

PROJECT FACT SHEET

Project Justification

The forecasts of demand in the Mgeni System showed that the water demand is rising three times faster than previously anticipated, and the need for augmentation of the current supply was urgent. Various augmentation schemes from within the Mgeni System were investigated and proved not feasible, because the existing system is already fully committed and will not be able to provide water at the required assurance level of supply beyond 2012.

The findings of the investigations led to the publishing of a White Paper C-96: "Report on the proposed Mooi-Mgeni River Transfer Scheme" proposing an inter-basin transfer between the Mooi and Mgeni Rivers. The project includes the construction of a dam and a transfer system (pump-station and pipelines) and associated infrastructure that will augment the current yield of the Mgeni System by 60 million m³ per annum.

Mooi Mgeni System

- Yield at 99% Assurance Level
- Current Yield: 334 Mm
- Yield After MMTS-2: 394 Mm

Project Milestones

Milestone	Planned
Impoundment	31/10/12
Water Delivery	31/03/13

Project Cost & Funding

Project Costs

The project is estimated to cost R1.67 billion including escalation and contingency.

Funding

- Bridging Finance - A R200 million bridging facility with Nedbank is currently being utilized to fund "upfront costs"
- Long Term Funding - The European Investment Bank (EIB), Agence Francaise de Development (AFD) and the German Development Bank (KfW) project will commit long-term credit facilities for a total of €195 million (Approx. R 1.85 billion).
- Revolving Credit Facility- TCTA is negotiating a R250 million Revolving Credit Facility with the Development Bank of South Africa (DBSA).

Signing of agreements between TCTA and the Funder took place at the Sod Turning Ceremony on 16 May 2011

Key Project Stakeholders

DWA	Principal
TCTA	Implementing Agent
Umgeni Water	Project Partner
Beneficiaries	eThekweni Municipality uMgungundlovu Municipality Msunduzi Municipality Ugo Municipality Sisonke Municipality Ilembe Municipality

Socio-Economic Development

In order to give effect to the Government Transformation Agenda and to maximise the socio-economic benefits from the project, TCTA has set contractual minimum targets in the following categories:

- Employment;
- Preferential Procurement;
- Enterprise Development; and
- Skills Development.

Socio-Economic Targets

Category	Description	Minimum Target
Employment	The number of person hours employed from the following designated groups expressed as a percentage of the total staff and workforce person-hours employed on the Contract:	
	• Unskilled labour from Mpofana and uMngeni Municipal areas)	100%
	• Semi-skilled labour (Black People)	80%
	• Semi-skilled labour from KZN	15%
Preferential Procurement	The total value of goods and services preferentially procured from sources external to the Joint Venture members.	20%
	Preferential Procurement in the following categories expressed as a percentage of the Contract Amount (excluding VAT)	
	• 50% Black Owned Enterprise	15%
	• 50% Black Owned Enterprise (KZN)	5%
	• 30 % Black Women Owned Enterprise	2.5%
• 30 % Black Women Owned Enterprise (KZN)	0.6%	
Enterprise Development	Total expenditure on expressed as a percentage of the Contract Amount:	
	• All Enterprise Development Beneficiaries	12%
	• Enterprise Development Beneficiaries from KZN	6%
	• Turnover of one of the Enterprise Development Beneficiaries by the end of the Contract	Doubled
Skills Development	Total expenditure on training of unskilled personnel recruited from the Mpofana and uMngeni Municipal areas, and semi-skilled personnel recruited from the KZN region (expressed as percentage of the Contract Amount).	0.25%