



Department of Public Works &
Infrastructure
REPUBLIC OF SOUTH AFRICA



Updated report on the funding, reporting and accounting structures of Infrastructure South Africa (ISA) to perform the infrastructure coordination function in the DPWI

Presentation to the Portfolio Committee on Public Works and Infrastructure

20 October 2020



Department of Public Works & Infrastructure
REPUBLIC OF SOUTH AFRICA

CONSOLIDATION OF THE INFRASTRUCTURE MANDATE IN THE 6TH ADMINISTRATION



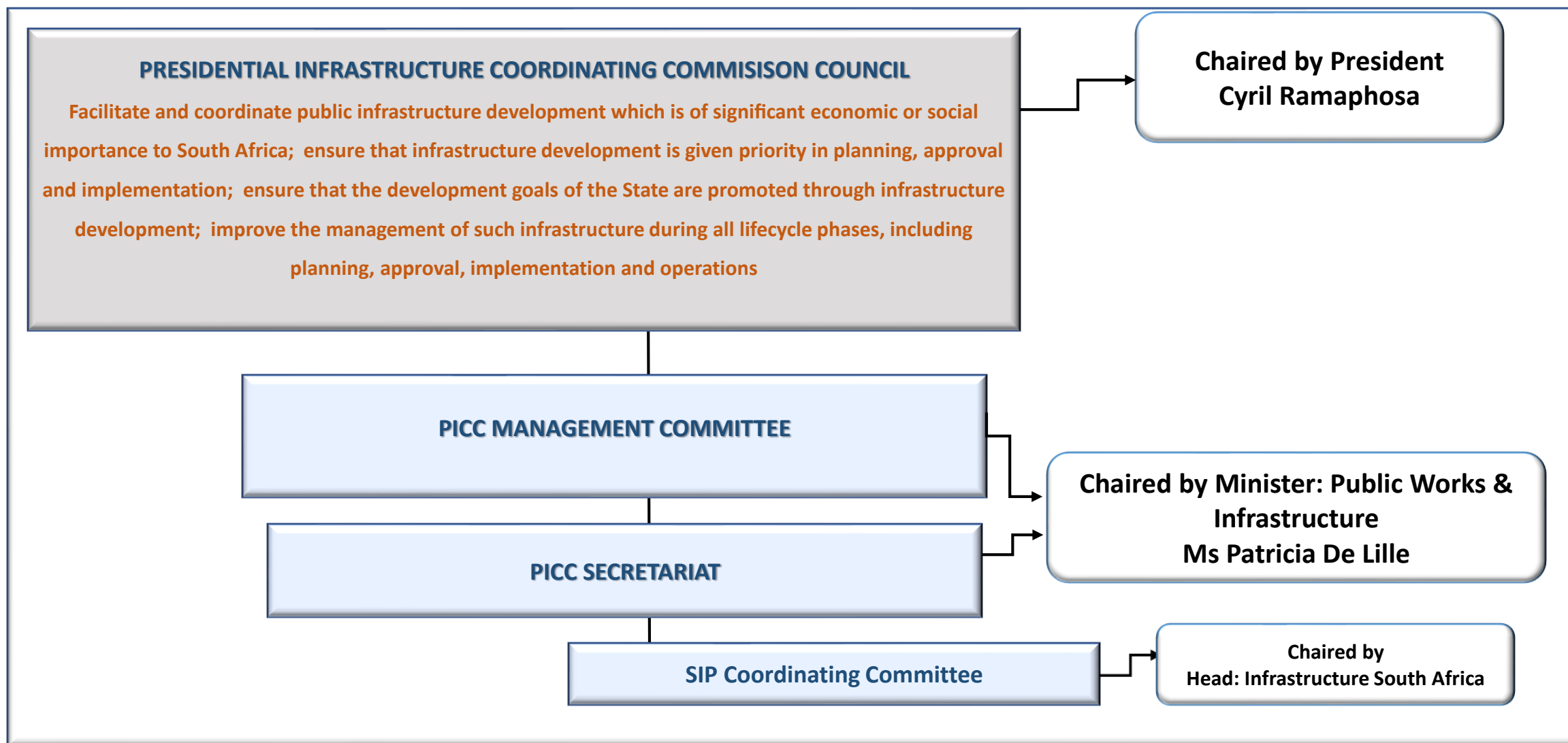
Department of Public Works & Infrastructure
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INFRASTRUCTURE MANDATE: ACCOUNTING STRUCTURES



Infrastructure Development Act, No 23 of 2014 as Amended

Institutional Coordinating Mechanisms: Reporting and Accountability





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SOUTH AFRICA'S INFRASTRUCTURE INVESTMENT PLAN



South Africa's Infrastructure Investment Plan

Flywheel in Infrastructure Investment and Implementation

At the Cabinet meeting of 2 April 2020 President Ramaphosa gave clear direction that the Country is facing a recession of enormous proportions, and COVID-19 has placed South Africa in an even worse position. Closing economy for a five-week period will have dramatic impact on our Country and the World.

The President further stated that we should also be able to identify the sector that can be the flywheel to get us out of this hole. The Flywheel is Infrastructure Investment and Implementation, through an immediate and purpose-driven Recovery Plan that will not only kick-start our economy but will also stimulate the Construction Sector which has been hit the hardest.

SA's Infrastructure Investment Plan will lead to major job creation and at the same time address the essential service needs of communities in both our rural and urban areas, as infrastructure investment will focus on:

- ☐ Network Infrastructure, Agricultural Infrastructure, Human Settlements Infrastructure & Social Infrastructure;
- ☐ Building new and upgrading existing infrastructure;
- ☐ Repurposing redundant infrastructure; and
- ☐ Expediting the maintenance of neglected infrastructure.



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INFRASTRUCTURE SOUTH AFRICA: MANDATE, REPORTING AND FUNDING



INFRASTRUCTURE SOUTH AFRICA

The Single-Entry Point for Infrastructure Investment & Implementation

The intent of the President in the 6th Administration is to centralise all infrastructure aspects under one banner and to ensure that there is consolidated capacity to drive infrastructure-led economic growth for South Africa.

Presidential Infrastructure Coordinating Commission (PICC) Council

Chaired by the President

EXECUTIVE FOCAL POINT

- **Regulations** for the Infrastructure Development Act, No 23 of 2014
- Oversight of the **National Infrastructure Plan 2045**
- **Oversight** of the Strategic Infrastructure Project Pipeline and the IF in terms of the Presidential Proclamation.
- **Oversight and reporting of infrastructure development implementation** targets – achievements, best practices, blockages, interventions, etc.
- Chairperson of the PICC Secretariat and Management Committee

Minister: Public Works & Infrastructure
Ms Patricia De Lille, MP

Head: Infrastructure South Africa

Infrastructure Role-players

Chairperson of the SIP Steering Committee to manage the Strategic Integrated Projects

Criteria and Projects for Blended Financing
Infrastructure Investment Committee

TECHNICAL FOCAL POINT

- **Central point of reference** for strategic infrastructure planning, infrastructure and alignment
- **Develop & Manage & Implement** the National Infrastructure Plan 2045
- **Develop & Manage** the Comprehensive Infrastructure Project Pipeline
- **Coordinate and align** the work of the various structures responsible for both economic and social infrastructure.
- Oversee the IF aimed at achieving **blended financing of infrastructure**.
- **Coordination** of the monitoring and evaluation infrastructure development dashboard
- Investment management in infrastructure and sweat the Property Portfolio in a strategic manner



Infrastructure South Africa

The Single-Entry Point for Infrastructure Investment & Implementation

SA's Infrastructure Investment Plan has been developed within the context that Infrastructure South Africa or ISA will take up the responsibility of its overall co-ordination to ensure its implementation. ISA has been envisaged within the context of the Infrastructure Development Act, No 23 of 2014, as amended and so has **SA's Infrastructure Investment Plan, in order to expedite delivery, job creation and to immediately kick-start our economy through infrastructure implementation and investment.**

In executing **SA's Infrastructure Investment Plan**, ISA will:

- Work across all spheres of Government
- Ensure that all projects are taken through the SIDS Methodology, and:
 - Have undertaken a comprehensive needs analysis;
 - Interlinking and interdependent infrastructure networks are modelled, not individual projects;
 - Infrastructure and related network resilience has been factored in;
 - Infrastructure interdependencies (between assets and between networks) have been costed;
 - Monitoring and identifying learnings.
- Maintain good performance through planned maintenance and smarter use of assets.
- Transform large-scale capital projects in terms of their planning, governance, financial management, investment, implementation and lifecycle management.
- Facilitate long-term investment in infrastructure across the public and private sectors



REPORTING



FUNDING



INFRASTRUCTURE INVESTMENT PLAN

Immediate, Medium and Long-term Activities and Targets

Design and Delivery of Infrastructure Projects & NIP2045

Immediate-Term: End March 2021

- **Accelerate implementation** of gazetted Strategic Integrated Projects
- **Institutionalise the SIDS Methodology** and ensure standardisation, consistency and transparency to build investor confidence & create visible project pipeline
- **Infrastructure Fund** – operationalise and announce first wave of blended finance projects
- Focus on project preparation and packaging
- Issue Infrastructure Development Act
- Develop the **National Infrastructure Plan 2045**

Embed SIDS Methodology and align with budget & planning cycles

Infrastructure Delivery Management & Financing

Medium-Term: 2021/22 Financial Year

- Facilitate medium & long-term infrastructure investment across the public and private sectors
- Innovative and alternative financial & investment **instruments**
- Programmatic approach for scale and impact
- **Project preparation funding** to close the funding gap
- Implement elements of the National Infrastructure Plan 2045
- Work with private sector to **develop critical skills and capability in public sector**– focus on provincial government & some municipalities

Focus on regulatory and policy reforms to accelerate infrastructure investment

Comprehensive Infrastructure Pipeline Financing

Long-Term : MTEF Period

- Monitoring, evaluation and review
- **Insights and innovations**
- Infrastructure Practice Notes
- Continual implementation of the National Infrastructure Plan 2045 and the Comprehensive Infrastructure Pipeline of Projects
- Infrastructure Investment Development Index
- Institutionalised impact assessments

SA's Infrastructure Investment Plan, Monitoring & Evaluation



FUNDING FOR THE 2020/21 FINANCIAL YEAR

Approved funding for Infrastructure South Africa

The table below represents a budget allocation of **R23.062** million for 2020/21 financial year.

ECONOMIC CLASSIFICATIONS	AMOUNT
	2020/21
	R'000
Current payments	23,062
Compensation of employees	11,943
Goods and services	11,119
Transfers and Subsidies	0
Household	0
Payment for capital assets	0
Machinery and equipment	0
Total	23,062



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THE END