

Appeal in case concerning R40m SA-Zimbabwe border fence dismissed

An application for special leave to appeal related to the construction of the border fence between South Africa and Zimbabwe at a cost of R40m has been dismissed.



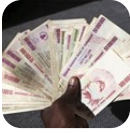
Source: [Pexels](#)

The application, brought by Caledon River Properties and Profteam CC, was aimed at overturning a High Court decision to strip them of profits earned from the construction of the fence.

The judgment was handed down by the Supreme Court of Appeal.

“The SIU welcomes the Supreme Court of Appeal’s order, which enforces the implementation of the SIU’s investigation outcomes and consequence management to recover financial losses suffered by the State due to negligence or corruption,” the SIU said.

At the height of the Covid-19 pandemic, the two companies were contracted by the Department of Public Works and Infrastructure (DPWI) to construct the razor mesh fence between South Africa and Zimbabwe at a cost of some R40m.



“Soon after the fence was erected in March 2020, it started to fall apart. In July 2020, President Cyril Ramaphosa authorised [the] SIU through Proclamation R. 23 of 2020, to investigate the affairs of all state institutions in respect of the procurement or contracting for goods, works and services during or in respect of the National State of Disaster, by or on behalf of State institutions.

Profit divestment order

“The Proclamation prompted the SIU to investigate the awarding of contracts to Caledon River Properties Pty Ltd and Profteam CC.

“In March 2022, the Special Tribunal reviewed and set aside two contracts awarded to service providers. The Tribunal also ordered the service providers to be divested of the profits earned from the multimillion-rand contracts,” the unit said.

According to the SIU, the two companies then agreed to the “declaration of invalidity of the contracts due to procurement irregularities”.

“However, they appealed to the full bench of the High Court to challenge the Special Tribunal’s order, depriving them of the profits made from the impugned contracts,” the unit said.

For more, visit: <https://www.bizcommunity.com>