regional water utility or another appropriate institution.

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Enquiries: Ms. wanda mkutshulwa, +27(0)82 908 2692 or wmkutshulwa@tcta.co.za.

For more information on TCTA, please visit the website at www.tcta.co.za