

CE ADDRESS

**Mr Paul Baloyi
DBSA**

Welcome to all of you who are here to discuss greening of our infrastructure programmes in South Africa. A special welcome to our partners and supporters of this event: the Department of Environmental Affairs, the CSIR, SANBI and Construction Industry Development Board. DBSA believes that working in partnership with government and other players is key to accelerating infrastructure delivery in our country. Also thanks to Ravi and the DPD for their work in arranging this annual event, which is a major opportunity to gather knowledge workers and practitioners together, to discuss and agree on important steps needed to advance the development agenda in our country.

As we meet here today, DBSA is already working closely with a number of line departments in national government to look at innovative ways of accelerating the development of appropriate infrastructure. We have recently concluded MOAs with the Presidency, Water Affairs, Transport, and Basic Education in this regard, and have been working with the Department of Health on assessing the status of health capital projects since last year.

With particular relevance to this conference, the DBSA is working in partnership with the Department of Environmental Affairs to identify and implement measures to facilitate the resilience of infrastructure and ways to reduce its impact on our environment. We are, together, identifying new sources of finance for the green economy, and channelling this to new projects and programmes, which can advance the green and greener infrastructure agenda.

This event – scheduled over 3 days – comes at an opportune time. It will allow us to focus on the way we deliver the major infrastructure programmes of the state – in transport, the built environment, water and so on – to ensure that they are better

designed to limit damage to the natural environment, and to absorb shocks from it, as we see the impacts of climate change increasingly affecting our country.

But it's not only about climate change at all; it's about understanding, valuing and incorporating ecosystems into the way we plan and deliver infrastructure. We know that these ecosystems, and the biodiversity they encompass, are under major threat too. It is also about the sustainability of our infrastructure and getting the most out of our investments with the least impact on these ecosystems.

This is a topic core to DBSA as the main infrastructure DFI in the country, and a major player on the continent. We are also now part of the BRICs grouping and need to take the greener infrastructure agenda to our partners in that space. We can also use our participation in BRICS as an opportunity to learn from other major emerging economies in so far as infrastructure planning and developing. We know China has a major greener infrastructure agenda, and has invested heavily in renewable energy and public transport for example, as well as in the manufacturing capabilities related to these new growth areas. Brazil, for example, is a leader in bio-diesel and related applications and technologies.

As DBSA is often approached to assist with planning, and funding of infrastructure, we need to be abreast of the latest trends, approaches and technologies in this area. And the greening of infrastructure is certainly a central area and one where we need, with our partners, to sharpen our focus and ensure we are leading the thinking as well as application of new practices.

The opportunity to change the way we deliver infrastructure is there. Indeed, we are already looking at new ways of partnering, funding and delivering infrastructure with the national departments I mentioned, as well as in partnership with provinces and local government. The national infrastructure programme for the MTEF period is just less than R1 trillion, a sizeable amount – and the state's infrastructure programme and spend is likely to be a big part of the development agenda for the country well into the

future as we deal with backlogs, operations and maintenance and new infrastructure projects. How we make choices about what infrastructure, where it is built and when – the sequencing of investments - is now a key consideration – and one the new Infrastructure Commission of the President is exploring.

We all have heard the call for the integration of planning of the various constituent elements of the infrastructure programme to achieve better economies of scale, sequencing, and development impact. Also the need to develop a list of priority infrastructure projects for the country. These tasks have already been identified by this Infrastructure Commission.

DBSA has been spending some time thinking about how to plan and deliver infrastructure delivery, with a particular focus on the creation of decent jobs, and small business opportunities through procurement conditionality with main contractors. The Bank has always understood its stewardship role and Environmental Appraisal Procedures have been a fundamental component of our investment decisions. Improved planning for green elements, and designs and technologies that are able to limit negative impact on the environment, and create resource access and support, is part of our business.

We are very involved in the process of procuring renewable energy generation for the country, through our partnership with National Treasury, and the finance we can provide project developers. I think we all appreciate the urgency and importance of diversifying and expanding the energy generation sources in the country. This kind of national effort to introduce green infrastructure now needs to be expanded to other sectors.

Of course all of this takes place against the backdrop of ongoing global discussions on Climate Change. Towards the end of next month South Africa will host COP 17 in Durban. The world's attention will be on us as a country, but also will consider how we advance the agenda of the developing world. DBSA will be present with our sister DFIs to showcase some of the innovative green projects we have funded and supported as

well as where we see our focus into the future. We hope to be part of the global green agreement that will allow us to access and channel the new green funds that are available for greener infrastructure projects.

So I think the timing is on our side for this event in terms of the issue. But, like with all important changes, it requires adjustment and must take cognisance of the existing environment.

We know South Africa has a situation where a large number of delivery institutions – the various spheres of government and its agencies/ SOEs - are already struggling to comply with legislation, to meet minimum standards of service delivery. We often hear about the backlog in operations and maintenance, as in the water sector for example, where water leaks are a real crisis and would be an obvious area to address in so far as this might reduce the need for new water schemes and supply, and therefore is an obvious green option.

The quest then becomes where should we intervene – which sectors, which parts of the value chain? I hope that greater clarity in response to those sorts of questions is what we arrive at on Day 3, at the end of the conference.

So let me wish you interesting and fruitful discussions, and clarity of purpose that assists to indicate what the critical next steps should be. Someone who is ideally positioned to help inform those critical next steps and who can guide us on where to intervene is our next speaker:

We are delighted today to introduce Minister of Public Enterprises, Mr. Malusi Gigaba, who is a valued partner that will further enhance the impact of Knowledge Week 2011 through the delivery of greener infrastructure programmes of the state through public enterprises:

Malusi Gigaba, who was born in 1971, is South Africa's Minister of Public Enterprises

since 1 November 2010. He is heading the Government's shareholder department which is responsible for Eskom, Transnet, South African Airways, Denel, South African Express, South African Forestry Company, Alexkor and Pebble Bed Modular Reactor. Previously he served as Deputy Minister of Home Affairs from 29 April 2004 to 1 November 2010.

Gigaba is also a member of the National Executive Committee (NEC) of the African National Congress (ANC), the ruling party in South Africa.

Political leadership

Gigaba served the ANC Youth League in various capacities and became its President in 1996. He served three terms before resigning in 2001 to become a Member of Parliament for the ANC. He is still a Member of Parliament.

Academic qualifications

Gigaba graduated from the University of Durban-Westville with a Bachelor of Pedagogics (Education) in 1991. He further completed a Master of Arts degree in Social Policy, majoring in Urban Affairs and Policy, in 1993, graduating in 1994.

Awards received

1997: Certificate of Merit for Outstanding achievements and contribution to faculty and society from the University of Durban Westville

2002: The Jose' Antonio Echeverrias Medal – the highest medal awarded to students and youth leaders in Cuba - from the University of Havana's Aula Matta.

Community involvement

Gigaba, who hails from Eshowe in KwaZulu-Natal, is a patron of various community organisations. These include Celebrating Youth Awakenings Projects (a project aimed at collecting a South African youth anthology); the Oasis for Hope Hospice in Daveyton, Ekurhuleni, and the Tholulwazi Organisation of Youth which is a youth leadership and life-skills programme.

Minister Gigaba we look forward to listen to and to learn from you as you share with us good practices and lessons from SOEs and we thank you for spending this time with us exploring where best to intervene: Mr Gigaba....